

**2014 -- H 8170 AS AMENDED**

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LC005583  
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**STATE OF RHODE ISLAND**

**IN GENERAL ASSEMBLY**

**JANUARY SESSION, A.D. 2014**

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- VIDEO LOTTERY TERMINAL

Introduced By: Representative Raymond E.Gallison

Date Introduced: May 08, 2014

Referred To: House Finance

It is enacted by the General Assembly as follows:

1           SECTION 1. The general assembly hereby finds that:

2           (1) The state of Rhode Island operates table games at the Twin River facility ("Twin  
3 River") located in the town of Lincoln pursuant to § 42-61.2-2.1 and electoral approval in  
4 accordance with Article VI, Section 22 of the Rhode Island Constitution. The state of Rhode  
5 Island also operates video lottery games at Twin River pursuant to § 42-61.2-2.

6           (2) It is imperative that legislative action be taken to preserve and protect the state's  
7 ability to maximize revenues at Twin River in an increasingly competitive gaming market by  
8 expanding critical revenue-driving programs.

9           (3) The extension of credit to table game and video lottery players (collectively, "players"  
10 or "patrons") is a vital customer service function that facilitates a gaming program's long-term  
11 success.

12           (4) While preserving and protecting the state's ability to maximize revenues in the  
13 competitive gaming market is imperative to the financial well being of the state, the general  
14 assembly also recognizes the need to balance that concern with the financial well being and safety  
15 of its citizens.

16           (5) While gaming and gambling can be a healthy source of recreation and entertainment  
17 enjoyed by many people, the general assembly must insure that persons who obtain a line of  
18 credit from or at a state-operated gaming facility or casino are financially sound and financially  
19 capable of entering into agreements for a line of credit.

1           (6) It is the intent of the general assembly to authorize the establishment of a program for  
2 the extension of credit to players at Twin River pursuant to the terms and conditions hereof and  
3 the rules and regulations submitted by Twin River and approved and promulgated by the division  
4 of lotteries.

5           It is also the intent of the general assembly to place limitations on the amount of the line  
6 of credit that may be provided to an individual patron by or at a state-operated gaming facility or  
7 casino.

8           SECTION 2. Section 42-61.2-1 of the General Laws in Chapter 42-61.2 entitled "Video  
9 Lottery Terminal" is hereby amended to read as follows:

10           **42-61.2-1. Definitions. [Effective June 30, 2009.]** -- For the purpose of this chapter, the  
11 following words shall mean:

12           (1) "Central communication system" means a system approved by the lottery division,  
13 linking all video lottery machines at a licensee location to provide auditing program information  
14 and any other information determined by the lottery. In addition, the central communications  
15 system must provide all computer hardware and related software necessary for the establishment  
16 and implementation of a comprehensive system as required by the division. The central  
17 communications licensee may provide a maximum of fifty percent (50%) of the video lottery  
18 terminals.

19           (2) "Licensed video lottery retailer" means a pari-mutuel licensee specifically licensed  
20 by the director subject to the approval of the division to become a licensed video lottery retailer.

21           (3) "Net terminal income" means currency placed into a video lottery terminal less  
22 credits redeemed for cash by players.

23           (4) "Pari-mutuel licensee" means an entity licensed and authorized to conduct:

- 24           (i) Dog racing, pursuant to chapter 3.1 of title 41; and/or  
25           (ii) Jai-alai games, pursuant to chapter 7 of title 41.

26           (5) "Technology provider" means any individual, partnership, corporation, or association  
27 that designs, manufactures, installs, maintains, distributes or supplies video lottery machines or  
28 associated equipment for the sale or use in this state.

29           (6) "Video lottery games" means lottery games played on video lottery terminals  
30 controlled by the lottery division.

31           (7) "Video lottery terminal" means any electronic computerized video game machine  
32 that, upon the insertion of cash or any other representation of value that has been approved by the  
33 division of lotteries, is available to play a video game authorized by the lottery division, and  
34 which uses a video display and microprocessors in which, by chance, the player may receive free

1 games or credits that can be redeemed for cash. The term does not include a machine that directly  
2 dispenses coins, cash, or tokens.

3 (8) "Casino gaming" means any and all table and casino-style games played with cards,  
4 dice or equipment, for money, credit, or any representative of value; including, but not limited to  
5 roulette, blackjack, big six, craps, poker, baccarat, paigow, any banking or percentage game, or  
6 any other game of device included within the definition of Class III gaming as that term is  
7 defined in Section 2703(8) of Title 25 of the United States Code and which is approved by the  
8 state through the division of state lottery.

9 (9) "Net Table Game Revenue" means win from Table Games minus counterfeit  
10 currency.

11 (10) "Rake" means a set fee or percentage of cash and chips representing cash wagered  
12 in the playing of a nonbanking Table Game assessed by a Table Game Retailer for providing the  
13 services of a dealer, gaming table or location, to allow the play of any nonbanking Table Game.

14 (11) "Table Game" or "Table Gaming" means that type of Casino Gaming in which table  
15 games are played for cash or chips representing cash [or any other representation of value that has](#)  
16 [been approved by the division of lotteries](#), using cards, dice or equipment and conducted by one  
17 or more live persons.

18 (12) "Table Game Retailer" means a retailer authorized to conduct Table Gaming  
19 pursuant to sections 42-61.2-2.1 and 42-61.2-2.2 of the Rhode Island General Laws.

20 [\(13\) "Credit facilitator" means any employee of Twin River approved in writing by the](#)  
21 [division whose responsibility is to, among other things, review applications for credit by players,](#)  
22 [verify information on credit applications, grant, deny and suspend credit, establish credit limits,](#)  
23 [increase and decrease credit limits, and maintain credit files, all in accordance with this chapter](#)  
24 [and rules and regulations approved by the division.](#)

25 SECTION 3. Chapter 42-61.2 of the General Laws entitled "Video Lottery Terminal" is  
26 hereby amended by adding thereto the following section:

27 **42-61.2-3.2. Gaming credit authorized.** – [\(a\) Authority. In addition to the powers and](#)  
28 [duties of the state lottery director under §§ 42-61-4, 42-61.2-3, 42-61.2-3.1 and 42-61.2-4, the](#)  
29 [division shall authorize Twin River to extend credit to players pursuant to the terms and](#)  
30 [conditions of this chapter.](#)

31 [\(b\) Credit. Notwithstanding any provision of the general laws to the contrary, including](#)  
32 [without limitation §11-19-17, except for applicable licensing laws and regulations, Twin River](#)  
33 [may extend interest-free, unsecured credit to its patrons for the sole purpose of such patrons](#)  
34 [making wagers at table games and/or video lottery terminals at the Twin River facility, subject to](#)

1 the terms and conditions of this chapter.

2 (c) Regulations. Within ninety (90) days of the effective date of this section, Twin River  
3 shall submit to the division of lotteries for review and approval proposed rules and regulations  
4 regarding to the establishment of procedures governing a program for the extension of credit, and  
5 requirements with respect to a credit applicant's financial fitness, including, without limitation,  
6 annual income, debt-to-income ratio, prior credit history, average monthly bank balance and/or  
7 level of play. The division of lotteries may approve, approve with modification or disapprove any  
8 portion of the policies and procedures submitted for review and approval.

9 (d) Credit applications. Each applicant for credit shall submit a written application to  
10 Twin River, which shall be maintained by Twin River for three (3) years in a confidential credit  
11 file. The application shall include the patron's name, address, telephone number, social security  
12 number and comprehensive bank account information, the requested credit limit, the patron's  
13 approximate amount of current indebtedness, the amount and source of income in support of the  
14 application, the patron's signature on the application, a certification of truthfulness and any other  
15 information deemed relevant by Twin River or the division of lotteries.

16 (e) Credit application verification. As part of the review of a credit application and before  
17 an application for credit is approved, Twin River shall verify:

18 (1) The identity, creditworthiness and indebtedness information of the applicant by  
19 conducting a comprehensive review of:

20 (i) The information submitted with the application;

21 (ii) Indebtedness information regarding the applicant received from a credit bureau;  
22 and/or

23 (iii) Information regarding the applicant's credit activity at other licensed facilities which  
24 Twin River may obtain through a casino credit bureau and, if appropriate, through direct contact  
25 with other casinos.

26 (2) That the applicant's name is not included on an exclusion or self-exclusion list  
27 maintained by Twin River and/or the division of lotteries.

28 (3) As part of the credit application, Twin River shall notify each applicant in advance  
29 that Twin River will verify the information in subsections (e)(1) and (e)(2) of this section and  
30 may verify any other information provided by the applicant as part of the credit application. The  
31 applicant is required to acknowledge in writing that he or she understands that the verification  
32 process will be conducted as part of the application process and that he or she consents to having  
33 said verification process conducted.

34 (f) Establishment of credit. After a review of the credit application and upon completion

1 of the verification required under subsection (e) of this section, and subject to the rules and  
2 regulations approved by the division of lotteries, a credit facilitator may approve or deny an  
3 application for credit to a player. The credit facilitator shall establish a credit limit for each patron  
4 to whom credit is granted. The approval or denial of credit shall be recorded in the applicant's  
5 credit file which shall also include the information that was verified as part of the review process,  
6 and the reasons and information relied on by the credit facilitator in approving or denying the  
7 extension of credit and determining the credit limit. Subject to the rules and regulations approved  
8 by the division of lotteries, increases to an individual's credit limit may be approved by a credit  
9 facilitator upon receipt of written request from the player after a review of updated financial  
10 information requested by the credit facilitator and re-verification of the player's credit  
11 information.

12 (g) Recordkeeping. Detailed information pertaining to all transactions affecting an  
13 individual's outstanding indebtedness to Twin River shall be recorded in chronological order in  
14 the individual's credit file. The financial information in an application for credit and documents  
15 related thereto shall be confidential. All credit application files shall be maintained by Twin River  
16 in a secure manner and shall not be accessible to anyone that is not a credit facilitator or a Twin  
17 River manager or officer responsible for the oversight of the extension of credit program.

18 (h) Reduction or suspension of credit. A credit facilitator may reduce a player's credit  
19 limit or suspend his or her credit to the extent permitted by the rules and regulations approved by  
20 the division of lotteries, and shall reduce a player's credit limit or suspend a player's credit limit as  
21 required by said rules and regulations.

22 (i) Voluntary credit suspension. A player may request that Twin River suspend or reduce  
23 his or her credit. Upon receipt of a written request to do so, the player's credit shall be reduced or  
24 suspended as requested. A copy of the request and the action taken by the credit facilitator shall  
25 be placed in the player's credit application file.

26 (j) Liability. In the event that a player fails to repay a debt owed to Twin River resulting  
27 from the extension of credit by Twin River, neither the state of Rhode Island nor the division of  
28 lotteries shall be responsible for the loss and said loss shall not affect Net Table Game Revenue  
29 or Net Terminal Income. Twin River, the state of Rhode Island, the division of lotteries, and/or  
30 any employee of Twin River, shall not be liable in any judicial or administrative proceeding to  
31 any player, any individual or any other party, including table game patrons or individuals on the  
32 voluntary suspension list, for any harm, monetary or otherwise, which may arise as a result of:

33 (1) Granting or denial of credit to a player;

34 (2) Increasing the credit limit of a player;

- 1           (3) Allowing a player to exercise his or her right to use credit as otherwise authorized;  
2           (4) Failure of Twin River to increase a credit limit;  
3           (5) Failure of Twin River to restore credit privileges that have been suspended whether  
4 involuntarily or at the request of the table game patron; or  
5           (6) Permitting or prohibiting an individual whose credit privileges have been suspended  
6 whether involuntarily or at the request of the player to engage in gaming activity in a licensed  
7 facility while on the voluntary credit suspension list.  
8           (k) Limitations. Notwithstanding any other provision of this chapter, for any extensions  
9 of credit, the maximum amount of outstanding credit per player shall be fifty thousand dollars  
10 (\$50,000).

11           SECTION 4. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- VIDEO LOTTERY TERMINAL

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1           This act would authorize the extension of credit to players at the Twin River gaming  
2 facility, and would establish the statutory guidelines governing such extension of credit.

3           This act would take effect upon passage.

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