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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2011

A N A C T

RELATING TO SPORTS, RACING, AND ATHLETICS

Introduced By: Representatives Jackson, Lally, Silva, DaSilva, and Keable

Date Introduced: June 14, 2011

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 41-3 of the General Laws entitled "Horseracing" is hereby repealed  
2 in its entirety.

3 CHAPTER 41-3

4 HORSERACING

5 ~~41-3-1. License required for racing. — No person, association, or corporation shall hold~~  
6 ~~or conduct any meeting within the state where horseracing shall be permitted for any stake, purse,~~  
7 ~~or reward, except such person, association, or corporation as shall be licensed by the division of~~  
8 ~~racing and athletics as provided in this chapter, and after an affirmative vote of the qualified~~  
9 ~~electors as provided in chapter 9 of this title.~~

10 ~~41-3-2. Town or city election on establishment of track. — Before a horseracing track~~  
11 ~~shall be established in any town or city, the approval of the question as is required by chapter 9 of~~  
12 ~~this title shall be necessary, and if consent be thus given, all further regulations shall rest with the~~  
13 ~~division of racing and athletics.~~

14 ~~41-3-3. Classes of licenses. — The division of racing and athletics shall be empowered to~~  
15 ~~license race meets under the following classes:~~

16 ~~(1) Class A. Horse running races, so called.~~

17 ~~(2) Class B. Competitive harness horse races, which are run in connection with the grand~~  
18 ~~circuit, so called.~~

19 ~~(3) Class C. Competitive harness horse races, which are not run in connection with the~~

1 ~~grand circuit, so called.~~

2 ~~(4) Class D. Competitive horse races where there is no wagering.~~

3 ~~(5) Class E. Harness racing by any incorporated association duly authorized to maintain~~  
4 ~~agricultural exhibits.~~

5 ~~**41-3-4. Application for license -- Action by division.** -- (a) Any person, association, or~~  
6 ~~corporation desiring to conduct horseracing within this state shall apply to the division of racing~~  
7 ~~and athletics for a license on forms provided by the division. The application shall specify the~~  
8 ~~days on which horseracing is to be conducted, the location of the horseracing, and such other~~  
9 ~~information as may be required by the division.~~

10 ~~(b) The division may also require any person, association, or corporation to give~~  
11 ~~information as to financial standing and credit. The division shall have the right to reject any~~  
12 ~~applications for a license for any cause, which it may deem sufficient, and the action of the~~  
13 ~~division both as to the license and the date of award shall be final, subject to the right of appeal~~  
14 ~~provided by chapter 2 of this title.~~

15 ~~(c) The division shall, as far as practicable, avoid conflicts in the dates assigned or~~  
16 ~~awarded for horseracing in the state.~~

17 ~~**41-3-5. Award of dates for Class A racing.** -- The application for a Class A license shall~~  
18 ~~be filed on or before the fifteenth day of February in any year and the division of racing and~~  
19 ~~athletics having considered the applications, shall on or before the first day of April in any year,~~  
20 ~~assign or award all dates for racing within the state for the current year; provided, however, that~~  
21 ~~the division in its discretion, may receive applications at a later date and may change the~~  
22 ~~assignment or award if in its judgment the change is found necessary, but prior to making the~~  
23 ~~change it shall print a public notice in the newspapers and shall give the party aggrieved by the~~  
24 ~~change an opportunity to be heard.~~

25 ~~**41-3-6. Renewal of Class A licenses.** -- Class A licenses when granted shall be~~  
26 ~~renewable at the option of the licensee for a period of ten (10) years, provided the licensee~~  
27 ~~complies with the provisions of this chapter and chapter 4 of this title.~~

28 ~~**41-3-7. Rebate of license fees.** -- If by any reason or cause beyond the control of and~~  
29 ~~through no fault or neglect of any licensee and while the licensee is not in default, it should~~  
30 ~~become impossible or impracticable to conduct horseracing upon any day or days licensed by the~~  
31 ~~division of racing and athletics, at the request of the licensee and upon sworn statements,~~  
32 ~~submitted in writing by the licensee, the division may rebate all or part of the license fee.~~

33 ~~**41-3-8. Licensing of owners, trainers, jockeys, and other personnel.** -- The division at~~  
34 ~~its discretion shall license owners, trainers, jockeys, starters, exercise boys, hotwalkers, grooms,~~

1 ~~and all other stable personnel as well as pari-mutuel employees, concessioners and vendors,~~  
2 ~~security personnel, licensees, employees, pari-mutuel totalizator companies and its employees,~~  
3 ~~and all employees of race track management.~~

4 ~~41-3-8.1. Licensing of concessioners, vendors, pari-mutuel totalizator companies,~~

5 ~~and employees.~~ -- (a) All persons, firms, partnerships, associations, or corporations desiring to

6 ~~operate any concession allied to any horseracing track, shall apply for a license to the division of~~  
7 ~~racing and athletics, on such forms and in such a manner as prescribed by regulations of the~~

8 ~~division. The division, by regulation, shall establish other occupational licensing for all~~  
9 ~~employees of the concessions, all pari-mutuel employees, and all persons employed in any other~~

10 ~~capacity by the race track management, and for other persons engaged in racing activities at any~~  
11 ~~horseracing track. (b) All persons, firms, associations, or corporations employed by the~~

12 ~~management of a horseracing track in providing pari-mutuel totalizator computer services for~~  
13 ~~pari-mutuel computations, shall apply for a license to the division of racing and athletics upon~~

14 ~~such forms and in such manner as prescribed by regulations of the division. All employees of the~~  
15 ~~pari-mutuel totalizator computer companies shall be licensed by the division on forms prescribed~~

16 ~~by regulations of the division. (c) In determining whether to grant a license pursuant to this~~  
17 ~~section, the division may require the applicant to submit information as to: financial standing and~~

18 ~~credit; moral character; criminal record, if any; previous employment; corporate, partnership or~~  
19 ~~association affiliations; ownership of personal assets; and such other information as it deems~~

20 ~~pertinent to the issuance of the license. The division may reject for good cause an application for~~  
21 ~~a license, and it may suspend or revoke for good cause any license issued by it after a hearing~~

22 ~~held in accordance with chapter 35 of title 42, and subject to further appeal procedures provided~~  
23 ~~by section 41-2-3. (d) The issuance of a license and the payment of annual fees shall be in~~

24 ~~accordance with the following schedule:~~

- ~~=forms (1) Concessionaire and vendors \$100 (2) Occupational license: Owners 5.00—~~  
~~Trainers 5.00 Jockeys 5.00 Apprentice jockeys 5.00 Authorized agents 5.00 Starters —~~  
~~5.00 Stable employees 5.00 Assumed names 10.00 Colors 5.00 (3) Vendors and —~~  
~~concessionaries' employees 5.00 (4) Par-mutuel employees 5.00 (5) Employees of race track-~~  
~~management 5.00 (6) Pari-mutuel totalizator company 100 (7) Pari-mutuel totalizator~~  
~~company employees 5.00 =forme-~~

25 ~~(e) All individual applicants for licensing under this section shall be fingerprinted, and~~  
26 ~~upon obtaining the license, shall wear upon his or her outer apparel a photo identification badge,~~

27 ~~issued or authorized by the division of racing and athletics under rules and regulations~~  
28 ~~promulgated by the division.~~

1           ~~**41-3-9. Rules as to betting and track operation -- Deputies.** -- The division of racing  
2 and athletics may make rules and regulations governing the operation of the tracks and stables.  
3 The division may make rules regulating betting at the horseracing events. The division may, at its  
4 discretion, appoint deputies, not exceeding twenty two (22), to perform such duties as the rules  
5 and regulations of the division may require.~~

6           ~~**41-3-9.1. Admittance in stable enclosure.** -- (a) No person shall enter the stable  
7 enclosure of a licensee of thoroughbred horses kept for a racing meeting without first obtaining  
8 the proper photo identification or permission in writing from the designated track security  
9 authority.~~

10           ~~(b) Any person violating this section shall be guilty of a misdemeanor punishable by a  
11 fine up to one hundred dollars (\$100) or a jail sentence of up to thirty (30) days or both for the  
12 first offense, and the second and subsequent offense shall be punishable by a fine up to two  
13 hundred (\$200) dollars or up to ninety (90) days in jail or both.~~

14           ~~(c) This section shall not apply to any police officer or firefighter in the exercise of his or  
15 her lawful duty.~~

16           ~~**41-3-10. Accounting methods.** -- The division of racing and athletics shall have the  
17 power to require that the books and financial or other statements of any person, corporation, or  
18 association licensed under the provisions of this chapter shall be kept in any manner which to the  
19 division may seem best, and the division shall also be authorized to visit, to investigate, and to  
20 place expert accountants and such other persons as it may deem necessary, in the offices, tracks,  
21 or places of business of any person, corporation, or association, for the purpose of satisfying itself  
22 that the division's rules and regulations are strictly complied with.~~

23           ~~**41-3-11. Employees of licensees.** -- The division of racing and athletics may at any time  
24 for cause require the removal of any employee or official employed by any licensee hereunder.~~

25           ~~**41-3-12. Compelling production of records.** -- The division of racing and athletics shall  
26 have power to compel the production of any and all books, memoranda, or documents showing  
27 the receipts and disbursements of any person, corporation, or association licensed under the  
28 provisions of this chapter to conduct race meetings.~~

29           ~~**41-3-13. Witnesses before division.** -- The division of racing and athletics shall have  
30 power to summon witnesses before it and to administer oaths or affirmations to the witnesses  
31 whenever, in the judgment of the division, it may be necessary for the effectual discharge of its  
32 duties; and any person failing to appear before the division at the time and place specified in  
33 answer to the summons, or refusing to testify, shall be guilty of a misdemeanor and, upon  
34 conviction in a court of competent jurisdiction, shall be punished by a fine of not more than five~~

1 ~~hundred dollars (\$500) or by a sentence to the adult correctional institutions for not more than six~~  
2 ~~(6) months, or by a sentence to both a fine and imprisonment, in the judgment of the court. False~~  
3 ~~swearing on the part of any witnesses shall be deemed perjury, and shall be punished as perjury.~~

4 ~~**41-3-14. Suspension or revocation of license.** --- Any license granted under the~~  
5 ~~provisions of this chapter shall be subject to the rules and regulations set forth by the division of~~  
6 ~~racing and athletics, and shall be subject to suspension or revocation for any cause which the~~  
7 ~~division shall deem sufficient, after giving the licensee a reasonable opportunity for a hearing at~~  
8 ~~which he or she shall have the right to be represented by counsel. If any license is suspended or~~  
9 ~~revoked, the division shall state the reasons for the suspension or revocation and cause an entry of~~  
10 ~~the reasons to be made on the record books of the division.~~

11 ~~**41-3-15. Penalty for unauthorized racing.** --- Any person aiding or abetting in the~~  
12 ~~conduct of any meeting within this state at which racing of horses shall be permitted for any~~  
13 ~~stake, purse, or reward, except in accordance with a license duly issued and unsuspended or un-~~  
14 ~~revoked by the division of racing and athletics, shall be guilty of a misdemeanor, and upon~~  
15 ~~conviction, shall be punished by a fine of not more than five hundred dollars (\$500) for each day~~  
16 ~~of the unauthorized meeting or by imprisonment for not exceeding six (6) months, or both a fine~~  
17 ~~and imprisonment, in the discretion of the court.~~

18 ~~**41-3-16. Municipal taxation of tracks.** --- No fee, tax, or other emolument shall be~~  
19 ~~exacted by any city or town for the use of track or events conducted thereon under the provisions~~  
20 ~~of this chapter, and the right to establish any fees, taxes, or other emoluments shall rest with the~~  
21 ~~division of racing and athletics in accordance with law; provided, however, that nothing in this~~  
22 ~~chapter or chapter 4 of this title contained shall be construed to prevent any city or town from~~  
23 ~~assessing and collecting taxes upon the real and personal property used by or in connection with~~  
24 ~~any racing track.~~

25 ~~**41-3-17. Ejection of undesirable persons -- Rights of licensee.** --- Any licensee under~~  
26 ~~this chapter shall have the right to refuse admission to and to eject from the enclosure of any pari-~~  
27 ~~mutuel facility where a pari-mutuel meeting licensed under the provisions of this chapter, is being~~  
28 ~~held, any person or persons whose presence within the enclosure is, in the sole judgment of the~~  
29 ~~licensee, its agents, or servants, undesirable.~~

30 ~~**41-3-18. Penalty for refusing to leave.** --- Any person or persons within the enclosure~~  
31 ~~deemed undesirable by the licensee, its agents, or servants or who has been ordered to leave or~~  
32 ~~who has been previously ejected, shall, upon refusal to leave, be guilty of a misdemeanor, and~~  
33 ~~upon conviction thereof, be punished by a fine of not more than one hundred dollars (\$100) or~~  
34 ~~imprisoned not more than one year or both.~~

1 ~~**41-3-19. Severability.**— The invalidity of any sections or parts of any section or sections~~  
2 ~~of this chapter or chapter 4 of this title shall not affect the validity of the remainder of the~~  
3 ~~chapters.~~

4 ~~**41-3-20. Majority of directors of licensee to be residents.**— The majority of the~~  
5 ~~membership of the board of directors of any corporation licensed to hold or conduct any meeting~~  
6 ~~within the state where horseracing shall be permitted for any stake, purse, or reward, shall be~~  
7 ~~residents of the state.~~

8 ~~**41-3-21. Chemical test.**— There shall be administered to the first three (3) finishers and~~  
9 ~~to the last finisher of every horse race, the appropriate chemical test authorized by the division of~~  
10 ~~racing and athletics.~~

11 SECTION 2. Chapter 41-3.1 of the General Laws entitled "Dog Racing in Burrillville,  
12 Lincoln, and West Greenwich" is hereby repealed in its entirety.

### 13 CHAPTER 41-3.1

#### 14 DOG RACING IN BURRILLVILLE, LINCOLN, AND WEST GREENWICH

15 ~~**41-3.1-1. Operation of dog racing facilities.**— Any person desiring to operate a facility~~  
16 ~~for the exhibition of the sport called dog racing in the towns of Burrillville, Lincoln, and West~~  
17 ~~Greenwich, may do so upon the compliance with the terms and provisions of this chapter and~~  
18 ~~pursuant to the provisions of chapter 9 of this title.~~

19 ~~**41-3.1-2. "Sports facilities" defined.**— The words "sports facilities" as used in this~~  
20 ~~chapter, means a building or enclosure in which dog racing is conducted.~~

21 ~~**41-3.1-3. Regulation of operations.**— (a) The division of racing and athletics is hereby~~  
22 ~~authorized to license dog racing in the towns of Burrillville, Lincoln, and West Greenwich. The~~  
23 ~~operation of a dog track shall be under the division's supervision. The division is hereby~~  
24 ~~authorized to issue rules and regulations for the supervision of the operations, and the regulations~~  
25 ~~are to be issued prior to commencement of licensing hearings.~~

26 ~~(b) Any license granted under the provisions of this chapter shall be subject to the rules~~  
27 ~~and regulations promulgated by the division and shall be subject to suspension or revocation for~~  
28 ~~any cause which the division shall deem sufficient after giving the licensee a reasonable~~  
29 ~~opportunity for a hearing at which he or she shall have the right to be represented by counsel. If~~  
30 ~~any license is suspended or revoked, the division shall state the reasons for the suspension or~~  
31 ~~revocation and cause an entry of the reasons to be made on the record books of the division.~~

32 ~~(c) The division of commercial licensing and racing and athletics in the department of~~  
33 ~~business regulation shall be prohibited from licensing dog racing and/or the operation of a dog~~  
34 ~~track upon which dog racing occurs in the town of Lincoln. Any license having been issued and~~

1 ~~in effect as of the effective date of this section shall be null and void and any licensee shall be~~  
2 ~~prohibited from operating thereunder; provided, however, that the following entities shall be~~  
3 ~~deemed pari mutuel licensees as defined in section 42-61.2-1 et seq. and licensees as defined in~~  
4 ~~section 41-11-1 et seq.: (1) Any entity having been issued a license to operate a dog track prior to~~  
5 ~~December 31, 2008; and (2) Any entity having been issued a license to operate a dog track prior~~  
6 ~~to December 31, 2008 that after such date is reorganized under a confirmed plan of reorganization~~  
7 ~~pursuant to chapter 11 of title 11 of the United States Bankruptcy Code (11 U.S.C. sections 101—~~  
8 ~~1532); and provided, further, that in the case of a reorganized licensee under clause (2) above, its~~  
9 ~~application for a Facility Permit license is approved and issued by the department of business~~  
10 ~~regulation in the event of a proposed change in control of the entity. Nothing herein shall limit the~~  
11 ~~ability of the department of business regulation, in connection with a proposed change in control,~~  
12 ~~to investigate and subject to the regulatory due diligence process, any holder of an ownership~~  
13 ~~interest regardless of percentage of ownership held.~~

14 ~~**41-3.1-4. Powers and duties of racing and athletics division.** -- In addition to the other~~  
15 ~~powers conferred upon the division, the division of racing and athletics shall carry out the~~  
16 ~~provisions of this chapter, and to that end, the division may:~~

17 ~~-(1) Personally or by agent, supervise and check the making of pari mutuel pools and~~  
18 ~~wages and the distribution therefrom;~~

19 ~~-(2) Fix and set the dates within which any dog track may be operated; provided,~~  
20 ~~however, there shall be at least one hundred twenty five (125) days annually of the operation; and~~

21 ~~-(3) Require any applicant for a permit to operate a dog track to file an application under~~  
22 ~~oath setting forth:~~

23 ~~-(i) The full name of the person, firm, corporation, or association, and if a corporation, the~~  
24 ~~name of the state under which it is incorporated, as well as the names of the officers and directors~~  
25 ~~of the corporation, and their places of residence, or if an association, the name and residence of~~  
26 ~~the members of the association;~~

27 ~~-(ii) The exact location where it is desired to operate a dog track;~~

28 ~~-(iii) Whether or not the dog track is owned or leased, and if leased, the name, residence,~~  
29 ~~and address of the owners or lessees, or if the owner or lessee be a corporation, the name and~~  
30 ~~address of the officers and directors thereof;~~

31 ~~-(iv) A statement of the assets and liabilities of the person, firm, corporation, or~~  
32 ~~association making application for the permit; and~~

33 ~~-(v) Such other information as the division may require.~~

34 ~~**41-3.1-5. Wages and pari-mutuel pools permitted within enclosure of dog track.** --~~

1 ~~The pari-mutuel system, so-called, or other form of betting system authorized by this chapter,~~  
2 ~~shall not be used or permitted at any location other than the race track at which the dog racing~~  
3 ~~event is licensed to be conducted.~~

4 ~~**41-3.1-5.1. Sale or purchase of twin double tickets.** --- The sale or purchase of twin-~~  
5 ~~double tickets or attempting to aid or abet in the sale or purchase of twin double tickets through~~  
6 ~~solicitation of patrons attending, other than through pari-mutuel machines, is prohibited. Any~~  
7 ~~person violating the provisions of this section shall be denied admission to all dog tracks in the~~  
8 ~~state and may be prosecuted. Persons convicted of violating the provisions of this chapter shall be~~  
9 ~~punishable by a fine of not more than five hundred dollars (\$500) or by imprisonment for up to~~  
10 ~~one year or both.~~

11 ~~**41-3.1-6. Tax on betting and licensee's commission.** --- (a) (1) The commission of a~~  
12 ~~licensee on pari-mutuel pools and wagers shall be eighteen percent (18%) of the amount~~  
13 ~~contributed thereto.~~

14 ~~-(2) After deducting the commission and the "breaks," hereafter defined, a pari-mutuel~~  
15 ~~pool shall be redistributed to the contributors. The licensee conducting such events pursuant to~~  
16 ~~this chapter shall pay a tax to the state of five and one half percent (5.5%) of the amounts~~  
17 ~~contributed to the pari-mutuel pool. The licensee shall pay a tax of one half of one percent (.5%)~~  
18 ~~of the pool to each city or town in which any portion of the racing facility, including parking~~  
19 ~~areas, storage areas, buildings, and entrances or exits to or from property being used in~~  
20 ~~conjunction with the operation of dog racing, is located.~~

21 ~~-(b) Redistribution of funds otherwise distributable to the contributors to the pari-mutuel~~  
22 ~~pools shall be a sum equal to the next lowest multiple of ten (10).~~

23 ~~-(c) No distribution of a pari-mutuel pool shall be made of the odd cents of any sum~~  
24 ~~otherwise distributable, which odd cents shall be known as the "breaks".~~

25 ~~-(d) The "breaks" shall be known as the difference between the amount contributed to a~~  
26 ~~pari-mutuel pool and the total of the commission of the licensee and the sums actually~~  
27 ~~redistributed to the contributors.~~

28 ~~-(e) No person or corporation shall directly or indirectly purchase pari-mutuel tickets or~~  
29 ~~participate in the purchase of any part of a pari-mutuel pool for another for hire or for any~~  
30 ~~gratuity, and no person shall purchase any part of a pari-mutuel pool, through another, wherein he~~  
31 ~~or she gives or pays directly or indirectly the other person anything of value, and any person~~  
32 ~~violating this section shall be fined the sum of five hundred dollars (\$500) for each violation.~~

33 ~~**41-3.1-7. Distribution of funds.** --- All money mentioned in this chapter derived from~~  
34 ~~taxes on wagers and pari-mutuel pools shall be disbursed by the state treasurer pursuant to~~



1 ~~chapter 4 of this title. Except as is inconsistent therewith, the provisions of chapters 3 and 4 of~~  
2 ~~this title shall apply to the sport of dog racing.~~

3 ~~**41-3.1-8. Tax on breaks -- Distribution.** -- (a) A tax is hereby levied upon every pari-~~  
4 ~~mutuel pool conducted at the dog track, equal to fifty percent (50%) of the "breaks" as defined in~~  
5 ~~section 41-3.1-6(d).~~

6 ~~(b) It shall be the duty of every dog track licensee to pay unto the state treasurer the tax~~  
7 ~~hereby levied and the licensee shall be liable therefor.~~

8 ~~**41-3.1-9. Severability.** -- If any provision of this chapter or the application thereof to any~~  
9 ~~person or circumstances is held invalid, the invalidity shall not effect other provisions or~~  
10 ~~applications, and to this end the provisions of this chapter are severable.~~

11 ~~**41-3.1-10. Chemical test.** -- There shall be administered to one randomly selected~~  
12 ~~finisher, of every dog race, the appropriate chemical test authorized by the division of racing~~  
13 ~~athletics. The department of business regulation is authorized to establish by rule and regulation~~  
14 ~~procedures required for the chemical testing.~~

15 ~~**41-3.1-11. Applications -- Disclosure requirements.** -- Upon filing of an application(s)~~  
16 ~~to the department of business regulation or the division of lotteries with respect to a parimutuel or~~  
17 ~~video lottery license, the department of business regulation and/or the division of lotteries, as the~~  
18 ~~case may be, shall, upon a proper request made pursuant to chapter 2 of title 38 of the Rhode~~  
19 ~~Island general laws entitled "access to public records", disclose the name, business address and~~  
20 ~~contact person of the person or entity filing such an application in accordance with said chapter 2~~  
21 ~~of title 38. Any and all other personal or financial information contained in such application(s) is~~  
22 ~~expressly exempted from provisions of said chapter 2 of title 38 and is hereby deemed not to be a~~  
23 ~~public record as defined therein.~~

24 SECTION 3. Chapter 41-4 of the General Laws entitled "Mutuel Betting and License  
25 Fees" is hereby repealed in its entirety.

## 26 CHAPTER 41-4

### 27 MUTUEL BETTING AND LICENSE FEES

28 ~~**41-4-1. Meets at which betting authorized -- Types of mutuels.** -- (a) The division of~~  
29 ~~racing and athletics may permit at racing events, licensed under the provisions of chapter 3 of this~~  
30 ~~title betting under pari-mutuel system, so-called, or auction-mutuel system, so-called, except as~~  
31 ~~otherwise provided in this chapter.~~

32 ~~(b) Events run under Class A shall be conducted under the pari-mutuel system only.~~

33 ~~(c) Events run under Classes B, C, and E shall be conducted under the pari-mutuel or~~  
34 ~~auction-mutuel system as the division may determine.~~

1           ~~**41-4-2. Betting only at track -- Minors prohibited.** -- The pari-mutuel system, so~~  
2 ~~called, or other form of betting system authorized by this chapter, shall not be used or permitted~~  
3 ~~at any location other than the race track at which the horseracing event is licensed to be~~  
4 ~~conducted. No licensee shall knowingly permit any minor to be a patron of the pari-mutuel~~  
5 ~~system or other betting system authorized by this chapter.~~

6           ~~**41-4-3. Tax on pari-mutuel betting.** -- (a) Each licensee conducting racing events under~~  
7 ~~the pari-mutuel system shall pay to the state, and there is hereby imposed:~~

8           ~~(1) A tax at the rate of three percent (3%) of the total money wagered on so-called~~  
9 ~~straight (win, place, or show) wagering on the events; and~~

10           ~~(2) A tax at the rate of six percent (6%) of the total money wagered on so-called exotic~~  
11 ~~or multiple forms of wagering on the events; and~~

12           ~~(3) A tax equal to one-half (1/2) of the breakage to the dime resulting from the wagering.~~

13           ~~(b) Each licensee conducting harness horseracing events under the pari-mutuel system~~  
14 ~~shall pay to the state, and there is hereby imposed:~~

15           ~~(1) A tax at the rate of five and one-half percent (5.5%) of so much of the total amount~~  
16 ~~of money wagered daily on such events as does not exceed four hundred thousand dollars~~  
17 ~~(\$400,000); six and three-quarters percent (6.75%) of so much thereof as exceeds four hundred~~  
18 ~~thousand dollars (\$400,000), but does not exceed four hundred and fifty thousand dollars~~  
19 ~~(\$450,000); seven and one-quarter percent (7.25%) of so much thereof as exceeds four hundred~~  
20 ~~and fifty thousand dollars (\$450,000), but does not exceed five hundred thousand dollars~~  
21 ~~(\$500,000); and ten percent (10%) of so much of the total amount of money wagered on such~~  
22 ~~events as exceeds five hundred thousand dollars (\$500,000);~~

23           ~~(2) A tax equal to one-half (1/2) of the breakage to the dime resulting from the wagering.~~

24           ~~(c) Each licensee conducting dog racing events under the pari-mutuel system shall pay to~~  
25 ~~the state, and there is hereby imposed, a tax on such events at the rate of:~~

26           ~~(1) Five and one-half percent (5.5%) of the first one hundred and fifty thousand dollars~~  
27 ~~(\$150,000) of money wagered daily; plus nine percent (9%) on amounts wagered from one~~  
28 ~~hundred and fifty thousand dollars (\$150,000) to two hundred and fifty thousand dollars~~  
29 ~~(\$250,000); plus ten and one-quarter percent (10.25%) on amounts wagered from two hundred~~  
30 ~~and fifty thousand dollars (\$250,000) to three hundred and seventy five thousand dollars~~  
31 ~~(\$375,000); plus ten and three-quarters percent (10.75%) on amounts wagered over three hundred~~  
32 ~~and seventy five thousand dollars (\$375,000); and~~

33           ~~(2) One-half (1/2) of the breakage to the dime resulting from the wagering.~~

34           ~~**41-4-4. Licensee's commission under pari-mutuel system.** -- (a) Each licensee under~~

1 ~~the pari-mutuel system may retain as the licensee's commission:~~

2 ~~-(1) Not to exceed sixteen percent (16%) of the total amount of money wagered on so~~  
3 ~~called straight (win, place, or show) wagering on events; and~~

4 ~~-(2) Not to exceed eighteen percent (18%) of the total amount of money wagered on so~~  
5 ~~called exotic or multiple forms of wagering on such events, and one-half (1/2) of the breakage to~~  
6 ~~the dime resulting from the wagering.~~

7 ~~-(b) Each licensee conducting a harness horseracing meeting under the pari-mutuel~~  
8 ~~system may retain as the licensee's commission:~~

9 ~~-(1) Not to exceed eleven and one-half percent (11.5%) of so much of the total amount of~~  
10 ~~money wagered daily on such events as does not exceed four hundred thousand dollars~~  
11 ~~(\$400,000); ten and one-quarter percent (10.25%) of so much thereof as exceeds four hundred~~  
12 ~~thousand dollars (\$400,000), but does not exceed four hundred and fifty thousand dollars~~  
13 ~~(\$450,000); nine and three-quarters percent (9.75%) of so much thereof as exceeds four hundred~~  
14 ~~and fifty thousand dollars (\$450,000), but does not exceed five hundred thousand dollars~~  
15 ~~(\$500,000); and seven percent (7%) of so much of the total amount of money wagered on such~~  
16 ~~events as exceeds five hundred thousand dollars (\$500,000); and~~

17 ~~-(2) One-half (1/2) of the breakage to the dime resulting from the wagering.~~

18 ~~-(c) Each licensee conducting dog racing events under the pari-mutuel system may retain~~  
19 ~~as the licensee's commission an amount not to exceed:~~

20 ~~-(1) Eleven and one-half percent (11.5%) of the first one hundred and fifty thousand~~  
21 ~~dollars (\$150,000) of money wagered daily; plus eight percent (8%) on amounts wagered from~~  
22 ~~one hundred and fifty thousand dollars (\$150,000) to two hundred and fifty thousand dollars~~  
23 ~~(\$250,000); plus six and three-quarters percent (6.75%) on amounts wagered from two hundred~~  
24 ~~and fifty thousand dollars (\$250,000) to three hundred and seventy five thousand dollars~~  
25 ~~(\$375,000); plus six and one-quarter percent (6.25%) on amounts wagered over three hundred and~~  
26 ~~seventy five thousand dollars (\$375,000); and~~

27 ~~-(2) One-half (1/2) of the breakage to the dime resulting from the wagering.~~

28 ~~**41-4-4.1. Support of racing division activities -- Tax.** (a) Notwithstanding the~~  
29 ~~provisions of section 41-4-3 or section 41-3-1-6 each licensee conducting racing events under the~~  
30 ~~pari-mutuel system shall collect an additional five percent (5%) of all money wagered on the~~  
31 ~~multiple pools at racing tracks. "Multiple pools" shall be defined as all forms of wagering other~~  
32 ~~than win, place, and show. This five percent (5%) tax shall be over and above the schedule of~~  
33 ~~taxes as set forth in section 41-4-3, and shall be distributed as follows:~~

34 ~~-(1) One and one-half percent (1.5%) shall be paid to the department of business~~

1 ~~regulation and these proceeds shall be deposited as general revenue.~~

2 ~~(2) One half of one percent (.5%) shall be paid to owners of dog kennels who are under~~  
3 ~~contract with a licensee who shall distribute funds to the owners of dog kennels in a manner~~  
4 ~~consistent with the generally accepted distribution of dog kennel owners' purses subject to an~~  
5 ~~annual audit by the auditor general or his or her designee.~~

6 ~~(3) One and one half percent (1.5%) shall be paid to the licensee provided that there is at~~  
7 ~~least three hundred forty (340) scheduled performances during the calendar year.~~

8 ~~(4) One and one half percent (1.5%) shall be paid to the state and revert to the general~~  
9 ~~fund.~~

10 ~~(b) Notwithstanding the provisions of section 41-3-1-6 each licensee conducting racing~~  
11 ~~events under the pari-mutuel system shall collect an additional four percent (4%) of all moneys~~  
12 ~~wagered on so-called straight (win, place, or show) wagering. This four percent (4%) tax shall be~~  
13 ~~over and above the schedule of taxes as set forth in section 41-3-1-6, and shall be distributed as~~  
14 ~~follows:~~

15 ~~(1) One percent (1%) shall be paid to the town of Lincoln; and~~

16 ~~(2) One percent (1%) shall be paid to owners of dog kennels who are under contract with~~  
17 ~~a licensee who shall distribute funds to the owners of dog kennels in a manner consistent with the~~  
18 ~~generally accepted distribution of dog kennel owners' purses subject to an annual audit by the~~  
19 ~~auditor general or his or her designee.~~

20 ~~(3) Two percent (2%) shall be paid to the state and revert to the general fund.~~

21 ~~**41-4-5. Taxes and license fees under auction mutuel system.** -- If events are conducted~~  
22 ~~under the auction mutuel system the following taxes and license fees are hereby imposed:~~

23 ~~(1) As to Class B events, a tax of two percent (2%) of the total amount of money~~  
24 ~~wagered and also a license fee of two hundred dollars (\$200) per day;~~

25 ~~(2) As to Class C events, a tax of one and one half percent (1.5%) of the total amount of~~  
26 ~~money wagered and also a license fee of fifty dollars (\$50.00) per day;~~

27 ~~(3) As to Class E events, a tax of one percent (1%) of the total amount of money~~  
28 ~~wagered and also a license fee of twenty dollars (\$20.00) per day.~~

29 ~~**41-4-6. Licensee's commission under auction mutuel system.** -- Each licensee under~~  
30 ~~the auction mutuel system may retain, as the licensee's commission, not to exceed five percent~~  
31 ~~(5%) of the total amount of money wagered.~~

32 ~~**41-4-7. Class D license fee.** -- Events run under Class D shall pay a fee not exceeding ten~~  
33 ~~dollars (\$10.00) per day; provided, however, that no wagering of any sort shall be allowed at the~~  
34 ~~events.~~

1           ~~**41-4-8. Collection of taxes -- Interest on delinquencies -- Failure to pay on demand.**~~  
2           ~~The tax administrator shall assess and collect the taxes imposed by this chapter under such rules~~  
3           ~~and regulations as he or she may prescribe. All taxes hereby imposed shall be due and payable at~~  
4           ~~the close of each day's racing and any tax not paid upon demand of the tax administrator shall~~  
5           ~~bear interest at the rate of six percent (6%) per annum from the time of the demand. Failure to pay~~  
6           ~~any tax upon demand shall be cause for revocation of a license.~~

7           ~~**41-4-9. Accounting system -- Supervision of betting.**~~ The division of racing and  
8           athletics shall devise a system of accounting and shall supervise betting at a track in a manner so  
9           that the rights of the state are protected, and shall collect all fees and licenses under such rules  
10          and regulations as it shall prescribe.

11          ~~**41-4-9.1. Licensing of concessioners, vendors, and pari-mutuel totalizator**~~  
12          ~~**companies.**~~ (a) All persons, firms, partnerships, associations, or corporations desiring to  
13          operate any concession allied to any dog racing track, shall apply for a license to the division of  
14          racing and athletics, on such forms and in such a manner as prescribed by regulations of the  
15          division. The division by regulations shall establish other occupational licensing for all  
16          employees of the concessions, all pari-mutuel employees, and all persons employed in any other  
17          capacity by the race track management, and for other persons engaged in racing activities at any  
18          dog racing track. (b) All persons, firms, associations, or corporations employed by the  
19          management of a dog racing track in providing pari-mutuel totalizator computer services for pari-  
20          mutuel computations, shall apply for a license to the division of racing and athletics upon such  
21          forms and in such manner prescribed by regulations of the division. All employees of the pari-  
22          mutuel totalizator computer companies shall be licensed by the division on forms prescribed by  
23          regulations of the division. (c) In determining whether to grant a license pursuant to this section  
24          the division may require the applicant to submit information as to: financial standing and credit;  
25          moral character; criminal record, if any; previous employment; corporate, partnership or  
26          association affiliations; ownership of personal assets; and such other information as it deems  
27          pertinent to the issuance of the license. The division may reject for good cause an application for  
28          a license, and it may suspend or revoke for good cause any license issued by it after a hearing  
29          held in accordance with chapter 35 of title 42 and subject to further appeal procedures provided  
30          by section 41-2-3. (d) The division shall issue a three (3) year license commencing with license  
31          year 2007. The division shall implement a graduated system in 2007 where one third of licenses  
32          due to expire shall be renewed for one year, a second third of licenses due to expire shall be  
33          renewed for two (2) years, and the final third of licenses due to expire shall be renewed for three  
34          (3) years, with licensing fees prorated accordingly. As said licenses become due for renewal,

1 licenses shall be renewed for a three (3) year period of time. All licenses issued shall be in  
2 accordance with regulations and the following schedule:

~~forms (1) For gaming facility employees: (A) Key employees \$300.00 (B) Operation  
employees \$150.00 (C) Service employees \$75.00 (2) For gaming facility non employees:  
(A) Concessionaires and vendors: \$750.00 (B) Occupational licenses: Owners 450.00  
Trainers 150.00 Assumed names 150.00 Kennel people 75.00 (C) Concessionaire and  
vendor's employees 75.00 (D) Pari mutuel totalizator companies 750.00 (E) Pari mutuel  
totalizator company employees 150.00~~

3 ~~(e) All individual applicants for licensing under this section shall be fingerprinted, and,  
4 upon obtaining the license, shall wear upon his or her outer apparel a photo identification badge,  
5 issued or authorized by the division of racing and athletics under rules and regulations  
6 promulgated by the division. (f) The cost of the licensing pursuant to this section shall be paid by  
7 the employer of the licensee, and shall include one hundred and fifty percent (150%) of the total  
8 salaries and benefits for the state employees engaged in the licensing at each facility. The fund  
9 shall be deposited as restricted receipts for the use of the state and shall be in addition to any  
10 taxes and fees otherwise payable to the state.~~

11 ~~**41-4-10. Unclaimed winnings.** --- The amount of unclaimed money, as determined by the  
12 division of racing and athletics, now held or which shall hereafter be held by any licensee, on  
13 account of outstanding and un-cashed winning tickets shall, at the expiration of one year after the  
14 close of the meeting during which the tickets were issued, be collected forthwith from the  
15 licensee by the division and shall be paid over to the general treasurer for the use of the state and  
16 all unclaimed money shall be held in an escrow account by the licensee until collected by the  
17 division.~~

18 ~~**41-4-11. Entry of premises for inspection of operations.** --- The division of racing and  
19 athletics may authorize members of the division or duly authorized deputies to enter upon the  
20 premises at any racing event for the purpose of inspecting books and records, supervising and  
21 examining cashiers, ticket sellers, pool sellers, and other persons handling money at the event and  
22 such other supervision as may be necessary for the maintenance of order at the event.~~

23 ~~**41-4-12. Monthly statement of receipts -- Payments to treasurer.** --- The division of  
24 racing and athletics shall, on or before the tenth day of each month, prepare and file with the  
25 general treasurer a full and complete statement of its receipts from all sources, and shall turn over  
26 to the general treasurer all moneys in its possession.~~

27 ~~**41-4-13. Repealed.** ---~~

28 ~~**41-4-14. Dog racing -- Distribution of pari-mutuel pool to communities where tracks**~~

1 ~~located. -- After deducting the commission and the "breaks," as required by law, a pari-mutuel~~  
2 ~~pool shall be redistributed to the contributors. The licensee of a dog track shall pay a tax to the~~  
3 ~~state of five and one-half percent (5.5%) of the amounts contributed to the mutuel pool. The~~  
4 ~~licensee shall pay a tax of one-half of one percent (.5%) of such pool to each city or town within~~  
5 ~~whose borders the racing facility or any portion thereof, including parking areas, storage areas,~~  
6 ~~buildings, and entrances or exits to or from the property being used in conjunction with the~~  
7 ~~operation of dog racing, is located.~~

8 ~~**41-4-14.1. Local approval.** -- Section 41-4-14 shall take effect upon the approval of the~~  
9 ~~voters of any city or town voting on the question allowing the sport of dog racing, subject,~~  
10 ~~however, to an affirmative vote as provided in chapter 9 of title 41.~~

11 SECTION 4. Chapter 41-7 of the General Laws entitled "Jai Alai" is hereby repealed in  
12 its entirety.

13 CHAPTER 41-7

14 JAI ALAI

15 ~~**41-7-1. Operation of jai alai sports facilities.** -- Any person desiring to operate a facility~~  
16 ~~for the exhibition of the Spanish sport called jai alai in the city of Newport may do so upon the~~  
17 ~~compliance with the terms and provisions of this chapter.~~

18 ~~**41-7-2. "Sports facilities" and "frontons" defined.** -- The words "sports facilities" and~~  
19 ~~"fronton" as used in this chapter mean a building or enclosure in which is provided a playing~~  
20 ~~court with three (3) walls so designed and constructed for the playing of that sports game of ball~~  
21 ~~as played in Spanish-speaking countries, called jai alai or pelota.~~

22 ~~**41-7-3. Regulation of operations -- Licensing.** -- (a) The division of racing and athletics~~  
23 ~~is hereby authorized to license jai alai in the city of Newport. The operation of a fronton shall be~~  
24 ~~under the division's supervision. The division is hereby authorized to issue rules and regulations~~  
25 ~~for the supervision of the operations.~~

26 ~~(b) Any license granted under the provisions of this chapter shall be subject to the rules~~  
27 ~~and regulations promulgated by the division and shall be subject to suspension or revocation for~~  
28 ~~any cause which the division shall deem sufficient after giving the licensee a reasonable~~  
29 ~~opportunity for a hearing at which he or she shall have the right to be represented by counsel. If~~  
30 ~~any license is suspended or revoked, the division shall state the reasons for the suspension or~~  
31 ~~revocation and cause an entry of the reasons to be made on the record books of the division.~~

32 ~~(c) Commencing July 1, 2003, the division of racing and athletics shall be prohibited to~~  
33 ~~license jai alai in the city of Newport. Any license having been issued and in effect as of that date~~  
34 ~~shall be null and void and any licensee shall be prohibited from operating thereunder; provided,~~

1 ~~however, that any entity having been issued a license to operate a jai alai fronton prior to July 1,~~  
2 ~~2003 shall be deemed a pari-mutuel licensee as defined in section 42-61.2-1 et seq., and a~~  
3 ~~licensee as defined in section 41-11-1 et seq.~~

4 ~~**41-7-4. Power and duties of the division of racing and athletics.** --- In addition to the~~  
5 ~~other powers conferred upon the division of racing and athletics, the division shall carry out the~~  
6 ~~provisions of this chapter, and to that end, the division may:~~

7 ~~-(1) Personally or by agent, supervise and check the making of pari-mutuel pools and~~  
8 ~~wagers and the distribution therefrom;~~

9 ~~-(2) Fix and set the dates within which any fronton may be operated; provided, however,~~  
10 ~~there shall be at least one hundred (100) days annually of the operation; and~~

11 ~~-(3) Require any applicant for a permit to operate a fronton to file an application under~~  
12 ~~oath setting forth:~~

13 ~~-(i) The full name of the person, firm, corporation, or association, and if a corporation, the~~  
14 ~~name of the state under which it is incorporated, as well as the names of the officers, directors,~~  
15 ~~and stockholders of the corporation, and their places of residence, or if an association, the name~~  
16 ~~and residence of the members of the association;~~

17 ~~-(ii) The exact location where it is desired to operate a fronton exhibiting the Spanish~~  
18 ~~sport jai alai or pelota;~~

19 ~~-(iii) Whether or not the fronton is owned or leased, and if leased, the name, residence,~~  
20 ~~and address of the owners or lessees, or if the owner or lessee be a corporation, the name and~~  
21 ~~address of the officers, directors, and stockholders thereof;~~

22 ~~-(iv) A statement of the assets and liabilities of the person, firm, corporation, or~~  
23 ~~association making application for the division permit;~~

24 ~~-(v) Such other information as the division may require.~~

25 ~~**41-7-5. Wagers and pari-mutuel pools permitted within enclosure of fronton.** ---~~  
26 ~~Within the enclosure of any fronton licensed and conducted under this chapter but not elsewhere,~~  
27 ~~wagering on the respective scores or points of the game of jai alai or pelota and the sale of pari-~~  
28 ~~mutuel pools under such regulation as the division of racing and athletics shall prescribe, are~~  
29 ~~hereby authorized and permitted, including, but not limited to, those forms of wagering known as~~  
30 ~~daily double, perfecta, quinella, and trifecta.~~

31 ~~**41-7-5.1. Sale or purchase of twin-double tickets.** --- The sale or purchase of twin-~~  
32 ~~double tickets or attempting to aid or abet in the sale or purchase of twin-double tickets through~~  
33 ~~solicitation of patrons attending, other than through pari-mutuel machines, is prohibited. Any~~  
34 ~~person violating the provisions of this section shall be denied admission to the fronton and may~~



1 ~~be prosecuted. Persons convicted of violating the provisions of this section shall be punished by a~~  
2 ~~fine of not more than five hundred dollars (\$500) or by imprisonment for up to one year or both.~~

3 ~~**41-7-6. Tax on betting and licensee's commission.** --- (a) The commission of a licensee~~  
4 ~~on pari mutuel pools and wagers shall be twenty and one half percent (20 1/2%) of the amount~~  
5 ~~contributed thereto. After deducting the commission and the "breaks," hereafter defined, a pari-~~  
6 ~~mutuel pool shall be redistributed to the contributors. The licensee conducting events pursuant to~~  
7 ~~this chapter shall pay a tax to the state of three percent (3%) of annual amounts contributed to~~  
8 ~~mutuel pools up to eighteen million dollars (\$18,000,000) of total handle. The Rhode Island tax~~  
9 ~~shall increase one half of one percent (.5%) for the next incremental increase of two million~~  
10 ~~dollars (\$2,000,000), and one half of one percent (.5%) for each incremental increase of one~~  
11 ~~million dollars (\$1,000,000), thereafter, in the total annual pool up to a maximum of five percent~~  
12 ~~(5%). The licensee shall pay a tax of one percent (1%) of the pool to the city of Newport and the~~  
13 ~~tax administrator/collector or equivalent for the city of Newport shall assess and collect the taxes~~  
14 ~~imposed by this section with respect to the city of Newport under such rules and regulations as he~~  
15 ~~or she may prescribe. All taxes hereby imposed shall be due and payable at the close of each day's~~  
16 ~~activities, and any tax not paid upon demand of the tax administrator/collector shall bear interest~~  
17 ~~at the rate of six percent (6%) per annum for the time of the demand. Failure to pay any tax upon~~  
18 ~~demand shall be cause for revocation of a license.~~

19 ~~(b) Redistributions of funds otherwise distributable to the contributors to the pari mutuel~~  
20 ~~pools shall be a sum equal to the next lowest multiple of ten (10).~~

21 ~~(c) No distribution of a pari mutuel pool shall be made of the odd cents of any sum~~  
22 ~~otherwise distributable, which odd cents shall be known as the "breaks."~~

23 ~~(d) The "breaks" shall be known as the difference between the amount contributed to a~~  
24 ~~pari mutuel pool and the total of the commission of the licensee and the sums actually~~  
25 ~~redistributed to the contributors.~~

26 ~~(e) No person or corporation shall directly or indirectly purchase pari mutuel tickets or~~  
27 ~~participate in the purchase of any part of a pari mutuel pool for another for hire or for any gratuity~~  
28 ~~and no person shall purchase any part of a pari mutuel pool through another, wherein he or she~~  
29 ~~gives or pays directly or indirectly the other person anything of value, and any person violating~~  
30 ~~this section shall be fined the sum of five hundred dollars (\$500) for each violation.~~

31 ~~**41-7-7. Distribution of funds -- Applicability of chapters 3 and 4 of this title.** --- All~~  
32 ~~money mentioned in this chapter derived from taxes on wagers and pari mutuel pools shall be~~  
33 ~~disbursed by the state treasurer pursuant to chapter 4 of this title. Except as is inconsistent with~~  
34 ~~this chapter the provisions of chapters 3 and 4 of this title shall apply to the sport of jai alai.~~

1 ~~**41-7-8. Tax on breaks -- Distribution.**~~ (a) A tax is hereby levied upon every pari  
2 mutuel pool conducted at the fronton for the exhibition of the Spanish ball game known as jai alai  
3 in Newport authorized by law so to do, equal to fifty percent (50%) of the "breaks" as defined in  
4 the above.

5 ~~(b) It shall be the duty of every fronton licensee to pay unto the state treasurer the tax~~  
6 ~~hereby levied and the licensee shall be liable therefor.~~

7 ~~**41-7-9. Leases of city properties.**~~ The city of Newport is hereby authorized to enter  
8 into a lease of city property for a period not to exceed thirty five (35) years with an application to  
9 the division of racing and athletics for a license to conduct jai alai.

10 ~~**41-7-10. Licensing of concessionaires, vendors, pari-mutuel totalizator companies.**~~

11 ~~(a) All persons, firms, partnerships, associations, or corporations desiring to operate any~~  
12 ~~concession allied to any fronton, shall apply for a license to the division of racing and athletics,~~  
13 ~~on such forms and in such a manner as prescribed by regulations. The division by regulations~~  
14 ~~shall establish other occupational licensing for all employees of the concessions, all pari-mutuel~~  
15 ~~employees, and all persons employed in any other capacity by the fronton management. (b) All~~  
16 ~~persons, firms, partnerships, associations, or corporations employed by the fronton management~~  
17 ~~in providing pari-mutuel totalizator computer services for pari-mutuel computations, shall apply~~  
18 ~~for a license to the division upon such forms and in such manner as prescribed by regulations of~~  
19 ~~the division. All employees of the pari-mutuel totalizator computer companies shall be licensed~~  
20 ~~by the division on forms prescribed by regulations of the division. (c) In determining whether to~~  
21 ~~grant a license pursuant to this section the division may require the applicant to submit~~  
22 ~~information as to: financial standing and credit; moral character; criminal record, if any; previous~~  
23 ~~employment; corporate, partnership, or association affiliations; ownership of personal assets; and~~  
24 ~~such other information as it deems pertinent to the issuance of the license. The division may~~  
25 ~~reject for good cause an application for a license, and it may suspend or revoke for good cause~~  
26 ~~any license issued by it after a hearing held in accordance with chapter 35 of title 42; subject to~~  
27 ~~further appeal procedures provided by section 41-2-3. (d) Issuance of license and the payment of~~  
28 ~~annual fees shall be the same in accordance with the following schedule:~~

- ~~=forms (1) Concessionaires and vendors \$200 (2) Occupational license Player license~~
- ~~10.00 Ball maker 10.00 Player/manager 10.00 Jai alai judge 10.00 (3) Vendor or~~
- ~~concessionaire employee 10.00 (4) Pari-mutuel employees 10.00 (5) Employees of fronton~~
- ~~management 10.00 (6) Pari-mutuel totalizator companies 200 (7) Pari-mutuel totalizator~~
- ~~company employees 10.00 (8) Security employees 10.00 =forme~~

29 ~~(e) All individual applicants for licensing under this section shall be fingerprinted, and,~~

1 ~~upon obtaining a license, shall wear upon his or her outer apparel a photo identification badge,~~  
2 ~~issued or authorized by the division of racing and athletics under rules and regulations~~  
3 ~~promulgated by the division.~~

4 ~~**41-7-11. Conclusion of Saturday performances.** -- Notwithstanding the provisions of~~  
5 ~~chapter 6 of this title, any jai alai game played within the enclosure of any fronton licensed and~~  
6 ~~conducted pursuant to this chapter, commencing on a Saturday evening and not concluded before~~  
7 ~~twelve (12) o'clock midnight, shall not be permitted to be played beyond one o'clock in the~~  
8 ~~morning of the first day of the week.~~

9 ~~**41-7-12. Repealed.** --~~

10 SECTION 5. Chapter 41-9 of the General Laws entitled "Establishment and Extension of  
11 Gambling Activities and Other Facilities" is hereby repealed in its entirety.

12 CHAPTER 41-9

13 ~~ESTABLISHMENT AND EXTENSION OF GAMBLING ACTIVITIES AND OTHER~~  
14 ~~FACILITIES~~

15 ~~**41-9-1. "Gambling" and "gambling facilities" defined.** -- (a) As used in this chapter,~~  
16 ~~the term "gambling" shall include, but not be limited to, horseracing, dog racing, and jai alai;~~  
17 ~~however, casino gaming shall be governed by the provisions of chapter 9.1 of title 41. The term~~  
18 ~~"gambling facility" as used in this chapter means a building or enclosure in which any gambling~~  
19 ~~activity including, but not limited to, the foregoing is played or conducted.~~

20 ~~-(b) The term "gambling facility" shall also include any building, enclosure or other~~  
21 ~~improvement designed, constructed, or used in connection with an overall plan or project~~  
22 ~~involving the establishment of any gambling activity; provided, however, that this sentence shall~~  
23 ~~not apply to any gambling facility licensed prior to July 3, 1998.~~

24 ~~**41-9-2. Financial disclosure by promoter.** -- (a) By the first Monday in August prior to~~  
25 ~~the general election at which the question of the establishment or extension of any gambling~~  
26 ~~activity or facility is presented to the electorate, all persons and/or corporations promoting or~~  
27 ~~having an interest of five percent (5%) or greater in the activity or facility shall file with the ethics~~  
28 ~~commission the financial statement provided by the commission which shall conform with the~~  
29 ~~requirements of section 36-14-16. If the person and/or corporation acquire an interest of five~~  
30 ~~percent (5%) or greater after the first Monday in August, that person and/or corporation shall file~~  
31 ~~the financial statement within seven (7) days after acquiring such interest.~~

32 ~~-(b) The duty to file the financial statement shall be a continuing duty and shall be~~  
33 ~~required of any and all persons and/or corporations who have or will have an interest of five~~  
34 ~~percent (5%) or greater in an activity and/or facility.~~

1            **41-9-3. Disclosure of regulated business interests.** --- Every person who is required to  
2 file a financial statement pursuant to this chapter and who has, or within the preceding three (3)  
3 years divests himself or herself of, five percent (5%) or greater equity interest in a business entity  
4 which is subject to regulation by this chapter, by a state or municipal agency, shall file with the  
5 ethics commission annually an affidavit:

6            ~~(1) Identifying himself or herself and stating the capacity in which he or she serves or is~~  
7 ~~about to serve which occasions the filing of the affidavit;~~

8            ~~(2) Identifying the business entity (or each business entity) and all the principals thereof~~  
9 ~~known to him or her;~~

10           ~~(3) Stating the nature of his or her interest in the business entity and that of all the~~  
11 ~~principals thereof known to him or her;~~

12           ~~(4) Identifying all those persons and/or corporations known to him or her providing any~~  
13 ~~financing for the business entity.~~

14           **41-9-4. Town and state election on establishment of facility.** --- (a) Before a gambling  
15 facility shall be established in any town or city, the town council of the town or the city council of  
16 the city shall comply with the following procedure:

17           ~~(1) Upon receipt of a resolution from the town council of the town or the city council of~~  
18 ~~the city, for a referendum to establish a gambling facility and/or activity, the general assembly~~  
19 ~~shall determine, by passage of an act, whether to allow a referendum on the establishment of the~~  
20 ~~gambling facility and/or activity.~~

21           ~~(2) Upon passage of an act to allow a referendum for the establishment of the gambling~~  
22 ~~facility and/or activity, the town council of the town or the city council of the city shall pose, by~~  
23 ~~adopting a resolution to be placed on the ballot at the next general election to be submitted to the~~  
24 ~~qualified electors of the town or city and to the qualified electors of the state, the following~~  
25 ~~question: "Shall a gambling facility and/or activity be established in the town (or city) of~~  
26 ~~\_\_\_\_\_?"~~

27           ~~(b) The question shall be submitted by the local board of canvassers to the electors of the~~  
28 ~~town or city where the facility or activity is to be located, and the results of the election shall be~~  
29 ~~certified to the secretary of state.~~

30           ~~(c) The question shall be submitted by the secretary of state to the qualified electors of~~  
31 ~~the state at the same general election and the secretary of state shall certify the election results.~~

32           ~~(d) The affirmative vote of the subject town or city and the electors of the state shall be~~  
33 ~~necessary for the approval of the question, and if consent be thus given, all rules and regulations~~  
34 ~~shall be promulgated in accordance with the authority conferred upon the general assembly in R.I.~~

1 ~~Const., Art. VI, Sec. XV.~~

2 ~~**41-9-5. Penalties.**— Any person who knowingly and willfully violates the provisions of~~  
3 ~~this chapter shall be guilty of a felony herein and punished by a fine of not more than five~~  
4 ~~thousand dollars (\$5,000) and/or imprisonment for no longer than five (5) years for each~~  
5 ~~violation.~~

6 ~~**41-9-6. Applicability.**— The provisions of this chapter shall specifically apply to any~~  
7 ~~facility licensed pursuant to chapter 7 of this title prior to any casino gambling activity being~~  
8 ~~licensed on the premises of the facility.~~

9 SECTION 6. Chapter 41-9.1 of the General Laws entitled "The Rhode Island Gaming  
10 Control and Revenue Act" is hereby repealed in its entirety.

11 ~~CHAPTER 41-9.1~~

12 ~~THE RHODE ISLAND GAMING CONTROL AND REVENUE ACT~~

13 ~~**41-9.1-1. Title.**— This chapter shall be known as the "Rhode Island Gaming Control and~~  
14 ~~Revenue Act."~~

15 ~~**41-9.1-2. Legislative findings.**— The general assembly makes the following findings:~~

16 ~~-(1) In accord with R.I. Const. Art. VI, section 22, only the people of the State of Rhode~~  
17 ~~Island can determine whether the state should pursue casino gaming as a source of revenue;~~

18 ~~-(2) The people should be able to make this determination in a manner that is consistent~~  
19 ~~with the Rhode Island Constitution;~~

20 ~~-(3) The people should be able to exercise their right and their elected representatives~~  
21 ~~should be able to implement the people's determination based upon clear and objective criteria;~~

22 ~~-(4) A potential casino licensee should be provided with clear and objective criteria;~~

23 ~~-(5) Casino states have diverse regulatory schemes, but all have strong legislative and~~  
24 ~~regulatory oversight to ensure integrity of casino operations and to maintain public confidence;~~

25 ~~-(6) To ensure the integrity of the commercial casino gaming industry and its reputation~~  
26 ~~in Rhode Island, commercial casino gaming needs the strictest possible regulation with law~~  
27 ~~enforcement oversight;~~

28 ~~-(7) There are socio-economic costs that expanded gaming may impose on communities~~  
29 ~~and the state;~~

30 ~~-(8) Problem gambling already exists in Rhode Island and may increase with the~~  
31 ~~introduction of casino gaming;~~

32 ~~-(9) The State of Rhode Island should follow the lead of other casino jurisdictions and~~  
33 ~~take measures designed to detect the extent of problem gambling, educate the public, and assure~~  
34 ~~availability of resources for treatment.~~

1            ~~**41-9.1-3. Definitions.** -- As used in this chapter, the following terms are defined as~~  
2 ~~follows:~~

3            ~~-(1) "Adjusted gross receipts" means the gross receipts less winnings paid to wagerers.~~

4            ~~-(2) "Affiliate" means a person who, directly or indirectly, through one or more~~  
5 ~~intermediaries, controls, is controlled by, or is under common control with; is in a partnership~~  
6 ~~(general or limited) or joint venture relationship with; or is a co-shareholder of a corporation, a~~  
7 ~~co-member of a limited liability company, or co-partner in a limited liability partnership with a~~  
8 ~~person who holds or applies for a casino license under this chapter.~~

9            ~~-(3) "Affiliated company" means any form of business organization which controls, is~~  
10 ~~controlled by or is under common control with, is in a partnership (general or limited) or joint~~  
11 ~~venture relationship with, or is a co-shareholder of a corporation, a co-member of a limited~~  
12 ~~liability company, or co-partner in a limited liability partnership with a person who holds or~~  
13 ~~applies for a casino license under this chapter.~~

14            ~~-(4) "Agent" means any person who is employed by any agency of the state other than the~~  
15 ~~state lottery division, the state police, or attorney general who is assigned to perform full-time~~  
16 ~~services on behalf of or for the benefit of the state lottery division regardless of the title or~~  
17 ~~position held by that person.~~

18            ~~-(5) "Applicant" means any person who applies for any right, license or registration under~~  
19 ~~this chapter:~~

20            ~~-(6) "Casino" means a building in which gaming is conducted.~~

21            ~~-(7) "Casino licensee" or "casino operator" means any person licensed to conduct gaming~~  
22 ~~operations according to the provisions of this chapter.~~

23            ~~-(8) "Chairperson" means the chairperson of the state lottery division.~~

24            ~~-(9) "Commission" means the state lottery division as created by chapter 61 of title 42.~~

25            ~~-(10) "Company" means a sole proprietorship, corporation, partnership (general or~~  
26 ~~limited), limited liability partnership, limited liability company, trust, association, joint stock~~  
27 ~~company, joint venture tribal corporation or other form of business organization.~~

28            ~~-(11) "Compensation" means any money, thing of value or financial benefit conferred on~~  
29 ~~or received by a person in return for services rendered or to be rendered, whether by that person~~  
30 ~~or another.~~

31            ~~-(12) "Conflict of interest" means a situation in which the private interest of a member,~~  
32 ~~employee, or agent of the state lottery division may influence the judgment of the member,~~  
33 ~~employee, or agent in the performance of his or her public duty under this chapter. A conflict of~~  
34 ~~interest includes, but is not limited to, the following:~~

1 ~~-(i) Any conduct that would lead a reasonable person knowing all of the circumstances, to~~  
2 ~~conclude that the member, employee, or agent of the state lottery division is biased against or in~~  
3 ~~favor of an applicant.~~

4 ~~-(ii) Acceptance of any form of compensation other than from the state lottery division,~~  
5 ~~for any services rendered as part of or related to the official duties of the member, employee, or~~  
6 ~~agent for the state lottery division.~~

7 ~~-(iii) Participation in any business being transacted with or before the state lottery~~  
8 ~~division, in which the member, employee, or agent of the state lottery division, or his or her~~  
9 ~~parent, spouse or child, has a financial interest.~~

10 ~~-(iv) Use of the position, title, or any related authority of the member, employee, or agent~~  
11 ~~of the state lottery division in a manner designed for personal gain or benefit.~~

12 ~~-(v) Demonstration through work or other action in the performance of the official duties~~  
13 ~~of the member, employee, or agent of the state lottery division of any preferential attitude or~~  
14 ~~treatment of any person.~~

15 ~~-(13) "Control" means having a greater than twenty percent (20%) direct or indirect~~  
16 ~~pecuniary interest in the gaming operation with respect to which the license is sought.~~

17 ~~-(14) "Development agreement" means a written agreement between an applicant for a~~  
18 ~~casino license and the Town of West Warwick pertaining to the casino including, but not limited~~  
19 ~~to, approval of the location of the site and the process for addressing and approving zoning, land~~  
20 ~~use, utility and other essential services, on site and off site improvements, local impacts and~~  
21 ~~construction and operational issues.~~

22 ~~-(15) "Disciplinary action" is an action by the state lottery division suspending or~~  
23 ~~revoking a license, fining, excluding, reprimanding or otherwise penalizing a person for violating~~  
24 ~~this chapter or rules promulgated by the state lottery division.~~

25 ~~-(16) "Financial interest" or "financially interested" means any interest in investments,~~  
26 ~~awarding of contracts, grants, loans, purchases, leases, sales, or similar matters under~~  
27 ~~consideration or consummated by the state lottery division. A member, employee, or agent of the~~  
28 ~~state lottery division will be considered to have a financial interest in a matter under consideration~~  
29 ~~if any of the following circumstances exist:~~

30 ~~-(i) He or she owns a five percent (5%) or greater direct or indirect pecuniary interest in~~  
31 ~~any party to the matter under consideration or consummated by the state lottery division; or~~

32 ~~-(ii) He or she is employed by or is an independent contractor for a party to the matter~~  
33 ~~under consideration or consummated by the state lottery division.~~

34 ~~-(17) "Gambling game" means any game played with cards, dice, equipment or a~~

1 ~~machine, including any mechanical, electromechanical or electronic device which shall include~~  
2 ~~computers and cashless wagering systems, for money, credit, or any representative of value;~~  
3 ~~including, but not limited to faro, monte, roulette, keno, bingo fan tan, twenty one, blackjack,~~  
4 ~~seven and a half, klondike, craps, poker, chuck a luck, Chinese chuck a luck (dai shu), wheel of~~  
5 ~~fortune, chemin de fer, baccarat, pai gow, beat the banker, panguingui, slot machine, any banking~~  
6 ~~or percentage game, or any other game or device approved by the state lottery division, but does~~  
7 ~~not include games played with cards in private homes or residences in which no person makes~~  
8 ~~money for operating the game.~~

9 ~~-(18) "Game" means any banking or percentage game located exclusively within a~~  
10 ~~licensed casino, which is played with cards, dice, or any electronic, electrical, or mechanical~~  
11 ~~device or machine for money, property, or any thing of value.~~

12 ~~-(19) "Gaming" means to deal, operate, carry on, conduct, maintain or expose or offer for~~  
13 ~~play any gambling game or gaming operation.~~

14 ~~-(20) "Gaming device" means any equipment or mechanical, electromechanical, or~~  
15 ~~electronic contrivance component or machine used directly or indirectly in connection with~~  
16 ~~gaming or any game which affects the result of a wager by determining win or loss. The term~~  
17 ~~includes a system for processing information, which can alter the normal criteria of random~~  
18 ~~selection which affects the operation of any game or which determines the outcome of a game.~~  
19 ~~The term does not include a system or device, which affects a game solely by stopping its~~  
20 ~~operation so that the outcome remains undetermined.~~

21 ~~-(21) "Gaming operation" means the conduct of authorized gambling games in a casino~~  
22 ~~pursuant to this chapter but does not include those operations governed by chapters 61 and 61.2~~  
23 ~~of Title 42.~~

24 ~~-(22) "Gaming supplier" means any person who supplies, sells or leases or contracts to~~  
25 ~~sell or lease gaming devices, equipment, or supplies to a holder of a license or a casino gaming~~  
26 ~~operator.~~

27 ~~-(23) "Gaming supplier permit" means the permit of a gaming supplier.~~

28 ~~-(24) "Gaming supplies" means all materials and supplies other than gaming devices~~  
29 ~~which the state lottery division finds or determines to be used or expended in gaming operations~~  
30 ~~or activities and that can impact the outcome of game.~~

31 ~~-(25) "Gross receipts" means the total of all sums including valid or invalid checks,~~  
32 ~~currency, tokens, coupons, vouchers, or instruments of monetary value whether collected or~~  
33 ~~uncollected, received by a casino licensee from gaming, including all entry fees assessed for~~  
34 ~~tournaments or other contests less a deduction for uncollectible gaming receivables not to exceed~~



1 ~~the uncollectible amounts owed as a result of wagers placed at or through a gambling game or~~  
2 ~~four percent (4%) of the total gross receipts, whichever is less. The licensee shall not receive the~~  
3 ~~deduction unless the licensee provides written proof to the state treasurer of the uncollected~~  
4 ~~gaming receivable and has complied with all rules promulgated by the state lottery division~~  
5 ~~regarding the issuance of credit and the collection of amounts due under a credit extension.~~

6 ~~(26) "Institutional investor" means a person that is:~~

7 ~~(a) A plan or trust established and maintained by the United States government, a state,~~  
8 ~~or a political subdivision of a state for the benefit of its respective employees.~~

9 ~~(b) An investment company that is registered under the Investment Company Act of~~  
10 ~~1940.~~

11 ~~(c) A Collective Investment Trust organized by a bank under Part Nine of the rules of the~~  
12 ~~Comptroller of the Currency.~~

13 ~~(d) A closed end investment trust registered with the United States Securities and~~  
14 ~~Exchange Board.~~

15 ~~(e) A mutual fund.~~

16 ~~(f) A life insurance company or property and casualty insurance company.~~

17 ~~(g) A federal or state bank.~~

18 ~~(h) An investment advisor registered under the Investment Advisors Act of 1940.~~

19 ~~(i) Such other similar regulated entities as may be approved by the state lottery division~~  
20 ~~for good cause.~~

21 ~~(27) "Institutional lender" means a person that is:~~

22 ~~(a) An insurance company regulated by any state of the United States.~~

23 ~~(b) Any investment company registered under the Investment Company Act of 1940.~~

24 ~~(c) Any plan established and maintained by a state, its political subdivision or any~~  
25 ~~agency or instrumentality of a state or its political subdivisions for the benefit of its employees.~~

26 ~~(d) Any trust fund, the trustee of which is a bank or trust.~~

27 ~~(e) Any investment adviser registered with the United States Securities and Exchange~~  
28 ~~Board.~~

29 ~~(f) Any real estate investment trust registered with the United States Securities and~~  
30 ~~Exchange Board.~~

31 ~~(g) Any dealer registered pursuant to section 15 of the Securities and Exchange Act of~~  
32 ~~1934.~~

33 ~~(h) Any qualified institutional buyer, as defined in Rule 144A under the Securities Act of~~  
34 ~~1933 and any entity, all of the equity owners of which are qualified institutional buyers, as~~

1 ~~defined in rule 144A under the Securities Act of 1933, acting for its own account or the accounts~~  
2 ~~of other qualified institutional buyers.~~

3 ~~(i) Any bank as defined in section 3(a)(2) of the Securities Act of 1933, any savings and~~  
4 ~~loan association or other institution as referenced in section 3(a)(5)(A) of the Securities Act of~~  
5 ~~1933, or any foreign bank or savings and loan association or equivalent institution or any~~  
6 ~~investment fund that participates in a bank syndication, and any purchaser that takes an~~  
7 ~~assignment or other participation interest in the bank syndication.~~

8 ~~(j) Any investor or group of investors purchasing debt securities of a licensee, permittee,~~  
9 ~~or casino gaming operator, or a subsidiary of a licensee, permittee or casino gaming operator, in~~  
10 ~~any public offering registered pursuant to the Securities Act of 1933 or through any private~~  
11 ~~placement, and any investor purchasing such securities in a subsequent sale; however, such~~  
12 ~~securities are widely held and freely traded, and the investor holds no more than twenty percent~~  
13 ~~(20%) of a licensee, permittee or casino gaming operator's total debt or fifty percent (50%) of a~~  
14 ~~material debt issue unless otherwise approved by the state lottery division, so as not to give such~~  
15 ~~investor the ability to control a licensee, permittee, or casino gaming operator.~~

16 ~~(k) Any business development company as defined in section 2(a)(48) of the Investment~~  
17 ~~Company Act of 1940.~~

18 ~~(l) Any business development company as defined in section 202(a)(22) of the~~  
19 ~~Investment Advisers Act of 1940.~~

20 ~~(m) Any other regulated lender as the state lottery division may determine in its sole~~  
21 ~~discretion consistent with the provisions of this chapter.~~

22 ~~(n) Such other similar regulated entities as may be approved by the state lottery division~~  
23 ~~for good cause.~~

24 ~~(28) "Key gaming employee" means any natural person employed in the operation of a~~  
25 ~~licensed casino facility in a supervisory managerial capacity or empowered to make discretionary~~  
26 ~~decisions, which regulate casino facility operations, as determined by the state lottery division.~~

27 ~~(29) "Key gaming employee permit" means the permit of a key gaming employee.~~

28 ~~(30) "License" means an authorization issued to a person or entity by or in the name of~~  
29 ~~the state lottery division to engage in or assist gaming operations or activities regulated by this~~  
30 ~~chapter.~~

31 ~~(31) "Licensee" means any employee, agent, person or entity that is required to be issued~~  
32 ~~a license under this chapter or under the rules and regulations of the state lottery division.~~

33 ~~(32) "Managerial employee" means a person who by virtue of the level of their~~  
34 ~~remuneration or otherwise holds a management supervisory, or policy making position with any~~

1 ~~authorized licensee pursuant to this chapter, vendor, or the state lottery division.~~

2 ~~(33) "Manufacturer" means any person or entity that manufactures or assembles~~  
3 ~~programs or slot machines or other gaming devices for sale or use in this state.~~

4 ~~(34) "Master contract" means that contract entered into among the Narragansett Indian~~  
5 ~~Tribe, Harrah's Entertainment, Inc. or an Affiliate thereof ("Harrah's") and the state lottery~~  
6 ~~division, which contract would have a term commencing on the date of execution and expiring~~  
7 ~~ten (10) years from the date that Harrah's opens the casino for business.~~

8 ~~(35) "Member" means a member appointed to the state lottery division's board.~~

9 ~~(36) "Municipality" means any city or town within the state.~~

10 ~~(37) "Non gaming supplier" means any person or entity that sells, leases, or otherwise~~  
11 ~~distributes directly or indirectly, goods or services other than gaming devices and supplies to the~~  
12 ~~holder of a license.~~

13 ~~(38) "Permit" means any permit or authorization, or application therefore, issued~~  
14 ~~pursuant to the provisions of this chapter.~~

15 ~~(39) "Permittee" means any person or entity that is issued or applying for a permit~~  
16 ~~pursuant to the provisions of this chapter.~~

17 ~~(40) "Person" means an individual, corporation, limited liability company, association,~~  
18 ~~partnership (general or limited), limited liability partnership, trust, entity, or other legal entity.~~

19 ~~(41) "Security" means the protection of information that would or could provide an~~  
20 ~~unfair advantage to any individual involved in the operation of the casino gaming; protection and~~  
21 ~~preservation of the integrity of casino gaming games and operations; as well as measures taken to~~  
22 ~~prevent crimes against a gaming operator or the state lottery division.~~

23 ~~(42) "Slot machine" means any mechanical, electrical, or other device, contrivance, or~~  
24 ~~machine which, upon insertion of a coin, token, card or similar object therein or upon payment of~~  
25 ~~any consideration whatsoever, is available to play or operate the play or operation of which,~~  
26 ~~whether by reason of the skill of the operator or application of the element of chance, or both,~~  
27 ~~may deliver or entitle the person playing or operating the machine to receive cash, premiums,~~  
28 ~~merchandise, tokens, or any thing of value, whether the payoff is made automatically from the~~  
29 ~~machine or in any other manner.~~

30 ~~(43) "Suitable" "suitability" or "suitability requirements" means the criteria provided for~~  
31 ~~in section 41-9.1-22.~~

32 ~~(44) "Vendor" means a person who supplies any goods or services to a casino licensee.~~

33 ~~(45) "Video Lottery Terminal revenue" means net terminal income derived from video~~  
34 ~~lottery games and deposited in the general fund and to the state lottery division for administrative~~

1 ~~purposes pursuant to section 42-61.2-7(a)(1).~~

2 ~~-(46) "Wagerer" means a person who plays a gambling game authorized under this~~  
3 ~~chapter.~~

4 ~~-(47) "Wagering tax revenue" means the tax revenue to the state derived from the taxes~~  
5 ~~imposed on the adjusted gross receipts of the casino licensee in accordance with section 41-9.1-~~  
6 ~~12(b).~~

7 ~~-(48) "Winnings" means the total cash value of all property or sums including currency,~~  
8 ~~tokens, or instruments of monetary value paid to wagerers as a direct result of wagers placed at or~~  
9 ~~through a gambling game.~~

10 ~~**41-9.1-4. State lottery division -- Members, employees, agents -- Powers and duties.**~~

11 ~~-(a) In addition to its powers and duties set forth in chapter 61 of title 42, the state lottery~~  
12 ~~division shall have the powers and duties specified within this chapter and all other powers~~  
13 ~~necessary and proper to fully and effectively execute and administer the provisions of this chapter~~  
14 ~~for its purpose of licensing, regulating and enforcing the system of casino gaming.~~

15 ~~-(b) By January 31st of each year, each member of the state lottery division shall prepare~~  
16 ~~and file with the office of the state lottery division, a member disclosure form in which the~~  
17 ~~member does all of the following:~~

18 ~~-(1) Affirms that the member or the member's spouse, parent, child, or child's spouse is~~  
19 ~~not a member of the board of directors, or financially interested in, or employed by a licensee or~~  
20 ~~applicant.~~

21 ~~-(2) Affirms that the member continues to meet any other criteria for state lottery division~~  
22 ~~membership under this chapter or the rules promulgated by the state lottery division.~~

23 ~~-(3) Discloses any other information as may be required to ensure that the integrity of the~~  
24 ~~state lottery division and its work is maintained.~~

25 ~~-(c) By January 31st of each year, each employee of the state lottery division shall~~  
26 ~~prepare and file with the office of the state lottery division an employee disclosure form in which~~  
27 ~~the employee does all of the following:~~

28 ~~-(1) Affirms the absence of financial interests prohibited by this chapter.~~

29 ~~-(2) Discloses any legal or beneficial interests in any real property that is or that may be~~  
30 ~~directly or indirectly involved with gaming or gaming operations authorized by this chapter.~~

31 ~~-(3) Discloses whether the employee or the employee's spouse, parent, child, or child's~~  
32 ~~spouse is financially interested in or employed by licensee or applicant.~~

33 ~~-(4) Discloses such other matters as may be required to ensure that the integrity of the~~  
34 ~~state lottery division and its work is maintained.~~

1 ~~-(d) A member, employee, or agent of the state lottery division who becomes aware that~~  
2 ~~the member, employee or agent of the state lottery division or his or her spouse, parent, or child is~~  
3 ~~a member of the board of directors; or financially interested in, or employed by, a licensee or an~~  
4 ~~applicant shall immediately provide detailed written notice thereon to the chairperson.~~

5 ~~-(e) A member, employee or agent of the state lottery division who has been indicted,~~  
6 ~~charged with, convicted of, pled guilty or nolo contendere to or forfeited bail concerning a~~  
7 ~~misdemeanor or felony involving gaming, dishonesty, theft, or fraud in this state or any state or of~~  
8 ~~the United States shall immediately provide detailed written notice of the conviction or charge to~~  
9 ~~the chairperson.~~

10 ~~-(f) Any member, employee, or agent of the state lottery division who is negotiating for,~~  
11 ~~or acquires by any means any interest in any person who is a licensee or an applicant, or any~~  
12 ~~person affiliated with such a person, shall immediately provide written notice of the details of the~~  
13 ~~interest to the chairperson. The member, employee, or agent of the state lottery division shall not~~  
14 ~~act on behalf of the state lottery division with respect to that person.~~

15 ~~-(g) A member, employee, or agent of the state lottery division may not enter into any~~  
16 ~~negotiations for employment with any person or affiliate of any person who is a licensee or an~~  
17 ~~applicant, and shall immediately provide written notice of the details of any such negotiations or~~  
18 ~~discussions to the chairperson. The member, employee, or agent of the state lottery division shall~~  
19 ~~not take any action on behalf of the state lottery division with respect to that person.~~

20 ~~-(h) Any member, employee, or agent of the state lottery division who receives an~~  
21 ~~invitation, written or oral, to initiate a discussion concerning employment or the possibility of~~  
22 ~~employment with a person or affiliate of a person who is a licensee or an applicant shall~~  
23 ~~immediately report that he or she received the invitation to the chairperson. The member,~~  
24 ~~employee, or agent of the state lottery division shall not take action on behalf of the state lottery~~  
25 ~~division with respect to the person.~~

26 ~~-(i) A licensee or applicant shall not knowingly initiate a negotiation for or discussion of~~  
27 ~~employment with a member, employee, or agent of the state lottery division. A licensee or~~  
28 ~~applicant who initiates a negotiation or discussion about employment shall immediately provide~~  
29 ~~written notice of the details of the negotiation or discussion to the chairperson as soon as he or~~  
30 ~~she becomes aware that the negotiation or discussion has been initiated with a member,~~  
31 ~~employee, or agent of the state lottery division.~~

32 ~~-(j) A member, employee, or agent of the state lottery division, or former member,~~  
33 ~~employee, or agent of the state lottery division, shall not disseminate or otherwise disclose any~~  
34 ~~material or information in the possession of the state lottery division that the state lottery division~~

1 ~~considers confidential unless specifically authorized to do so by the chairperson of the state~~  
2 ~~lottery division.~~

3 ~~-(k) A member, employee or agent of the state lottery division shall not engage in any~~  
4 ~~conduct that constitutes a conflict of interest and shall immediately advise the chairperson, in~~  
5 ~~writing, of the details of any incident or circumstances that would present the existence of a~~  
6 ~~conflict of interest with respect to the performance of the state lottery division related work or~~  
7 ~~duty of the member, employee, or agent of the state lottery division.~~

8 ~~-(l) A member, employee, or agent of the state lottery division who is approached and~~  
9 ~~offered a bribe shall immediately provide written account of the details of the incident to the~~  
10 ~~chairperson and to a law enforcement officer of a law enforcement agency having jurisdiction.~~

11 ~~-(m) A member, employee, or agent of the state lottery division shall disclose his or her~~  
12 ~~past involvement with any casino interest in the past five (5) years.~~

13 ~~-(n) A member, employee, or agent of the state lottery division or a parent, spouse,~~  
14 ~~sibling, spouse of a sibling, child, or spouse of a child of a member, employee, or agent of the~~  
15 ~~state lottery division may not accept, other than that which they may be able to receive as a~~  
16 ~~legislator in compliance with campaign contribution, disclosure and other rules, regulations and~~  
17 ~~general laws in existence, any gift, gratuity, compensation, travel, lodging, or anything of value,~~  
18 ~~directly or indirectly, from any licensee or any applicant or affiliate or representative of an~~  
19 ~~applicant or licensee. Any member, employee, or agent of the state lottery division who is offered~~  
20 ~~or receives any gift, gratuity, compensation, travel, lodging, or anything of value, directly or~~  
21 ~~indirectly, from any licensee or any applicant or affiliate or representative of an applicant or~~  
22 ~~licensee shall immediately provide written notification of the details to the chairperson.~~

23 ~~-(o) A licensee or applicant, or affiliate or representative of an applicant or licensee, may~~  
24 ~~not, directly or indirectly, give or offer to give any gift, gratuity, compensation, travel, lodging, or~~  
25 ~~anything of value to any member, employee, or agent of the state lottery division which the~~  
26 ~~member, employee, or agent of the state lottery division is prohibited from accepting under~~  
27 ~~subsection (j).~~

28 ~~-(p) Except as follows, no member, employee, or agent of the state lottery division may~~  
29 ~~participate in or wager on any gambling game conducted by any licensee or applicant or any~~  
30 ~~affiliate of an applicant or licensee in Rhode Island or in any other jurisdiction. A member,~~  
31 ~~employee, or agent of the state lottery division may participate in and wager on a gambling game~~  
32 ~~conducted by a licensee under this chapter, to the extent authorized by the chairperson or board of~~  
33 ~~the state lottery division as part of the person's surveillance, security, or other official duties for~~  
34 ~~the state lottery division.~~

1 ~~-(q) A former member, employee or agent of the state lottery division may appear before~~  
2 ~~the state lottery division as a fact witness about matters or actions handled by the member,~~  
3 ~~employee, or agent during his or her tenure as a member, employee, or agent of the state lottery~~  
4 ~~division. The member, employee, or agent of the state lottery division shall not receive~~  
5 ~~compensation for such an appearance other than standard witness fee for reimbursement for travel~~  
6 ~~expenses as established by statute or court rule.~~

7 ~~-(r) A new or current employee or agent of the state lottery division shall obtain written~~  
8 ~~permission from the executive director before continuing outside employment held at the time the~~  
9 ~~employee begins to work for the state lottery division. Permission shall be denied, or permission~~  
10 ~~previously granted will be revoked, if the nature of the work is considered to or does create a~~  
11 ~~possible conflict of interest or otherwise interferes with the duties of the employee or agent for~~  
12 ~~the state lottery division.~~

13 ~~-(s) An employee or agent of the state lottery division granted permission for outside~~  
14 ~~employment shall not conduct any business or perform any activities, including solicitation,~~  
15 ~~related to outside employment on premises used by the state lottery division or during the~~  
16 ~~employee's working hours for the state lottery division.~~

17 ~~-(t) Whenever the chairperson, as an employee of the state lottery division, is required to~~  
18 ~~file disclosure forms or report, in writing, the details of any incident or circumstance pursuant to~~  
19 ~~this section, he or she shall make such filings or written reports to the state lottery division.~~

20 ~~-(u) The chairperson shall report any action he or she has taken or contemplates taking~~  
21 ~~under this section with respect to an employee or agent or former employee or former agent to the~~  
22 ~~state lottery division at the next meeting of the state lottery division. The state lottery division~~  
23 ~~may direct the executive director to take additional or different action.~~

24 ~~-(v) Violation of this section by a licensee or applicant, or affiliate of a licensee or~~  
25 ~~applicant, may result in denial of the application of licensure or revocation or suspension of~~  
26 ~~license or other disciplinary action by the state lottery division.~~

27 ~~-(w) Violation of this section by a member of the state lottery division may result in~~  
28 ~~disqualification or constitute cause for removal pursuant to the provisions of this chapter or other~~  
29 ~~disciplinary action as determined by the state lottery division.~~

30 ~~-(x) A violation of this section by an employee or agent of the state lottery division will~~  
31 ~~not result in termination of employment if the state lottery division determines that the conduct~~  
32 ~~involved does not violate the purpose of this chapter. However, employment will be terminated as~~  
33 ~~follows:~~

34 ~~-(1) If, after being offered employment or beginning employment with the state lottery~~

1 ~~division, the employee or agent intentionally acquires a financial interest in a licensee or an~~  
2 ~~applicant, or affiliate of a licensee or applicant, employment with the state lottery division shall~~  
3 ~~be terminated.~~

4 ~~-(2) If a financial interest in a licensee or an applicant, or affiliate of a licensee or~~  
5 ~~applicant, is acquired by an employee or agent that has been offered employment with the state~~  
6 ~~lottery division, an employee of the state lottery division, or the employee's or agent's spouse,~~  
7 ~~parent, or child, through no intentional action of the employee or agent, the individual shall have~~  
8 ~~up to thirty (30) days to divest or terminate the financial interest. Employment may be terminated~~  
9 ~~if the interest has not been divested after thirty (30) days.~~

10 ~~-(3) Employment shall be terminated if the employee or agent is a spouse, parent, child,~~  
11 ~~or spouse of a child of a state lottery division member.~~

12 ~~-(y) Violation of this section does not create a civil cause of action.~~

13 ~~-(z) As used in this section, "Outside employment" includes, but is not limited to, the~~  
14 ~~following:~~

15 ~~-(1) Operation of a proprietorship.~~

16 ~~-(2) Participation in a partnership or group business enterprise.~~

17 ~~-(3) Performance as a director or corporate officer of any for profit corporation or~~  
18 ~~banking or credit institution.~~

19 ~~**41-9.1-5. State lottery division -- Jurisdiction -- Powers.** -- (a) In addition to its~~  
20 ~~jurisdiction and powers set forth in chapter 61 of title 42, the state lottery division shall also have~~  
21 ~~such jurisdiction and powers as provided for in this title. The state lottery division shall have~~  
22 ~~jurisdiction over and shall supervise all gaming operations governed by this chapter. The state~~  
23 ~~lottery division shall have all powers necessary and proper to fully and effectively execute this~~  
24 ~~chapter; including, but not limited to, the authority to do all of the following:~~

25 ~~-(1) Investigate applicants and determine the eligibility of applicants for licenses or~~  
26 ~~registration and to grant licenses to applicants in accordance with this chapter and the rules~~  
27 ~~promulgated under this chapter.~~

28 ~~-(2) Have jurisdiction over and supervise casino gaming authorized by this chapter and all~~  
29 ~~persons in casinos where gaming is conducted under this chapter.~~

30 ~~-(3) Enter, to the extent permissible under the Constitutions of the State of Rhode Island~~  
31 ~~and of the United States of America, through its investigators agents, auditors, and the state police~~  
32 ~~at any time without a warrant and without notice to the licensee, the premises, offices, casinos,~~  
33 ~~facilities or other places of business of a casino licensee or gaming supplier permittee where~~  
34 ~~evidence of the compliance or noncompliance with this chapter or the rules promulgated by the~~



1 ~~state lottery division is likely to be found, for the following purposes:~~

2 ~~-(i) To inspect and examine all premises wherein casino gaming or the business of~~  
3 ~~gaming or the business of a gaming supplier is conducted, or where any records of the activities~~  
4 ~~are prepared.~~

5 ~~-(ii) To inspect, examine, audit, impound, seize or assume physical control of, or~~  
6 ~~summarily remove from the premises all books, ledgers, documents, writings, photocopies,~~  
7 ~~correspondence, records, videotapes, including electronically stored records, money receptacles,~~  
8 ~~other containers and their contents, equipment in which the records are stored, or other gaming~~  
9 ~~related equipment and supplies on or around the premises including counting rooms.~~

10 ~~-(iii) To inspect the person, and inspect, examine and seize personal effects present in a~~  
11 ~~casino facility licensed under this chapter, of any holder of a license or registration issued~~  
12 ~~pursuant to this chapter while that person is present in a licensed casino facility.~~

13 ~~-(iv) To investigate and deter alleged violations of this chapter or the rules promulgated~~  
14 ~~by the state lottery division.~~

15 ~~-(4) Investigate alleged violations of this chapter or rules promulgated by the state lottery~~  
16 ~~division and to take appropriate disciplinary action against a licensee, permittee or any other~~  
17 ~~person or holder of an occupational license or permit for a violation, or institute appropriate legal~~  
18 ~~action for enforcement, or both.~~

19 ~~-(5) Adopt standards for the licensing or permitting of all persons pursuant to this chapter,~~  
20 ~~as well as for electronic or mechanical gambling games, and to establish fees for such licenses~~  
21 ~~and permits.~~

22 ~~-(6) Adopt appropriate standards for all casino gaming facilities and equipment.~~

23 ~~-(7) Require that all records of casino licensees and gaming supplier permittees, including~~  
24 ~~financial or other statements, be kept on the premises of the casino licensee or gaming supplier~~  
25 ~~permittee in the manner prescribed by the state lottery division.~~

26 ~~-(8) Require that the casino licensee submit to the state lottery division an annual balance~~  
27 ~~sheet, profit and loss statement, and any other information the state lottery division considers~~  
28 ~~necessary in order to effectively administer this chapter, all rules promulgated by the state lottery~~  
29 ~~division, and orders and final decisions made under this chapter.~~

30 ~~-(9) Prescribe a form to be used by any licensee involved in the ownership or~~  
31 ~~management of gambling operations as an application for employment for prospective~~  
32 ~~employees.~~

33 ~~-(10) Revoke or suspend licenses or permits, impose fines and penalties as the state~~  
34 ~~lottery division considers necessary and in compliance with this chapter and applicable laws of~~

1 ~~the state regarding administrative procedure, and review and decide the renewal of licenses.~~

2 ~~-(11) In addition to a disassociated person, eject or exclude or authorize the ejection or~~  
3 ~~exclusion of a person from a casino if the person violates the provisions of this chapter, rules~~  
4 ~~promulgated by the state lottery division or final orders of the state lottery division or when the~~  
5 ~~state lottery division determines that the person's conduct or reputation is such that his or her~~  
6 ~~presence within the casino gaming facilities may compromise the honesty and integrity of the~~  
7 ~~gambling operations or interfere with the orderly conduct of the gaming operations. However, the~~  
8 ~~propriety of the election or exclusion is subject to a subsequent hearing by the state lottery~~  
9 ~~division.~~

10 ~~-(12) Suspend, revoke or restrict licenses and permits, and require the removal of a~~  
11 ~~licensee or permittee or an employee of a licensee or permittee, for a violation of this chapter or a~~  
12 ~~rule promulgated by the state lottery division or for engaging in a fraudulent practice, and impose~~  
13 ~~civil penalties pursuant to the provisions of this chapter.~~

14 ~~-(13) Disqualify a person in accordance with the applicable provisions of this chapter.~~

15 ~~-(14) In addition to the authority provided under subsection (a)(12), revoke or suspend a~~  
16 ~~casino license or impose any other disciplinary action for any of the following reasons:~~

17 ~~-(i) The casino licensee has violated the provisions of chapter 2 of title 3 or rules~~  
18 ~~promulgated pursuant to this chapter.~~

19 ~~-(ii) At any time the licensee no longer meets the eligibility requirements or suitability~~  
20 ~~determination by the state lottery division for a casino license under this chapter.~~

21 ~~-(iii) The failure to revoke or suspend the license would undermine the public's~~  
22 ~~confidence in the Rhode Island gaming industry.~~

23 ~~-(15) Conduct periodic compliance or special or focused audits of casinos authorized~~  
24 ~~under this chapter. Said audits may be conducted by state agency personnel or private sector audit~~  
25 ~~firms and shall be in addition to annual financial audits conducted by certified public accountant~~  
26 ~~firms.~~

27 ~~-(16) Establish minimum levels of insurance to be maintained by licensees.~~

28 ~~-(17) Perform a background check, at the vendor's expense, of any vendor using the same~~  
29 ~~standards that the state lottery division uses in determining whether to grant a gaming or non-~~  
30 ~~gaming supplier's permit.~~

31 ~~-(18) Review the business practices of a casino licensee including, but not limited to, the~~  
32 ~~price and quality of goods and services offered to patrons, and take disciplinary action as the state~~  
33 ~~lottery division considers appropriate to prevent practices that undermine the public's confidence~~  
34 ~~in the Rhode Island gaming industry.~~

1           ~~(19) Review a holder of a license, permit or registration if that holder is under review or~~  
2 ~~is otherwise subject to discipline by a regulatory body in any other jurisdiction for a violation of a~~  
3 ~~gaming law or regulation in that jurisdiction.~~

4           ~~(20) Take any other action as may be reasonable or appropriate to enforce this chapter~~  
5 ~~and rules promulgated by the state lottery division.~~

6           ~~(b) The state lottery division may seek and shall receive the cooperation and assistance~~  
7 ~~of the department of state police and department of attorney general in conducting background~~  
8 ~~investigations of applicants and in fulfilling its responsibilities under this chapter.~~

9           ~~(c) The state lottery division shall establish, issue and promulgate rules and regulations~~  
10 ~~pertaining to any or all matters within the state lottery division's jurisdiction, in accordance with~~  
11 ~~the provisions of the state administrative procedures act, chapter 35 of title 42, including, but not~~  
12 ~~limited to:~~

13           ~~(1) The issuance of any license, registration, or permit authorized by this chapter or other~~  
14 ~~law providing for gaming operations and activities subject to regulation of the state lottery~~  
15 ~~division.~~

16           ~~(2) The methods and procedures for making an application for a license, registration, or~~  
17 ~~permit to be considered by the state lottery division.~~

18           ~~(3) The methods for providing to the state lottery division information concerning a~~  
19 ~~person's family, habits, character, associates, criminal record, business activities, and financial~~  
20 ~~affairs.~~

21           ~~(4) Enforcement of this chapter, gaming laws administered by the state lottery division,~~  
22 ~~and rules of the state lottery division including imposition and collection of fines, penalties, and~~  
23 ~~other sanctions which may be imposed by the state lottery division against a casino operator or~~  
24 ~~any other licensee or permittee of the state lottery division.~~

25           ~~(5) The operation and management of the facility, the hiring of employees thereof, the~~  
26 ~~establishment of prevention, education and other services related to pathological gambling, the~~  
27 ~~conduct of gaming, electronic funds transfer terminals, audits, annual reports, prohibited conduct,~~  
28 ~~and such other matters as the state lottery division shall determine.~~

29           ~~(d) The state lottery division may conduct hearings or may designate a hearing officer or~~  
30 ~~hearing panel to conduct hearings and in connection therewith may:~~

31           ~~(1) Issue subpoenas and compel the attendance of witnesses or the production of~~  
32 ~~documents.~~

33           ~~(2) Administer oath.~~

34           ~~(3) Require testimony under oath before the hearing officer or hearing panel in the~~

1 ~~course of a hearing being held for any reason.~~

2 ~~(4) Issue written interrogatories.~~

3 ~~(e) Notwithstanding any other provisions of the general laws or regulations adopted~~  
4 ~~thereunder to the contrary, including, but not limited to, the provisions of chapter 2 of title 37,~~  
5 ~~and chapter 61 of title 42, the state lottery division is hereby authorized, empowered and directed~~  
6 ~~to enter into a Master Contract with the Narragansett Indian Tribe and Harrah's Entertainment,~~  
7 ~~Inc. or an Affiliate thereof ("Harrah's") which contract will have a term commencing on the date~~  
8 ~~of execution and expiring ten (10) years from the date that the casino opens for business, and to~~  
9 ~~fix in the Master Contract for the duration of such term the following: the casino license fee; the~~  
10 ~~rate of taxation on the adjusted gross receipts from gaming authorized under this chapter; the two~~  
11 ~~(2) year tax revenue insurance policy; the hotel occupancy tax which shall be in lieu of all other~~  
12 ~~parking, admission and other related patron taxes and fees; the project investment requirement of~~  
13 ~~the casino licensee; the annual funding covenant of the casino licensee in favor of the Rhode~~  
14 ~~Island Council on Problem Gambling; and the annual funding covenant of the casino licensee in~~  
15 ~~connection with a joint marketing budget in favor of the Rhode Island Hospitality and Tourism~~  
16 ~~Association and Rhode Island Convention Center and Visitors Bureau, all as set forth and~~  
17 ~~described in section 41-9.1-12. Insofar as the provisions of this act are inconsistent with the~~  
18 ~~provisions of any other general or special law, the provisions of this act shall be controlling. The~~  
19 ~~state does hereby pledge and agree under this act that the state will not limit, alter, diminish, or~~  
20 ~~adversely impact the rights or economic benefits which vest in the casino licensee under the terms~~  
21 ~~of the Master Contract authorized hereby, unless authorized by this act, and the state lottery~~  
22 ~~division is hereby authorized, empowered and directed to memorialize this pledge and agreement~~  
23 ~~on behalf of the state in the Master Contract.~~

24 ~~(f) After the expiration of the ten (10) year period of the Master Contract described~~  
25 ~~above, the parties thereto shall renegotiate the wagering tax rates set forth in section 41-9.1-12(b)~~  
26 ~~and the casino license renewal fee set forth in section 41-9.1-11.~~

27 ~~**41-9.1-6. Division of state police --- Jurisdiction --- Powers. ---** The division of state~~  
28 ~~police shall:~~

29 ~~(a) Conduct investigations and audits regarding the qualifications of applicants for~~  
30 ~~licenses, permits or registrations requiring suitability determinations as required by law or rule or~~  
31 ~~determined necessary by the state lottery division.~~

32 ~~(b) Submit all investigative reports to the state lottery division by and through the~~  
33 ~~executive director for analysis, review, and action pursuant to the provisions of this chapter.~~

34 ~~(c) Conduct audits to assist the state lottery division in determining compliance with all~~

1 ~~gaming laws, rules and regulations on gaming activities and operations under the state lottery~~  
2 ~~division's jurisdiction.~~

3 ~~(d) Perform all other duties and functions necessary for the efficient, efficacious, and~~  
4 ~~thorough regulation and control of gaming activities and operations under the state lottery~~  
5 ~~division's jurisdiction.~~

6 ~~**41-9.1-7. Appropriation -- Reimbursement.** -- Operations of the state lottery division~~  
7 ~~during fiscal years shall be funded by the fees paid by licensees and suppliers pursuant to the~~  
8 ~~provisions of this chapter, including without limitation section 41-9.1-11.~~

9 ~~**41-9.1-8. Casino gaming authorized.** -- (a) Notwithstanding any other section of Rhode~~  
10 ~~Island General Laws, gaming is authorized at a single casino in the State of Rhode Island to the~~  
11 ~~extent that it is conducted in accordance with this chapter.~~

12 ~~(b) This chapter does not apply to any of the following:~~

13 ~~(1) The pari-mutuel system of wagering used or intended to be used in connection with~~  
14 ~~race meetings as authorized under chapters 3.1 and 4 of this title.~~

15 ~~(2) Lottery games authorized under chapters 61 and 61.2 of title 42; including, without~~  
16 ~~limitation, video lottery terminals located at Newport Grand and Lincoln Greyhound Park.~~

17 ~~(3) Bingo.~~

18 ~~(4) The pari-mutuel system of wagering used or intended to be used in connection with~~  
19 ~~jai-alai as authorized under chapter 7 of this title.~~

20 ~~(5) The pari-mutuel system of wagering used or intended to be used in connection with~~  
21 ~~Simulcast programs from licensed betting facilities as authorized under chapter 11 of this title.~~

22 ~~**41-9.1-9. State and local referendum election.** -- (a) Pursuant to the terms of R.I.~~  
23 ~~Const., Art. VI, section 22 and chapter 5 of title 17, the general assembly hereby authorizes~~  
24 ~~submission to all of the electors of the state, at the general election to take place on November 2,~~  
25 ~~2004, the following question: "Shall there be a casino in the Town of West Warwick operated by~~  
26 ~~an Affiliate of Harrah's Entertainment in association with the Narragansett Indian Tribe?"~~

27 ~~(b) Prior to the general election question being submitted to the electors of the state and~~  
28 ~~prior to any casino being established in the Town of West Warwick, and in order for such town to~~  
29 ~~be eligible as the host community for such casino, the casino license applicant shall, within~~  
30 ~~seventy five (75) days of the passage of this act, file a statement of intent with the state lottery~~  
31 ~~division that demonstrates the following:~~

32 ~~(1) Evidence that the West Warwick Town Council has agreed to pose, by adopting~~  
33 ~~subsequent to July 1, 2004, a resolution to be placed on the ballot at the next general election to~~  
34 ~~be submitted to the qualified electors of the Town of West Warwick and to the qualified electors~~

1 ~~of the state, the question referenced in subsection (a) of this section;~~

2 ~~(2) Adequate description of real estate designated and available for the development of~~

3 ~~the casino, which real estate shall constitute at least thirty (30) acres;~~

4 ~~(3) Evidence of a fully executed development agreement; and~~

5 ~~(4) A complete proposal as referred to in section 41-9.1-10.~~

6 ~~(c) In the event of certification by the state lottery division of the statement of intent, the~~

7 ~~question referenced in subsection (a) shall then be submitted by the secretary of state to the~~

8 ~~qualified electors of the state at a general election to take place on November 2, 2004. The~~

9 ~~secretary of state shall certify the election results. The question shall also be submitted at the~~

10 ~~same general election by the local board of canvassers to the qualified electors of the Town of~~

11 ~~West Warwick, and the local board of canvassers shall certify the election results to the secretary~~

12 ~~of state. Notwithstanding any provisions of this section, in the event that certification by the state~~

13 ~~lottery division of the statement of intent does not occur, then any vote by the qualified electors of~~

14 ~~the state and the Town of West Warwick on the question referenced in subsection (a) shall be~~

15 ~~deemed non-binding.~~

16 ~~(d) In the event of the affirmative vote of the qualified electors of the Town of West~~

17 ~~Warwick and the qualified electors of the state, the state lottery division shall, in accordance with~~

18 ~~the provisions of this section and section 41-9.1-11, award the casino license to the applicant that~~

19 ~~is a party with the Town of West Warwick to the development agreement no later than March 1,~~

20 ~~2005.~~

21 ~~(e) In the event that the affirmative vote of both the Town of West Warwick and the~~

22 ~~electors of the state does not occur, or in the event that the casino license applicant is not able to~~

23 ~~timely file a statement of intent with the state lottery division in accordance with the provisions of~~

24 ~~subsection (b), then this chapter shall cease to have effect, and shall become null and void.~~

25 ~~(f) Notwithstanding any provision of the General Laws to the contrary, with respect to~~

26 ~~the matters contemplated in this chapter, the application and license issuance process described in~~

27 ~~this chapter shall govern and control and shall be in lieu of any other public bidding, request for~~

28 ~~proposal rights or requirements contained in the General Laws. Any decision or act by the general~~

29 ~~assembly, the secretary of state or the state lottery division in: (i) phrasing or submitting the~~

30 ~~statewide question, (ii) determining whether a statement of intent is in compliance with the filing~~

31 ~~and other provisions of this chapter, or (iii) awarding the single casino license, shall be final and~~

32 ~~binding and shall not be reviewable in any court on any grounds except corruption or fraud, so as~~

33 ~~to promote and not hinder the economic development initiatives and matters contemplated in this~~

34 ~~chapter. Jurisdiction of any suit, action or proceeding with respect to any of the foregoing shall~~

1 ~~immediately and exclusively vest in the Superior Court, and any appeal to the Rhode Island~~  
2 ~~Supreme Court shall be heard on an expedited basis; provided, however, that no such suit, action~~  
3 ~~or proceeding shall serve to enjoin (i) the question referenced in subsection (a) from being~~  
4 ~~submitted by the Secretary of State to the qualified electors of the state at a general election to~~  
5 ~~take place on November 2, 2004, and submitted at the same general election by the local board of~~  
6 ~~canvassers to the qualified electors of the Town of West Warwick, (ii) the awarding and issuance~~  
7 ~~of the single casino license, or (iii) any recipient of a casino license from proceeding with~~  
8 ~~development or operational matters, until a final, non appealable decision has been rendered by a~~  
9 ~~court.~~

10 ~~**41-9.1-10. Content of proposal.** -- The proposal filed with the state lottery division shall~~  
11 ~~be made under oath, and shall include without limitation all of the following:~~

12 ~~-(a) The name and business address of the applicant, and the names and business~~  
13 ~~addresses of the board of directors and the key officers thereof. In the event that a person or entity~~  
14 ~~directly owns or controls a five percent (5%) or greater voting interest in the applicant, then the~~  
15 ~~applicant shall also disclose the names and business addresses of such person or entity and the~~  
16 ~~officers and directors thereof unless such entity is an institutional investor in which case the name~~  
17 ~~and address of the institutional investor need only be disclosed. The applicant shall also disclose~~  
18 ~~whether it has knowledge that any disclosed person or entity has been convicted of any felony~~  
19 ~~crime.~~

20 ~~-(b) A fully executed development agreement between the applicant and the Town of~~  
21 ~~West Warwick.~~

22 ~~-(c) A description of the proposed gaming operation and related amenities, including the~~  
23 ~~economic benefits to the host community and the state (i.e., the proposed amount of investment in~~  
24 ~~construction and development; square footage of the casino; the number and types of games; the~~  
25 ~~presence of hotels, restaurants and other non gaming amenities; parking spaces; etc.).~~

26 ~~-(d) A description of the physical location of the proposed gaming operation and related~~  
27 ~~amenities, and evidence that applicant has the real estate site control (i.e., real estate purchase and~~  
28 ~~sale agreements or option agreements) necessary to support such development.~~

29 ~~-(e) A description of the anticipated or actual number of employees, and related wages~~  
30 ~~and benefits.~~

31 ~~-(f) A description of the marketing and operating experience of the applicant, and a~~  
32 ~~description of how such experience and other assets of the applicant would enable it and the state~~  
33 ~~to secure and maintain a strategic and competitive position within New England's casino gaming~~  
34 ~~industry.~~

1 ~~(g) A statement regarding compliance with federal and state affirmative action~~  
2 ~~guidelines.~~

3 ~~**41-9.1-11. Issuance of single casino license.** --- (a) The casino license issued shall remain~~  
4 ~~in effect so long as the licensee complies with the provisions below. The initial issuance of the~~  
5 ~~casino license shall be valid for a period of five (5) years and shall be renewable for periods of~~  
6 ~~five (5) years, each upon the payment of a fee in the amount of five hundred thousand (\$500,000)~~  
7 ~~dollars and determination by the state lottery division that the casino licensee is in compliance~~  
8 ~~with the suitability requirements of section 41-9.1-22. The fee shall be paid to the state.~~

9 ~~(b) Any casino license issued pursuant to this chapter shall be subject to the continuing~~  
10 ~~duty of the licensee to maintain the suitability requirements of section 41-9.1-22 and all~~  
11 ~~requirements of the state lottery division.~~

12 ~~**41-9.1-12. Wagering and other related taxes and fees.** --- Subject to the provisions of~~  
13 ~~section 41-9.1-5(e), the wagering and other related taxes and fees set forth below in this section~~  
14 ~~shall be paid by the casino licensee, shall be fixed and memorialized in the Master Contract, and~~  
15 ~~shall constitute the total remuneration owed from the casino licensee to the state during the term~~  
16 ~~of the Master Contract other than as provided for in this act as of the date of its passage [July 30,~~  
17 ~~2004] and other than general business and corporate taxes that all businesses of this state are~~  
18 ~~subject to under the laws of this state.~~

19 ~~(a) Casino License Fee. --- Subject to the terms and conditions of the Master Contract, a~~  
20 ~~casino license fee in the amount of one hundred million dollars (\$100,000,000) shall be payable~~  
21 ~~by the casino licensee to the state in three installments of thirty three million three hundred thirty-~~  
22 ~~three thousand three hundred thirty three dollars and thirty three cents (\$33,333,333.33) each on~~  
23 ~~the following dates: (i) the date of issuance of the casino license; (ii) the one year anniversary~~  
24 ~~date of the issuance of the casino license; and (iii) the two year anniversary date of the issuance~~  
25 ~~of the casino license.~~

26 ~~(b) Wagering Tax. --- The annual rate of taxation on the adjusted gross receipts ("AGR")~~  
27 ~~received by the casino licensee from gaming authorized under this chapter shall be as follows for~~  
28 ~~the period of time commencing on the first (1st) day on which the casino opens for business (the~~  
29 ~~"Commencement Date") and expiring at the end of five (5) years from the Commencement Date~~  
30 ~~(the "Expiration Date").~~

31 ~~-AGR up to and including \$400 million 25.00%~~

32 ~~-AGR greater than \$400 million and up to and including \$500 million 27.00%~~

33 ~~-AGR greater than \$500 million and up to and including \$600 million 29.00%~~

34 ~~-AGR greater than \$600 million and up to and including \$750 million 31.00%~~



1 ~~-AGR greater than \$750 million and up to and including \$900 million 33.00%~~

2 ~~-AGR greater than \$900 million and up to and including \$1 billion 35.00%~~

3 ~~-AGR greater than \$1 billion 40.00%~~

4 ~~-The annual rate of taxation on AGR received by the casino licensee from gaming~~  
5 ~~authorized under this chapter shall be as follows subsequent to the Expiration Date and going~~  
6 ~~forward:~~

7 ~~-AGR up to and including \$400 million 25.00%~~

8 ~~-AGR greater than \$400 million and up to and including \$500 million 28.00%~~

9 ~~-AGR greater than \$500 million and up to and including \$600 million 30.00%~~

10 ~~-AGR greater than \$600 million and up to and including \$750 million 32.00%~~

11 ~~-AGR greater than \$750 million and up to and including \$900 million 35.00%~~

12 ~~-AGR greater than \$900 million 40.00%~~

13 ~~-(e) Tax Revenue Insurance Policy. — For purposes of this subsection (e), the term~~  
14 ~~"Effective Period" shall mean that period of time commencing on the first (1st) day on which the~~  
15 ~~casino opens for business and expiring two (2) years from such date, and the term "Base Year"~~  
16 ~~shall mean the one year period immediately preceding the date on which the casino opens for~~  
17 ~~business. Subject to the terms and conditions of the Master Contract, the casino licensee shall~~  
18 ~~covenant therein that in the event that the aggregate amount of video lottery terminal revenue and~~  
19 ~~wagering tax revenue, minus any amounts refunded to GTECH Corporation under the Master~~  
20 ~~Contract between GTECH Corporation and the Commission effective July 1, 2003 and due to~~  
21 ~~passage of this act, received by the state each year during the Effective Period is not at least equal~~  
22 ~~to that amount which is one hundred ten percent (110%) of the video lottery terminal revenue~~  
23 ~~received by the state during the Base Year, then the casino licensee shall reimburse to the state~~  
24 ~~dollar for dollar the amount of such shortfall.~~

25 ~~-(d) Hotel Occupancy Tax. — With respect to each hotel room that is occupied by a guest,~~  
26 ~~the casino licensee shall pay to the state, in addition to other state and local hotel taxes that apply~~  
27 ~~to all hotels in the state, a one dollar (\$1.00) hotel occupancy tax, which tax shall be in lieu of all~~  
28 ~~other parking, admission, complimentary and other related patron taxes and fees.~~

29 ~~-(e) Project Investment Requirement. — The casino licensee shall demonstrate to the~~  
30 ~~satisfaction of the state lottery division prior to the opening of the casino for business that it has~~  
31 ~~invested in the aggregate at least five hundred million dollars (\$500,000,000) of hard and soft~~  
32 ~~costs in connection with acquiring interests in land, making improvements to real property and~~  
33 ~~otherwise developing and constructing the casino and related facilities.~~

34 ~~-(f) Funding Covenant of Casino Licensee in favor of the Rhode Island Hospitality and~~

1 ~~Tourism Association and the Rhode Island Convention Center and Visitors Bureau.— Fifty~~  
2 ~~thousand dollars (\$50,000) per year to each entity throughout the term of the casino license shall~~  
3 ~~be provided by casino licensee for the marketing of state convention and tourism business.~~

4 ~~-(g) Funding Covenant of Casino Licensee in favor of the Rhode Island Council on~~  
5 ~~Problem Gambling.— One hundred fifty thousand dollars (\$150,000) per year throughout the term~~  
6 ~~of the casino license shall be provided by casino licensee to the Rhode Island Council on Problem~~  
7 ~~Gambling or such other department, agency or entity that the legislature shall designate.~~

8 ~~**41-9.1-13. State lottery division and other approvals necessary for construction of**~~  
9 ~~**casino.**— (a) No casino licensed under this chapter shall open for operation until the state lottery~~  
10 ~~division and all appropriate state agencies have received and approved certification from the~~  
11 ~~Town of West Warwick that all casino construction has complied with all applicable provisions~~  
12 ~~of this chapter, any regulations promulgated thereunder, and applicable state and local law, as~~  
13 ~~well as with all provisions of the development agreement.~~

14 ~~-(b) So long as the Town of West Warwick is actively seeking authorization to amend its~~  
15 ~~comprehensive plan to include a casino development, authority is hereby granted to the casino~~  
16 ~~licensee to proceed with the construction of the casino development approved by the voters in the~~  
17 ~~state and local referendum election pursuant to section 41-9.1-9; subject to the receipt of any and~~  
18 ~~all municipal approvals.~~

19 ~~**41-9.1-14. Promulgation of operational rules and regulations.**— Upon the licensing of~~  
20 ~~a casino under the provisions of this chapter, the state lottery division shall have authority to issue~~  
21 ~~such regulations as it deems appropriate pertaining to the operation and management of the~~  
22 ~~facility, the hiring of employees thereof, the establishment of compulsive gambling treatment~~  
23 ~~programs, the conduct of gaming, electronic funds transfer terminals, audits, annual reports,~~  
24 ~~prohibited conduct and such other matters as the state lottery division shall determine.~~

25 ~~**41-9.1-15. Gaming and non-gaming supplier permits and gaming employee permits**~~  
26 ~~**required— Terms.**— (a) The securing of a permit under the provisions of this chapter shall be a~~  
27 ~~prerequisite for performing any activity which requires a permit pursuant to this chapter.~~

28 ~~-(b) The permits provided for in this chapter shall not be transferable.~~

29 ~~-(c) Any permit applied for, granted, or issued under the provisions of this chapter is an~~  
30 ~~absolute revocable privilege, the awarding, denial or withdrawal of which is solely within the~~  
31 ~~discretion of the state lottery division where applicable except as provided in this chapter. Any~~  
32 ~~permit used or renewed under the provisions of this chapter is not a property right or a protected~~  
33 ~~interest under the constitutions of either the United States or the State of Rhode Island.~~

34 ~~-(d) A licensee shall not employ any person in a capacity for which he is required to be~~

1 ~~issued a permit, unless he possesses a valid permit.~~

2 ~~-(e) Every person desiring to obtain a gaming supplier permit, a key gaming employee~~  
3 ~~permit or a non gaming supplier permit shall make application to the state lottery division where~~  
4 ~~applicable on a form and in a manner prescribed by the state lottery division. The application~~  
5 ~~forms shall be provided by the state lottery division and shall contain such information pursuant~~  
6 ~~to the provisions of this chapter and the state lottery division. No application shall be accepted~~  
7 ~~unless the state lottery division determines that all relevant requirements of this chapter have been~~  
8 ~~met. Notwithstanding anything to the contrary contained in this chapter, the state lottery division~~  
9 ~~in its sole discretion may issue such permits on a temporary basis prior to all relevant~~  
10 ~~requirements of this chapter having been met, to such applicants under the circumstances and on~~  
11 ~~terms that it deems appropriate.~~

12 ~~-(f) The term of a permit shall be for five (5) years; however, the state lottery division~~  
13 ~~may issue temporary permits.~~

14 ~~-(g) The state lottery division shall establish by rule a procedure for issuing and renewing~~  
15 ~~permits that are issued so that a similar number of permits will come up for renewal in each~~  
16 ~~subsequent year. The rule may provide for a one time renewal period of less than a five (5) year~~  
17 ~~duration. Appropriate fees shall also be established.~~

18 ~~**41-9.1-16. Gaming supplier permits.**~~ ~~-(a) The state lottery division shall issue a~~  
19 ~~gaming supplier permit to suitable persons who supply, sell, lease or repair, or contract to supply,~~  
20 ~~sell lease or repair gaming devices, equipment, and supplies to the holder of a license. A person~~  
21 ~~shall not supply, sell, lease, or repair, or contract to supply, sell, lease or repair, gaming devices,~~  
22 ~~equipment and supplies unless then possess a valid gaming supplier permit.~~

23 ~~-(b) Gaming devices or supplies may not be distributed to the holder of a license unless~~  
24 ~~such devices or supplies conform to rules adopted by the state lottery division.~~

25 ~~-(c) A gaming supplier shall furnish to the state lottery division a list of any gaming~~  
26 ~~devices and supplies offered by the gaming supplier for sale or lease in connection with games~~  
27 ~~authorized under this chapter. A gaming supplier shall keep books and records for the furnishing~~  
28 ~~of gaming devices and supplies to gaming operations separate and distinct from any other~~  
29 ~~business that the gaming supplier might operate. A gaming supplier shall file an annual return~~  
30 ~~with the state lottery division listing all sales and leases. A gaming supplier shall permanently~~  
31 ~~affix its name to all its gaming devices and supplies for gaming operations unless otherwise~~  
32 ~~authorized by the state lottery division. Any gaming supplier's gaming devices or supplies, which~~  
33 ~~are used by any person in unauthorized gaming operations, shall be forfeited to the state lottery~~  
34 ~~division. The holder of a license may own its own gaming devices and supplies. Each gaming~~

1 ~~supplier and the holder of a license shall file an annual report with the state lottery division listing~~  
2 ~~its inventories of gaming devices, equipment, and supplies.~~

3 ~~(d) The initial fee for a gaming supplier permit issued under the provisions of this section~~  
4 ~~is three thousand dollars (\$3,000), and the renewal fee shall be one thousand dollars (\$1,000).~~  
5 ~~This fee is required to be submitted at the time of application and on the anniversary date of the~~  
6 ~~issuance of the permit thereafter. The state lottery division may assess the gaming supplier any~~  
7 ~~costs incurred in testing and approving any devices or supplies.~~

8 ~~(e) Except as is otherwise required under section 41-9.1-17, non-gaming suppliers shall~~  
9 ~~not be required to obtain a permit from the state lottery division; provided, however, the state~~  
10 ~~lottery division may call forward any such non-gaming supplier and require a finding of~~  
11 ~~suitability if necessary to protect the public interest.~~

12 ~~**41-9.1-17. Non-gaming supplier permits.** --- (a) The state lottery division shall issue a~~  
13 ~~non-gaming supplier permit to suitable persons who supply, sell, lease or repair, or contract to~~  
14 ~~supply, sell, lease or repair, non-gaming devices and supplies, in amounts that in the aggregate~~  
15 ~~exceed two hundred thousand dollars (\$200,000) per calendar year, to the holder of a license. A~~  
16 ~~person shall not be entitled to compensation for the supply, sale, lease or repair of, or a contract to~~  
17 ~~supply, sell, lease, or repair, non-gaming devices and supplies in amounts that in the aggregate~~  
18 ~~exceed two hundred thousand dollars (\$200,000) per calendar year, unless they possess a valid~~  
19 ~~non-gaming supplier permit.~~

20 ~~(b) The initial fee for a non-gaming supplier permit issued under the provisions of this~~  
21 ~~section is one hundred dollars (\$100) and the renewal fee shall be one hundred dollars (\$100).~~  
22 ~~This fee is required to be submitted at the time of application and on the anniversary date of the~~  
23 ~~issuance of the permit thereafter. The state lottery division may assess the non-gaming supplier~~  
24 ~~any costs incurred in testing and approving any devices or supplies.~~

25 ~~**41-9.1-18. Key gaming employee and key gaming employee permit.** --- (a) The state~~  
26 ~~lottery division shall issue a key gaming employee permit to suitable persons pursuant to this~~  
27 ~~chapter. No key gaming employee required by this chapter to be permitted may commence~~  
28 ~~employment or be employed as a key gaming employee unless that person is the holder of a valid~~  
29 ~~key gaming employee permit; provided, however, the state lottery division may issue temporary~~  
30 ~~permits.~~

31 ~~(b) The state lottery division shall issue a key gaming employee permit to suitable~~  
32 ~~persons pursuant to this chapter.~~

33 ~~(c) The holder of a key gaming employee permit or temporary permit issued under this~~  
34 ~~chapter shall be authorized to work in the capacity for which permitted for the holder of a license.~~

1           ~~(d) The fee for the initial application for a key gaming employee permit issued under the~~  
2 ~~provisions of this section is two hundred dollars (\$200). This fee is required to be submitted at the~~  
3 ~~time of application. The renewal fee for the key gaming employee permit is one hundred dollars~~  
4 ~~(\$100).~~

5           ~~**41-9.1-19. License, permit and registration as revocable privilege --- Rights,**~~  
6 ~~**limitations and prohibitions --- Revocation and suspension --- Penalties for violation.**~~ (a) A  
7 ~~license, permit or registration issued under this chapter is a revocable privilege granted by the~~  
8 ~~state dependent upon the holder's compliance with this chapter and rules promulgated hereunder~~  
9 ~~and is not a property right. Granting a license, permit or registration under this chapter does not~~  
10 ~~create or vest any right, title, franchise or other property interest. Any casino license or gaming~~  
11 ~~supplier permit is exclusive to the holder, and a holder or any other person shall apply for and~~  
12 ~~receive the state lottery division's approval before a casino license or gaming supplier permit is~~  
13 ~~transferred, sold or purchased, or before a voting trust agreement or other similar agreement is~~  
14 ~~established with respect to such. A holder of a casino license or gaming supplier permit, or any~~  
15 ~~other person, shall not lease, pledge, or borrow, or loan money against such license or permit. The~~  
16 ~~attempted transfer, sale or other conveyance of an interest in a casino license or gaming supplier~~  
17 ~~permit without prior state lottery division approval is grounds for suspension or revocation of the~~  
18 ~~license or permit, or other sanctions considered appropriate by the state lottery division. In the~~  
19 ~~event of any transfer, sale or other conveyance of a casino license or gaming supplier permit,~~  
20 ~~including those ordered by a court of competent jurisdiction in connection with a bankruptcy,~~  
21 ~~receivership or other like proceeding, the state lottery division shall have the right to approve any~~  
22 ~~proposed transferee pursuant to the requirements of this chapter. Any costs associated with a~~  
23 ~~transfer, sale or other conveyance of a casino license or gaming supplier permit shall be borne by~~  
24 ~~the transferee.~~

25           ~~(b) The state lottery division may upon its own motion, and shall upon the verified~~  
26 ~~complaint, in writing, of any person initiating a cause under this chapter, ascertain the facts and, if~~  
27 ~~warranted, hold a hearing for the nonrenewal, suspension or revocation of a license, permit or~~  
28 ~~registration. The state lottery division shall have the power to suspend or revoke a license, permit~~  
29 ~~or registration or place a holder on probation where the license permit or registration has been~~  
30 ~~obtained by false representation or by fraudulent act or conduct or where a holder violates any of~~  
31 ~~the provisions of this chapter.~~

32           ~~(c) In addition to the nonrenewal, revocation or suspension of a license, permit or~~  
33 ~~registration, the state lottery division is authorized to levy an administrative penalty not exceeding~~  
34 ~~the greater of:~~

1           ~~(1) Five hundred thousand dollars (\$500,000); or~~

2           ~~(2) Two hundred percent (200%) of the amount unreported or underreported for any~~  
3 ~~violation of the reporting requirements of this chapter and/or the rules and regulations~~  
4 ~~promulgated by the state lottery division. For violations of the chapter and/or the rules~~  
5 ~~promulgated by the state lottery division other than reporting requirements, the state lottery~~  
6 ~~division may levy administrative penalties of up to five thousand dollars (\$5,000) against~~  
7 ~~individuals and up to ten thousand dollars (\$10,000) or an amount equal to the daily gross~~  
8 ~~receipts on the date of the violation, whichever is greater, against casino licensees for each such~~  
9 ~~violation.~~

10           ~~(d) (1) Except as provided in subsection (e), before refusing to renew, suspending or~~  
11 ~~revoking a license, permit or registration on its own motion, the state lottery division shall, in~~  
12 ~~writing, notify the holder of its intended action and the grounds for the action. The holder may,~~  
13 ~~within twenty (20) days, file with the state lottery division, in triplicate, a request for a hearing~~  
14 ~~stating his or her answer to the grounds specified in the notification. The state lottery division~~  
15 ~~shall consider the answer and set a date for a hearing, notifying the holder of the date at least~~  
16 ~~twenty (20) days prior to the hearing date.~~

17           ~~(2) Before refusing to renew, suspending or revoking an existing license, permit or~~  
18 ~~registration upon the verified written complaint of any person stating a violation of this chapter,~~  
19 ~~the state lottery division shall, in writing, notify the holder of its receipt of the complaint,~~  
20 ~~enclosing a copy of the complaint. The holder shall, within twenty (20) days, file with the state~~  
21 ~~lottery division, in quadruplicate his or her answer to the complainant or complainants.~~

22           ~~(3) The state lottery division shall transmit a copy of the answer to the complainant or~~  
23 ~~complainants with the scheduled date, time and place for hearing at least twenty (20) days prior to~~  
24 ~~the hearing date.~~

25           ~~(4) All notices and answers required or authorized to be made or filed under this section~~  
26 ~~may be served or filed personally, or by certified mail to the last known business address of the~~  
27 ~~addressee. If served personally, the time runs from the date of service; if by registered mail, from~~  
28 ~~the postmarked date of the letter enclosing the document.~~

29           ~~(5) Hearings are subject to chapter 46 of title 42, entitled "open meetings", and the~~  
30 ~~holder has an opportunity to be heard in person or by counsel. The state lottery division shall~~  
31 ~~render a decision on any application or complaint within sixty (60) days after the final hearing on~~  
32 ~~the matter and shall immediately notify the parties to the proceedings, in writing, of its ruling,~~  
33 ~~order or decision. In the event the matter contained in the complaint has been filed or made part~~  
34 ~~of a case pending in any court of this state, the state lottery division may then withhold its~~

1 ~~decision until the court action has been concluded. Hearings are held in accordance with rules~~  
2 ~~promulgated by the state lottery division in conformity with state and federal law.~~

3 ~~(e) The state lottery division may suspend a license, permit or registration, without notice~~  
4 ~~or hearing, upon a determination that the safety or health of patrons or employees is jeopardized.~~  
5 ~~If the state lottery division suspends a license, permit or registration under this subsection without~~  
6 ~~notice or hearing, a prompt post-suspension hearing shall be held in accordance with subsection~~  
7 ~~(d) to determine if the suspension should remain in effect. The suspension may remain in effect~~  
8 ~~until the state lottery division determines that the cause for suspension has been abated. The state~~  
9 ~~lottery division may revoke the license, permit or registration upon a determination that the~~  
10 ~~holder has not made satisfactory progress toward abating the hazard.~~

11 ~~(f) (1) The state lottery division is authorized and empowered to issue subpoenas for the~~  
12 ~~attendance of witnesses and the production of records or documents. The process issued by the~~  
13 ~~state lottery division may extend to all parts of the state, and the process may be served by any~~  
14 ~~person designated by the state lottery division. The person serving that process shall receive any~~  
15 ~~compensation that is allowed by the state lottery division, not to exceed the fee prescribed by law~~  
16 ~~for similar services. All witnesses subpoenaed who appear in any proceedings before the state~~  
17 ~~lottery division shall receive the same fees and mileage allowances allowed by law, and all those~~  
18 ~~fees and allowances are taxed as part of the costs of the proceedings.~~

19 ~~(2) Where, in any proceeding before the state lottery division, any witness fails or~~  
20 ~~refuses to attend upon subpoena issued by the state lottery division, or refuses to testify, or~~  
21 ~~refuses to produce any records or documents the production of which is called for by the~~  
22 ~~subpoena, the attendance of the witness and the giving of his or her testimony and the production~~  
23 ~~of the documents and records shall be enforced by any court of competent jurisdiction of this state~~  
24 ~~in the same manner as are enforced the attendance, testimony of witnesses and production of~~  
25 ~~records in civil cases in the courts of this state.~~

26 ~~(g) The procedures of the administrative procedures act, chapter 35 of title 42, and all~~  
27 ~~amendments and modifications to that act and the rules adopted pursuant to the act, apply to and~~  
28 ~~govern all proceedings for the judicial review of final administrative decisions of the state lottery~~  
29 ~~division. Any party aggrieved by a final administrative decision of the state lottery division may~~  
30 ~~seek review of that decision in the superior court of the county of his or her residence if a natural~~  
31 ~~person, or the county in which the aggrieved party maintains a place of business, if other than a~~  
32 ~~natural person.~~

33 ~~(h) Any person aggrieved has the right of appeal from any adverse ruling, order or~~  
34 ~~decision of the state lottery division to a court of competent jurisdiction in the county where the~~

1 ~~hearing was held within thirty (30) days from the service of notice of the action of the state lottery~~  
2 ~~division upon the parties to the hearing.~~

3 ~~(i) Notice of appeal is filed in the office of the clerk of the court, which shall issue a writ~~  
4 ~~of certiorari directed to the state lottery division, commanding it, within fifteen (15) days after~~  
5 ~~service of the writ, to certify to the court its entire record in the matter in which the appeal has~~  
6 ~~been taken. The appeal shall be heard in due course, by the court, which shall review the record~~  
7 ~~and, after a hearing on the matter, make its determination of the cause.~~

8 ~~(j) A final administrative decision of the state lottery division shall not become effective~~  
9 ~~until time for appeal has expired. If an appeal is taken, it shall not act as a stay of decision unless~~  
10 ~~the court so directs.~~

11 ~~(k) In the event of a suspension or revocation of a license, permit or registration, the state~~  
12 ~~lottery division may take such action as is necessary to continue the daily operation of the casino~~  
13 ~~until the reinstatement of the license, permit or registration in the case of a suspension, or the~~  
14 ~~approval of a replacement license, permit or registration in accordance with the approval process~~  
15 ~~contained in this chapter in the case of a revocation.~~

16 ~~**41-9.1-20. Records of state lottery division deemed open — Exceptions.**~~ (a) Except  
17 ~~as otherwise provided in this chapter or other chapters, records of the state lottery division shall~~  
18 ~~be public records. A record of the state lottery division shall be confidential when the record:~~

19 ~~(1) Relates to the background of an applicant and was provided by the applicant or a~~  
20 ~~confidential source or informant.~~

21 ~~(2) Relates to security measures of the state lottery division, an applicant, or a licensee or~~  
22 ~~permittee.~~

23 ~~(3) Consists of an applicant's personal history form or questionnaires, disclosure forms,~~  
24 ~~or financial statements and records.~~

25 ~~(4) Relates to surveillance and security techniques, procedures, or practices of the state~~  
26 ~~lottery division, an applicant, or a licensee or permittee.~~

27 ~~(5) Relates to trade secrets or design of experimental gaming devices and equipment.~~

28 ~~(6) Consists of proprietary architectural, construction, schematic or engineering plans,~~  
29 ~~blueprints, specifications, computer programs or software, or economic or financial calculations~~  
30 ~~which relate to authorized gaming activities on the premises where authorized gaming activities~~  
31 ~~are conducted or to be conducted.~~

32 ~~(7) Relates to an ongoing investigation of the state lottery division into a possible~~  
33 ~~violation by a licensee or permittee, until the state lottery division initiates proposed enforcement~~  
34 ~~action against the licensee or the permittee and makes the record public in the course thereof.~~



1 ~~-(8) Results from or is part of a state lottery division background investigation of an~~  
2 ~~applicant.~~

3 ~~-(9) Relates to specific financial data concerning casino operations and results; provided,~~  
4 ~~however, the monthly gross gaming revenue amount shall be publicly disclosed.~~

5 ~~-(b) Confidential information or data which is obtained by the state lottery division may~~  
6 ~~not be revealed in whole or in part except in the course of the proper administration of this~~  
7 ~~chapter. However, the state lottery division or its authorized agents may reveal such information~~  
8 ~~or data to an authorized agent of any agency of the United States government or to any agent of~~  
9 ~~this state or of any political subdivision of this state, pursuant to rules and regulations adopted by~~  
10 ~~the state lottery division, or pursuant to a lawful order of a court of competent jurisdiction. Notice~~  
11 ~~of the content of any information or data furnished or released pursuant to this section may be~~  
12 ~~given to the applicant or licensee to whom it pertains in a manner prescribed by rules adopted by~~  
13 ~~the state lottery division.~~

14 ~~-(c) No state lottery division member, employee, agent, or authorized representative shall~~  
15 ~~disclose, divulge, disseminate, or otherwise transmit or communicate any confidential state~~  
16 ~~lottery division record, reports, or any confidential information therein, except as permitted in this~~  
17 ~~section and then only with the approval of the state lottery division. Disclosure of any~~  
18 ~~confidential state lottery division record, report, or any information therein other than as provided~~  
19 ~~in this section shall be grounds for removal of a state lottery division member or termination of~~  
20 ~~any employee.~~

21 ~~-(d) All files, records, reports, and other information pertaining to gaming matters in the~~  
22 ~~possession of the division of state police or any other state or municipal law enforcement~~  
23 ~~authority, and otherwise not specifically provided for in this chapter shall be made available to~~  
24 ~~the state lottery division as necessary for the regulation of gaming activities and operations as~~  
25 ~~provided by law.~~

26 ~~-(e) The state lottery division shall maintain a file of all applications for licenses, permits~~  
27 ~~or registrations, and requests for all other state lottery division actions or approvals received by~~  
28 ~~the state lottery division, together with a record of all action taken with respect to those~~  
29 ~~applications and requests. The file and record shall be open to public inspection.~~

30 ~~-(f) The state lottery division shall maintain a file of all bids or proposals for any contract~~  
31 ~~let or entered into by the state lottery division together with a record of all action taken with~~  
32 ~~respect to those bids. The file and record shall be open to public inspection.~~

33 ~~**41-9.1-21. Restricted use agreements -- confidentiality of records.** -- (a) The state~~  
34 ~~lottery division may enter into intelligence sharing, reciprocal use, or restricted use agreements~~

1 with a department or agency of the federal government, law enforcement agencies, and gaming  
2 enforcement and regulatory agencies of other jurisdictions which provide for and regulate the use  
3 of information provided and received pursuant to the agreement.

4 ~~(b) Records, documents and information in the possession of the state lottery division  
5 received pursuant to an intelligence sharing, reciprocal use or restricted use agreement entered  
6 into by the state lottery division with a federal department or agency, any law enforcement  
7 agency, or the gaming enforcement or regulatory agency of any jurisdiction shall be considered  
8 investigative records of a law enforcement agency and shall not be disseminated under any  
9 condition without the permission of the person or agency providing the record or information or  
10 by order of a court with competent jurisdiction over the matter.~~

11 ~~**41-9.1-22. Standards for license, permit and registration issuance suitability**  
12 **qualifications.** (a) No applicant shall be eligible to obtain a license to conduct gaming  
13 operations, a permit or registration unless the state lottery division: (i) has, with respect to a  
14 casino license applicant, received a filing made under oath that includes, without limitation, the  
15 information set forth below, and (ii) is satisfied that the applicant is suitable. In determining  
16 whether a casino license applicant is suitable, the state lottery division may consider, in addition  
17 to the information set forth below, whether the applicant has been found suitable and/or has been  
18 issued a license to conduct casino gaming in other jurisdictions.~~

19 ~~(1) The identity of every person in accordance with the provisions of this subdivision,  
20 who has or controls any ownership interest in the applicant with respect to which the license is  
21 sought. If the disclosed entity is a trust, the application shall disclose the names, addresses, birth  
22 dates and social security number of all such beneficiaries, if a corporation, the names, addresses,  
23 birth dates, and social security numbers of all such officers and directors; if a partnership, the  
24 names, addresses, birth dates, and social security numbers of all such partners, both general and  
25 limited, if a limited liability company, the names, addresses, birth dates, and social security  
26 numbers of all such members. The applicant shall also separately disclose in like manner any  
27 person or entity directly or indirectly owning or controlling a five percent (5%) or greater voting  
28 interest in such owners of the applicant. If any such person is an entity with one or more classes  
29 of securities registered pursuant to the Securities Exchange Act of 1934, as amended, the  
30 applicant shall disclose names, addresses, birth dates and social security numbers of all officers  
31 and directors and provide public filings with the U.S. Securities and Exchange Commission for  
32 the past year. If any such persons or entities are institutional investors or institutional lenders  
33 owning or controlling a five percent (5%) or greater voting interest in such owners of the  
34 applicant, the applicant shall not be required to provide detailed information on such institutional~~

1 ~~investors or institutional lenders other than their respective identities unless otherwise requested~~  
2 ~~by the commission. The applicant will forward any request for additional information to the~~  
3 ~~institutional investors or institutional lenders.~~

4 ~~(2) An identification of any business, including, if applicable, the state of incorporation~~  
5 ~~or registration, in which an applicant or any other person or entity identified in subdivision (a)(1)~~  
6 ~~has an equity interest of five percent (5%) or more. If an applicant is a corporation, partnership, or~~  
7 ~~other business entity, the applicant shall identify any other corporation, partnership, or other~~  
8 ~~business entity in which it has an equity interest of five percent (5%) or more; including, if~~  
9 ~~applicable, the state of incorporation or registration. An applicant can comply with this~~  
10 ~~subdivision by filing a copy of the applicant's registration with the securities exchange board if~~  
11 ~~the registration contains the information required by this subsection.~~

12 ~~(3) Whether an applicant or any other person or entity identified in subdivision (a)(1) is~~  
13 ~~known by applicant to have been indicted, charged, arrested, convicted, pleaded guilty or nolo~~  
14 ~~contendere, forfeited bail concerning, or has had expunged any criminal offense under the laws of~~  
15 ~~any jurisdiction, either felony or misdemeanor, not including traffic violations, regardless of~~  
16 ~~whether the offense has been expunged, pardoned or reversed on appeal or otherwise, including~~  
17 ~~the date, the name and location of the court, arresting agency and prosecuting agency, the case~~  
18 ~~caption, the docket number, the offense, the disposition, and the location and length of~~  
19 ~~incarceration.~~

20 ~~(4) Whether an applicant or any other person or entity identified in subdivision (a)(1) is~~  
21 ~~known by applicant to have ever applied for or has been granted any gaming license or certificate~~  
22 ~~issued by a licensing authority within this state or any other jurisdiction that has been denied,~~  
23 ~~restricted, suspended, revoked, or not renewed, and a statement describing the facts and~~  
24 ~~circumstances concerning the application, denial restriction, suspension, revocation or~~  
25 ~~nonrenewal, including the licensing authority, the date each action was taken, and the reason for~~  
26 ~~each action.~~

27 ~~(5) Such information, documentation and assurances as may be required to establish by~~  
28 ~~clear and convincing evidence:~~

29 ~~a. the financial stability, integrity and responsibility of the applicant, including, but not~~  
30 ~~limited to, bank references, financial statements, tax returns and other reports filed with~~  
31 ~~governmental agencies;~~

32 ~~b. the adequacy of financial resources both as to the completion of the casino proposal~~  
33 ~~and the operation of the casino; and~~

34 ~~c. that the applicant has sufficient business ability and casino experience as to establish~~

1 ~~the likelihood of creation and maintenance of a successful, efficient and competitive casino~~  
2 ~~operation.~~

3 ~~(6) Such information, documentation and assurances to establish to the satisfaction of the~~  
4 ~~state lottery division the applicant's good character, honesty and integrity, and the applicant's~~  
5 ~~suitability qualification pursuant to this section.~~

6 ~~(7) A statement listing the names and titles of all Rhode Island public officials or officers~~  
7 ~~of any unit of government, and the spouses, parents, and children of those public officials or~~  
8 ~~officers who, directly or indirectly, own any financial interest in, have any beneficial interest in,~~  
9 ~~are the creditors of or hold any debt instrument issued by, or hold or have any interest in any~~  
10 ~~contractual or service relationship with an applicant. As used in this subsection, the terms "public~~  
11 ~~official" and "officer" do not include a person who would have to be listed solely because of his~~  
12 ~~or her state or federal military service. This subsection shall not apply to public officials or~~  
13 ~~officers or the spouses, parents and children thereof, whose sole financial interest amounts to less~~  
14 ~~than a one percent (1%) ownership interest in a publicly traded company.~~

15 ~~(8) The name and business telephone number of any attorney, counsel, lobbyist, agent, or~~  
16 ~~any other person representing an applicant in matters before the state lottery division.~~

17 ~~(9) Whether an applicant or any other person or entity identified in subdivision (a)(1) has~~  
18 ~~ever filed or had filed against it a civil or administrative action or proceeding in bankruptcy or has~~  
19 ~~ever been involved in any formal process to adjust, defer, suspend, or otherwise work out the~~  
20 ~~payment of any debt including the date of filing, the name and location of the court, the case~~  
21 ~~caption, the docket number, and the disposition.~~

22 ~~(10) Whether an applicant or any other person or entity identified in subdivision (a)(1)~~  
23 ~~has filed, or been served with, a complaint or other notice filed with any public body, regarding~~  
24 ~~the delinquency in the payment of, or a dispute over the filings concerning the payment of any tax~~  
25 ~~required under federal, state, or local law, including the amount, type of tax, the taxing agency,~~  
26 ~~and the periods involved.~~

27 ~~(11) Financial and other information in the manner and form prescribed by the~~  
28 ~~commission.~~

29 ~~(b) For purposes of this chapter, "suitable" means that the proposed casino licensee, or~~  
30 ~~other applicant or permittee has demonstrated to the state lottery division by clear and convincing~~  
31 ~~evidence that he or she:~~

32 ~~(1) Is a person of good character, honesty, and integrity or an entity whose reputation~~  
33 ~~indicates it possesses honesty, integrity and sufficient knowledge of the gaming industry.~~

34 ~~(2) Is a person whose prior activities, criminal record, if any, reputation, habits, and~~

1 ~~associations do not pose a threat to the public interest of this state or to the effective regulation~~  
2 ~~and control of gaming, or create or enhance the dangers of unsuitable, unfair, or illegal practices,~~  
3 ~~methods, and activities in the conduct of gaming or the carrying on of the business and financial~~  
4 ~~arrangements incidental thereto.~~

5 ~~(3) Is capable of and likely to conduct the activities for which the applicant or casino~~  
6 ~~gaming operator is licensed or approved in accordance with the provisions of this chapter and any~~  
7 ~~rules of the state lottery division.~~

8 ~~(c) For purposes of a casino licensee, the applicant shall also demonstrate by clear and~~  
9 ~~convincing evidence that:~~

10 ~~(1) He or she or the entity has adequate business competence and experience in the~~  
11 ~~operation of gaming operations.~~

12 ~~(2) The proposed financing of the conducting of gaming operations is:~~

13 ~~(i) Adequate for the nature of the proposed operation; and~~

14 ~~(ii) From a suitable source, subject to provisions of section 41-9.1-23 hereof.~~

15 ~~(d) Information provided by the applicant shall be used as a basis for a thorough~~  
16 ~~background investigation which the state lottery division shall conduct. A false or incomplete~~  
17 ~~filing may be cause for denial of a license. The state lottery division in its sole discretion may~~  
18 ~~provide the applicant a reasonable opportunity to correct any deficiency in the filing.~~

19 ~~(e) Applicants shall consent, in writing, to being subject to the inspections, searches, and~~  
20 ~~seizures provided for in this chapter and to disclosure to the state lottery division and its agents of~~  
21 ~~otherwise confidential records including tax records held by any federal, state, or local agency, or~~  
22 ~~credit bureau or financial institution while applying for or holding a license under this chapter.~~

23 ~~(f) The state lottery division may contract for, at the expense of the applicants, any~~  
24 ~~technical or investigative services that it shall require to conduct such research and/or~~  
25 ~~investigation as it deems appropriate with respect to its evaluation of the filing. A nonrefundable~~  
26 ~~application fee of fifty thousand dollars (\$50,000) shall be paid at the time of filing to defray the~~  
27 ~~costs associated with such research and investigation conducted by the state lottery division. If~~  
28 ~~the costs of the research and investigation exceed fifty thousand dollars (\$50,000), the applicant~~  
29 ~~shall pay the additional amount.~~

30 ~~(g) All licensees, all permittees, and any other persons who have been found suitable or~~  
31 ~~approved by the state lottery division shall maintain suitability throughout the term of the license,~~  
32 ~~permit or approval. In the event of a current prosecution of an offense, the state lottery division~~  
33 ~~shall have the discretion to defer a determination on a person's continuing suitability pending the~~  
34 ~~outcome of the proceedings, provided that if a decision is deferred pending such outcome, the~~

1 ~~state lottery division, where applicable, may take such action as is necessary to protect the public~~  
2 ~~trust, including the suspension of any license, permit or registration.~~

3 ~~-(h) All holders of licenses, permits and registrations, and any other persons required to~~  
4 ~~be found suitable, shall have a continuing duty to inform the state lottery division of any possible~~  
5 ~~violation of this chapter and of any rules adopted by the state lottery division. No person who so~~  
6 ~~informs the state lottery division or any law enforcement authority within the state of a violation~~  
7 ~~or possible violation shall be discriminated against by the applicant, licensee, permittee, registrant~~  
8 ~~or casino gaming operator because of supplying such information, and shall be afforded the~~  
9 ~~protection of section 28-50-1 et al. "The Rhode Island Whistleblower's Protection Act", so called.~~

10 ~~-(i) The state lottery division shall have the power to call forward for a finding of~~  
11 ~~suitability any person that is affiliated with a licensee, permittee or registrant if necessary to~~  
12 ~~protect the public interest. Subject to section 41-9.1-24, any person who has or controls directly~~  
13 ~~or indirectly five percent (5%) or greater voting interest shall meet all suitability requirements and~~  
14 ~~qualifications pursuant to the provisions of this chapter, unless otherwise determined by the state~~  
15 ~~lottery division.~~

16 ~~-(j) If the state lottery division finds that an individual owner or holder of a security of a~~  
17 ~~licensee, permittee, or registrant, or of a holding or intermediary company of a licensee or~~  
18 ~~permittee, or registrant, or any person or persons with an economic interest in a licensee,~~  
19 ~~permittee, or registrant, or a director, partner, officer, or managerial employee is not suitable, and~~  
20 ~~if as a result, the licensee, permittee, or registrant is no longer qualified to continue as a licensee,~~  
21 ~~permittee, or registrant, the state lottery division shall propose action necessary to protect the~~  
22 ~~public interest, including the suspension of the license, permit or registration. The state lottery~~  
23 ~~division may also issue under penalty of revocation or suspension of a license, permit, or~~  
24 ~~registration, impose a condition of disqualification naming the person or persons and declaring~~  
25 ~~that such person or persons may not:~~

26 ~~-(1) Receive dividends or interest on securities of a person, or a holding or intermediary~~  
27 ~~company of a person, holding a license, permit, or other approval.~~

28 ~~-(2) Exercise directly, or through a trustee or nominee, a right conferred by securities of a~~  
29 ~~person, or a holding or intermediary company of a person, holding a license, permit, or other~~  
30 ~~approval of the state lottery division issued pursuant to the provisions of this chapter.~~

31 ~~-(3) Receive remuneration or other economic benefit from any person, or a holding or~~  
32 ~~intermediary company of a person, holding a license, permit, or other approval issued pursuant to~~  
33 ~~this chapter.~~

34 ~~-(4) Exercise significant influence over activities of a person, or a holding or intermediary~~

1 ~~company of a person, holding a license, permit, or other approval issued pursuant to the~~  
2 ~~provisions of this chapter.~~

3 ~~-(5) Continue owning or holding a security of a person, or a holding or intermediary~~  
4 ~~company of a person, holding a license, permit, or other approval of the state lottery division~~  
5 ~~issued pursuant to the provisions of this chapter or remain as a manager, officer, director, or~~  
6 ~~partner of a licensee or permittee.~~

7 ~~**41-9.1-23. Casino license -- Disqualification criteria.**~~ ~~The state lottery division shall~~  
8 ~~not award a casino or other license, permit or registration to any person who is disqualified on the~~  
9 ~~basis of any of the following criteria:~~

10 ~~-(1) Failure of the applicant to prove by clear and convincing evidence that he or she is~~  
11 ~~suitable in accordance with the provisions of this chapter.~~

12 ~~-(2) Failure of the applicant to provide information and documentation to reveal any fact~~  
13 ~~material to a suitability determination, or the supplying of information which is untrue or~~  
14 ~~misleading as to a material fact pertaining to the qualification criteria.~~

15 ~~-(3) The conviction of, or a plea of guilty or nolo contendere by, the applicant, or of any~~  
16 ~~person required to be qualified under this chapter for an offense punishable by imprisonment of~~  
17 ~~more than one year or a fine up to one thousand dollars (\$1,000); provided, however, a conviction~~  
18 ~~or plea of guilty or nolo contendere by the applicant shall not constitute an automatic~~  
19 ~~disqualification as otherwise required if:~~

20 ~~-(i) Ten (10) or more years has elapsed between the date of application and the successful~~  
21 ~~completion of service of any sentence, deferred adjudication, or period of probation or parole; or~~

22 ~~-(ii) Five (5) or more years has elapsed between the date of application and the successful~~  
23 ~~completion of any sentence, deferred adjudication, or period of probation or parole and the~~  
24 ~~conviction for an offense which was a misdemeanor offense.~~

25 ~~-(4) Notwithstanding any provision of law to the contrary, the state lottery division may~~  
26 ~~consider the seriousness and circumstances of any offense, any arrest, or any conviction in~~  
27 ~~determining suitability.~~

28 ~~**41-9.1-24. Institutional investors or institutional lenders.**~~ ~~-- (a) Requirements of~~  
29 ~~disclosure or of being suitable or qualified with respect to an institutional investor or institutional~~  
30 ~~lender, pursuant to the provisions of this chapter and the rules adopted pursuant thereto, shall be~~  
31 ~~deemed to have been complied with upon submission of documentation by the casino licensee~~  
32 ~~applicant, casino licensee, permittee or the institution, as appropriate, sufficient to establish~~  
33 ~~qualifications as an institutional investor or institutional lender as defined herein and it is~~  
34 ~~determined that:~~

1 ~~-(1) It owns, holds, or controls publicly traded securities issued by a casino licensee~~  
2 ~~applicant, casino licensee, permittee or holding, intermediate or parent company of a casino~~  
3 ~~licensee applicant, casino licensee or permittee in the ordinary course of business for investment~~  
4 ~~purposes.~~

5 ~~-(2) It does not intend to exercise influence over the affairs of the issuer of such~~  
6 ~~securities, nor over any licensed or permitted subsidiary of the issuer of such securities, in the~~  
7 ~~future, and that it agrees to notify the state lottery division, in writing, within thirty (30) days if~~  
8 ~~such intent should change.~~

9 ~~-(b) The exercise of voting privileges with regard to publicly traded securities shall not be~~  
10 ~~deemed to constitute the exercise of influence over the affairs of the issuer of such securities.~~

11 ~~-(c) The state lottery division may rescind the presumption of suitability for an~~  
12 ~~institutional lender or institutional investor at any time if the institutional lender or investor~~  
13 ~~exercises or intends to exercise influence or control over the affairs of the casino licensee~~  
14 ~~applicant, the casino licensee, permittee, or a holding, intermediate, or parent company of the~~  
15 ~~casino licensee applicant, the casino licensee or permittee.~~

16 ~~-(d) This section shall not be construed to preclude the state lottery division from~~  
17 ~~investigating the suitability or qualifications of an institutional investor or institutional lender~~  
18 ~~should the state lottery division become aware of facts or information which may result in such~~  
19 ~~institutional investor or institutional lender being found unsuitable or disqualified.~~

20 ~~**41-9.1-25. Uniform compulsive and problem gambling program.** -- (a) The gaming~~  
21 ~~industry through the American Gaming Association in the Responsible Gaming Resource Guide~~  
22 ~~has stated that the industry recognizes that gaming entertainment companies must stand up and~~  
23 ~~take responsible actions to address social problems and costs that are created when some~~  
24 ~~individuals have problems handling the product or services they provide. The industry has also~~  
25 ~~stated that they know that the vast majority of the men and women who are their customers can~~  
26 ~~enjoy their games responsibly, but that they also know the customers expect them to act~~  
27 ~~responsibly toward those who cannot. It is imperative for the health, safety, and welfare of the~~  
28 ~~citizens of the State of Rhode Island that all casino licensees develop and implement~~  
29 ~~comprehensive compulsive and problem gambling programs to be approved by the state lottery~~  
30 ~~division.~~

31 ~~-(b) Any casino licensee shall adopt a comprehensive program that provides policies and~~  
32 ~~procedures that, at a minimum, cover the following areas of concern and are designed to:~~

33 ~~-(1) Provide procedures designed to prevent employees from willfully permitting a person~~  
34 ~~identified on a self-exclusion list from engaging in gaming activities at the licensed establishment~~



1 ~~or facility.~~

2 ~~-(2) Provide procedures to offer employee assistance programs or equivalent coverage.~~

3 ~~The procedures shall be designed to provide confidential assessment and treatment referral for~~

4 ~~gaming employees and, if covered, their dependents who may have a gambling problem.~~

5 ~~-(3) Provide procedures for the development of programs to address issues of underage~~

6 ~~gambling and unattended minors at gaming facilities.~~

7 ~~-(4) Provide procedures for the training of all employees that interact with gaming patrons~~

8 ~~in gaming areas.~~

9 ~~-(5) Provide procedures designed to prevent serving alcohol to individuals who appear to~~

10 ~~be intoxicated consistent with the provisions of Rhode Island law.~~

11 ~~-(6) Provide procedures for removing self-excluded person from the licensed~~

12 ~~establishment or facility, including, if necessary, procedures that include obtaining the assistance~~

13 ~~of local law enforcement.~~

14 ~~-(7) Provide procedures preventing any person identified on the self-exclusion list from~~

15 ~~receiving any advertisement, promotion, or other targeted mailing after ninety (90) days of~~

16 ~~receiving notice from the state lottery division that the person has been placed on the self-~~

17 ~~exclusion list.~~

18 ~~-(8) Provide procedures for the distribution or posting within the gaming establishment of~~

19 ~~information that promotes public awareness about problem gambling and provides information on~~

20 ~~available services and resources to those who have a gambling problem.~~

21 ~~-(9) Provide procedures for the distribution of responsible gaming materials to~~

22 ~~employees.~~

23 ~~-(10) Provide procedures for the posting of local curfews or laws and prohibitions, if any,~~

24 ~~regarding underage gambling and unattended minors.~~

25 ~~-(11) Provide procedures to prevent any person placed on the self-exclusion list from~~

26 ~~having access to credit or from receiving complimentary services, check-cashing services, and~~

27 ~~other club benefits.~~

28 ~~-(c) (1) The state lottery division shall provide by rule for the establishment of a list of~~

29 ~~self-excluded persons from gaming activities at all gaming establishments. Any person may~~

30 ~~request placement on the list of self-excluded persons by acknowledging in a manner to be~~

31 ~~established by the state lottery division that the person wishes to be excluded and by agreeing~~

32 ~~that, during any period of voluntary exclusion, the person may not collect any winnings or~~

33 ~~recover any losses resulting from any gaming activity at such gaming establishments.~~

34 ~~-(2) The rules of the state lottery division shall establish procedures for placements on,~~

1 ~~and removals from the list of self-excluded persons, provided that notwithstanding any law to the~~  
2 ~~contrary, prior to the removal from such list, the state lottery division or a hearing officer shall~~  
3 ~~conduct a hearing not open to the general public at which it shall be established by the person~~  
4 ~~seeking removal that there is no longer a basis to be maintained on the self-exclusion list.~~

5 ~~(3) The rules shall establish procedures for the transmittal to the gaming establishment of~~  
6 ~~identifying information concerning self-excluded persons, and shall require all the gaming~~  
7 ~~establishment to establish procedures designed, at a minimum, to remove self-excluded persons~~  
8 ~~from targeted mailings or other forms of advertising or promotions and deny self-excluded~~  
9 ~~persons access to credit, complimentaries, check-cashing privileges and other club benefits.~~

10 ~~(4) The rules shall provide that the state lottery division's list of self-excluded persons~~  
11 ~~shall not be open to public inspection. The state lottery division, any licensee, permittee and any~~  
12 ~~employee or agent thereof shall not be liable to any self-excluded person or to any other party in~~  
13 ~~any judicial proceeding for any monetary damages or to other remedy which may arise as a result~~  
14 ~~of disclosure or publication in any manner other than a willfully unlawful disclosure to a third~~  
15 ~~party that is not an employee, affiliated company, or employee or agent of the state lottery~~  
16 ~~division of the identity of any self-excluded person.~~

17 ~~(d) A person who is prohibited from any gaming establishment by any provision of this~~  
18 ~~chapter or pursuant to any self-exclusion rules adopted by the state lottery division shall not~~  
19 ~~collect in any manner or proceeding any winnings or recover any losses arising as a result of any~~  
20 ~~prohibited gaming activity.~~

21 ~~(e) In any proceeding brought against any licensee, permittee any employee thereof for a~~  
22 ~~willful violation of the self-exclusion rules of the state lottery division, the state lottery division~~  
23 ~~may order the forfeiture of any money or thing of value obtained by the licensee from any self-~~  
24 ~~excluded person.~~

25 ~~(f) Nothing herein shall prevent any licensee or permittee from adopting and maintaining~~  
26 ~~a self-exclusion policy that may impose different or greater standards so long as such policy is in~~  
27 ~~addition to the state lottery division's self-exclusion rules, and any actions taken pursuant to such~~  
28 ~~a policy of a licensee or permittee shall be subject to the limitations of liability set forth in this~~  
29 ~~section.~~

30 ~~(g) The provisions of this section shall not require the state lottery division, licensees,~~  
31 ~~permittees and the employees thereof to identify problem or compulsive gamblers, which is an~~  
32 ~~activity that requires medical and clinical expertise.~~

33 ~~(h) (1) The state lottery division may impose sanctions on a licensee or permittee, under~~  
34 ~~this chapter, if the licensee, permittee, or casino gaming operator willfully fails to exclude from~~

1 ~~the licensed gaming establishment a person placed on the self-exclusion list.~~

2 ~~-(2) The state lottery division may seek the suspension of a licenser permit, if the licensee~~  
3 ~~or permittee engages in a pattern of willful failure to exclude from the licensed gaming~~  
4 ~~establishment persons placed on the self-exclusion list.~~

5 ~~-(i) A licensee conducting gaming pursuant to the provisions of this chapter can~~  
6 ~~demonstrate to the state lottery division compliance with the education and training provisions of~~  
7 ~~this section by providing proof of attendance by all employees when they are hired and annually~~  
8 ~~thereafter at one of the following education programs:~~

9 ~~-(1) Training programs conducted by the Rhode Island department of mental health,~~  
10 ~~retardation, and hospitals.~~

11 ~~-(2) Any other course on problem and compulsive gaming training approved by the state~~  
12 ~~lottery division, including any courses offered by a casino licensee.~~

13 ~~**41-9.1-26. State lottery division designated excluded persons.**~~ ~~-(a) The state lottery~~  
14 ~~division shall adopt rules to provide for the establishment of a list of persons who are to be~~  
15 ~~excluded from any room, premises, or designated gaming area of any establishment where~~  
16 ~~gaming is conducted pursuant to a license or contract issued pursuant to the provisions of this~~  
17 ~~chapter. The rules must define the standards for exclusion and include standards relating to the~~  
18 ~~following persons:~~

19 ~~-(1) Those who are career or professional offenders as defined by the rules of the state~~  
20 ~~lottery division.~~

21 ~~-(2) Those who have been convicted of a criminal offense specified by the state lottery~~  
22 ~~division.~~

23 ~~-(3) Those whose presence in a gaming establishment operated by a casino licensee~~  
24 ~~would be adverse to the interests of Rhode Island or gaming operations.~~

25 ~~-(b) The state lottery division shall have the authority to place persons on the excluded~~  
26 ~~list. The state lottery division may not place a person on such a list due to the person's race, color,~~  
27 ~~creed, national origin, sex, or disability.~~

28 ~~-(c) Whenever the name and description of any person is placed on an excluded person's~~  
29 ~~list pursuant to this chapter, except at that person's request, the state lottery division shall serve~~  
30 ~~notice of such fact to such person by either of the following:~~

31 ~~-(1) By personal service.~~

32 ~~-(2) By certified mail to the last known address of such person.~~

33 ~~-(d) A person may petition the state lottery division for removal of his or her name from~~  
34 ~~the list. The petitioner has the burden of proving he or she does not meet the criteria of~~

1 ~~subdivision (a)(1), (a)(2), or (a)(3) of this section.~~

2 ~~(e) Any person who has been placed on the list of persons to be excluded or ejected from~~  
3 ~~any gaming establishment pursuant to this chapter may be imprisoned for up to six (6) months or~~  
4 ~~fined not more than five hundred dollars (\$500), or both, if he or she thereafter enters or attempts~~  
5 ~~to enter the premises of a gaming establishment without first having obtained a determination by~~  
6 ~~the state lottery division that he or she should not have been placed on the list of persons to be~~  
7 ~~excluded or ejected.~~

8 ~~(f) The state lottery division may impose sanctions on a licensee under this chapter if the~~  
9 ~~licensee willfully fails to exclude from the licensed gaming establishment a person placed on the~~  
10 ~~exclusion list.~~

11 ~~(g) The state lottery division may seek suspension of a license if the licensee engages in~~  
12 ~~a pattern of willful failure to exclude from the licensed gaming establishment persons placed on~~  
13 ~~the exclusion list.~~

14 ~~(h) A person who is placed on the list is entitled to a hearing for review of the listing.~~  
15 ~~Unless otherwise agreed by the state lottery division and the named person, the hearing shall be~~  
16 ~~held not later than thirty (30) days after the receipt of the petition.~~

17 ~~**41-9.1-27. Advertising -- Compulsive gambling information.** In any advertisement~~  
18 ~~of gaming activities or of a gaming establishment that is offered to the general public in print by~~  
19 ~~any casino licensee pursuant to the provisions of this chapter, the toll free telephone number of~~  
20 ~~the National Council on Problem Gambling or a similar toll free number approved by the state~~  
21 ~~lottery division shall be placed on such advertisement.~~

22 ~~**41-9.1-28. Exclusion or ejection of persons.** (a) Any casino licensee may exclude or~~  
23 ~~eject any person for any reason, except race, color, creed, national origin, sex, or disability.~~

24 ~~(b) Any casino licensee and any employee of a casino licensee shall not be liable for any~~  
25 ~~monetary damages or any other remedy in any judicial proceeding as a result of the exclusion or~~  
26 ~~removal of any person for any reason, except race, color, creed, national origin, sex, or disability.~~

27 ~~**41-9.1-29. Making false statements relating to gaming.** (a) No person shall~~  
28 ~~knowingly or intentionally make a material false statement in any application for a license,~~  
29 ~~permit, suitability determination, or in support of a proposal for a development agreement~~  
30 ~~pursuant to the provisions of this chapter. No person shall intentionally make a material false~~  
31 ~~statement in any book, record, form, or any other document which is required, compiled, or~~  
32 ~~maintained pursuant to the provisions of this chapter.~~

33 ~~(b) Any person who violates any of the provisions of this section shall be imprisoned for~~  
34 ~~not more than five (5) years and may be fined an amount not to exceed ten thousand dollars~~

1     ~~(\$10,000).~~

2             ~~**41-9.1-30. Use of device to obtain advantage at casino game --- Forfeiture --- Notice. ---**~~

3     ~~If, in playing a game in a licensed casino, the person uses, or assists another in the use of, an~~  
4     ~~electronic, electrical or mechanical device which is designed, constructed, or programmed~~  
5     ~~specifically for use in obtaining an advantage at playing any game in a licensed casino, such~~  
6     ~~action is prohibited and is punishable by imprisonment for a period of one year and/or a fine up to~~  
7     ~~one thousand dollars (\$1,000). In addition, any device used by any person in violation of this~~  
8     ~~section shall be subject to forfeiture. Each casino licensee shall post notice of this prohibition and~~  
9     ~~the penalties of this section in a manner determined by the state lottery division.~~

10            ~~**41-9.1-31. Unlawful use of bogus chips or gaming billets, marked cards, dice,**~~  
11     ~~**cheating devices, unlawful coins --- Penalty. ---**~~ (a) It shall be unlawful for any person to play any

12     ~~game and:~~

13            ~~-(1) Knowingly to use bogus or counterfeit chips or gaming billets, or knowingly to~~  
14     ~~substitute and use in any such game cards or dice that have been marked, loaded or tampered~~  
15     ~~with; or~~

16            ~~-(2) Knowingly to use or possess any cheating device with intent to cheat or defraud.~~

17            ~~-(b) It shall be unlawful for any person, playing or using any slot machine to:~~

18            ~~-(1) Knowingly to use other than a lawful coin or legal tender of the United States of~~  
19     ~~America or to use coin not of the same denomination as the coin intended to be used in such slot~~  
20     ~~machine, except that in the playing of any slot machine or similar gaming device, it shall be~~  
21     ~~lawful for any person to use gaming billets, tokens or similar objects therein which are approved~~  
22     ~~by the state lottery division; or~~

23            ~~-(2) To use any cheating or thieving device, including, but not limited to, tools, drills,~~  
24     ~~wires, coins or tokens attached to strings or wires, or electronic or magnetic devices, to facilitate~~  
25     ~~the alignment of any winning combination or removing from any slot machine any money or~~  
26     ~~other contents thereof.~~

27            ~~-(c) It shall be unlawful for any person knowingly to possess or use while on the premises~~  
28     ~~of a licensed casino, any cheating, or thieving device, including, but not limited to, tools, wires,~~  
29     ~~drills, coins attached to strings or wires or electronic or magnetic devices to facilitate removing~~  
30     ~~from any slot machine any money or contents thereof, except that a duly authorized employee of~~  
31     ~~a licensed casino may possess and use any of the foregoing only in furtherance of his or her~~  
32     ~~employment in the casino.~~

33            ~~-(d) It shall be unlawful for any person knowingly to possess or use while on the premises~~  
34     ~~of any licensed casino any key or device designed for the purpose of or suitable for opening or~~

1 ~~entering any slot machine or similar gaming device or drop box, except that a duly authorized~~  
2 ~~employee of a licensed casino, or of the state lottery division may possess and use any of the~~  
3 ~~foregoing only in furtherance of his or her employment.~~

4 ~~(e) Any person who violates any of the provisions of this section shall be imprisoned for~~  
5 ~~no more than (5) five years and may be fined an amount not to exceed ten thousand dollars~~  
6 ~~(\$10,000).~~

7 ~~**41-9.1-32. Cheating games and devices in a licensed casino -- Penalty.**~~ (a) It shall be  
8 ~~unlawful:~~

9 ~~(1) Knowingly to conduct, carry on, operate, deal or allow to be conducted, carried on,~~  
10 ~~operated or dealt any cheating or thieving game or device; or~~

11 ~~(2) Knowingly to deal, conduct, carry on, operate or expose for play any game or games~~  
12 ~~played with cards, dice or any mechanical device, or any combination of games or devices, which~~  
13 ~~have in any manner been marked or tampered with, or placed in a condition, or operated in a~~  
14 ~~manner, the result of which tends to deceive the public or tends to alter the normal random~~  
15 ~~selection of characteristics or the normal chance of the game which could determine or alter the~~  
16 ~~result of the game.~~

17 ~~(3) It shall be unlawful knowingly to use or possess any marked cards, loaded dice,~~  
18 ~~plugged or tampered with machines or devices.~~

19 ~~(b) Any person who violates any of the provisions of this section shall be imprisoned for~~  
20 ~~not more than five (5) years and may be fined an amount not to exceed ten thousand dollars~~  
21 ~~(\$10,000).~~

22 ~~**41-9.1-33. Skimming of gaming proceeds.**~~ (a) The crime of skimming of gaming  
23 ~~proceeds is the intentional excluding or the taking of any action in an attempt to exclude any~~  
24 ~~thing or its value from the deposit, counting, collection, or computation of:~~

25 ~~(1) Gross revenues from gaming operations or activities.~~

26 ~~(2) Net gaming proceeds.~~

27 ~~(3) Amounts due the state pursuant to the provisions of this chapter.~~

28 ~~(b) Whoever commits the crime of skimming of gaming proceeds when the amount~~  
29 ~~skimmed, or to be skimmed, is less than one thousand dollars (\$1,000) may be imprisoned for not~~  
30 ~~more than five (5) years or may be fined not more than five thousand dollars (\$5,000), or both.~~

31 ~~(c) Whoever commits the crime of skimming of gaming proceeds when the amount~~  
32 ~~skimmed, or to be skimmed, is one thousand dollars (\$1,000) or more shall be imprisoned for not~~  
33 ~~less than one year and not more than twenty (20) years or may be fined not more than ten~~  
34 ~~thousand dollars (\$10,000) or the amount skimmed or to be skimmed, whichever is greater, or~~

1 both.

2 ~~**41-9.1-34. Conduct subject to civil penalty.** --- In addition to other penalties provided~~  
3 ~~for under this chapter, a person who conducts a gaming operation without first obtaining a license~~  
4 ~~to do so, or a licensee who continues to conduct gambling games after revocation of the licensee's~~  
5 ~~license, or any licensee who conducts or allows to be conducted any unauthorized gambling~~  
6 ~~games in a casino in which the licensee is authorized to conduct its gaming operation, is subject~~  
7 ~~to a civil penalty equal to the amount of gross receipts derived from wagering on the gambling~~  
8 ~~games whether unauthorized or authorized, conducted on that day as well as confiscation and~~  
9 ~~forfeiture of all gambling game equipment used in the conduct of unauthorized gambling games.~~

10 ~~**41-9.1-35. Property subject to seizure, confiscation, destruction, or forfeiture.** --- Any~~  
11 ~~equipment, gaming device, money, apparatus, material of gaming, proceeds, substituted proceeds,~~  
12 ~~or real or personal property used, obtained, or received in violation of this chapter shall be subject~~  
13 ~~to seizure, confiscation, destruction, or forfeiture.~~

14 ~~**41-9.1-36. Prohibited conduct -- Violation as felony -- Violation as misdemeanor --**~~  
15 ~~**Penalties -- Presumption -- Venue.** --- (a) A person is guilty of a felony punishable by~~  
16 ~~imprisonment for not more than ten (10) years or a fine of not more than one hundred thousand~~  
17 ~~dollars (\$100,000) or both, and shall be barred from receiving or maintaining a license, for doing~~  
18 ~~any of the following:~~

19 ~~(1) Conducting a gaming operation where wagering is used or to be used without a~~  
20 ~~license issued by the state lottery division.~~

21 ~~(2) Conducting a gaming operation where wagering is permitted other than in the manner~~  
22 ~~specified pursuant to the provisions of this chapter.~~

23 ~~(3) Knowingly providing false testimony to the state lottery division or its authorized~~  
24 ~~representative while under oath.~~

25 ~~(b) A person commits a felony punishable by imprisonment for not more than ten (10)~~  
26 ~~years or a fine of not more than one hundred thousand dollars (\$100,000) or both, and, in~~  
27 ~~addition, shall be barred for life from a gaming operation under the jurisdiction of the state lottery~~  
28 ~~division if the person does any of the following:~~

29 ~~(1) Offers, promises, or gives anything of value or benefit to a person who is connected~~  
30 ~~with a licensee or affiliated company, including, but not limited to, an officer or employee of a~~  
31 ~~casino licensee or holder of an occupational license pursuant to an agreement or arrangement or~~  
32 ~~with the intent that the offer, promise, or thing of value or benefit will influence the actions of the~~  
33 ~~person to whom the offer, promise, or gift was made in order to affect or attempt to affect the~~  
34 ~~outcome of a gambling game.~~

1 ~~-(2) Solicits or knowingly accepts or receives a promise of anything of value or benefit~~  
2 ~~while the person is employed by or connected with a licensee, including, but not limited to, an~~  
3 ~~officer or employee of a casino licensee or holder of an occupational license, pursuant to an~~  
4 ~~understanding or arrangement or with the intent that the promise or thing of value or benefit will~~  
5 ~~influence the actions of the person to affect or attempt to affect the outcome of a gambling game.~~

6 ~~-(c) A person, or an affiliate of a person, is guilty of a misdemeanor punishable by~~  
7 ~~imprisonment for not more than one year or a ten thousand dollar (\$10,000) fine, or both, for~~  
8 ~~doing any of the following:~~

9 ~~-(1) Knowingly making a wager if the person is under twenty one (21) years of age or~~  
10 ~~permitting a person under twenty one (21) years of age to make a wager.~~

11 ~~-(2) Willfully failing to appear before or provide an item to the state lottery division at the~~  
12 ~~time and place specified in a subpoena or summons issued by the state lottery division or~~  
13 ~~executive director.~~

14 ~~-(3) Willfully refusing, without just cause, to testify or provide items in answer to a~~  
15 ~~subpoena, subpoena duces tecum or summons issued by the state lottery division or executive~~  
16 ~~director.~~

17 ~~-(4) Conducting or permitting a person who is not licensed or permitted pursuant to this~~  
18 ~~chapter to conduct activities required to be licensed or permitted under the casino, occupational,~~  
19 ~~and suppliers licensee and permittee provisions in this chapter or in rules promulgated by the state~~  
20 ~~lottery division.~~

21 ~~-(5) Leasing, pledging, borrowing, or loaning money against a casino, supplier, or~~  
22 ~~occupational license or permit.~~

23 ~~**41-9.1-37. Sale of alcoholic beverages.** -- Alcoholic beverages shall only be sold or~~  
24 ~~distributed in a casino pursuant to state law.~~

25 ~~**41-9.1-38. Legal shipments of gaming devices into the state.** -- All shipments of~~  
26 ~~gaming devices, including slot machines, into any town or city of this state within which gaming~~  
27 ~~is authorized, the registering, recording, and labeling of which have been duly done by the~~  
28 ~~manufacturer or dealer thereof in accordance with sections 3 and 4 of that certain chapter of the~~  
29 ~~Congress of the United States entitled, "An act to prohibit transportation of gaming devices in~~  
30 ~~interstate and foreign commerce", approved January 2, 1951, being c. 1194, 64 Stat. 1134, and~~  
31 ~~also designated as 15 U.S.C. sections 1171-1177, shall be deemed legal shipments thereof into the~~  
32 ~~State of Rhode Island.~~

33 ~~**41-9.1-39. Declaration of state's exemption from operation of provisions of 15 U.S.C.**~~  
34 ~~**section 1172.** -- Pursuant to section 2 of that certain chapter of the Congress of the United States~~



1 entitled "An act to prohibit transportation of gaming devices in interstate and foreign commerce";  
2 approved January 2, 1951, being c. 1194, 64 Stat. 1134, and also designated as 15 U.S.C. sections  
3 1171-1177, the State of Rhode Island, acting by and through its duly elected and qualified  
4 members of its legislature, does hereby in this section, and in accordance with and in compliance  
5 with the provisions of section 2 of such chapter of Congress, declare and proclaim that any town  
6 or city of the State of Rhode Island, within which gaming is authorized is exempt from the  
7 provisions of section 2 of that certain chapter of the Congress of the United States entitled "An  
8 act to prohibit transportation of gaming devices in interstate and foreign commerce", designated  
9 15 U.S.C. sections 1171-1177, approved January 2, 1951.

10 **41-9.1-40. Smoking.** ~~— (a) Notwithstanding any other provisions of the general laws or~~  
11 ~~regulations adopted thereunder to the contrary, including, but not limited to, the provisions of~~  
12 ~~chapter 20.10 of title 23, the provisions of this section shall govern and control with respect to~~  
13 ~~any and all smoking prohibitions as such relate to a casino licensed under this chapter.~~

14 ~~—(b) Any casino licensed under this chapter shall provide designated smoking and~~  
15 ~~nonsmoking gaming areas in its facility.~~

16 ~~—(c) The designated nonsmoking gaming area shall be physically separated from any~~  
17 ~~smoking area and shall be required to have separate and distinct ventilation systems so as to~~  
18 ~~prohibit the migration of smoke into the nonsmoking area.~~

19 ~~—(d) Except with respect to bars located in a designated smoking area within the gaming~~  
20 ~~area, any bar or restaurant located in a casino shall be nonsmoking and be physically separate~~  
21 ~~from any smoking area and shall have a separate ventilation system so as to prohibit the migration~~  
22 ~~of smoke into the restaurant.~~

23 ~~—(e) Any casino licensee shall promulgate rules and regulations to allow its employees the~~  
24 ~~right to work in a smoke free environment. These rules shall include, but not be limited to,~~  
25 ~~provisions on the right to opt out of working in a smoking area and a provision that no adverse~~  
26 ~~impact or action could take place against the employee if they request to opt out of a smoking~~  
27 ~~area. The rules promulgated by the casino licensee shall be filed with the state lottery division~~  
28 ~~with copies to the general assembly and the department of health prior to the opening of the~~  
29 ~~casino for business.~~

30 ~~—(f) A casino licensee shall file an annual report with the state lottery division with copies~~  
31 ~~to the general assembly and department of health detailing smoke mitigation efforts undertaken~~  
32 ~~by the licensee during the previous year and plans for the upcoming year. The licensee shall be~~  
33 ~~required to monitor air quality with current appropriate technology. A professional HVAC~~  
34 ~~engineer (or other appropriate professional) shall certify the monitoring process and results. The~~

1 ~~results of the monitoring process shall be included in the annual report.~~

2 ~~-(g) Any enactment relating to the provisions of this section on a casino licensed under~~  
3 ~~this chapter or the casino licensee shall be by statute as enacted by the general assembly;~~  
4 ~~provided, however, that the general assembly may by statute delegate such authority to the cities~~  
5 ~~and towns.~~

6 ~~**41-9.1-41. Severability.** -- If any provision of this chapter or the application thereof shall~~  
7 ~~for any reason be judged invalid, that judgment shall not affect, impair, or invalidate the~~  
8 ~~remainder of the law, but shall be confined in its effect to the provision or application directly~~  
9 ~~involved in the controversy giving rise to the judgment.~~

10 SECTION 7. Chapter 41-10 of the General Laws entitled "Off Track Betting" is hereby  
11 repealed in its entirety.

12 ~~CHAPTER 41-10~~

13 ~~OFF TRACK BETTING~~

14 ~~**41-10-1. License required for off track betting.** -- No person, association, or~~  
15 ~~corporation shall hold or conduct off track betting on any racing event for any stake, purse, or~~  
16 ~~reward, except such person, association, or corporation as shall be licensed by the division of~~  
17 ~~racing and athletics as provided by this chapter and as approved by the voters as required by this~~  
18 ~~chapter.~~

19 ~~**41-10-2. City elections on establishment of off track betting.** -- (a) Notwithstanding~~  
20 ~~any other provisions of law, before an off track betting facility shall be established in the city of~~  
21 ~~Pawtucket, the question "Shall an off track betting facility be located in the city of Pawtucket, the~~  
22 ~~state proceeds from which shall be paid directly to the cities and towns for the relief of property~~  
23 ~~taxes?"~~

24 ~~-(b) This resolution shall be placed on the ballot at the next general election to be~~  
25 ~~submitted to the qualified electors of the city of Pawtucket, and the state.~~

26 ~~-(c) The question shall be submitted by the local board of canvassers to the electors of the~~  
27 ~~city of Pawtucket, and the results of the election shall be certified to the secretary of state;~~

28 ~~-(d) The question shall be submitted by the secretary of state to the qualified electors of~~  
29 ~~the state at the same general election and the secretary of state shall certify the election results;~~

30 ~~-(e) The affirmative vote of the city of Pawtucket and the electors of the state shall be~~  
31 ~~necessary for the approval of the question, and if such consent be thus given, all further~~  
32 ~~regulations shall rest with the division of racing and athletics.~~

33 ~~**41-10-3. Application for license -- Action by division of racing and athletics.** -- (a)~~  
34 ~~Any person, association, or corporation desiring to conduct pari-mutuel wagering at an off track~~

1 ~~betting facility on any racing event shall apply to the division for a license on forms provided by~~  
2 ~~the division. The application shall specify the days on which betting is to be conducted, the~~  
3 ~~location of the betting facility and such other information as may be required by the division. The~~  
4 ~~division may also require any person, association, or corporation to give information as to their~~  
5 ~~financial standing and credit. The division shall have the right to reject any applications for a~~  
6 ~~license for any cause, which it may deem sufficient. Applicants aggrieved by a decision or order~~  
7 ~~of the division shall have the right to an appeal to the racing and athletics board pursuant to~~  
8 ~~chapter 2 of title 41. The division shall allow an off track betting facility to be open seven (7)~~  
9 ~~days a week. On each day of the week the off track facility licensee may import racing programs~~  
10 ~~from one or more out of state racetracks in a manner to be approved by the division.~~

11 ~~(b) Definition of an "off track betting facility": An off track betting facility shall be a full~~  
12 ~~service betting facility offering foods and beverage services plus other amenities, containing a~~  
13 ~~minimum of ten thousand square feet (10,000 sq. ft.), providing audio/visual signals of~~  
14 ~~horseracing programs via approved telecommunication and totalizator systems.~~

15 ~~**41-10-4. Powers and duties of division.** -- In addition to the powers already granted to~~  
16 ~~the division, the division shall have the power and it shall be its duty to supervise and administer~~  
17 ~~the operation of off track betting in accordance with this chapter and with the rules and~~  
18 ~~regulations of the division.~~

19 ~~**41-10-5. Licensing restrictions.** -- (a) The division shall refuse to grant a license, or~~  
20 ~~shall suspend a license, if the applicant or licensee:~~

- 21 ~~(1) Has been convicted of a felony, or any crime involving moral turpitude;~~  
22 ~~(2) Has engaged in illegal gambling as a significant source of income;~~  
23 ~~(3) Has been convicted of violating any gambling statutes;~~  
24 ~~(4) Has been convicted of fraud or misrepresentation in any connection; or~~  
25 ~~(5) Has been found to have violated any rule, regulation, or order of the division.~~

26 ~~(b) The license heretofore issued shall be suspended by the division for any charge~~  
27 ~~which may result in a conviction or conduct prescribed in subdivisions (a)(1) through (a)(5);~~  
28 ~~which suspension shall be effective until a final judicial determination.~~

29 ~~(c) The division shall refuse to grant, or the division shall suspend, pending a hearing~~  
30 ~~before the division, a license if the applicant or licensee is an association or corporation:~~

- 31 ~~(1) Any of whose directors, officers, partners, or shareholders holding a five percent~~  
32 ~~(5%) or greater interest have been found guilty of any of the activities specified in subsection (a);~~

33 ~~or~~

- 34 ~~(2) In which it appears to the division that due to the experience, character, or general~~

1 ~~fitness of any director, officer, or controlling partner, or shareholder, the granting of a license~~  
2 ~~would be inconsistent with the public interest, convenience, or trust.~~

3 ~~(d) Whenever requested by the division, the division of criminal identification of the~~  
4 ~~department of the attorney general, the superintendent of state police, and the superintendent or~~  
5 ~~chief of police or town sergeant of any city or town, shall furnish all information on convictions,~~  
6 ~~arrests, and present investigations concerning any person who is an applicant for a license or who~~  
7 ~~is a licensee under this chapter.~~

8 ~~**41-10-6. Host community fee.** --- The city of Pawtucket shall receive as host community~~  
9 ~~fee one percent (1%) of the amount contributed to the mutuel pools.~~

10 ~~**41-10-7. Off track betting taxes and commissions.** --- (a) Each licensee conducting~~  
11 ~~wagering in an off track betting facility under the pari mutuel system shall pay to the state, and~~  
12 ~~there is hereby imposed, a tax on such events at the rate of:~~

13 ~~(1) Three and one half percent (3.5%) of the total money wagered thereon on win, place,~~  
14 ~~and show wagers;~~

15 ~~(2) Four percent (4%) on multiple wagers therein involving two (2) animals; and~~

16 ~~(3) Four and one half percent (4.5%) on exotic wagers therein involving three (3) or~~  
17 ~~more animals.~~

18 ~~(b) Where the division has approved the commingling of wagers placed at the off track~~  
19 ~~betting facility into similar wagering pools at a host facility where the racing event is conducted,~~  
20 ~~each licensee conducting wagering in an off track betting facility may retain as his or her~~  
21 ~~licensee's commission an amount equal to the takeout at the host facility. Where commingling of~~  
22 ~~wagers does not occur the division shall be:~~

23 ~~(1) Eighteen percent (18%) of the amount wagered therein on win, place and show~~  
24 ~~wagers;~~

25 ~~(2) Twenty percent (20%) on multiple wagers therein, involving two (2) animals;~~

26 ~~(3) Twenty five percent (25%) on exotic wagers therein involving three (3) or more~~  
27 ~~animals; and~~

28 ~~(4) One half (1/2) of the breakage to the dime resulting from such betting shall be paid to~~  
29 ~~the division to support the division in accordance with section 41-4-4.1. The remaining breakage~~  
30 ~~shall be retained by the licensee.~~

31 ~~(c) Off track betting licensees may impose a surcharge on winning wagers of up to five~~  
32 ~~and one half percent (5.5%) to offset telecommunications costs and the cost of acquiring racing~~  
33 ~~signals.~~

34 ~~**41-10-8. Payment by state to cities and towns -- State aid formula.** --- The off track~~

1 ~~betting tax payable to the state under section 41-10-7(a)(1), (2), and (3) shall be paid directly by~~  
2 ~~the state to the cities and towns of the state in accordance with the state aid formula as set out in~~  
3 ~~section 45-13-1, and these funds shall be used by the cities and towns as a direct reduction against~~  
4 ~~the residential tax rate.~~

5 SECTION 8. Chapter 41-11 of the General Laws entitled "Simulcast Programs from  
6 Licensed Betting Facilities" is hereby repealed in its entirety.

7 ~~CHAPTER 41-11~~

8 ~~SIMULCAST PROGRAMS FROM LICENSED BETTING FACILITIES~~

9 ~~**41-11-1. Definitions.** — For the purpose of this chapter, the following words shall mean:~~

10 ~~-(1) "Day" means the normal business day of the facility on which the licensee may~~  
11 ~~conduct multiple programs.~~

12 ~~-(2) "Licensee" means an entity licensed pursuant to chapters 3.1 and 7 of title 41.~~

13 ~~-(3) "Simulcast" means the live television broadcast of programs either interstate or~~  
14 ~~intrastate to a licensee of a licensed facility within the state. The program must be sanctioned~~  
15 ~~and/or licensed in the state of origin.~~

16 ~~**41-11-2. Simulcast.** — (a) Notwithstanding the provisions of section 41-4-2 as to location~~  
17 ~~of programs only, a licensee may enter into a contract with any licensed racing association to~~  
18 ~~simulcast programs from the facility on certain racing days.~~

19 ~~-(b) A licensee may simulcast programs a maximum of two hundred seventy (270) days~~  
20 ~~in a state fiscal calendar year.~~

21 ~~-(c) A licensee shall obtain a permit from the division of racing and athletics.~~

22 ~~-(d) A licensee may accept pari-mutuel wagering on the simulcast at the licensed facility~~  
23 ~~and not at any other location.~~

24 ~~-(e) (1) When the program is a dog race, the licensee shall compensate the owners of dog~~  
25 ~~kennels who are under contract with the licensee at the time of the program. The compensation~~  
26 ~~shall be equal to that percentage of the pari-mutuel handle paid to the owners pursuant to the~~  
27 ~~contract then existing between the licensee and the owners.~~

28 ~~-(2) A licensee licensed pursuant to chapter 7 of title 41 who receives simulcasts of dog~~  
29 ~~rares intrastate shall compensate the owners of dog kennels who are under contract with a~~  
30 ~~licensee licensed pursuant to chapter 3.1 of title 41 at the time of the simulcast an amount equal to~~  
31 ~~the percentage of the pari-mutuel handle being paid to the dog-kennel owners pursuant to their~~  
32 ~~contracts with the licensee licensed pursuant to chapter 3.1 of title 41.~~

33 ~~**41-11-3. Taxes and commissions.** — (a) Each licensee conducting wagering in a~~  
34 ~~simulcast betting facility under the pari-mutuel system shall pay to the state, and there is hereby~~

1 ~~imposed, a tax on such programs at the rate of:~~

2 ~~-(1) Four percent (4%) of the total money wagered thereon on win, place and show~~  
3 ~~wagers;~~

4 ~~-(2) Four percent (4%) on multiple wagers therein involving two (2) animals; and~~

5 ~~-(3) Five and one half percent (5.5%) on exotic wagers therein involving three (3) or~~  
6 ~~more animals.~~

7 ~~-(b) Where the division has approved the integration of wagers placed at the simulcast~~  
8 ~~facility into similar wagering pools at a host facility where the program is conducted, each~~  
9 ~~licensee conducting wagering in a simulcast betting facility may retain as his or her commission~~  
10 ~~an amount equal to the takeout at the host facility of which one and four tenths percent (1.4%)~~  
11 ~~shall be paid to the kennel owners at facilities licensed pursuant to chapter 3.1 of title 41. This tax~~  
12 ~~structure shall apply to any transmission of programs between licensed facilities within the state.~~

13 ~~Where integration of wagers does not occur the division shall be:~~

14 ~~-(1) Twenty percent (20%) of the amounts wagered on win, place and show wagers of~~  
15 ~~which one and four tenths percent (1.4%) shall be paid to the kennel owners at facilities licensed~~  
16 ~~pursuant to chapter 3.1 of title 41.~~

17 ~~-(2) Twenty percent (20%) of the amounts wagered on multiple wagers involving two (2)~~  
18 ~~animals of which one and four tenths percent (1.4%) shall be paid to the kennel owners at~~  
19 ~~facilities licensed pursuant to chapter 3.1 of title 41.~~

20 ~~-(3) Twenty five percent (25%) of the amounts wagered on exotic wagers involving three~~  
21 ~~(3) or more animals of which one and four tenths percent (1.4%) shall be paid to the kennel~~  
22 ~~owners at facilities licensed pursuant to chapter 3.1 of title 41.~~

23 ~~-(4) One half (1/2) of the breakage to the dime resulting from the betting shall be~~  
24 ~~deposited as general revenues. The remaining breakage shall be retained by the licensee.~~

25 ~~-(c) The amount of unclaimed money which shall hereafter be held by any licensee, on~~  
26 ~~account of outstanding and uncashed winning tickets, shall, at the expiration of one year after the~~  
27 ~~close of the meeting during which the tickets were issued, be paid into the general fund of the~~  
28 ~~state.~~

29 ~~-(d) Notwithstanding any other provision of law, money wagered on the simulcast of~~  
30 ~~intrastate and interstate programs, as provided in this chapter, shall be subject only to the tax~~  
31 ~~imposed in this section, and provided further, where there is interstate transmission of signals in~~  
32 ~~accordance with national practice, the tax shall be levied in the receiving state only.~~

33 ~~**41-11-4. Admission of minors prohibited.** — No person who is under the age of~~  
34 ~~eighteen (18) years shall be admitted into a building where pari-mutuel betting or simulcast is~~

1 ~~taking place, unless the person is an employee of a licensed concessionaire or licensed vendor and~~  
2 ~~performing his or her duties of employment.~~

3 SECTION 9. The title of Chapter 41-1 of the General Laws entitled "Division of Racing  
4 and Athletics" is hereby amended to read as follows:

5 ~~CHAPTER 41-1~~

6 ~~DIVISION OF RACING AND ATHLETICS~~

7 CHAPTER 41-1

8 DIVISION OF ATHLETICS

9 SECTION 10. Sections 41-1-1 and 41-1-3 of the General Laws in Chapter 41-1 entitled  
10 "Division of Racing and Athletics" are hereby amended to read as follows:

11 ~~**41-1-1. Division of racing and athletics—Duties**~~ **Division of athletics – Duties. --**

12 Within the department of business regulation there shall be a division of ~~racing and~~ athletics. The  
13 division shall supervise the enforcement of all laws relating to the regulation and control of ~~racing~~  
14 ~~and~~ athletics, and may in the first instance make decisions and issue orders, subject to appeal to  
15 the ~~racing and~~ athletics hearing board. The division shall exercise all powers and duties  
16 prescribed by chapters ~~3, 3.1, 4, 5, 7, and 11~~ 5, 5.1 and 5.2 of this title, and all other acts relative  
17 to the regulation and supervision of ~~horseracing, dog racing, and~~ athletics, heretofore performed  
18 by the ~~commission on horseracing and~~ division of athletics. The division shall exercise all powers  
19 and duties prescribed by chapters ~~3, 3.1, 4, 5, 7, and 11~~ 5, 5.1 and 5.2 of this title, and all other  
20 acts relative to the regulation and supervision of ~~horseracing, dog racing, and~~ athletics, heretofore  
21 performed by the ~~commission on horseracing and~~ division of athletics. ~~The division shall comply~~  
22 ~~with RI general laws 42-14-14 in the conduct of any investigation related to any license~~  
23 ~~application, permit and/or registration related to Chapters 3, 3.1, 4, 7 and 11 of this title.~~ The  
24 division may comply with RI general laws 42-14-14 in the conduct of any investigation related to  
25 any license application, permit and/or registration related to chapters 5, 5.1 and 5.2 of this title.  
26 Such investigation shall require the applicant to apply to the bureau of criminal identification of  
27 the Rhode Island state police or the Rhode Island department of the attorney general for a  
28 nationwide criminal records check with fingerprinting. The applicant shall be responsible for  
29 payment of the costs of said criminal records check. The Rhode Island state police or the Rhode  
30 Island department of the attorney general, as applicable, shall send the results of such criminal  
31 records check to the division. Once said results are sent to and received by the ~~Rhode Island~~  
32 ~~Lottery~~ division, the Rhode Island state police and the Rhode Island department of attorney  
33 general shall promptly destroy said fingerprint record(s). On or before February 1, ~~2011~~ 2012, the  
34 ~~agency~~ division shall adopt rules and regulations establishing criteria to be used in determining

1 whether based upon a criminal records check an application will be approved.

2 **41-1-3. Construction of references -- Continuity of functions.** -- (a) Whenever in any  
3 general or public law, and more particularly in this title, the words "commission on horseracing  
4 and athletics", or the word "commission" in reference to the commission shall appear, the words  
5 shall be deemed to refer to and mean the division of ~~raci~~ng and athletics in the department of  
6 business regulation. The division shall be deemed and held to constitute a continuation of the  
7 former commission on horseracing and athletics. The governor is authorized to transfer or  
8 reallocate by executive order the whole or any part of the appropriation of the former commission  
9 on horseracing and athletics to the department and the division.

10 (b) Whenever in any general or public law, and more particularly this title, the words  
11 "division of racing and athletics" or the word "division" in reference to the division of racing and  
12 athletics, shall appear, the words shall be deemed to refer to and mean the division of athletics in  
13 the department of business regulation. The division shall be deemed and held to constitute a  
14 continuation of the former division of racing and athletics. The governor is authorized to transfer  
15 or reallocate by executive order the whole or any part of the appropriation of the former division  
16 of racing and athletics to the department and the division.

17 (c) Whenever the words "division of athletics" shall appear, the words shall be deemed to  
18 mean the division of commercial licensing and racing and athletics and the division of  
19 commercial licensing and athletics in the department of business regulation.

20 SECTION 11. Section 41-1-2 of the General Laws in Chapter 41-1 entitled "Division of  
21 Racing and Athletics" is hereby repealed.

22 ~~**41-1-2. Collection of and accounting for racing taxes.** --- The division of racing and~~  
23 ~~athletics shall exercise all the powers and duties prescribed by chapters 3, 3.1, and 4 of this title,~~  
24 ~~and all subsequent acts in amendment thereof and in addition thereto, relating to the collection of~~  
25 ~~and accounting for racing taxes and fees heretofore performed by the commission on horseracing.~~

26 SECTION 12. The title of Chapter 41-2 of the General Laws entitled "Racing and  
27 Athletic Hearing Board" is hereby amended to read as follows:

28 ~~CHAPTER 41-2~~  
29 ~~RACING AND ATHLETIC HEARING BOARD~~  
30 CHAPTER 41-2  
31 ATHLETICS HEARING BOARD

32 SECTION 13. Sections 41-2-1, 41-2-3, 41-2-4, 41-2-5, 41-2-6 and 41-2-7 of the General  
33 Laws in Chapter 41-2 entitled "Racing and Athletic Hearing Board" are hereby amended to read  
34 as follows:



1           **41-2-1. Board created -- Appointment and removal of members.** -- (a) Within the  
2 executive department there shall be ~~a racing and~~ an athletics hearing board. The hearing board  
3 shall consist of three (3) members, not more than two (2) of whom shall be members of the same  
4 political party, who shall be appointed by the governor as provided in this section. In the month  
5 of February in each odd numbered year, the governor shall appoint one member of the board to  
6 hold office until the first day of March in the sixth year after his or her appointment and until his  
7 or her successor is appointed and qualified to succeed the member whose term will next expire.

8           (b) Any vacancy which may occur in the board shall be filled by appointment by the  
9 governor for the remainder of the unexpired term. A member of the board may be removed by the  
10 governor only for cause, after being given a copy of charges against him or her and an  
11 opportunity to be heard publicly on the charges before the governor. A copy of the charges and a  
12 transcript of the record of the hearing shall be filed with the secretary of state.

13           **41-2-3. Right of appeal from division.** -- The division of ~~racing and~~ athletics may in the  
14 first instance make such decisions and issue such orders as may to it seem proper in the  
15 administration of the provisions of laws that shall be from time to time assigned to its direction by  
16 the governor. Any person or persons aggrieved by a decision or order of the division of ~~racing~~  
17 ~~and~~ athletics shall have the right to appeal to the ~~racing and~~ athletics hearing board by filing an  
18 appeal in writing with the board within seven (7) days from the service of the order or decision  
19 appealed from.

20           **41-2-4. Hearing and decision by board.** -- Upon an appeal being taken from any  
21 decision or order, the ~~racing and~~ athletics hearing board shall hold and conduct hearings on the  
22 appeal to be governed by rules to be adopted by the board, and in the hearings the board shall not  
23 be bound by technical rules of evidence. The board shall sit as an impartial, independent body in  
24 order to make decisions affecting the public interest and private rights. It shall hear all appeals de  
25 novo as to both the law and the facts and its decisions shall be based upon the law and upon the  
26 evidence presented to it by the division of ~~racing and~~ athletics and by the parties in interest. The  
27 concurrence of a majority of the board shall be sufficient for any decision.

28           **41-2-5. Subpoena powers of board -- Rules and regulations.** -- (a) The members of the  
29 ~~racing and~~ athletics hearing board are hereby severally authorized and empowered to administer  
30 oaths; and the board, in all cases of every nature pending before it, is hereby authorized and  
31 empowered to summon and examine witnesses and to compel the production and examination of  
32 papers, books, accounts, documents, records, certificates, and other legal evidence that may be  
33 necessary or proper for the determination and decision of any question before or the discharge of  
34 any duty required by law of the board.

1 (b) All subpoenas and subpoenas duces tecum shall be signed by the chairperson or, in  
2 the absence or disqualification of the chairperson, by any other member thereof, and shall be  
3 served as subpoenas are now served in civil cases in the superior court; and witnesses so  
4 subpoenaed shall be entitled to the same fees for attendance and travel as are now provided for  
5 witnesses in civil cases in the superior court. If any person fails to obey the command of any  
6 subpoena, without reasonable cause, or if a person in attendance before the board shall, without  
7 reasonable cause, refuse to be sworn, or to be examined, or to answer a legal and pertinent  
8 question, the board may apply to any justice of the superior court, upon proof by affidavit of the  
9 fact, for a rule or order returnable in not less than two (2) or more than five (5) days, directing the  
10 person to show cause why he or she should not be adjudged in contempt.

11 (c) Upon the return of an order, the justice before whom the matter is brought for a  
12 hearing shall examine under oath the person and the person shall be given an opportunity to be  
13 heard, and if the justice shall determine that the person has refused without reasonable cause or  
14 legal excuse to be examined, or to answer a legal and pertinent question, or to produce books,  
15 accounts, papers, records, and documents, material to the issue, which he or she was ordered to  
16 bring or produce, he or she may forthwith commit the person to the adult correctional institutions,  
17 there to remain until he or she submits to do the act which he or she was so required to do, or is  
18 discharged according to law.

19 (d) The board shall have power to adopt reasonable rules and regulations governing the  
20 procedure to be followed in any matter that may come before it for hearing.

21 **41-2-6. Judicial review by superior court.** -- The division of ~~racine and~~ athletics or any  
22 party in interest, if aggrieved by a decision of the board shall be entitled to judicial review as  
23 provided by chapter 35 of title 42.

24 **41-2-7. Exclusive remedy.** -- Notwithstanding the provisions of section 42-20-13, or  
25 other provisions of laws, the procedures established by sections 41-2-3, 41-2-4, and 41-2-6 shall  
26 constitute the exclusive remedies for persons aggrieved by any order or decision of the division of  
27 ~~racine and~~ athletics or of the ~~racine and~~ athletics hearing board.

28 SECTION 14. Section 42-61-4 of the General Laws in Chapter 42-61 entitled "State  
29 Lottery" is hereby amended to read as follows:

30 **42-61-4. Powers and duties of director.** -- The director shall have the power and it shall  
31 be his or her duty to:

32 (1) Supervise and administer the operation of lotteries in accordance with this chapter,  
33 ~~chapter~~ [chapters 61.2, 61.3, 61.4, 61.5, 61.6, 61.7, 61.8 and 61.10](#) of this title and with the rules  
34 and regulations of the division;

1           (2) Act as the chief administrative officer having general charge of the office and records  
2 and to employ necessary personnel to serve at his or her pleasure and who shall be in the  
3 unclassified service and whose salaries shall be set by the director of the department of revenue,  
4 pursuant to the provisions of section 42-61-3.

5           (3) In accordance with this chapter and the rules and regulations of the division, license  
6 as agents to sell lottery tickets those persons, as in his or her opinion, who will best serve the  
7 public convenience and promote the sale of tickets or shares. The director may require a bond  
8 from every licensed agent, in an amount provided in the rules and regulations of the division.  
9 Every licensed agent shall prominently display his or her license, or a copy of their license, as  
10 provided in the rules and regulations of the committee;

11           (4) Confer regularly as necessary or desirable, and not less than nine (9) times per year,  
12 with the permanent joint committee on state lottery on the operation and administration of the  
13 lotteries; make available for inspection by the committee, upon request, all books, records, files,  
14 and other information, and documents of the division; advise the committee and recommend  
15 those matters that he or she deems necessary and advisable to improve the operation and  
16 administration of the lotteries;

17           (5) Suspend or revoke any license issued pursuant to this chapter, ~~chapter~~ [chapters](#) 61.2,  
18 [61.3 and 61.10](#) of this title or the rules and regulations promulgated under this chapter and ~~chapter~~  
19 [chapters](#) 61.2, [61.3 and 61.10](#) of this title;

20           (6) Enter into contracts for the operation of the lotteries, or any part of the operation of  
21 the lotteries, and into contracts for the promotion of the lotteries;

22           (7) Ensure that monthly financial reports are prepared providing gross monthly revenues,  
23 prize disbursements, other expenses, net income, and the amount transferred to the state general  
24 fund for keno and for all other lottery operations; submit this report to the state budget officer, the  
25 auditor general, the permanent joint committee on state lottery, the legislative fiscal advisors, and  
26 the governor no later than the twentieth business day following the close of the month; the  
27 monthly report shall be prepared in a manner prescribed by the members of the revenues  
28 estimating conference; at the end of each fiscal year the director shall submit an annual report  
29 based upon an accrual system of accounting which shall include a full and complete statement of  
30 lottery revenues, prize disbursements and expenses, to the governor and the general assembly,  
31 which report shall be a public document and shall be filed with the secretary of state;

32           (8) Carry on a continuous study and investigation of the state lotteries throughout the  
33 state, and the operation and administration of similar laws, which may be in effect in other states  
34 or countries;

- 1 (9) Implement the creation and sale of commercial advertising space on lottery tickets as  
2 authorized by section 42-61-4 of this chapter as soon as practicable after June 22, 1994;
- 3 (10) Promulgate rules and regulations, which shall include, but not be limited to:
- 4 (i) The price of tickets or shares in the lotteries;
- 5 (ii) The number and size of the prizes on the winning tickets or shares;
- 6 (iii) The manner of selecting the winning tickets or shares;
- 7 (iv) The manner of payment of prizes to the holders of winning tickets or shares;
- 8 (v) The frequency of the drawings or selections of winning tickets or shares;
- 9 (vi) The number and types of location at which tickets or shares may be sold;
- 10 (vii) The method to be used in selling tickets or shares;
- 11 (viii) The licensing of agents to sell tickets or shares, except that a person under the age  
12 of eighteen (18) shall not be licensed as an agent;
- 13 (ix) The license fee to be charged to agents;
- 14 (x) The manner in which the proceeds of the sale of lottery tickets or shares are  
15 maintained, reported, and otherwise accounted for;
- 16 (xi) The manner and amount of compensation to be paid licensed sales agents necessary  
17 to provide for the adequate availability of tickets or shares to prospective buyers and for the  
18 convenience of the general public;
- 19 (xii) The apportionment of the total annual revenue accruing from the sale of lottery  
20 tickets or shares and from all other sources for the payment of prizes to the holders of winning  
21 tickets or shares, for the payment of costs incurred in the operation and administration of the  
22 lotteries, including the expense of the division and the costs resulting from any contract or  
23 contracts entered into for promotional, advertising, consulting, or operational services or for the  
24 purchase or lease of facilities, lottery equipment, and materials, for the repayment of moneys  
25 appropriated to the lottery fund;
- 26 (xiii) The superior court upon petition of the director after a hearing may issue  
27 subpoenas to compel the attendance of witnesses and the production of documents, papers, books,  
28 records, and other evidence in any matter over which it has jurisdiction, control or supervision. If  
29 a person subpoenaed to attend in the proceeding or hearing fails to obey the command of the  
30 subpoena without reasonable cause, or if a person in attendance in the proceeding or hearing  
31 refuses without lawful cause to be examined or to answer a legal or pertinent question or to  
32 exhibit any book, account, record, or other document when ordered to do so by the court, that  
33 person may be punished for contempt of the court;
- 34 (xiv) The manner, standards, and specification for a process of competitive bidding for

1 division purchases and contracts; and

2 (xv) The sale of commercial advertising space on the reverse side of, or in other  
3 available areas upon, lottery tickets provided that all net revenue derived from the sale of the  
4 advertising space shall be deposited immediately into the state's general fund and shall not be  
5 subject to the provisions of section 42-61-15.

6 SECTION 15. Section 42-61.2-3 of the General Laws in Chapter 42-61.2 entitled "Video  
7 Lottery Terminal" is hereby amended to read as follows:

8 **42-61.2-3. Additional powers and duties of the director.** -- In addition to the powers  
9 and duties of the state lottery director under section 42-61-4, the director shall promulgate  
10 reasonable rules and regulations relating to video lottery games and to make recommendations  
11 and set policy for these games. These rules and regulations and shall include, but not be limited  
12 to:

13 (1) The division [of state lottery](#) shall license technology providers capable of interfacing  
14 with a central communications system controlled by the division. In making its licensing  
15 decision, the division shall select providers based on the following factors: providers experienced  
16 in performing comparable projects, financial stability, technical and management abilities, the  
17 quality of the product and service capabilities, likelihood of timely performance, maximum  
18 revenue generation, its ability to pass a law enforcement background investigation, and any other  
19 factors found to be relevant to performance. As part of its investigation as to whether to issue a  
20 license hereunder, ~~the Rhode Island lottery shall require criminal background checks of~~  
21 ~~individuals as it deems appropriate and said individuals shall apply to the bureau of criminal~~  
22 ~~investigation of the Rhode Island state police or the Rhode Island department of the attorney~~  
23 ~~general for a national criminal records check with fingerprinting.~~ [the division of state lottery shall](#)  
24 [request the assistance of the division of gaming enforcement, as defined in section 42-9.4-2 of](#)  
25 [this title, who shall perform or see that the state police performs such background investigations](#)  
26 [and criminal records checks pursuant to the provisions of chapter 9.4 of this title.](#) The applicant  
27 whose criminal records check is being conducted shall be responsible for the payment of the costs  
28 of said criminal records check. The ~~Rhode Island state police or the Rhode Island department of~~  
29 ~~attorney general, as applicable,~~ [division of gaming enforcement](#) shall send the results of such  
30 criminal records check to the ~~Rhode Island~~ [division of state](#) lottery. Once said results are sent to  
31 and received by the ~~Rhode Island~~ [division of state lottery](#) Lottery, ~~the Rhode Island state police~~  
32 ~~and the Rhode Island department of attorney general shall promptly destroy said fingerprint~~  
33 ~~record(s).~~ [the division of gaming enforcement shall see that any fingerprint records that were part](#)  
34 [of the background investigations are promptly destroyed.](#) On or before February 1, 2011, the

1 ~~agency~~ division of state lottery shall adopt rules and regulations establishing criteria to be used in  
2 determining whether based upon a criminal records check an application will be approved.

3 The award of a license to technology providers under this section shall satisfy the  
4 requirements of chapter 2 of title 37. An outside independent testing laboratory may be utilized  
5 by the division at the expense of the individual provider;

6 (2) Accounting procedures for determining the net terminal income from lottery video  
7 terminals, and unclaimed prizes and credits;

8 (3) The type of video lottery games to be conducted;

9 (4) The price to play each game and the prizes or credits to be awarded;

10 (5) Financial reporting procedures for licensed video lottery retailers and control  
11 procedures in the event that any of these retailers should become insolvent;

12 (6) Insurance and bonding by:

13 (i) Licensed video lottery retailers; and

14 (ii) Technology provider;

15 (7) The licensing of licensed video lottery retailers, which licenses shall issue upon the  
16 approval of the director of the department of revenue after a thorough background investigation is  
17 conducted by the division of gaming enforcement with the assistance of the state police pursuant  
18 to the provisions of chapter 9.4 of this title;

19 (8) The contracting with technology providers;

20 (9) All video lottery machines shall be linked under a central communications system to  
21 provide auditing program information as approved by the division. The communications system  
22 approved by the division may not limit participation to only one manufacturer of video lottery  
23 machines by either cost of implementing the necessary program modifications to communicate or  
24 the inability to communicate with the central communication system;

25 (10) Establishment of information system, operating procedures, reporting and  
26 accounting criteria in order to comply with the provisions of section 42-61.2-12; and

27 (11) Any other matters necessary for video lottery terminals or for the convenience of  
28 the public.

29 SECTION 16. Title 42 of the General Laws entitled "STATE AFFAIRS AND  
30 GOVERNMENT" is hereby amended by adding thereto the following chapters:

31 CHAPTER 61.3

32 HORSERACING

33 **42-61.3-1. License required for racing. – No person, association, or corporation shall**  
34 **hold or conduct any meeting within the state where horseracing shall be permitted for any stake,**

1 purse, or reward, except such person, association, or corporation as shall be licensed by the  
2 division of state lottery as provided in this chapter, and after an affirmative vote of the qualified  
3 electors as provided in chapter 61.9 of this title.

4 **42-61.3-2. Town or city election on establishment of track.** – Before a horseracing  
5 track shall be established in any town or city, the approval of the question as is required by  
6 chapter 61.9 of this title shall be necessary, and if consent be thus given, all further regulations  
7 shall rest with the division of state lottery.

8 **42-61.3-3. Classes of licenses.** – The division of state lottery shall be empowered to  
9 license race meets under the following classes:

10 (1) Class A. Horse running races, so-called.

11 (2) Class B. Competitive harness horse races, which are run in connection with the grand  
12 circuit, so-called.

13 (3) Class C. Competitive harness horse races, which are not run in connection with the  
14 grand circuit, so-called.

15 (4) Class D. Competitive horse races where there is no wagering.

16 (5) Class E. Harness racing by any incorporated association duly authorized to maintain  
17 agricultural exhibits.

18 **42-61.3-4. Application for license – Action by division.** – (a) Any person, association,  
19 or corporation desiring to conduct horseracing within this state shall apply to the division of state  
20 lottery for a license on forms provided by the division. The application shall specify the days on  
21 which horseracing is to be conducted, the location of the horseracing, and such other information  
22 as may be required by the division.

23 (b) The division may also require any person, association, or corporation to give  
24 information as to financial standing and credit. Any background investigations conducted as part  
25 of the license application shall be requested from the division of gaming enforcement and shall be  
26 subject to the provisions of chapter 9.4 of this title. The division shall have the right to reject any  
27 applications for a license for any cause, which it may deem sufficient, and the action of the  
28 division both as to the license and the date or award shall be final, subject to the right of appeal  
29 provided by chapter 35 of this title.

30 (c) The division shall, as far as practicable, avoid conflicts in the dates assigned or  
31 awarded for horseracing in the state.

32 **42-61.3-5. Award of dates for Class A racing.** – The application for a Class A license  
33 shall be filed on or before the fifteenth (15<sup>th</sup>) day of February in any year and the division of state  
34 lottery having considered the applications, shall on or before the first (1<sup>st</sup>) day of April in any

1 year, assign or award all dates for racing within the state for the current year; provided, however,  
2 that the division in its discretion, may receive applications at a later date and may change the  
3 assignment or award if in its judgment the change is found necessary, but prior to making the  
4 change it shall print a public notice in the newspapers and shall give the party aggrieved by the  
5 change an opportunity to be heard.

6 **42-61.3-6. Renewal of Class A licenses.** – Class A licenses when granted shall be  
7 renewable at the option of the licensee for a period of ten (10) years, provided the licensee  
8 complies with the provisions of this chapter and chapter 4 of this title.

9 **42-61.3-7. Rebate of license fees.** – If by any reason or cause beyond the control of and  
10 through no fault or neglect of any licensee and while the licensee is not in default, it should  
11 become impossible or impracticable to conduct horseracing upon any day or days licensed by the  
12 division of state lottery, at the request of the licensee and upon sworn statements, submitted in  
13 writing by the licensee, the division may rebate all or part of the license fee.

14 **42-61.3-8. Licensing of owners, trainers, jockeys, and other personnel.** – The division  
15 of state lottery at its discretion shall license owners, trainers, jockeys, starters, exercise boys,  
16 hotwalkers, grooms, and all other stable personnel as well as pari-mutuel employees,  
17 concessioners and vendors, security personnel, licensees, employees, pari-mutuel totalizator  
18 companies and its employees, and all employees of racetrack management.

19 **42-61.3-8.1. Licensing of concessioners, vendors, pari-mutuel totalizator companies,**  
20 **and employees.** – (a) All persons, firms, partnerships, associations, or corporations desiring to  
21 operate any concession allied to any horseracing track, shall apply for a license to the division of  
22 state lottery, on such forms and in such a manner as prescribed by regulations of the division. The  
23 division, by regulation, shall establish other occupational licensing for all employees of the  
24 concessions, all pari-mutuel employees, and all persons employed in any other capacity by the  
25 racetrack management, and for other persons engaged in racing activities at any horseracing  
26 track.

27 (b) All persons, firms, associations, or corporations employed by the management of a  
28 horseracing track in providing pari-mutuel totalizator computer services for pari-mutuel  
29 computations, shall apply for a license to the division of state lottery upon such forms and in such  
30 manner as prescribed by regulations of the division. All employees of the pari-mutuel totalizator  
31 computer companies shall be licensed by the division on forms prescribed by regulations of the  
32 division.

33 (c) In determining whether to grant a license pursuant to this section, the division of state  
34 lottery may require the applicant to submit information as to: financial standing and credit; moral



1 character; criminal record, if any; previous employment; corporate, partnership or association  
2 affiliations; ownership of personal assets; and such other information as it deems pertinent to the  
3 issuance of the license. The division may reject for good cause an application for a license, and it  
4 may suspend or revoke for good cause any license issued by it after a hearing held in accordance  
5 with chapter 35 of title 42.

6 (d) The issuance of a license and the payment of annual fees shall be in accordance with  
7 the following schedule:

8 (1) Concessionaire and vendors one hundred dollars (\$100)

9 (2) Occupational license:

10 (i) Owners five dollars (\$5.00)

11 (ii) Trainers five dollars (\$5.00)

12 (iii) Jockeys five dollars (\$5.00)

13 (iv) Apprentice jockeys five dollars (\$5.00)

14 (v) Authorized agents five dollars (\$5.00)

15 (vi) Starters five dollars (\$5.00)

16 (vii) Stable employees five dollars (\$5.00)

17 (viii) Assumed names ten dollars (\$10.00)

18 (ix) Colors five dollars (\$5.00)

19 (3) Vendors and concessionaries' employees five dollars (\$5.00)

20 (4) Pari-mutuel employees five dollars (\$5.00)

21 (5) Employees of race track management five dollars (\$5.00)

22 (6) Pari-mutuel totalizator company one hundred dollars (\$100)

23 (7) Pari-mutuel totalizator company employees five dollars (\$5.00)

24 (e) All individual applicants for licensing under this section shall be fingerprinted, and  
25 upon obtaining the license, shall wear upon his or her outer apparel a photo identification badge,  
26 issued or authorized by the division of athletics under rules and regulations promulgated by the  
27 division.

28 **42-61.3-9. Rules as to betting and track operation -- Deputies.** – The division of state  
29 lottery may make rules and regulations governing the operation of the tracks and stables. The  
30 division may make rules regulating betting at the horseracing events. The division may, at its  
31 discretion, appoint deputies, not exceeding twenty-two (22), to perform such duties as the rules  
32 and regulations of the division may require.

33 **42-61.3-9.1. Admittance in stable enclosure.** – (a) No person shall enter the stable  
34 enclosure of a licensee of thoroughbred horses kept for a racing meeting without first obtaining

1 the proper photo identification or permission in writing from the designated track security  
2 authority.

3 (b) Any person violating this section shall be guilty of a misdemeanor punishable by a  
4 fine up to one hundred dollars (\$100) or a jail sentence of up to thirty (30) days or both for the  
5 first offense, and the second and subsequent offense shall be punishable by a fine up to two  
6 hundred (\$200) dollars or up to ninety (90) days in jail or both.

7 (c) This section shall not apply to any police officer or firefighter in the exercise of his or  
8 her lawful duty.

9 **42-61.3-10. Accounting methods.** – The division of state lottery shall have the power to  
10 require that the books and financial or other statements of any person, corporation, or association  
11 licensed under the provisions of this chapter shall be kept in any manner which to the division  
12 may seem best, and the division shall also be authorized to visit, to investigate, and to place  
13 expert accountants and such other persons as it may deem necessary, in the offices, tracks, or  
14 places of business of any person, corporation, or association, for the purpose of satisfying itself  
15 that the division's rules and regulations are strictly complied with.

16 **42-61.3-11. Employees of licensees.** – The division of state lottery may at any time for  
17 cause require the removal of any employee or official employed by any licensee hereunder.

18 **42-61.3-12. Compelling production of records.** – The division of state lottery shall have  
19 power to compel the production of any and all books, memoranda, or documents showing the  
20 receipts and disbursements of any person, corporation, or association licensed under the  
21 provisions of this chapter to conduct race meetings.

22 **42-61.3-13. Witnesses before division.** – The division of state lottery shall have power  
23 to summon witnesses before it and to administer oaths or affirmations to the witnesses whenever,  
24 in the judgment of the division, it may be necessary for the effectual discharge of its duties; and  
25 any person failing to appear before the division at the time and place specified in answer to the  
26 summons, or refusing to testify, shall be guilty of a misdemeanor and, upon conviction in a court  
27 of competent jurisdiction, shall be punished by a fine of not more than five hundred dollars  
28 (\$500) or by a sentence to the adult correctional institutions for not more than six (6) months, or  
29 by a sentence to both a fine and imprisonment, in the judgment of the court. False swearing on the  
30 part of any witnesses shall be deemed perjury, and shall be punished as perjury.

31 **42-61.3-14. Suspension or revocation of license.** – Any license granted under the  
32 provisions of this chapter shall be subject to the rules and regulations set forth by the division of  
33 state lottery, and shall be subject to suspension or revocation for any cause which the division  
34 shall deem sufficient, after giving the licensee a reasonable opportunity for a hearing at which he

1 or she shall have the right to be represented by counsel. If any license is suspended or revoked,  
2 the division shall state the reasons for the suspension or revocation and cause an entry of the  
3 reasons to be made on the record books of the division.

4 **42-61.3-15. Penalty for unauthorized racing.** – Any person aiding or abetting in the  
5 conduct of any meeting within this state at which racing of horses shall be permitted for any  
6 stake, purse, or reward, except in accordance with a license duly issued and unsuspended or un-  
7 revoked by the division of state lottery, shall be guilty of a misdemeanor, and upon conviction,  
8 shall be punished by a fine of not more than five hundred dollars (\$500) for each day of the  
9 unauthorized meeting or by imprisonment for not exceeding six (6) months, or both a fine and  
10 imprisonment, in the discretion of the court.

11 **42-61.3-16. Municipal taxation of tracks.** – No fee, tax, or other emolument shall be  
12 exactd by any city or town for the use of track or events conducted thereon under the provisions  
13 of this chapter, and the right to establish any fees, taxes, or other emoluments shall rest with the  
14 division of state lottery in accordance with law; provided, however, that nothing in this chapter or  
15 chapter 61.5 of this title contained shall be construed to prevent any city or town from assessing  
16 and collecting taxes upon the real and personal property used by or in connection with any racing  
17 track.

18 **42-61.3-17. Ejection of undesirable persons – Rights of licensee.** – Any licensee under  
19 this chapter shall have the right to refuse admission to and to eject from the enclosure of any pari-  
20 mutuel facility where a pari-mutuel meeting licensed under the provisions of this chapter, is being  
21 held, any person or persons whose presence within the enclosure is, in the sole judgment of the  
22 licensee, its agents, or servants, undesirable.

23 **42-61.3-18. Penalty for refusing to leave.** – Any person or persons within the enclosure  
24 deemed undesirable by the licensee, its agents, or servants or who has been ordered to leave or  
25 who has been previously ejected, shall, upon refusal to leave, be guilty of a misdemeanor, and  
26 upon conviction thereof, be punished by a fine of not more than one hundred dollars (\$100) or  
27 imprisoned not more than one year or both.

28 **42-61.3-19. Severability.** – The invalidity of any sections or parts of any section or  
29 sections of this chapter of this title shall not affect the validity of the remainder of the chapters.

30 **42-61.3-20. Majority of directors of licensee to be residents.** – The majority of the  
31 membership of the board of directors of any corporation licensed to hold or conduct any meeting  
32 within the state where horseracing shall be permitted for any stake, purse, or reward, shall be  
33 residents of the state.

34 **42-61.3-21. Chemical test.** – There shall be administered to the first three (3) finishers

1 and to the last finisher of every horse race, the appropriate chemical test authorized by the  
2 division of state lottery.

3 CHAPTER 61.4

4 DOG RACING IN BURRILLVILLE, LINCOLN, AND WEST GREENWICH

5 **42-61.4-1. Operation of dog racing facilities.** – Any person desiring to operate a facility  
6 for the exhibition of the sport called dog racing in the towns of Burrillville, Lincoln, and West  
7 Greenwich, may do so upon the compliance with the terms and provisions of this chapter and  
8 pursuant to the provisions of chapter 61.9 of this title.

9 **42-61.4-2. “Sports facilities” defined.** – The words "sports facilities" as used in this  
10 chapter, means a building or enclosure in which dog racing is conducted.

11 **42-61.4-3. Regulation of operations.** – (a) The division of state lottery is hereby  
12 authorized to license dog racing in the towns of Burrillville, Lincoln, and West Greenwich. The  
13 operation of a dog track shall be under the division's supervision. The division is hereby  
14 authorized to issue rules and regulations for the supervision of the operations, and the regulations  
15 are to be issued prior to commencement of licensing hearings.

16 (b) Any license granted under the provisions of this chapter shall be subject to the rules  
17 and regulations promulgated by the division and shall be subject to suspension or revocation for  
18 any cause which the division shall deem sufficient after giving the licensee a reasonable  
19 opportunity for a hearing at which he or she shall have the right to be represented by counsel. If  
20 any license is suspended or revoked, the division shall state the reasons for the suspension or  
21 revocation and cause an entry of the reasons to be made on the record books of the division.

22 (c) The division shall be prohibited from licensing dog racing and/or the operation of a  
23 dog track upon which dog racing occurs in the town of Lincoln. Any license having been issued  
24 and in effect as of the effective date of this section shall be null and void and any licensee shall be  
25 prohibited from operating thereunder; provided, however, that the following entities shall be  
26 deemed pari-mutuel licensees as defined in section 42-61.2-1 et seq. and licensees as defined in  
27 section 41-11-1 et seq.: (1) Any entity having been issued a license to operate a dog track prior to  
28 December 31, 2008; and (2) Any entity having been issued a license to operate a dog track prior  
29 to December 31, 2008 that after such date is reorganized under a confirmed plan of reorganization  
30 pursuant to chapter 11 of title 11 of the United States Bankruptcy Code (11 U.S.C. sections 101 –  
31 1532); and provided, further, that in the case of a reorganized licensee under subdivision (2)  
32 above, its application for a facility permit license is approved and issued by the department of  
33 business regulation in the event of a proposed change in control of the entity. Nothing herein shall  
34 limit the ability of the department of business regulation, in connection with a proposed change in

1 control, to investigate and subject to the regulatory due diligence process, any holder of an  
2 ownership interest regardless of percentage of ownership held.

3 **42-61.4-4. Powers and duties of division of state lottery.** – In addition to the other  
4 powers conferred upon the division, the division of state lottery shall carry out the provisions of  
5 this chapter, and to that end, the division may:

6 (1) Personally or by agent, supervise and check the making of pari-mutuel pools and  
7 wages and the distribution therefrom;

8 (2) Fix and set the dates within which any dog track may be operated; provided, however,  
9 there shall be at least one hundred twenty-five (125) days annually of the operation; and

10 (3) Require any applicant for a permit to operate a dog track to file an application under  
11 oath setting forth:

12 (i) The full name of the person, firm, corporation, or association, and if a corporation, the  
13 name of the state under which it is incorporated, as well as the names of the officers and directors  
14 of the corporation, and their places of residences, or if an association, the name and residence of  
15 the members of the association;

16 (ii) The exact location where it is desired to operate a dog track;

17 (iii) Whether or not the dog track is owned or leased, and if leased, the name, residence,  
18 and address of the owners or lessees, or if the owner or lessee be a corporation, the name and  
19 address of the officers and directors thereof;

20 (iv) A statement of the assets and liabilities of the person, firm, corporation, or  
21 association making application for the permit; and

22 (v) Such other information as the division may require.

23 **42-61.4-5. Wages and pari-mutuel pools permitted within enclosure of dog track.** –  
24 The pari-mutuel system, so called, or other form of betting system authorized by this chapter,  
25 shall not be used or permitted at any location other than the race track at which the dog racing  
26 event is licensed to be conducted.

27 **42-61.4-5.1. Sale or purchase of twin-double tickets.** – The sale or purchase of twin-  
28 double tickets or attempting to aid or abet in the sale or purchase of twin-double tickets through  
29 solicitation of patrons attending, other than through pari-mutuel machines, is prohibited. Any  
30 person violating the provisions of this section shall be denied admission to all dog tracks in the  
31 state and may be prosecuted. Persons convicted of violating the provisions of this chapter shall be  
32 punishable by a fine of not more than five hundred dollars (\$500) or by imprisonment for up to  
33 one year or both.

34 **42-61.4-6. Tax on betting and licensee's commission.** – (a) The commission of a

1 licensee on pari-mutuel pools and wagers shall be eighteen percent (18%) of the amount  
2 contributed thereto.

3 (1) After deducting the commission and the "breaks," hereafter defined, a pari-mutuel  
4 pool shall be redistributed to the contributors. The licensee conducting such events pursuant to  
5 this chapter shall pay a tax to the state of five and one-half percent (5.5%) of the amounts  
6 contributed to the pari-mutuel pool. The licensee shall pay a tax of one-half of one percent (.5%)  
7 of the pool to each city or town in which any portion of the racing facility, including parking  
8 areas, storage areas, buildings, and entrances or exits to or from property being used in  
9 conjunction with the operation of dog racing, is located.

10 (b) Redistribution of funds otherwise distributable to the contributors to the pari-mutuel  
11 pools shall be a sum equal to the next lowest multiple of ten (10).

12 (c) No distribution of a pari-mutuel pool shall be made of the odd cents of any sum  
13 otherwise distributable, which odd cents shall be known as the "breaks".

14 (d) The "breaks" shall be known as the difference between the amount contributed to a  
15 pari-mutuel pool and the total of the commission of the licensee and the sums actually  
16 redistributed to the contributors.

17 (e) No person or corporation shall directly or indirectly purchase pari-mutuel tickets or  
18 participate in the purchase of any part of a pari-mutuel pool for another for hire or for any  
19 gratuity, and no person shall purchase any part of a pari-mutuel pool, through another, wherein he  
20 or she gives or pays directly or indirectly the other person anything of value, and any person  
21 violating this section shall be fined the sum of five hundred dollars (\$500) for each violation.

22 **42-61.4-7. Distribution of funds.** – All money mentioned in this chapter derived from  
23 taxes on wagers and pari-mutuel pools shall be disbursed by the state treasurer pursuant to  
24 chapter 61.5 of this title. Except as is inconsistent therewith, the provisions of chapters 61.3 and  
25 61.5 of this title shall apply to the sport of dog racing.

26 **42-61.4-8. Tax on breaks -- Distribution.** – (a) A tax is hereby levied upon every pari-  
27 mutuel pool conducted at the dog track, equal to fifty percent (50%) of the "breaks" as defined in  
28 subsection 42-61.4-5(d).

29 (b) It shall be the duty of every dog track licensee to pay unto the state treasurer the tax  
30 hereby levied and the licensee shall be liable therefor.

31 **42-61.4-9. Severability.** – If any provision of this chapter or the application thereof to  
32 any person or circumstances is held invalid, the invalidity shall not effect other provisions or  
33 applications, and to this end the provisions of this chapter are severable.

34 **42-61.4-10. Chemical test.** – There shall be administered to one randomly selected

1 finisher, of every dog race, the appropriate chemical test authorized by the division of state  
2 lottery. The department of revenue is authorized to establish by rule and regulation procedures  
3 required for the chemical testing.

4 **42-61.4-11. Applications – Disclosure requirements.** – Upon filing of an application(s)  
5 to the department of revenue or the division of lotteries with respect to a pari-mutuel or video  
6 lottery license, the department of business regulation and/or the division of state lottery with  
7 respect to a pari-mutuel or video lottery license, the department of revenue and/or division of  
8 state lottery, as the case may be, shall, upon a proper request made pursuant to chapter 2 of title  
9 38 of the Rhode Island general laws entitled "access to public records", disclose the name,  
10 business address and contact person of the person or entity filing such an application in  
11 accordance with said chapter 2 of title 38. Any and all other personal or financial information  
12 contained in such application(s) is expressly exempted from provisions of said chapter 2 of title  
13 38 and is hereby deemed not to be a public record as defined therein.

#### 14 CHAPTER 61.5

#### 15 MUTUAL BETTING AND LICENSE FEES

16 **42-61.5-1. Meets at which betting authorized – Types of mutuels.** – (a) The division of  
17 state lottery may permit at racing events, licensed under the provisions of chapter 61.3 of this title  
18 betting under pari-mutuel system, so-called, or auction mutuel system, so-called, except as  
19 otherwise provided in this chapter.

20 (b) Events run under Class A shall be conducted under the pari-mutuel system only.

21 (c) Events run under Classes B, C, and E shall be conducted under the pari-mutuel or  
22 auction mutuel system as the division may determine.

23 **42-61.5-2. Betting only at track – Minors prohibited.** – The pari-mutuel system, so-  
24 called, or other form of betting system authorized by this chapter, shall not be used or permitted  
25 at any location other than the race track at which the horseracing event is licensed to be  
26 conducted. No licensee shall knowingly permit any minor to be a patron of the pari-mutuel  
27 system or other betting system authorized by this chapter.

28 **42-61.5-3. Tax on pari-mutuel betting.** – (a) Each licensee conducting racing events  
29 under the pari-mutuel system shall pay to the state, and there is hereby imposed:

30 (1) A tax at the rate of three percent (3%) of the total money wagered on so-called  
31 straight (win, place, or show) wagering on the events; and

32 (2) A tax at the rate of six percent (6%) of the total money wagered on so-called exotic or  
33 multiple forms of wagering on the events; and

34 (3) A tax equal to one-half (1/2) of the breakage to the dime resulting from the wagering.

1           (b) Each licensee conducting harness horseracing events under the pari-mutuel system  
2 shall pay to the state, and there is hereby imposed:

3           (1) A tax at the rate of five and one-half percent (5.5%) of so much of the total amount of  
4 money wagered daily on such events as does not exceed four hundred thousand dollars  
5 (\$400,000); six and three quarters percent (6.75%) of so much thereof as exceeds four hundred  
6 thousand dollars (\$400,000), but does not exceed four hundred and fifty thousand dollars  
7 (\$450,000); seven and one quarter percent (7.25%) of so much thereof as exceeds four hundred  
8 and fifty thousand dollars (\$450,000), but does not exceed five hundred thousand dollars  
9 (\$500,000); and ten percent (10%) of so much of the total amount of money wagered on such  
10 events as exceeds five hundred thousand dollars (\$500,000);

11           (2) A tax equal to one-half (1/2) of the breakage to the dime resulting from the wagering.

12           (c) Each licensee-conducting dog racing events under the pari-mutuel system shall pay to  
13 the state, and there is hereby imposed, a tax on such events at the rate of:

14           (1) Five and one-half percent (5.5%) of the first one hundred and fifty thousand dollars  
15 (\$150,000) of money wagered daily; plus nine percent (9%) on amounts wagered from one  
16 hundred and fifty thousand dollars (\$150,000) to two hundred and fifty thousand dollars  
17 (\$250,000); plus ten and one quarter percent (10.25%) on amounts wagered from two hundred  
18 and fifty thousand dollars (\$250,000) to three hundred and seventy-five thousand dollars  
19 (\$375,000); plus ten and three quarters percent (10.75%) on amounts wagered over three hundred  
20 and seventy-five thousand dollars (\$375,000); and

21           (2) One-half (1/2) of the breakage to the dime resulting from the wagering.

22           **42-61.5-4. Licensee's commission under pari-mutuel system.** – (a) Each licensee under  
23 the pari-mutuel system may retain as the licensee's commission:

24           (1) Not to exceed sixteen percent (16%) of the total amount of money wagered on so  
25 called straight (win, place, or show) wagering on events; and

26           (2) Not to exceed eighteen percent (18%) of the total amount of money wagered on so  
27 called exotic or multiple forms of wagering on such events, and one-half (1/2) of the breakage to  
28 the dime resulting from the wagering.

29           (b) Each licensee conducting a harness horseracing meeting under the pari-mutuel system  
30 may retain as the licensee's commission:

31           (1) Not to exceed eleven and one-half percent (11.5%) of so much of the total amount of  
32 money wagered daily on such events as does not exceed four hundred thousand dollars  
33 (\$400,000); ten and one quarter percent (10.25%) of so much thereof as exceeds four hundred  
34 thousand dollars (\$400,000), but does not exceed four hundred and fifty thousand dollars



1 (\$450,000); nine and three quarters percent (9.75%) of so much thereof as exceeds four hundred  
2 and fifty thousand dollars (\$450,000), but does not exceed five hundred thousand dollars  
3 (\$500,000); and seven percent (7%) of so much of the total amount of money wagered on such  
4 events as exceeds five hundred thousand dollars (\$500,000); and

5 (2) One-half (1/2) of the breakage to the dime resulting from the wagering.

6 (c) Each licensee-conducting dog racing events under the pari-mutuel system may retain  
7 as the licensee's commission an amount not to exceed:

8 (1) Eleven and one-half percent (11.5%) of the first one hundred and fifty thousand  
9 dollars (\$150,000) of money wagered daily; plus eight percent (8%) on amounts wagered from  
10 one hundred and fifty thousand dollars (\$150,000) to two hundred and fifty thousand dollars  
11 (\$250,000); plus six and three quarters percent (6.75%) on amounts wagered from two hundred  
12 and fifty thousand dollars (\$250,000) to three hundred and seventy-five thousand dollars  
13 (\$375,000); plus six and one quarter percent (6.25%) on amounts wagered over three hundred and  
14 seventy-five thousand dollars (\$375,000); and

15 (2) One-half (1/2) of the breakage to the dime resulting from the wagering.

16 **42-61.5-4.1. Support of racing division activities -- Tax.** – (a) Notwithstanding the  
17 provisions of section 42-61.5-3 or section 42-61.3.1-6 each licensee conducting racing events  
18 under the pari-mutuel system shall collect an additional five percent (5%) of all money wagered  
19 on the multiple pools at racing tracks. "Multiple pools" shall be defined as all forms of wagering  
20 other than win, place, and show. This five percent (5%) tax shall be over and above the schedule  
21 of taxes as set forth in section 42-61.5-3, and shall be distributed as follows:

22 (1) One and one-half percent (1.5%) shall be paid to the department of revenue and these  
23 proceeds shall be deposited as general revenue.

24 (2) One-half of one percent (0.5%) shall be paid to owners of dog kennels who are under  
25 contract with a licensee who shall distribute funds to the owners of dog kennels in a manner  
26 consistent with the generally accepted distribution of dog kennel owners' purses subject to an  
27 annual audit by the auditor general or his or her designee.

28 (3) One and one-half percent (1.5%) shall be paid to the licensee provided that there is at  
29 least three hundred forty (340) scheduled performances during the calendar year.

30 (4) One and one-half percent (1.5%) shall be paid to the state and revert to the general  
31 fund.

32 (b) Notwithstanding the provisions of section 42-61.4-5 each licensee conducting racing  
33 events under the pari-mutuel system shall collect an additional four percent (4%) of all moneys  
34 wagered on so called straight (win, place, or show) wagering. This four percent (4%) tax shall be

1 over and above the schedule of taxes as set forth in section 41-3.1-6, and shall be distributed as  
2 follows:

3 (1) One percent (1%) shall be paid to the town of Lincoln; and

4 (2) One percent (1%) shall be paid to owners of dog kennels who are under contract with  
5 a licensee who shall distribute funds to the owners of dog kennels in a manner consistent with the  
6 generally accepted distribution of dog kennel owners' purses subject to an annual audit by the  
7 auditor general or his or her designee.

8 (3) Two percent (2%) shall be paid to the state and revert to the general fund.

9 **42-61.5-5. Taxes and license fees under auction mutuel system.** – If events are  
10 conducted under the auction mutuel system the following taxes and license fees are hereby  
11 imposed:

12 (1) As to Class B events, a tax of two percent (2%) of the total amount of money wagered  
13 and also a license fee of two hundred dollars (\$200) per day;

14 (2) As to Class C events, a tax of one and one-half percent (1.5%) of the total amount of  
15 money wagered and also a license fee of fifty dollars (\$50.00) per day;

16 (3) As to Class E events, a tax of one percent (1%) of the total amount of money wagered  
17 and also a license fee of twenty dollars (\$20.00) per day.

18 **42-61.5-6. Licensee's commission under auction mutuel system.** – Each licensee under  
19 the auction mutuel system may retain, as the licensee's commission, not to exceed five percent  
20 (5%) of the total amount of money wagered.

21 **42-61.5-7. Class D license fee.** – Events run under Class D shall pay a fee not exceeding  
22 ten dollars (\$10.00) per day; provided, however, that no wagering of any sort shall be allowed at  
23 the events.

24 **42-61.5-8. Collection of taxes – Interest on delinquencies – Failure to pay on**  
25 **demand.** – The tax administrator shall assess and collect the taxes imposed by this chapter under  
26 such rules and regulations as he or she may prescribe. All taxes hereby imposed shall be due and  
27 payable at the close of each day's racing and any tax not paid upon demand of the tax  
28 administrator shall bear interest at the rate of six percent (6%) per annum from the time of the  
29 demand. Failure to pay any tax upon demand shall be cause for revocation of a license.

30 **42-61.5-9. Accounting system – Supervision of betting.** – The division of state lottery  
31 shall devise a system of accounting and shall supervise betting at a track in a manner so that the  
32 rights of the state are protected, and shall collect all fees and licenses under such rules and  
33 regulations as it shall prescribe.

34 **42-61.5-9.1. Licensing of concessioners, vendors, and pari-mutuel totalizator**

1 **companies.** – (a) All persons, firms, partnerships, associations, or corporations desiring to  
2 operate any concession allied to any dog racing track, shall apply for a license to the division of  
3 state lottery, on such forms and in such a manner as prescribed by regulations of the division. The  
4 division by regulations shall establish other occupational licensing for all employees of the  
5 concessions, all pari-mutuel employees, and all persons employed in any other capacity by the  
6 racetrack management, and for other persons engaged in racing activities at any dog-racing track.

7 (b) All persons, firms, associations, or corporations employed by the management of a  
8 dog racing track in providing pari-mutuel totalizator computer services for pari-mutuel  
9 computations, shall apply for a license to the division of state lottery upon such forms and in such  
10 manner prescribed by regulations of the division. All employees of the pari-mutuel totalizator  
11 computer companies shall be licensed by the division on forms prescribed by regulations of the  
12 division.

13 (c) In determining whether to grant a license pursuant to this section the division may  
14 require the applicant to submit information as to: financial standing and credit; moral character;  
15 criminal record, if any; previous employment; corporate, partnership or association affiliations;  
16 ownership of personal assets; and such other information as it deems pertinent to the issuance of  
17 the license. The division may reject for good cause an application for a license, and it may  
18 suspend or revoke for good cause any license issued by it after a hearing held in accordance with  
19 chapter 35 of title 42 and subject to further appeal procedures provided by section 41-2-3.

20 (d) The division shall issue a three (3) year license commencing with license year 2007.  
21 The division shall implement a graduated system in 2007 where one third (1/3) of licenses due to  
22 expire shall be renewed for one year, a second third (1/3) of licenses due to expire shall be  
23 renewed for two (2) years, and the final third (1/3) of licenses due to expire shall be renewed for  
24 three (3) years, with licensing fees prorated accordingly. As said licenses become due for  
25 renewal, licenses shall be renewed for a three (3) year period of time. All licenses issued shall be  
26 in accordance with regulations and the following schedule:

27 (1) For gaming facility employees:

28 (i) Key employees three hundred dollars (\$300)

29 (ii) Operation employees one hundred fifty dollars (\$150)

30 (iii) Service employees seventy-five dollars (\$75.00)

31 (2) For gaming facility non-employees:

32 (i) Concessionaires and vendors: seven hundred fifty dollars (\$750)

33 (3) Occupational licenses:

34 (i) Owners four hundred fifty dollars (\$450)

1           (ii) Trainers one hundred fifty dollars (\$150)  
2           (iii) Assumed names one hundred fifty dollars (\$150)  
3           (iv) Kennel people seventy-five dollars (\$75.00)  
4           (4) Concessionaire and vendor's employees seventy-five dollars (\$75.00)  
5           (5) Pari-mutuel totalizator companies seven hundred fifty dollars (\$750)  
6           (6) Pari-mutuel totalizator company employees one hundred fifty dollars (\$150)  
7           (e) All individual applicants for licensing under this section shall be fingerprinted, and,  
8 upon obtaining the license, shall wear upon his or her outer apparel a photo identification badge,  
9 issued or authorized by the division of state lottery under rules and regulations promulgated by  
10 the division.  
11           (f) The cost of the licensing pursuant to this section shall be paid by the employer of the  
12 licensee, and shall include one hundred and fifty percent (150%) of the total salaries and benefits  
13 for the state employees engaged in the licensing at each facility. The fund shall be deposited as  
14 restricted receipts for the use of the state and shall be in addition to any taxes and fees otherwise  
15 payable to the state.  
16           **42-61.5-10. Unclaimed winnings.** – The amount of unclaimed money, as determined by  
17 the division of state lottery, now held or which shall hereafter be held by any licensee, on account  
18 of outstanding and un-cashed winning tickets shall, at the expiration of one year after the close of  
19 the meeting during which the tickets were issued, be collected forthwith from the licensee by the  
20 division and shall be paid over to the general treasurer for the use of the state and all unclaimed  
21 money shall be held in an escrow account by the licensee until collected by the division.  
22           **42-61.5-11. Entry of premises for inspection of operations.** – The division of state  
23 lottery may authorize members of the division or duly authorized deputies to enter upon the  
24 premises at any racing event for the purpose of inspecting books and records, supervising and  
25 examining cashiers, ticket sellers, pool sellers, and other persons handling money at the event and  
26 such other supervision as may be necessary for the maintenance of order at the event.  
27           **42-61.5-12. Monthly statement of receipts– Payments to treasurer.** – The division of  
28 state lottery shall, on or before the tenth (10<sup>th</sup>) day of each month, prepare and file with the  
29 general treasurer a full and complete statement of its receipts from all sources, and shall turn over  
30 to the general treasurer all moneys in its possession.  
31           **42-61.5-13. Dog racing – Distribution of pari-mutuel pool to communities where**  
32 **tracks located.** – After deducting the commission and the "breaks," as required by law, a pari-  
33 mutuel pool shall be redistributed to the contributors. The licensee of a dog track shall pay a tax  
34 to the state of five and one-half percent (5.5%) of the amounts contributed to the mutuel pool.

1 The licensee shall pay a tax of one-half of one percent (.5%) of such pool to each city or town  
2 within whose borders the racing facility or any portion thereof, including parking areas, storage  
3 areas, buildings, and entrances or exits to or from the property being used in conjunction with the  
4 operation of dog racing, is located.

5 **42-61.5-13.1. Local approval.** – Section 42-61.5-14 shall take effect upon the approval  
6 of the voters of any city or town voting on the question allowing the sport of dog racing, subject,  
7 however, to an affirmative vote as provided in chapter 61.9 of this title.

## 8 CHAPTER 61.6

### 9 JAI ALAI

10 **42-61.6-1. Operation of jai alai sports facilities.** – Any person desiring to operate a  
11 facility for the exhibition of the Spanish sport called jai alai in the city of Newport may do so  
12 upon the compliance with the terms and provisions of this chapter.

13 **42-61.6-2. “Sports facilities” and “frontons” defined.** – The words "sports facilities"  
14 and "fronton" as used in this chapter mean a building or enclosure in which is provided a playing  
15 court with three (3) walls so designed and constructed for the playing of that sports game of ball  
16 as played in Spanish speaking countries, called jai alai or pelota.

17 **42-61.6-3. Regulation of operations -- Licensing.** – (a) The division of state lottery is  
18 hereby authorized to license jai alai in the city of Newport. The operation of a fronton shall be  
19 under the division's supervision. The division is hereby authorized to issue rules and regulations  
20 for the supervision of the operations.

21 (b) Any license granted under the provisions of this chapter shall be subject to the rules  
22 and regulations promulgated by the division of state lottery and shall be subject to suspension or  
23 revocation for any cause which the division shall deem sufficient after giving the licensee a  
24 reasonable opportunity for a hearing at which he or she shall have the right to be represented by  
25 counsel. If any license is suspended or revoked, the division shall state the reasons for the  
26 suspension or revocation and cause an entry of the reasons to be made on the record books of the  
27 division.

28 (c) Commencing July 1, 2003, the division of state lottery shall be prohibited to license  
29 jai alai in the city of Newport. Any license having been issued and in effect as of that date shall  
30 be null and void and any licensee shall be prohibited from operating thereunder; provided,  
31 however, that any entity having been issued a license to operate a jai alai fronton prior to July 1,  
32 2003 shall be deemed a pari-mutuel licensee as defined in section 42-61.5-1 et seq., and a  
33 licensee as defined in section 42-61.8-1 et seq.

34 **42-61.6-4. Power and duties of the division of state lottery.** – In addition to the other

1 powers conferred upon the division of state lottery, the division shall carry out the provisions of  
2 this chapter, and to that end, the division may:

3 (1) Personally or by agent, supervise and check the making of pari-mutuel pools and  
4 wagers and the distribution therefrom;

5 (2) Fix and set the dates within which any fronton may be operated; provided, however,  
6 there shall be at least one hundred (100) days annually of the operation; and

7 (3) Require any applicant for a permit to operate a fronton to file an application under  
8 oath setting forth:

9 (i) The full name of the person, firm, corporation, or association, and if a corporation, the  
10 name of the state under which it is incorporated, as well as the names of the officers, directors,  
11 and stockholders of the corporation, and their places of residence, or if an association, the name  
12 and residence of the members of the association;

13 (ii) The exact location where it is desired to operate a fronton exhibiting the Spanish sport  
14 jai alai or pelota;

15 (iii) Whether or not the fronton is owned or leased, and if leased, the name, residence,  
16 and address of the owners or lessees, or if the owner or lessee be a corporation, the name and  
17 address of the officers, directors, and stockholders thereof;

18 (iv) A statement of the assets and liabilities of the person, firm, corporation, or  
19 association making application for the division permit;

20 (v) Such other information as the division may require.

21 **42-61.6-5. Wagers and pari-mutuel pools permitted within enclosure of fronton. –**

22 Within the enclosure of any fronton licensed and conducted under this chapter but not elsewhere,  
23 wagering on the respective scores or points of the game of jai alai or pelota and the sale of pari-  
24 mutuel pools under such regulation as the division of state lottery shall prescribe, are hereby  
25 authorized and permitted, including, but not limited to, those forms of wagering known as daily  
26 double, perfecta, quinella, and trifecta.

27 **42-61.6-5.1. Sale or purchase of twin-double tickets. –**

28 The sale or purchase of twin  
29 double tickets or attempting to aid or abet in the sale or purchase of twin-double tickets through  
30 solicitation of patrons attending, other than through pari-mutuel machines, is prohibited. Any  
31 person violating the provisions of this section shall be denied admission to the fronton and may  
32 be prosecuted. Persons convicted of violating the provisions of this section shall be punished by a  
33 fine of not more than five hundred dollars (\$500) or by imprisonment for up to one year or both.

33 **42-61.6-6. Tax on betting and licensee's commission. –**

34 (a) The commission of a  
licensee on pari-mutuel pools and wagers shall be twenty and one-half percent (20 1/2%) of the

1 amount contributed thereto. After deducting the commission and the "breaks," hereafter defined,  
2 a pari-mutuel pool shall be redistributed to the contributors. The licensee conducting events  
3 pursuant to this chapter shall pay a tax to the state of three percent (3%) of annual amounts  
4 contributed to mutuel pools up to eighteen million dollars (\$18,000,000) of total handle. The  
5 Rhode Island tax shall increase one-half of one percent (.5%) for the next incremental increase of  
6 two million dollars (\$2,000,000), and one-half of one percent (.5%) for each incremental increase  
7 of one million dollars (\$1,000,000), thereafter, in the total annual pool up to a maximum of five  
8 percent (5%). The licensee shall pay a tax of one percent (1%) of the pool to the city of Newport  
9 and the tax administrator/collector or equivalent for the city of Newport shall assess and collect  
10 the taxes imposed by this section with respect to the city of Newport under such rules and  
11 regulations as he or she may prescribe. All taxes hereby imposed shall be due and payable at the  
12 close of each day's activities, and any tax not paid upon demand of the tax administrator/collector  
13 shall bear interest at the rate of six percent (6%) per annum for the time of the demand. Failure to  
14 pay any tax upon demand shall be cause for revocation of a license.

15 (b) Redistributions of funds otherwise distributable to the contributors to the pari-mutuel  
16 pools shall be a sum equal to the next lowest multiple of ten (10).

17 (c) No distribution of a pari-mutuel pool shall be made of the odd cents of any sum  
18 otherwise distributable, which odd cents shall be known as the "breaks."

19 (d) The "breaks" shall be known as the difference between the amount contributed to a  
20 pari-mutuel pool and the total of the commission of the licensee and the sums actually  
21 redistributed to the contributors.

22 (e) No person or corporation shall directly or indirectly purchase pari-mutuel tickets or  
23 participate in the purchase of any part of a pari-mutuel pool for another for hire or for any gratuity  
24 and no person shall purchase any part of a pari-mutuel pool through another, wherein he or she  
25 gives or pays directly or indirectly the other person anything of value, and any person violating  
26 this section shall be fined the sum of five hundred dollars (\$500) for each violation.

27 **42-61.6-7. Distribution of funds – Applicability of chapters 61.3 and 61.5 of this title.**  
28 = All money mentioned in this chapter derived from taxes on wagers and pari-mutuel pools shall  
29 be disbursed by the state treasurer pursuant to chapter 61.5 of this title. Except as is inconsistent  
30 with this chapter the provisions of chapters 61.3 and 61.5 of this title shall apply to the sport of jai  
31 alai.

32 **42-61.6-8. Tax on breaks -- Distribution.** – (a) A tax is hereby levied upon every pari-  
33 mutuel pool conducted at the fronton for the exhibition of the Spanish ball game known as jai alai  
34 or pelota in Newport authorized by law so to do, equal to fifty percent (50%) of the "breaks" as

1 defined in the above.

2 (b) It shall be the duty of every fronton licensee to pay unto the state treasurer the tax  
3 hereby levied and the licensee shall be liable therefor.

4 **42-61.6-9. Leases of city properties.** – The city of Newport is hereby authorized to enter  
5 into a lease of city property for a period not to exceed thirty-five (35) years with an application to  
6 the division of state lottery for a license to conduct jai alai or pelota.

7 **42-61.6-10. Licensing of concessionaires, vendors, pari-mutuel totalizator**  
8 **companies.** – (a) All persons, firms, partnerships, associations, or corporations desiring to  
9 operate any concession allied to any fronton, shall apply for a license to the division of state  
10 lottery, on such forms and in such a manner as prescribed by regulations. The division by  
11 regulations shall establish other occupational licensing for all employees of the concessions, all  
12 pari-mutuel employees, and all persons employed in any other capacity by the fronton  
13 management.

14 (b) All persons, firms, partnerships, associations, or corporations employed by the  
15 fronton management in providing pari-mutuel totalizator computer services for pari-mutuel  
16 computations, shall apply for a license to the division of state lottery upon such forms and in such  
17 manner as prescribed by regulations of the division. All employees of the pari-mutuel totalizator  
18 computer companies shall be licensed by the division on forms prescribed by regulations of the  
19 division.

20 (c) In determining whether to grant a license pursuant to this section the division of state  
21 lottery may require the applicant to submit information as to: (1) Financial standing and credit;  
22 (2) Moral character; (3) Criminal record, if any; (4) Previous employment; (5) Corporate,  
23 partnership, or association affiliations; (6) Ownership of personal assets; and (7) Such other  
24 information as it deems pertinent to the issuance of the license. The division may reject for good  
25 cause an application for a license, and it may suspend or revoke for good cause any license issued  
26 by it after a hearing held in accordance with chapter 35 of title 42; subject to further appeal  
27 procedures provided by section 41-2-3.

28 (d) Issuance of license and the payment of annual fees shall be the same in accordance  
29 with the following schedule:

30 (1) Concessionaires and vendors two hundred dollars (\$200)

31 (2) Occupational licenses:

32 (i) Player license ten dollars (\$10.00)

33 (ii) Ball maker ten dollars (\$10.00)

34 (iii) Player/manager ten dollars (\$10.00)





1 license for any cause, which it may deem sufficient. Applicants aggrieved by a decision or order  
2 of the division shall have the right to an appeal pursuant to chapter 35 of this title. The division  
3 shall allow an off track betting facility to be open seven (7) days a week. On each day of the week  
4 the off track facility licensee may import racing programs from one or more out-of-state  
5 racetracks in a manner to be approved by the division.

6 **42-61.7-4. Powers and duties of division.** – In addition to the powers already granted to  
7 the division of state lottery, the division shall have the power and it shall be its duty to supervise  
8 and administer the operation of off track betting in accordance with this chapter and with the rules  
9 and regulations of the division.

10 **42-61.7-5. Licensing restrictions.** – (a) The division of state lottery shall refuse to grant  
11 a license, or shall suspend a license, if the applicant or licensee:

- 12 (1) Has been convicted of a felony, or any crime involving moral turpitude;
- 13 (2) Has engaged in illegal gambling as a significant source of income;
- 14 (3) Has been convicted of violating any gambling statutes;
- 15 (4) Has been convicted of fraud or misrepresentation in any connection; or
- 16 (5) Has been found to have violated any rule, regulation, or order of the division.

17 (b) The license heretofore issued shall be suspended by the division for any charge which  
18 may result in a conviction or conduct prescribed in subdivisions (a)(1) through (a)(5); which  
19 suspension shall be effective until a final judicial determination.

20 (c) The division shall refuse to grant, or the division shall suspend, pending a hearing  
21 before the division, a license if the applicant or licensee is an association or corporation:

- 22 (1) Any of whose directors, officers, partners, or shareholders holding a five percent (5%)  
23 or greater interest have been found guilty of any of the activities specified in subsection (a); or
- 24 (2) In which it appears to the division that due to the experience, character, or general  
25 fitness of any director, officer, or controlling partner, or shareholder, the granting of a license  
26 would be inconsistent with the public interest, convenience, or trust.

27 (d) Whenever requested by the division of state lottery, the division of criminal  
28 identification of the department of the attorney general, the superintendent of state police, and the  
29 superintendent or chief of police or town sergeant of any city or town, shall furnish all  
30 information on convictions, arrests, and present investigations concerning any person who is an  
31 applicant for a license or who is a licensee under this chapter.

32 **42-61.7-6. Host community fee.** – The city or town where a facility licensed after  
33 January 1, 2012 is located shall receive as host community fee one percent (1%) of the amount  
34 contributed to the mutual pools.

1 **42-61.7-7. Off track betting taxes and commissions.** – (a) Each licensee conducting  
2 wagering in an off track betting facility under the pari-mutuel system shall pay to the state, and  
3 there is hereby imposed, a tax on such events at the rate of:

4 (1) Three and one-half percent (3.5%) of the total money wagered therein on win, place,  
5 and show wagers;

6 (2) Four percent (4%) on multiple wagers therein involving two (2) animals; and

7 (3) Four and one-half percent (4.5%) on exotic wagers therein involving three (3) or more  
8 animals.

9 (b) Where the division has approved the commingling of wagers placed at the off track  
10 betting facility into similar wagering pools at a host facility where the racing event is conducted,  
11 each licensee conducting wagering in an off track betting facility may retain as his or her  
12 licensee's commission an amount equal to the takeout at the host facility. Where commingling of  
13 wagers does not occur the division shall be:

14 (1) Eighteen percent (18%) of the amount wagered therein on win, place and show  
15 wagers;

16 (2) Twenty percent (20%) on multiple wagers therein, involving two (2) animals;

17 (3) Twenty-five percent (25%) on exotic wagers therein involving three (3) or more  
18 animals; and

19 (4) One-half (1/2) of the breakage to the dime resulting from such betting shall be paid to  
20 the division to support the division in accordance with section 41-4-4.1. The remaining breakage  
21 shall be retained by the licensee.

22 (c) Off track betting licensees may impose a surcharge on winning wagers of up to five  
23 and one-half percent (5.5%) to offset telecommunications costs and the cost of acquiring racing  
24 signals.

25 **42-61.7-8. Payment by state to cities and towns – State aid formula.** – The off track  
26 betting tax payable to the state under subdivisions 42-61.7-7(a)(1), (2) and (3) shall be paid  
27 directly by the state to the cities and towns of the state in accordance with the state aid formula as  
28 set out in section 45-13-1, and these funds shall be used by the cities and towns as a direct  
29 reduction against the residential tax rate.

## 30 CHAPTER 61.8

### 31 SIMULCAST PROGRAMS FROM LICENSED BETTING FACILITIES

32 **42-61.8-1. Definitions.** – For the purpose of this chapter, the following words shall mean:

33 (1) "Day" means the normal business day of the facility on which the licensee may  
34 conduct multiple programs.

1           (2) "Licensee" means an entity licensed pursuant to chapters 61.4 and 61.6 of title 41.

2           (3) "Simulcast" means the live television broadcast of programs either interstate or  
3 intrastate to a licensee of a licensed facility within the state. The program must be sanctioned  
4 and/or licensed in the state of origin.

5           **42-61.8-2. Simulcast.** – (a) Notwithstanding the provisions of section 42-61.5-2 as to  
6 location of programs only, a licensee may enter into a contract with any licensed racing  
7 association to simulcast programs from the facility on certain racing days.

8           (b) A licensee may simulcast programs a maximum of two hundred seventy (270) days in  
9 a state fiscal calendar year.

10          (c) A licensee shall obtain a permit from the division of state lottery.

11          (d) A licensee may accept pari-mutuel wagering on the simulcast at the licensed facility  
12 and not at any other location.

13          (e) When the program is a dog race, the licensee shall compensate the owners of dog  
14 kennels who are under contract with the licensee at the time of the program. The compensation  
15 shall be equal to that percentage of the pari-mutuel handle paid to the owners pursuant to the  
16 contract then existing between the licensee and the owners.

17          (2) A licensee licensed pursuant to chapter 61.6 of this title who receives simulcasts of  
18 dog races intrastate shall compensate the owners of dog kennels who are under contract with a  
19 licensee licensed pursuant to chapter 61.4 of this title at the time of the simulcast an amount equal  
20 to the percentage of the pari-mutuel handle being paid to the dog kennel owners pursuant to their  
21 contracts with the licensee licensed pursuant to chapter 6.4 of this title.

22          **42-61.8-3. Taxes and commissions.** – (a) Each licensee conducting wagering in a  
23 simulcast betting facility under the pari-mutuel system shall pay to the state, and there is hereby  
24 imposed, a tax on such programs at the rate of:

25           (1) Four percent (4%) of the total money wagered therein on win, place and show wagers;

26           (2) Four percent (4%) on multiple wagers therein involving two (2) animals; and

27           (3) Five and one-half percent (5.5%) on exotic wagers therein involving three (3) or more  
28 animals.

29          (b) Where the division has approved the integration of wagers placed at the simulcast  
30 facility into similar wagering pools at a host facility where the program is conducted, each  
31 licensee conducting wagering in a simulcast betting facility may retain as his or her commission  
32 an amount equal to the takeout at the host facility of which one and four tenths percent (1.4%)  
33 shall be paid to the kennel owners at facilities licensed pursuant to chapter 61.4 of this title. This  
34 tax structure shall apply to any transmission of programs between licensed facilities within the

1 state. Where integration of wagers does not occur the division shall be:

2 (1) Twenty percent (20%) of the amounts wagered on win, place and show wagers of  
3 which one and four tenths percent (1.4%) shall be paid to the kennel owners at facilities licensed  
4 pursuant to chapter 61.4 of this title.

5 (2) Twenty percent (20%) of the amounts wagered on multiple wagers involving two (2)  
6 animals of which one and four tenths percent (1.4%) shall be paid to the kennel owners at  
7 facilities licensed pursuant to chapter 61.4 of this title.

8 (3) Twenty-five percent (25%) of the amounts wagered on exotic wagers involving three  
9 (3) or more animals of which one and four tenths percent (1.4%) shall be paid to the kennel  
10 owners at facilities licensed pursuant to chapter 61.4 of this title.

11 (4) One-half (1/2) of the breakage to the dime resulting from the betting shall be  
12 deposited as general revenues. The remaining breakage shall be retained by the licensee.

13 (c) The amount of unclaimed money which shall hereafter be held by any licensee, on  
14 account of outstanding and uncashed winning tickets, shall, at the expiration of one year after the  
15 close of the meeting during which the tickets were issued, be paid into the general fund of the  
16 state.

17 (d) Notwithstanding any other provision of law, money wagered on the simulcast of  
18 intrastate and interstate programs, as provided in this chapter, shall be subject only to the tax  
19 imposed in this section, and provided further, where there is interstate transmission of signals in  
20 accordance with national practice, the tax shall be levied in the receiving state only.

21 **42-61.8-4. Admission of minors prohibited.** – No person who is under the age of  
22 eighteen (18) years shall be admitted into a building where pari-mutuel betting or simulcast is  
23 taking place, unless the person is an employee of a licensed concessionaire or licensed vendor and  
24 performing his or her duties of employment.

25 CHAPTER 61.9

26 ESTABLISHMENT AND EXTENSION OF GAMBLING ACTIVITIES AND OTHER  
27 FACILITIES

28 **42-61.9-1. "Gambling" and "gambling facilities" defined.** – For the purposes of this  
29 chapter, the following words shall mean:

30 (1) "Gambling" shall include, but not be limited to, horseracing, dog racing, jai alai,  
31 video lottery games, as defined in section 42-61.2-1, and all other forms of casino gaming as  
32 defined in section 42-61.10.

33 (2) "Gambling facility" means a building or enclosure in which any gambling activity  
34 including, but not limited to, the foregoing is played or conducted. The term "gambling facility"

1 shall also include any building, enclosure or other improvement designed, constructed, or used in  
2 connection with an overall plan or project involving the establishment of any gambling activity;  
3 provided, however, that this sentence shall not apply to any gambling facility licensed prior to  
4 July 3, 1998.

5 **42-61.9-2. Financial disclosure by promoter.** – (a) Ninety (90) days prior to the general  
6 or special election at which the question of the establishment or extension of any gambling  
7 activity or facility is presented to the electorate, all persons and/or corporations promoting or  
8 having an interest of five percent (5%) or greater in the activity or facility shall file with the ethics  
9 commission the financial statement provided by the commission which shall conform with the  
10 requirements of section 36-14-16. If the person and/or corporation acquire an interest of five  
11 percent (5%) or greater within ninety (90) days prior to the general or special election at which  
12 the question of the establishment or extension of any gambling activity or facility is presented to  
13 the electorate, that person and/or corporation shall file the financial statement within seven (7)  
14 days after acquiring such interest.

15 (b) The duty to file the financial statement shall be a continuing duty and shall be  
16 required of any and all persons and/or corporations who have or will have an interest of five  
17 percent (5%) or greater in an activity and/or facility.

18 **42-61.9-3. Disclosure of regulated business interests.** – Every person who is required to  
19 file a financial statement pursuant to this chapter and who has, or within the preceding three (3)  
20 years divests himself or herself of, five percent (5%) or greater equity interest in a business entity  
21 which is subject to regulation by this chapter, by a state or municipal agency, shall file with the  
22 ethics commission annually an affidavit:

23 (1) Identifying himself or herself and stating the capacity in which he or she serves or is  
24 about to serve which occasions the filing of the affidavit;

25 (2) Identifying the business entity (or each business entity) and all the principals thereof  
26 known to him or her;

27 (3) Stating the nature of his or her interest in the business entity and that of all the  
28 principals thereof known to him or her;

29 (4) Identifying all those persons and/or corporations known to him or her providing any  
30 financing for the business entity.

31 **42-61.9-4. Town and state election on establishment of facility.** – (a) Before an  
32 establishment or extension of any gambling facility shall be established in any town or city, the  
33 town council of the town or the city council of the city shall comply with the following  
34 procedure:

1 (1) Upon receipt of a resolution from the town council of the town or the city council of  
2 the city, for a referendum to establish a gambling facility and/or activity, the general assembly  
3 shall determine, by passage of an act, whether to allow a referendum on the establishment of the  
4 gambling facility and/or activity.

5 (2) Upon passage of an act to allow a referendum for the establishment of the gambling  
6 facility and/or activity, the town council of the town or the city council of the city shall pose, by  
7 adopting a resolution to be placed on the ballot at the next general election to be submitted to the  
8 qualified electors of the town or city and to the qualified electors of the state, the following  
9 question: "Shall a gambling facility and/or activity be established in the town (or city) of \_\_\_\_\_?"

10 (b) The question shall be submitted by the local board of canvassers to the electors of the  
11 town or city where the facility or activity is to be located, and the results of the election shall be  
12 certified to the secretary of state.

13 (c) The question shall be submitted by the secretary of state to the qualified electors of  
14 the state at the same general election and the secretary of state shall certify the election results.

15 (d) The affirmative vote of the subject town or city and the electors of the state shall be  
16 necessary for the approval of the question, and if consent be thus given, all rules and regulations  
17 shall be promulgated in accordance with the authority conferred upon the general assembly in  
18 Rhode Island Constitution, Article VI, Section 15.

19 **42-61.9-5. Penalties.** – Any person who knowingly and willfully violates the provisions  
20 of this chapter shall be guilty of a felony herein and punished by a fine of not more than five  
21 thousand dollars (\$5,000) and/or imprisonment for no longer than five (5) years for each  
22 violation.

23 **42-61.9-6. Applicability.** – The provisions of this chapter shall specifically apply to any  
24 facility licensed pursuant to chapter 7 of this title prior to any casino gambling activity being  
25 licensed on the premises of the facility.

26 SECTION 17. Title 42 of the General Laws entitled "STATE AFFAIRS AND  
27 GOVERNMENT" is hereby amended by adding thereto the following chapter:

28 CHAPTER 9.4

29 DIVISION OF GAMING ENFORCEMENT

30 **42-9.4-1. Legislative findings.** – (a) The general assembly hereby finds, determines and  
31 declares it to be the public policy of this state that:

32 (1) In accord with Rhode Island Constitution, Article VI, Section 22, only the people of  
33 the State of Rhode Island can determine whether the state should pursue casino gaming as a  
34 source of revenue;

1           (2) The success of gaming is dependent upon public confidence and trust that licensed  
2 gaming is conducted honestly and competitively; that the rights of the creditors of licensees are  
3 protected; and that gaming is free from criminal and corruptive elements;

4           (3) Public confidence and trust can be maintained only by strict regulation of all persons,  
5 locations, practices, associations, and activities related to the operation of licensed gaming  
6 establishments and the manufacture or distribution of gaming devices and equipment;

7           (4) All establishments where gaming is conducted and where gambling devices are  
8 operated and all manufactures, sellers, and distributors of certain gambling devices and  
9 equipment must therefore be licensed, controlled, and assisted to protect the public health, safety,  
10 good order, and the general welfare of the inhabitants of the state to foster the stability and  
11 success of gaming and to preserve the economy and policies of free competition of the State of  
12 Rhode Island.

13           (b) It is the intent of the general assembly that, to achieve the goals set forth in subsection  
14 (a) of this section, the division of gaming enforcement should place great weight upon the  
15 policies expressed in subdivision (a)(3) in construing the provisions of this chapter.

16           **42-9.4-2. Definitions.** – For the purposes of this chapter, the following words shall mean:

17           (1) “Casino” means a facility in which the state conducts gaming.

18           (2) “Casino licensee” or “casino operator” means any person licensed to conduct gaming  
19 operations according to the provisions of this chapter.

20           (3) “Division of gaming enforcement” means the division within the department of  
21 attorney general established by section 42-9.4-3 of the general laws.

22           (4) “License” means an authorization issued to a person or entity by or in the name of the  
23 division of state lottery to engage in or assist gaming operations or activities regulated by chapter  
24 61.2 or 61.10 of this title.

25           (5) “Licensee” means any person licensed by the department of revenue to conduct  
26 gaming operations according the provisions of chapter 61.2 or 61.10 of this title.

27           (6) “Gambling game” or “gaming” means any game played with cards, dice or equipment  
28 or a machine including any mechanical, electromagnetic or electronic device which shall include  
29 computers and cashless wagering systems, for money or credit, or any representative of value;  
30 including, but not limited to, fan tan, faro, monte, roulette, twenty-one, blackjack, seven and a  
31 half, klondike, craps, poker, chuck a luck, Chinese chuck a luck (dai shu), wheel of fortune,  
32 chemin de fer, baccarat, pai gow, beat the banker, panguingui, slot machine, and banking or  
33 percentage games or any other game or device approved by the gaming division, but does not  
34 include games played with cards in private homes or residences in which no person makes money



1 for operating the game.

2 (7) “Gaming supplier” means any person who supplies, sells or leases or contracts to sell  
3 or lease gaming devices, equipment, or supplies to a holder of a license or a gaming operator.

4 **42-9.4-3. Division of gaming enforcement.** – There is hereby established in the  
5 department of attorney general the division of gaming enforcement. The division of gaming  
6 enforcement shall be under the immediate supervision of a director who shall also be sworn as an  
7 assistant attorney general and who shall administer the work of the division of gaming  
8 enforcement under the direction and supervision of the attorney general. The attorney general  
9 shall be responsible for the exercise of the duties and powers assigned to the division of gaming  
10 enforcement.

11 **42-9.4-4. Division of gaming enforcement – Organization and employees.** – The  
12 attorney general shall organize the work of the division of gaming enforcement in such bureaus  
13 and other organizational units as he or she may determine to be necessary for efficient and  
14 effective operation and shall assign to the division of gaming enforcement such employees of the  
15 department of attorney general as may be necessary to assist the director in the performance of his  
16 or her duties. Subject to the approval of the superintendent of the Rhode Island state police at the  
17 request of the attorney general, the state police shall assign such supervisory and investigative  
18 personnel and other resources to the division of gaming enforcement as may be necessary to  
19 fulfill its obligations under this chapter.

20 **42-9.4-5. Division of gaming enforcement – General duties and powers.** – (a)  
21 Notwithstanding any other provision of the general laws, the dvision shall have all powers  
22 necessary and proper to fully and effectively execute this chapter; including, but not limited to,  
23 the authority to:

24 (1) Conduct all background investigations to be conducted by the division of state lottery  
25 under chapters 61, 61.2, 61.3 and 61.10 of this title;

26 (2) Enter, to the extent permissible under the Constitutions of the State of Rhode Island  
27 and the United State of America, through its investigators, agents, auditors, and the state police at  
28 any time without a warrant and without notice to the licensee, the premises, offices, casinos,  
29 facilities or other places of business of a licensee where evidence of the compliance or  
30 noncompliance with this chapter, the rules promulgated by the gaming division, chapters 61, 61.2,  
31 61.3 and 61.10 of this title or the rules promulgated by the division of state lottery is likely to be  
32 found, for the following purposes:

33 (i) To inspect and examine all premises wherein gaming or the business of gaming is  
34 conducted;

1           (ii) To inspect, examine and audit all books, ledgers, documents, writing, photocopies,  
2 correspondence, records, videotapes, including electronically stored records, money receptacles,  
3 other containers and their contents, equipment in which the records are stored, on or around the  
4 casino;

5           (iii) To inspect the person, and inspect, examine and seize personal effects present in a  
6 licensee facility under this chapter and chapters 61, 61.2, 61.3 and 61.10 of this title, of any  
7 holder of a license or registration issued pursuant to this chapter and chapters 61, 61.2, 61.3 and  
8 61.10 of this title while that person is present in a licensee facility; or

9           (iv) To investigate and deter alleged violations of this chapter and chapters 61, 61.2, 61.3  
10 and 61.10 of this title as they relate to licensee, licensee facilities, casino operators, casino or  
11 gambling games.

12           (3) Investigate alleged violations of this chapter and chapters 61, 61.2, 61.3 and 61.10 of  
13 this title as they relate to licensees, license facilities, casino operators, casinos or gambling games,  
14 and to take appropriate disciplinary action against a licensee or any other person for a violation,  
15 or initiate appropriate legal action for enforcement, or both.

16           (4) Require that all records of the licensee, including financial or other statements, be  
17 kept on the premises of the gaming licensee or the table gaming supplier permittee in the manner  
18 prescribed by the gaming division.

19           (5) Recommend to the division of state lottery to revoke or suspend licenses or permits,  
20 impose fines and penalties as the gaming division considers necessary and in compliance with  
21 this chapter and applicable laws of the state regarding administrative procedure, and make  
22 recommendations as to the renewal of licenses.

23           (6) Eject or exclude or authorize the ejection or exclusion of a person from a casino if the  
24 person violated the provisions of this chapter, rules promulgated by the gaming division or final  
25 orders of the gaming division or when the gaming division determines that the person's conduct  
26 or reputation is such that his or her presence within the casino facilities may compromise the  
27 honesty and integrity of the gaming operations or interfere with the orderly conduct of the gaming  
28 operations. However, the propriety of the ejection or exclusion is subject to a subsequent hearing  
29 by the division of state lottery.

30           (7) Recommend to the division of state lottery to suspend, revoke or restrict licenses and  
31 permits, and recommend the removal of a licensee or permittee or an employee of a licensee or  
32 permittee, for a violation of this chapter or a rule promulgated by the gaming division or for  
33 engaging in a fraudulent practice, and to impose civil penalties pursuant to their authority.

34           (8) In addition to the authority provided under subdivision (a)(7), recommend to the

1 division of state lottery to revoke or suspend a casino license or impose any other disciplinary  
2 action for any of the following reasons:

3 (i) The casino licensee has violated the provisions of chapter 2 of title 3 or rules  
4 promulgated pursuant to this chapter;

5 (ii) At any time the licensee no longer meets the eligibility requirements or suitability  
6 determination by the gaming division for a license under chapter 61, 61.2, 61.3 or 61.10 of this  
7 title; or

8 (iii) The failure to revoke or suspend the license would undermine the public's  
9 confidence in the Rhode Island gaming industry.

10 (9) Recommend to the division of state lottery that a background check and a criminal  
11 records check be conducted by the state police, at the vendor's expense, of any vendor licensed  
12 by the division of state lottery pursuant to chapters 61.2, 61.3 or 61.10 of this title;

13 (10) Review a holder of a license, permit or registration if that holder is under review or  
14 is otherwise subject to discipline by a regulatory body in any other jurisdiction for a violation of  
15 gaming law or regulation in that jurisdiction;

16 (11) Take any other action as may be reasonable or appropriate to enforce this chapter  
17 and rules promulgated by the gaming division.

18 (b) The division of gaming enforcement shall seek and shall receive the cooperation and  
19 assistance of the state police in conducting background investigations and criminal records checks  
20 of applicants and employees of licensees. The division of gaming enforcement may seek and shall  
21 receive the cooperation of the state police in fulfilling all responsibilities under this chapter.

22 (c) The division of gaming enforcement shall establish, issue and promulgate rules and  
23 regulations pertaining to any or all matters within the gaming division's jurisdiction, in  
24 accordance, with the provisions of the state administrative procedures act, chapter 35 of this title,  
25 including, but not limited to, the methods for providing to the gaming division information  
26 concerning a person's family, habits, character, associates, criminal record, business activities and  
27 financial affairs.

28 (d) The division of gaming enforcement shall have the right of enforcement with respect  
29 to the provision of this chapter.

30 **42-9.4-6. Appropriation -- Reimbursement.** – There is appropriated for the first (1<sup>st</sup>)  
31 year of the effective date a sum sufficient to fund the operations of the division of gaming  
32 enforcement. This appropriation shall be reimbursed either directly from the licensee(s) licensed  
33 under chapter 61.2, 61.3 and 61.10 of this title or indirectly assess by the director of the division  
34 of gaming enforcement pursuant to this chapter. The amount owing from such licensee(s) shall be

1 paid to the general fund no later than the first (1<sup>st</sup>) day such casino(s) open for operation or upon  
2 transfer of an existing gaming license. Operation of the division of gaming enforcement during  
3 subsequent fiscal years shall be funded by the fees paid by licensees pursuant to the provisions of  
4 this chapter.

5 **42-9.4-7. Annual assessment of licenses.** – (a) A licensee shall make monthly payments  
6 to the division of gaming enforcement to fund operations under this chapter. The amount of the  
7 payments shall be proportionally allocated to each licensee based on the percentage which such  
8 licensee’s gaming revenues bears to total gaming revenues of all licensees.

9 **42-9.4-8. Cooperation by licensees, registrants or applicants.** – Each licensee or  
10 registrant, or applicant for a license or registration under this chapter shall cooperate with the  
11 division of gaming enforcement in the performance of its duties.

## 12 CHAPTER 61.10

### 13 THE RHODE ISLAND GAMING CONTROL AND ENFORCEMENT ACT

14 **42-61.10-1. Definitions.** – For the purposes of this chapter, the following words shall  
15 mean:

16 (1) "Casino" means a facility in which the state conducts gaming.

17 (2) "Casino licensee" or "casino operator" means any person licensed to conduct gaming  
18 operations according to the provisions of this chapter.

19 (3) "Gambling game" or "Gaming" means any game played with cards, dice or  
20 equipment or a machine including any mechanical, electromagnetic or electronic device which  
21 shall include computers and cashless wagering systems, for money or credit, or any representative  
22 of value; including, but not limited to, fan tan, faro, monte, roulette, twenty-one, blackjack, seven  
23 and a half, klondike, craps, poker, chuck a luck, Chinese chuck a luck (dai shu), wheel of fortune,  
24 chemin de fer, baccarat, pai gow, beat the banker, panguingui, slot machine, and banking or  
25 percentage games or any other game or device approved by the division of state lottery, but does  
26 not include games played with cards in private homes or residences in which no person makes  
27 money for operating the game.

28 (4) "License" means an authorization issued to a person or entity by or in the name of the  
29 division of state lottery to engage in or assist gaming operations or activities regulated by this  
30 chapter and chapter 61.2 of this title.

31 (5) "Vendor" means any person or entity that supplies, sells or leases or contracts to sell  
32 or lease gaming devices, equipment, or supplies to a holder of a license or a casino operator.

33 **42-61.10-2. Division of state lottery authorized to operate casino gaming.** – (a)  
34 Notwithstanding any provisions of any other law, the division of state lottery is authorized to

1 conduct and control casino gaming under its authority to that extent that such gaming is  
2 authorized pursuant to chapter 61.9 of this title.

3 (b) Casino gaming may be authorized and operated by the division of state lottery at any  
4 constitutionally authorized facility.

5 **42-61.10-3. General duties and powers.** – (a) Notwithstanding the provisions of any  
6 other law, the division of state lottery shall have all powers necessary and proper to fully and  
7 effectively execute this chapter; including, but not limited to, the authority to do all of the  
8 following:

9 (1) Conduct investigations of and adopt eligibility requirements for applicants for  
10 licenses or registration under this chapter and grant licenses to applicants in accordance with this  
11 chapter and the rules promulgated under this chapter.

12 (2) Adopt appropriate standards for all casino gaming facilities and equipment.

13 (3) Adopt appropriate eligibility requirements and standards for employees, independent  
14 contractors or agents of casino gaming facilities in accordance with this chapter.

15 (4) Adopt appropriate eligibility requirements and standards for vendors of casino  
16 gaming facilities in accordance with this chapter.

17 (5) Investigate alleged violations of this chapter or rules promulgated by the state lottery  
18 division hereunder and take appropriate disciplinary action against a licensee or permittee or any  
19 other person or holder of an occupational license or permit for a violation, or institute appropriate  
20 legal action for enforcement, or both.

21 (6) Revoke, suspend or restrict licenses or permits and impose fines and penalties as the  
22 state lottery division considers necessary and in compliance with this chapter and applicable laws  
23 regarding administrative procedure, and review and decide the renewal of licenses.

24 (7) Suspend, revoke or restrict licenses and permits, and require the removal of a licensee  
25 or permittee or an employee of a licensee or permittee, for a violation of this chapter or a rule  
26 promulgated by the state lottery division or for engaging in a fraudulent practice, and impose civil  
27 penalties pursuant to the provisions of this chapter.

28 (8) Take any other action as may be reasonable or appropriate to enforce this chapter and  
29 the rules promulgated by the state lottery division.

30 (b) In conducting investigations of applicants and in fulfilling its responsibilities under  
31 this chapter, the division of state lottery shall seek and shall receive the assistance of the division  
32 of gaming enforcement, as defined in section 42-9.4-4 of this title, who shall perform background  
33 investigations and criminal records checks pursuant to the provisions of chapter 9.4 of this title.

34 (c) The division of state lottery shall establish, issue and promulgate rules and regulations

1 [pertaining to any and all matters within the division of state lottery's jurisdiction under this](#)  
2 [chapter, in accordance with the provisions of the administrative procedures act, chapter 35 of title](#)  
3 [42.](#)

4           SECTION 18. The Governor of the State of Rhode Island is hereby authorized and  
5 directed to transfer personnel from the department of business regulation to the department of  
6 revenue in order to effectuate the provisions of this act and to reflect any diminution of functions  
7 for the department of business regulation and any increase of functions for the department of  
8 revenue resulting from the foregoing sections.

9           SECTION 19. This act shall take effect on January 1, 2012, except that Section 16 shall  
10 take effect upon the approval of an expansion to gambling by a majority of the electors in  
11 accordance with Article VI, Section 22 of the Rhode Island Constitution.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO SPORTS, RACING, AND ATHLETICS

\*\*\*

1           This act would provide a comprehensive amendment to the laws, rules, regulations, and  
2 governing bodies in the areas of gaming and athletics.

3           This act would take effect on January 1, 2012, except that Section 16 would take effect  
4 upon the approval of an expansion to gambling by a majority of the electors in accordance with  
5 Article VI, Section 22 of the Rhode Island Constitution.

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