

2011 -- H 5788

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2011

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT - VIDEO LOTTERY TERMINAL

Introduced By: Representatives San Bento, Malik, JP O'Neill, Palumbo, and Flaherty

Date Introduced: March 03, 2011

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 42-61.2-7 of the General Laws in Chapter 42-61.2 entitled "Video  
2 Lottery Terminal" is hereby amended to read as follows:

3 **42-61.2-7. Division of revenue. [Effective June 30, 2009 and expires June 30, 2011.] -**

4 **-(a)** Notwithstanding the provisions of section 42-61-15, the allocation of net terminal income  
5 derived from video lottery games is as follows:

6 (1) For deposit in the general fund and to the state lottery division fund for  
7 administrative purposes: Net terminal income not otherwise disbursed in accordance with  
8 subdivisions (a)(2) -- (a)(6) herein;

9 (i) Except for the fiscal year ending June 30, 2008, nineteen one hundredths of one  
10 percent (0.19%) up to a maximum of twenty million dollars (\$20,000,000) shall be equally  
11 allocated to the distressed communities as defined in section 45-13-12 provided that no eligible  
12 community shall receive more than twenty-five percent (25%) of that community's currently  
13 enacted municipal budget as its share under this specific subsection. Distributions made under  
14 this specific subsection are supplemental to all other distributions made under any portion of  
15 general laws section 45-13-12. For the fiscal year ending June 30, 2008 distributions by  
16 community shall be identical to the distributions made in the fiscal year ending June 30, 2007 and  
17 shall be made from general appropriations. For the fiscal year ending June 30, 2009, the total  
18 state distribution shall be the same total amount distributed in the fiscal year ending June 30,  
19 2008 and shall be made from general appropriations. For the fiscal year ending June 30, 2010, the

1 total state distribution shall be the same total amount distributed in the fiscal year ending June 30,  
2 2009 and shall be made from general appropriations, provided however that \$784,458 of the total  
3 appropriation shall be distributed equally to each qualifying distressed community.

4 (ii) Five one hundredths of one percent (0.05%) up to a maximum of five million dollars  
5 (\$5,000,000) shall be appropriated to property tax relief to fully fund the provisions of section 44-  
6 33-2.1. The maximum credit defined in subdivision 44-33-9(2) shall increase to the maximum  
7 amount to the nearest five dollar (\$5.00) increment within the allocation until a maximum credit  
8 of five hundred dollars (\$500) is obtained. In no event shall the exemption in any fiscal year be  
9 less than the prior fiscal year.

10 (iii) One and twenty-two one hundredths of one percent (1.22%) to fund section 44-34.1-  
11 1, entitled "Motor Vehicle and Trailer Excise Tax Elimination Act of 1998", to the maximum  
12 amount to the nearest two hundred fifty dollar (\$250) increment within the allocation. In no event  
13 shall the exemption in any fiscal year be less than the prior fiscal year.

14 (iv) Except for the fiscal year ending June 30, 2008, ten one hundredths of one percent  
15 (0.10%) to a maximum of ten million dollars (\$10,000,000) for supplemental distribution to  
16 communities not included in paragraph (a)(1)(i) above distributed proportionately on the basis of  
17 general revenue sharing distributed for that fiscal year. For the fiscal year ending June 30, 2008  
18 distributions by community shall be identical to the distributions made in the fiscal year ending  
19 June 30, 2007 and shall be made from general appropriations. For the fiscal year ending June 30,  
20 2009, no funding shall be disbursed. For the fiscal year ending June 30, 2010 and thereafter,  
21 funding shall be determined by appropriation.

22 (2) To the licensed video lottery retailer:

23 (a) (i) Prior to the effective date of the NGJA Master Contract, Newport Jai Ali twenty-  
24 six percent (26%) minus three hundred eighty four thousand nine hundred ninety-six dollars  
25 (\$384,996);

26 (ii) On and after the effective date of the NGJA Master Contract, to the licensed video  
27 lottery retailer who is a party to the NGJA Master Contract, all sums due and payable under said  
28 Master Contract minus three hundred eighty four thousand nine hundred ninety-six dollars  
29 (\$384,996).

30 (b) (i) Prior to the effective date of the UTGR Master Contract, to the present licensed  
31 video lottery retailer at Lincoln Park which is not a party to the UTGR Master Contract, twenty-  
32 eight and eighty-five one hundredths percent (28.85%) minus seven hundred sixty-seven  
33 thousand six hundred eighty-seven dollars (\$767,687);

34 (ii) On and after the effective date of the UTGR Master Contract, to the licensed video

1 lottery retailer who is a party to the UTGR Master Contract, all sums due and payable under said  
2 Master Contract minus seven hundred sixty-seven thousand six hundred eighty-seven dollars  
3 (\$767,687).

4 (3) (i) To the technology providers who are not a party to the GTECH Master Contract  
5 as set forth and referenced in Public Law 2003, Chapter 32, seven percent (7%) of the net  
6 terminal income of the provider's terminals; Such technology providers shall not be precluded  
7 from negotiating with the State of Rhode Island, the Rhode Island oversight committee or the  
8 licensed video lottery retailers for additional compensation for terminals in an effort to remain  
9 competitive.

10 (ii) To contractors who are a party to the Master Contract as set forth and referenced in  
11 Public Law 2003, Chapter 32, all sums due and payable under said Master Contract;

12 (iii) Notwithstanding paragraphs (i) and (ii) above, there shall be subtracted  
13 proportionately from the payments to technology providers the sum of six hundred twenty-eight  
14 thousand seven hundred thirty-seven dollars (\$628,737);

15 (4) To the city of Newport one and one hundredth percent (1.01%) of net terminal  
16 income of authorized machines at Newport Grand except that effective November 9, 2009, the  
17 allocation shall be one and two tenths percent (1.2%) of net terminal income of authorized  
18 machines at Newport Grand for each week the facility operates video lottery games on a twenty-  
19 four (24) hour basis for all eligible hours authorized and to the town of Lincoln one and twenty-  
20 six hundredths percent (1.26%) of net terminal income of authorized machines at Lincoln Park  
21 except that effective November 9, 2009, the allocation shall be one and forty-five hundredths  
22 percent (1.45%) of net terminal income of authorized machines at Lincoln Park for each week the  
23 facility operates video lottery games on a twenty-four (24) hour basis for all eligible hours  
24 authorized;

25 (5) To the Narragansett Indian Tribe, seventeen hundredths of one percent (0.17%) of net  
26 terminal income of authorized machines at Lincoln Park up to a maximum of ten million dollars  
27 (\$10,000,000) per year, which shall be paid to the Narragansett Indian Tribe for the account of a  
28 Tribal Development Fund to be used for the purpose of encouraging and promoting: home  
29 ownership and improvement, elderly housing, adult vocational training; health and social  
30 services; childcare; natural resource protection; and economic development consistent with state  
31 law. Provided, however, such distribution shall terminate upon the opening of any gaming facility  
32 in which the Narragansett Indians are entitled to any payments or other incentives; and provided  
33 further, any monies distributed hereunder shall not be used for, or spent on previously contracted  
34 debts; and

1 (6) Unclaimed prizes and credits shall remit to the general fund of the state;

2 (7) Payments into the state's general fund specified in subdivisions (a)(1) and (a)(6) shall  
3 be made on an estimated monthly basis. Payment shall be made on the tenth day following the  
4 close of the month except for the last month when payment shall be on the last business day.

5 (b) Notwithstanding the above, the amounts payable by the Division to UTGR related to  
6 the Marketing Program shall be paid on a frequency agreed by the Division, but no less  
7 frequently than annually.

8 (c) Notwithstanding anything in this chapter 61.2 of this title 42 to the contrary, the  
9 Director is authorized to fund the Marketing Program as described above in regard to the First  
10 Amendment to the UTGR Master Contract.

11 (d) Notwithstanding the above, the amounts payable by the Division to Newport Grand  
12 related to the Marketing Program shall be paid on a frequency agreed by the Division, but no less  
13 frequently than annually.

14 (e) Notwithstanding anything in this chapter 61.2 of this title 42 to the contrary, the  
15 Director is authorized to fund the Marketing Program as described above in regard to the First  
16 Amendment to the Newport Grand Master Contract.

17 SECTION 2. 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 allow technology providers to negotiate with the State of Rhode Island,  
2 the Rhode Island Oversight committee or the licensed video lottery retailers for additional  
3 compensation for terminals in an effort to remain competitive.

4           This act would take effect upon passage.

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