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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

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A N A C T

RELATING TO SPORTS, RACING, AND ATHLETICS -- AUTHORIZING STATE-
OPERATED GAMING AT A FACILITY IN TIVERTON

Introduced By: Representative John J. DeSimone

Date Introduced: January 20, 2016

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 41-7-3 of the General Laws in Chapter 41-7 entitled "Jai Alai" is
2 hereby amended to read as follows:

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

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

13 (c) Commencing July 1, 2003, the division of racing and athletics shall be prohibited to
14 license jai alai in the city of Newport. Any license having been issued and in effect as of that date
15 shall be null and void and any licensee shall be prohibited from operating thereunder; provided,
16 however, that any entity having been issued a license to operate a jai alai fronton prior to July 1,
17 2003, and any successor in interest to such entity by reason of acquiring the stock or substantially
18 all of the assets of such entity, shall be deemed a pari-mutuel licensee as defined in § 42-61.2-1 et

1 seq., and a licensee as defined in § 41-11-1 et seq.; and provided further, any license to operate a
2 jai alai fronton in effect with regard to a facility in Newport shall terminate and be of no further
3 force or effect upon the commencement of the operation of video lottery games at a facility
4 owned by Twin River-Tiverton located in the town of Tiverton.

5 (d) The division of racing and athletics is hereby authorized to grant a pari-mutuel license
6 to Twin River-Tiverton with respect to a facility owned by Twin River-Tiverton located at the
7 intersection of William S. Canning Boulevard and Stafford Road in the town of Tiverton,
8 provided that the requirements of Article VI, Section 22 of the Rhode Island Constitution are met
9 with respect to said facility, namely that: (1) The secretary of state certifies that the qualified
10 voters of the state have approved authorizing a facility owned by Twin River-Tiverton located at
11 the intersection of William S. Canning Boulevard and Stafford Road in the town of Tiverton to be
12 licensed as a pari-mutuel facility and offer state-operated video lottery games and state-operated
13 casino gaming, such as table games; and (2) The board of canvassers of the town of Tiverton
14 certifies (or there is certified on its behalf) that the qualified electors of the town of Tiverton have
15 approved authorizing a facility owned by Twin River-Tiverton located at the intersection of
16 William S. Canning Boulevard and Stafford Road in the town of Tiverton to be licensed as a pari-
17 mutuel facility and offer state-operated video lottery games and state-operated casino gaming,
18 such as table games.

19 (e) For purposes of this section, "Twin River-Tiverton" shall mean Twin River-Tiverton,
20 LLC and/or the successor in interest thereto by reason of the acquisition of the stock, membership
21 interests or substantially all of the assets of such entity.

22 SECTION 2. Sections 42-61.2-1, 42-61.2-2, 42-61.2-2.1, 42-61.2-3.2, 42-61.2-7 and 42-
23 61.2-15 of the General Laws in Chapter 42-61.2 entitled "Video Lottery Terminal" are hereby
24 amended to read as follows:

25 **42-61.2-1. Definitions.** -- For the purpose of this chapter, the following words shall
26 mean:

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

34 (2) "Licensed video lottery retailer" means a pari-mutuel licensee specifically licensed

1 by the director subject to the approval of the division to become a licensed video lottery retailer.

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

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

5 (i) ~~Dog racing;~~ [An entity licensed](#) pursuant to ~~chapter 3.1 of title 41 §41-3.1-3;~~ and/or

6 (ii) ~~Jai-alai games;~~ [An entity licensed](#) pursuant to ~~chapter 7 of title 41 §41-7-3.~~

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

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

12 (7) "Video lottery terminal" means any electronic computerized video game machine
13 that, upon the insertion of cash or any other representation of value that has been approved by the
14 division of lotteries, is available to play a video game authorized by the lottery division, and that
15 uses a video display and microprocessors in which, by chance, the player may receive free games
16 or credits that can be redeemed for cash. The term does not include a machine that directly
17 dispenses coins, cash, or tokens.

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

24 (9) "Net table game revenue" means win from table games minus counterfeit currency.

25 (10) "Rake" means a set fee or percentage of cash and chips representing cash wagered
26 in the playing of a nonbanking table game assessed by a table games retailer for providing the
27 services of a dealer, gaming table or location, to allow the play of any nonbanking table game.

28 (11) "Table game" or "Table gaming" means that type of casino gaming in which table
29 games are played for cash or chips representing cash, or any other representation of value that has
30 been approved by the division of lotteries, using cards, dice, or equipment and conducted by one
31 or more live persons.

32 (12) "Table game retailer" means a retailer authorized to conduct table gaming pursuant
33 to §§ 42-61.2-2.1 ~~and 42-61.2-2.2~~ [or 42-61.2-2.3.](#)

34 (13) "Credit facilitator" means any employee of ~~Twin River~~ [a licensed video lottery](#)

1 [retailer](#) approved in writing by the division whose responsibility is to, among other things, review
2 applications for credit by players, verify information on credit applications, grant, deny and
3 suspend credit, establish credit limits, increase and decrease credit limits, and maintain credit
4 files, all in accordance with this chapter and rules and regulations approved by the division.

5 (14) "Newport Grand" means Newport Grand, LLC, a Rhode Island limited liability
6 company, successor to Newport Grand Jai Alai, LLC, and each permitted successor to and
7 assignee of Newport Grand, LLC under the Newport Grand Master Contract, [including, but not](#)
8 [limited to, Premier Entertainment II, LLC and/or Twin River-Tiverton, LLC](#), provided it is a pari-
9 mutuel licensee as defined in § 42-61.2-1 et seq.; provided, [further](#), however, where the context
10 indicates that the term is referring to the physical facility, then it shall mean the gaming and
11 entertainment facility located at 150 Admiral Kalbfus Road, Newport, Rhode Island.

12 (15) "Newport Grand Marketing Year" means each fiscal year of the state or a portion
13 thereof between November 23, 2010 and the termination date of the Newport Grand Master
14 Contract.

15 (16) "Newport Grand Master Contract" means that certain master video lottery terminal
16 contract made as of November 23, 2005 by and between the Division of Lotteries of the Rhode
17 Island Department of Administration and Newport Grand, as amended and extended from time to
18 time as authorized therein and/or as such Newport Grand Master Contract may be assigned as
19 permitted therein.

20 [\(17\) "Premier" means Premier Entertainment II, LLC and/or its successor in interest by](#)
21 [reason of the acquisition of the stock, membership interests or substantially all of the assets of](#)
22 [such entity.](#)

23 [\(18\) "Twin River-Tiverton" means Twin River-Tiverton, LLC and/or its successor in](#)
24 [interest by reason of the acquisition of the stock, membership interests or substantially all of the](#)
25 [assets of such entity.](#)

26 **42-61.2-2. Division of state lottery authorized to operate video lotteries.** -- (a)
27 Notwithstanding the provisions of any other law, the division of state lottery is authorized to
28 conduct and control video lottery games under its authority.

29 (b) Video lottery terminals may only be installed and operated at [the facilities of](#) pari-
30 mutuel ~~licensee~~ [licensees](#) ~~facilities existing as of June 30, 1992~~, as defined in § 42-61.2-1(4),
31 which are specifically approved by the state lottery director, to be licensed video lottery retailers
32 according to rules and regulations set forth by the director. [At any one time, there shall be no](#)
33 [more than two \(2\) pari-mutuel licensee facilities in which video lottery games are conducted, one](#)
34 [located in the town of Lincoln, and one located either in the city of Newport or in the town of](#)

1 [Tiverton.](#)

2 (c) Commencing July 1, 2005, the number of video lottery terminals to be installed at
3 pari-mutuel license facilities shall be established by the general assembly.

4 (d) Pursuant to Article 6, section 15 of the Rhode Island Constitution, the general
5 assembly shall determine the type of lotteries conducted.

6 **42-61.2-2.1. State authorized to operate casino gaming.** -- (a) State-operated casino
7 gaming shall be authorized at the facility of the licensed video lottery terminal retailer known as
8 "Twin River" located in the town of Lincoln; provided, that the requirements of Article VI,
9 Section 22 of the Rhode Island Constitution are met with respect to said facility at the general
10 election next held after enactment of this section.

11 (1) With respect to the "Twin River" facility, the authorization of this section 2.1 shall be
12 effective upon: (i) The certification by the secretary of state that the qualified voters of the state
13 have approved the expansion of gambling at such facility to include casino gaming; and (ii) The
14 certification by the board of canvassers of the town of Lincoln that qualified electors of the town
15 of Lincoln have approved the expansion of gambling at such facility to include casino gaming.

16 (b) The general assembly finds that:

17 (1) The operation of casino gaming at Twin River will play a critical role in the economy
18 of the state and enhance state and local revenues;

19 (2) Pursuant to Article VI, Section 15 of the Rhode Island Constitution and the specific
20 powers, authorities and safeguards set forth in subsection (c) herein in connection with the
21 operation of casino gaming, the state shall have full operational control over the specified
22 location at which casino gaming shall be conducted;

23 (3) It is in the best interest of the state to have the authorization to operate casino gaming
24 as specified at Twin River; and

25 (4) It is in the best interest of the state to conduct an extensive analysis and evaluation of
26 competitive casino gaming operations and thereafter for the general assembly to enact
27 comprehensive legislation during the 2012 legislative session to determine the terms and
28 conditions pursuant to which casino gaming would be operated in the state if it is authorized as
29 set forth herein.

30 (c) Notwithstanding the provisions of any other law and pursuant to Article VI, Section
31 15 of the Rhode Island Constitution, the state is authorized to operate, conduct and control casino
32 gaming at Twin River, subject to subsection (a) above. In furtherance thereof, the state, through
33 the division of state lottery ~~and/or the department of business regulation~~, shall have full
34 operational control to operate the foregoing facility, the authority to make all decisions about all

1 aspects of the functioning of the business enterprise, including, without limitation, the power and
2 authority to:

3 (1) Determine the number, type, placement and arrangement of casino gaming games,
4 tables and sites within the facility;

5 (2) Establish with respect to casino gaming one or more systems for linking, tracking,
6 deposit and reporting of receipts, audits, annual reports, prohibitive conduct and other such
7 matters determined from time to time;

8 (3) Collect all receipts from casino gaming, require that Twin River collect casino
9 gaming gross receipts in trust for the state through the division of state lottery, deposit such
10 receipts into an account or accounts of its choice, allocate such receipts according to law, and
11 otherwise maintain custody and control over all casino gaming receipts and funds;

12 (4) Hold and exercise sufficient powers over Twin River's accounting and finances to
13 allow for adequate oversight and verification of the financial aspects of casino gaming at the
14 facility, including, without limitation:

15 (i) The right to require Twin River to maintain an annual balance sheet, profit and loss
16 statement, and any other necessary information or reports; and

17 (ii) The authority and power to conduct periodic compliance or special or focused audits
18 of the information or reports provided, as well as the premises with the facility containing records
19 of casino gaming or in which the business of Twin River's casino gaming operations are
20 conducted;

21 (5) Monitor all casino gaming operations and have the power to terminate or suspend
22 any casino gaming activities in the event of an integrity concern or other threat to the public trust,
23 and in furtherance thereof, require the licensed video lottery retailer to provide a specified area or
24 areas from which to conduct such monitoring activities;

25 (6) Define and limit the rules of play and odds of authorized casino gaming games,
26 including, without limitation, the minimum and maximum wagers for each casino gaming game;

27 ~~(7) Have approval rights over matters relating to the employment of individuals to be~~
28 ~~involved, directly or indirectly, with the operation of casino gaming at Twin River;~~

29 ~~(8)~~(7) Establish compulsive gambling treatment programs;

30 ~~(9)~~(8) Promulgate, or propose for promulgation, any legislative, interpretive and
31 procedural rules necessary for the successful implementation, administration and enforcement of
32 this chapter; and

33 ~~(10)~~(9) Hold all other powers necessary and proper to fully effectively execute and
34 administer the provisions of this chapter for its purpose of allowing the state to operate a casino

1 gaming facility through a licensed video lottery retailer hosting said casino gaming on behalf of
2 the State of Rhode Island.

3 (d) Subject to subsection (a) above, the state, through the division of state lottery ~~and/or~~
4 ~~the department of business regulation~~, may expand Twin River existing video lottery license
5 issued, or issue Twin River a new casino gaming license, to permit casino gaming to the extent
6 authorized by this act.

7 (e) Subject to subsection (a) above, all rules and regulations shall be promulgated by the
8 state, through the division of state lottery ~~and the department of business regulation~~, in
9 accordance with the authority conferred upon the general assembly pursuant to Article VI,
10 Section 15 of the Rhode Island Constitution. In accord therewith, subject to subsection (a) above,
11 the state, through the division of state lottery ~~and/or the department of business regulation~~, shall
12 have authority to issue such regulations as it deems appropriate pertaining to control, operation
13 and management of casino gaming as specifically set forth in subsections (b) and (c) herein.

14 (f) The Rhode Island state police through its gaming enforcement unit shall have the
15 authority to monitor and investigate criminal violations related to casino gaming activities
16 consistent with chapter 42-61.3.

17 (g) The state, through the department of revenue, division of state lottery, and/or the
18 department of business regulation, shall have approval rights over matters relating to the
19 employment of individuals to be involved, directly or indirectly, with the operation of casino
20 gaming at Twin River.

21 **42-61.2-3.2. Gaming credit authorized.** -- (a) Authority. - In addition to the powers and
22 duties of the state lottery director under §§ 42-61-4, 42-61.2-3, 42-61.2-3.1 and 42-61.2-4, the
23 division shall authorize ~~Twin River~~ each licensed video lottery retailer to extend credit to players
24 pursuant to the terms and conditions of this chapter.

25 (b) Credit. - Notwithstanding any provision of the general laws to the contrary,
26 including, without limitation, § 11-19-17, except for applicable licensing laws and regulations,
27 ~~Twin River~~ each licensed video lottery retailer may extend interest-free, unsecured credit to its
28 patrons for the sole purpose of such patrons making wagers at table games and/or video lottery
29 terminals at the ~~Twin River~~ licensed video lottery retailer's facility subject to the terms and
30 conditions of this chapter.

31 (c) Regulations. - ~~Within ninety (90) days of the effective date of this section, Twin~~
32 ~~River~~ Each licensed video lottery retailer shall be subject to ~~submit to the division of lotteries, for~~
33 ~~review and approval, proposed~~ rules and regulations submitted by licensed video lottery retailers
34 and subject to the approval of the division of lotteries regarding ~~the establishment of~~ procedures

1 governing ~~a program for~~ the extension of credit and requirements with respect to a credit
2 applicant's financial fitness, including, without limitation, annual income, debt-to-income ratio,
3 prior credit history, average monthly bank balance and/or level of play. The division of lotteries
4 may approve, approve with modification, or disapprove any portion of the policies and
5 procedures submitted for review and approval.

6 (d) Credit applications. - Each applicant for credit shall submit a written application to
7 ~~Twin River~~ [the licensed video lottery retailer](#) that shall be maintained by ~~Twin River~~ [the licensed](#)
8 [video lottery retailer](#) for three (3) years in a confidential credit file. The application shall include
9 the patron's name; address; telephone number; social security number; comprehensive bank
10 account information; the requested credit limit; the patron's approximate amount of current
11 indebtedness; the amount and source of income in support of the application; the patron's
12 signature on the application; a certification of truthfulness; and any other information deemed
13 relevant by ~~Twin River~~ [the licensed video lottery retailer](#) or the division of lotteries.

14 (e) Credit application verification. - As part of the review of a credit application and
15 before an application for credit is approved, ~~Twin River~~ [the licensed video lottery retailer](#) shall
16 verify:

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

19 (i) The information submitted with the application;
20 (ii) Indebtedness information regarding the applicant received from a credit bureau;
21 and/or

22 (iii) Information regarding the applicant's credit activity at other licensed facilities that
23 ~~Twin River~~ [the licensed video lottery retailer](#) may obtain through a casino credit bureau and, if
24 appropriate, through direct contact with other casinos.

25 (2) That the applicant's name is not included on an exclusion or self-exclusion list
26 maintained by ~~Twin River~~ [the licensed video lottery retailer](#) and/or the division of lotteries.

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

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

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

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

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

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

27 (j) Liability. - In the event that a player fails to repay a debt owed to ~~Twin River~~ [a](#)
28 [licensed video lottery retailer](#) resulting from the extension of credit by ~~Twin River~~ [that licensed](#)
29 [video lottery retailer](#), neither the state of Rhode Island nor the division of lotteries shall be
30 responsible for the loss and said loss shall not affect net table game revenue or net terminal
31 income. ~~Twin River~~ [A licensed video lottery retailer](#), the state of Rhode Island, the division of
32 lotteries, and/or any employee of ~~Twin River~~ [a licensed video lottery retailer](#), shall not be liable in
33 any judicial or administrative proceeding to any player, any individual, or any other party,
34 including table game players or individuals on the voluntary suspension list, for any harm,

1 monetary or otherwise, that may arise as a result of:

- 2 (1) Granting or denial of credit to a player;
- 3 (2) Increasing the credit limit of a player;
- 4 (3) Allowing a player to exercise his or her right to use credit as otherwise authorized;
- 5 (4) Failure of ~~Twin River~~ [the licensed video lottery retailer](#) to increase a credit limit;
- 6 (5) Failure of ~~Twin River~~ [the licensed video lottery retailer](#) to restore credit privileges
7 that have been suspended, whether involuntarily or at the request of the table game patron; or
- 8 (6) Permitting or prohibiting an individual whose credit privileges have been suspended,
9 whether involuntarily or at the request of the player, to engage in gaming activity in a licensed
10 facility while on the voluntary credit suspension list.

11 (k) Limitations. - Notwithstanding any other provision of this chapter, for any extensions
12 of credit, the maximum amount of outstanding credit per player shall be fifty thousand dollars
13 (\$50,000).

14 **42-61.2-7. Division of revenue.** -- (a) Notwithstanding the provisions of § 42-61-15, the
15 allocation of net, terminal income derived from video lottery games is as follows:

16 (1) For deposit in the general fund and to the state lottery division fund for
17 administrative purposes: Net, terminal income not otherwise disbursed in accordance with
18 subdivisions (a)(2) -- (a)(6) inclusive, [or otherwise disbursed in accordance with subsections](#)
19 [\(g\)\(2\) and \(h\)\(2\), of this section;](#)

20 (i) Except for the fiscal year ending June 30, 2008, nineteen one hundredths of one
21 percent (0.19%), up to a maximum of twenty million dollars (\$20,000,000), shall be equally
22 allocated to the distressed communities as defined in § 45-13-12 provided that no eligible
23 community shall receive more than twenty-five percent (25%) of that community's currently
24 enacted municipal budget as its share under this specific subsection. Distributions made under
25 this specific subsection are supplemental to all other distributions made under any portion of
26 general laws § 45-13-12. For the fiscal year ending June 30, 2008, distributions by community
27 shall be identical to the distributions made in the fiscal year ending June 30, 2007, and shall be
28 made from general appropriations. For the fiscal year ending June 30, 2009, the total state
29 distribution shall be the same total amount distributed in the fiscal year ending June 30, 2008, and
30 shall be made from general appropriations. For the fiscal year ending June 30, 2010, the total
31 state distribution shall be the same total amount distributed in the fiscal year ending June 30,
32 2009, and shall be made from general appropriations, provided, however, that seven hundred
33 eighty-four thousand four hundred fifty-eight dollars (\$784,458) of the total appropriation shall
34 be distributed equally to each qualifying distressed community. For each of the fiscal years

1 ending June 30, 2011, June 30, 2012, and June 30, 2013, seven hundred eighty-four thousand four
2 hundred fifty-eight dollars (\$784,458) of the total appropriation shall be distributed equally to
3 each qualifying distressed community.

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

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

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

22 (2) To the licensed, video-lottery retailer:

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

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

30 (iii) Effective July 1, 2013, the rate of net, terminal income payable to ~~Newport Grand,~~
31 ~~LLC under~~ the licensed video lottery retailer who is a party to the Newport Grand ~~master contract~~
32 Master Contract shall increase by two and one quarter percent (2.25%) points. The increase
33 herein shall sunset and expire on June 30, 2015, and the rate in effect as of June 30, 2013, shall be
34 reinstated.

1 (iv) (A) Effective July 1, 2015, the rate of net, terminal income payable to ~~Newport~~
2 ~~Grand, under~~ the licensed video lottery retailer who is a party to the Newport Grand Master
3 Contract shall increase over the rate in effect as of June 30, 2013, by one and nine-tenths ~~(1.9%)~~
4 (1.9) percentage points. (i.e., x% plus 1.9 percentage points equals (x + 1.9)%, where "x%" is the
5 current rate of net terminal income payable to the licensed video lottery retailer who is a party to
6 the Newport Grand Master Contract). The dollar amount of additional net terminal income paid to
7 the licensed video lottery retailer who is a party to the Newport Grand Master Contract with
8 respect to any Newport Grand Marketing Year as a result of such increase in rate shall be referred
9 to as "Additional Newport Grand Marketing NTI."

10 (B) The excess, if any, of ~~Newport Grand's~~ marketing expenditures incurred by the
11 licensed video lottery retailer who is a party to the Newport Grand Master Contract with respect
12 to a Newport Grand Marketing Year over one million four hundred thousand dollars (\$1,400,000)
13 shall be referred to as the "Newport Grand Marketing Incremental Spend." Beginning with the
14 Newport Grand Marketing Year that starts on July 1, 2015, after the end of each Newport Grand
15 Marketing Year, ~~Newport Grand~~ the licensed video lottery retailer who is a party to the Newport
16 Grand Master Contract shall pay to the Division the amount, if any, by which the Additional
17 Newport Grand Marketing NTI for such Newport Grand Marketing Year exceeds the Newport
18 Grand Marketing Incremental Spend for such Newport Grand Marketing Year; provided
19 however, that ~~Newport Grand's~~ such video lottery retailer's liability to the Division hereunder
20 with respect to any Newport Grand Marketing Year shall never exceed the Additional Newport
21 Grand Marketing NTI paid to ~~Newport Grand~~ such video lottery retailer with respect to such
22 Newport Grand Marketing Year.

23 The increase herein in subsection 2(a)(iv) of this section shall sunset and expire on June
24 30, 2017, and the rate in effect as of June 30, 2013 shall be reinstated.

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

29 (ii) On and after the effective date of the UTGR master contract, to the licensed, video-
30 lottery retailer that is a party to the UTGR master contract, all sums due and payable under said
31 master contract minus seven hundred sixty-seven thousand six hundred eighty-seven dollars
32 (\$767,687).

33 (3) (i) To the technology providers that are not a party to the GTECH Master Contract as
34 set forth and referenced in Public Law 2003, Chapter 32, seven percent (7%) of the net, terminal

1 income of the provider's terminals; in addition thereto, technology providers that provide
2 premium or licensed proprietary content or those games that have unique characteristics, such as
3 3D graphics; unique math/game play features; or merchandising elements to video lottery
4 terminals; may receive incremental compensation, either in the form of a daily fee or as an
5 increased percentage, if all of the following criteria are met:

6 (A) A licensed, video-lottery retailer has requested the placement of premium or licensed
7 proprietary content at its licensed, video-lottery facility;

8 (B) The division of lottery has determined in its sole discretion that the request is likely
9 to increase net, terminal income or is otherwise important to preserve or enhance the
10 competitiveness of the licensed, video-lottery retailer;

11 (C) After approval of the request by the division of lottery, the total number of premium
12 or licensed, proprietary-content video-lottery terminals does not exceed ten percent (10%) of the
13 total number of video-lottery terminals authorized at the respective licensed, video-lottery
14 retailer; and

15 (D) All incremental costs are shared between the division and the respective licensed,
16 video-lottery retailer based upon their proportionate allocation of net terminal income. The
17 division of lottery is hereby authorized to amend agreements with the licensed, video-lottery
18 retailers, or the technology providers, as applicable, to effect the intent herein.

19 (ii) To contractors that are a party to the master contract as set forth and referenced in
20 Public Law 2003, Chapter 32, all sums due and payable under said master contract; and

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

24 (4) (A) Until video lottery games are no longer operated at the Newport Grand gaming
25 facility located in Newport, to ~~To~~ the city of Newport one and one hundredth percent (1.01%) of
26 net terminal income of authorized machines at Newport Grand, except that: effective

27 ~~(i) Effective~~ November 9, 2009 until June 30, 2013, the allocation shall be one and two
28 tenths percent (1.2%) of net terminal income of authorized machines at Newport Grand for each
29 week the facility operates video lottery games on a twenty-four-hour (24) basis for all eligible
30 hours authorized; and

31 ~~(ii) Effective July 1, 2013, provided that the referendum measure authorized by Section 1~~
32 ~~of Chapters 24 and 25 of the Public Laws of 2012 is approved statewide and in the City of~~
33 ~~Newport, the allocation shall be one and forty five hundredths percent (1.45%) of net terminal~~
34 ~~income of authorized video lottery terminals at Newport Grand; and~~

1 (B) Upon commencement of the operation of video lottery games at Twin River-
2 Tiverton's facility located in the town of Tiverton, to the town of Tiverton one and forty-five
3 hundredths percent (1.45%) of net terminal income of authorized machines at the licensed video
4 lottery retailer's facility located in the town of Tiverton, subject to subsection (g)(2) of this
5 section; and

6 ~~(B)~~(C) To the town of Lincoln one and twenty-six hundredths percent (1.26%) of net
7 terminal income of authorized machines at Twin River except that;

8 (i) Effective November 9, 2009 until June 30, 2013, the allocation shall be one and forty-
9 five hundredths percent (1.45%) of net terminal income of authorized machines at Twin River for
10 each week video lottery games are offered on a twenty-four-hour (24) basis for all eligible hours
11 authorized; and

12 (ii) Effective July 1, 2013, provided that the referendum measure authorized by Article
13 25, Chapter 151, Section 4 of the Public Laws of 2011 is approved statewide and in the Town of
14 Lincoln, the allocation shall be one and forty-five hundredths percent (1.45%) of net terminal
15 income of authorized video lottery terminals at Twin River, subject to subsection (h)(2) of this
16 section; and

17 (5) To the Narragansett Indian Tribe, seventeen hundredths of one percent (0.17%) of net
18 terminal income of authorized machines at Lincoln Park, up to a maximum of ten million dollars
19 (\$10,000,000) per year, that shall be paid to the Narragansett Indian Tribe for the account of a
20 Tribal Development Fund to be used for the purpose of encouraging and promoting: home
21 ownership and improvement; elderly housing; adult vocational training; health and social
22 services; childcare; natural resource protection; and economic development consistent with state
23 law. Provided, however, such distribution shall terminate upon the opening of any gaming facility
24 in which the Narragansett Indians are entitled to any payments or other incentives; and provided
25 further, any monies distributed hereunder shall not be used for, or spent on, previously contracted
26 debts; and

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

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

31 (b) Notwithstanding the above, the amounts payable by the division to UTGR related to
32 the marketing program shall be paid on a frequency agreed by the division, but no less frequently
33 than annually.

34 (c) Notwithstanding anything in this chapter 61.2 of this title to the contrary, the director

1 is authorized to fund the marketing program as described above in regard to the ~~first amendment~~
2 ~~to the~~ UTGR master contract.

3 (d) Notwithstanding the above, the amounts payable by the division to the licensed video
4 lottery retailer who is a party to the Newport Grand Master Contract related to the marketing
5 program shall be paid on a frequency agreed by the division, but no less frequently than annually.

6 (e) Notwithstanding anything in this chapter 61.2 of this title to the contrary, the director
7 is authorized to fund the marketing program as described above in regard to the ~~first amendment~~
8 ~~to the~~ Newport Grand ~~master contract~~ Master Contract.

9 (f) Notwithstanding the provisions of § 42-61-15, but subject to §42-61.2-7(h), the
10 allocation of net, table-game revenue derived from table-games at Twin River is as follows:

11 (1) For deposit into the state lottery fund for administrative purposes and then the
12 balance remaining into the general fund:

13 (i) Sixteen percent (16%) of net, table-game revenue, except as provided in § 42-61.2-
14 7(f)(1)(ii);

15 (ii) An additional two percent (2%) of net, table-game revenue generated at Twin River
16 shall be allocated starting from the commencement of table games activities by such table-game
17 retailer and ending, with respect to such table-game retailer, on the first date that such table-game
18 retailer's net terminal income for a full state fiscal year is less than such table-game retailer's net
19 terminal income for the prior state fiscal year, at which point this additional allocation to the state
20 shall no longer apply to such table-game retailer.

21 (2) To UTGR, net, table-game revenue not otherwise disbursed pursuant to above
22 subsection (f)(1); provided, however, on the first date that such table-game retailer's net terminal
23 income for a full state fiscal year is less than such table-game retailer's net terminal income for
24 the prior state fiscal year, as set forth in subsection (f)(1)(ii) above, one percent (1%) of this net,
25 table-game revenue shall be allocated to the town of Lincoln for four (4), consecutive state fiscal
26 years.

27 ~~(g) Notwithstanding the provisions of § 42-61-15, the allocation of net, table game~~
28 ~~revenue derived from table games at Newport Grand is as follows:~~

29 ~~(1) For deposit into the state lottery fund for administrative purposes and then the balance~~
30 ~~remaining into the general fund: eighteen percent (18%) of net, table game revenue.~~

31 ~~(2) To Newport Grand LLC, net table game revenue not otherwise disbursed pursuant to~~
32 ~~subsection (g)(1) provided, however, on the first date that such table game retailer's net terminal~~
33 ~~income for a full state fiscal year is less than such table game retailer's net terminal income for~~
34 ~~the prior state fiscal year, one percent (1%) of this net, table game revenue shall be allocated to~~

1 ~~the city of Newport for four (4) consecutive state fiscal years.~~

2 (g) Notwithstanding the provisions of §42-61-15, the allocation of net table game revenue
3 derived from table games at the Tiverton facility owned by Twin River-Tiverton is as follows:

4 (1) Subject to subsection(g)(2) of this section, one percent (1%) of net table game
5 revenue shall be allocated to the town of Tiverton;

6 (2) Fifteen and one-half percent (15.5%) of net table game revenue shall be allocated to
7 the state first for deposit into the state lottery fund for administrative purposes and then the
8 balance remaining into the general fund; provided however, that beginning with the first state
9 fiscal year that a facility in the town of Tiverton owned by Twin River-Tiverton offers patrons
10 video lottery games and table games for all of such state fiscal year, for that state fiscal year and
11 each subsequent state fiscal year that such Tiverton facility offers patrons video lottery games and
12 table games for all of such state fiscal year, if the town of Tiverton has not received an aggregate
13 of three million dollars (\$3,000,000) in the state fiscal year from net table game revenues and net
14 terminal income, combined, generated by such Tiverton facility, then the state shall make up such
15 shortfall to the town of Tiverton out of the state's percentage of net table game revenue set forth
16 in this subsection (g)(2) and net terminal income set forth in subsections (a)(1) and (a)(6) of
17 this section; provided further however, if in any state fiscal year either video lottery games or
18 table games are no longer offered at a facility in the town of Tiverton owned by Twin River-
19 Tiverton, LLC, then the state shall not be obligated to make up the shortfall referenced in this
20 subsection (g)(2); and

21 (3) Net table game revenue not otherwise disbursed pursuant to subsections (g)(1) and
22 (g)(2) of this section shall be allocated to Twin River-Tiverton.

23 (h) Notwithstanding the foregoing §42-61.2-7(f) and superseding that section effective
24 upon the first date that a facility in the town of Tiverton owned by Twin River-Tiverton offers
25 patrons video lottery games and table games, the allocation of net table game revenue derived
26 from table games at Twin River in Lincoln shall be as follows:

27 (1) Subject to subsection (h)(2) of this section, one percent (1%) of net table game
28 revenue shall be allocated to the town of Lincoln;

29 (2) Fifteen and one-half percent (15.5%) of net table game revenue shall be allocated to
30 the state first for deposit into the state lottery fund for administrative purposes and then the
31 balance remaining into the general fund; provided however, that beginning with the first state
32 fiscal year that a facility in the town of Tiverton owned by Twin River-Tiverton offers patrons
33 video lottery games and table games for all of such state fiscal year, for that state fiscal year and
34 each subsequent state fiscal year that such Tiverton facility offers patrons video lottery games and

1 table games for all of such state fiscal year, if the town of Lincoln has not received an aggregate
2 of three million dollars (\$3,000,000) in the state fiscal year from net table game revenues and net
3 terminal income, combined, generated by the Twin River facility in Lincoln, then the state shall
4 make up such shortfall to the town of Lincoln out of the state's percentage of net table game
5 revenue set forth in this subsection (h)(2) and net terminal income set forth in subsections (a)(1)
6 and (a)(6) of this section; provided further however, if in any state fiscal year either video lottery
7 games or table games are no longer offered at a facility in the town of Tiverton owned by Twin
8 River-Tiverton, LLC, then the state shall not be obligated to make up the shortfall referenced in
9 this subsection (h)(2); and

10 (3) Net table game revenue not otherwise disbursed pursuant to subsections (h)(1) and
11 (h)(2) of this section shall be allocated to UTGR.

12 **42-61.2-15. Table game hours of operation. [See Applicability notes.]** -- To the extent
13 Table Games are authorized at ~~Twin River~~ the premises of a table game retailer, such Table
14 Games may be offered at ~~Twin River~~ the premises of a table game retailer for all or a portion of
15 the days and times that ~~VLTs~~ video lottery games are offered. ~~To the extent Table Games are~~
16 ~~authorized at Newport Grand, such Table Games may be offered at Newport Grand for all or a~~
17 ~~portion of the days and times that VLTs are offered.~~

18 SECTION 3. Chapter 42-61.2 entitled "Video Lottery Terminal" is hereby amended by
19 adding thereto the following section:

20 **42-61.2-2.3. State authorized to operate casino gaming in Tiverton.** -- (a) State-
21 operated casino gaming shall be authorized at the Tiverton facility of Twin River-Tiverton, a
22 licensed video lottery retailer, which facility is located in the town of Tiverton at the intersection
23 of William S. Canning Boulevard and Stafford Road, provided that the requirements of Article
24 VI, Section 22 of the Rhode Island Constitution are met with respect to said facility, namely that:

25 (1) The secretary of state certifies that the qualified voters of the state have approved
26 authorizing a facility owned by Twin River-Tiverton located at the intersection of William S.
27 Canning Boulevard and Stafford Road in the town of Tiverton to be licensed as a pari-mutuel
28 facility and offer state-operated video lottery games and state-operated casino gaming, such as
29 table games;

30 (2) The board of canvassers of the town of Tiverton certifies (or there is certified on its
31 behalf) that the qualified electors of the town of Tiverton have approved authorizing a facility
32 owned by Twin River-Tiverton and located at the intersection of William S. Canning Boulevard
33 and Stafford Road in the town of Tiverton to be licensed as a pari-mutuel facility and offer state-
34 operated video lottery games and state-operated casino gaming, such as table games; and

1 (3) The department of business regulation, division of racing and athletics, issues to Twin
2 River-Tiverton a license as a pari-mutuel facility, and the department of revenue, state lottery
3 division issues to Twin River-Tiverton a license to offer state-operated video lottery games and a
4 license to offer state-operated casino gaming, such as table games.

5 (b) With respect to the facility owned by Twin River-Tiverton located at the intersection
6 of William S. Canning Boulevard and Stafford Road in the town of Tiverton, the authorization of
7 this section shall be effective upon the requirements set forth in subsection (a) of this section
8 having been met with respect to such facility.

9 (c) The general assembly finds that:

10 (1) The operation of casino gaming in the town of Tiverton will play a critical role in the
11 economy of the state and enhance state and local revenues;

12 (2) Replacing the state-operated gaming facility in the city of Newport with a state-
13 operated gaming facility in the town of Tiverton is desirable to maximize state and local
14 revenues;

15 (3) Pursuant to Article VI, Section 15 of the Rhode Island Constitution and the specific
16 powers, authorities and safeguards set forth in subsection (d) of this section in connection with
17 the operation of casino gaming, the state shall have full operational control over casino gaming at
18 the specified location in the town of Tiverton; and

19 (4) It is in the best interest of the state to have the authorization to operate casino gaming
20 as specified in the town of Tiverton.

21 (d) Notwithstanding the provisions of any other law and pursuant to Article VI, Section
22 15 of the Rhode Island Constitution, the state is authorized to operate, conduct and control casino
23 gaming at the facility of Twin River-Tiverton located in the town of Tiverton at the intersection
24 of William S. Canning Boulevard and Stafford Road, subject to the provisions of subsection (a)
25 of this section. In furtherance thereof, the state, through the division of state lottery, shall have
26 full operational control to operate the foregoing facility, the authority to make all decisions about
27 all aspects of the functioning of the business enterprise, including, without limitation, the power
28 and authority to:

29 (1) Determine the number, type, placement and arrangement of casino gaming games,
30 tables and sites within the facility;

31 (2) Establish with respect to casino gaming one or more systems for linking, tracking,
32 deposit and reporting of receipts, audits, annual reports, prohibitive conduct and other such
33 matters determined from time to time;

34 (3) Collect all receipts from casino gaming, require that Twin River-Tiverton collect

1 casino gaming gross receipts in trust for the state through the division of state lottery, deposit
2 such receipts into an account or accounts of its choice, allocate such receipts according to law,
3 and otherwise maintain custody and control over all casino gaming receipts and funds;

4 (4) Hold and exercise sufficient powers over Twin River-Tiverton's accounting and
5 finances to allow for adequate oversight and verification of the financial aspects of casino gaming
6 at the facility, including, without limitation:

7 (i) The right to require Twin River-Tiverton to maintain an annual balance sheet, profit
8 and loss statement, and any other necessary information or reports; and

9 (ii) The authority and power to conduct periodic compliance or special or focused audits
10 of the information or reports provided, as well as the premises with the facility containing records
11 of casino gaming or in which the business of Twin River-Tiverton's casino gaming activities are
12 conducted;

13 (5) Monitor all casino gaming operations and have the power to terminate or suspend any
14 casino gaming activities in the event of an integrity concern or other threat to the public trust and
15 in furtherance thereof, require Twin River-Tiverton to provide a specified area or areas from
16 which to conduct such monitoring activities;

17 (6) Define and limit the rules of play and odds of authorized casino gaming games,
18 including, without limitation, the minimum and maximum wagers for each casino gaming game;

19 (7) Establish compulsive gambling treatment programs;

20 (8) Promulgate, or propose for promulgation, any legislative, interpretive and procedural
21 rules necessary for the successful implementation, administration and enforcement of this
22 chapter; and

23 (9) Hold all other powers necessary and proper to fully effectively execute and administer
24 the provisions of this chapter for its purpose of allowing the state to operate a casino gaming
25 facility through a licensed video lottery retailer hosting said casino gaming on behalf of the state
26 of Rhode Island.

27 (e) The state, through the department of revenue, division of state lottery and/or the
28 department of business regulation, shall have approval rights over matters relating to the
29 employment of individuals to be involved, directly or indirectly, with the operation of casino
30 gaming in the town of Tiverton.

31 (f) Subject to subsection (a) of this section, the state, through the division of state lottery,
32 may issue Twin River-Tiverton new video lottery and casino gaming licenses, to permit video
33 lottery and casino gaming to the extent authorized by this chapter 61.2 of this title.

34 (g) Subject to subsection (a) of this section, all rules and regulations shall be promulgated

1 by the state, through the division of state lottery, in accordance with the authority conferred upon
2 the general assembly pursuant to Article VI, Section 15 of the Rhode Island Constitution. In
3 accordance therewith, subject to subsection (a) of this section, the state, through the division of
4 state lottery, shall have authority to issue such regulations as it deems appropriate pertaining to
5 control, operation and management of casino gaming as specifically set forth in subsections (b),
6 (c) and (d) of this section.

7 (h) The Rhode Island state police through its gaming enforcement unit shall have the
8 authority to monitor and investigate criminal violations related to casino gaming activities
9 consistent with chapter 61.3 of this title.

10 (i) Notwithstanding any law or regulation to the contrary, Twin River-Tiverton shall not
11 commence video lottery or casino gaming activities prior to the completion, by the department of
12 transportation, of the already planned roundabout, DOT project #0103S, and funds for such
13 project shall be allocated such that the project is scheduled to be completed, and is completed, by
14 July 1, 2018.

15 SECTION 4. Nothing in this act shall abrogate or diminish the powers of the state,
16 through the division of state lottery, to conduct and control video lottery terminals pursuant to
17 chapter 61.2 of title 42.

18 SECTION 5. Pursuant to Article VI, Section 22 of the Rhode Island Constitution and
19 notwithstanding the provisions of §41-9-4:

20 (a) The following question shall be submitted by the secretary of state to the qualified
21 electors of the state at the statewide general election to be held in November of 2016, and the
22 secretary of state shall certify the election results:

23 "Shall an act be approved which would authorize a facility owned by Twin River-
24 Tiverton, LLC, located in the town of Tiverton at the intersection of William S. Canning
25 Boulevard and Stafford Road, to be licensed as a pari-mutuel facility and offer state-operated
26 video lottery games and state-operated casino gaming, such as table games?"

27 (b) The following question shall be submitted by the local board of canvassers to the
28 qualified electors of the town of Tiverton at the next statewide general election, and the local
29 board of canvassers of the town of Tiverton shall certify (or have certified on its behalf) to the
30 secretary of state the local election results of the electors voting in the town of Tiverton:

31 "Shall an act be approved which would authorize a facility owned by Twin River-
32 Tiverton, LLC, located in the town of Tiverton at the intersection of William S. Canning
33 Boulevard and Stafford Road, to be licensed as a pari-mutuel facility and offer state-operated
34 video lottery games and state-operated casino gaming, such as table games?"

1 SECTION 6. The question set forth in Section 5(a) of this act to be submitted to the
2 qualified electors of the state relating to the expansion of gaming in Tiverton, shall appear on the
3 ballots provided to the qualified electors of the state as the first referendum question. The
4 question set forth in Section 5(b) to be submitted to the qualified electors of the town of Tiverton
5 relating to the expansion of gaming in Tiverton, shall appear on the ballots provided to the
6 qualified electors of the town of Tiverton as the first referendum question.

7 SECTION 7. Authorization of Amendments to UTGR and Newport Grand Master
8 Contracts -- Purpose. The general assembly hereby finds that video lottery games and casino
9 games are important sources of revenue for the state. The purpose of the following sections
10 relating to a potential new gaming facility in Tiverton and the cessation of gaming activity in
11 Newport, is to help strengthen the commercial health of all gaming facilities in Rhode Island and
12 to protect and promote, for the people of the state, the public's share of revenues generated
13 thereby. It is the intent of the general assembly that this act, being necessary for the welfare of the
14 state and its citizens, shall be liberally construed so as to effectuate its purposes, including
15 without limitation, the state's attempt to minimize specific commercial risks that threaten the
16 state's gaming facilities and the critical local and state revenue generated thereby.

17 SECTION 8. Authorization of Amendments to UTGR and Newport Grand Master
18 Contracts -- Definitions. For the purposes of this act the following terms shall have the following
19 meanings, and to the extent that such terms are defined in Chapter 16 of the Public Laws of 2010,
20 as amended, those terms are hereby amended as follows:

21 (a) "Newport Grand" when it is referring to a legal entity, means Premier Entertainment
22 II. LLC and its permitted successors and assigns under the Newport Grand Master Contract.
23 "Newport Grand," when it is referring to a gaming facility, means Newport Grand Slots, located
24 at 150 Admiral Kalbfus Road, Newport, Rhode Island, unless and until state-operated video
25 lottery games are no longer offered at such facility in Newport and state-operated video lottery
26 games and table games are offered at a facility owned by Twin River-Tiverton located in
27 Tiverton, Rhode Island, at which time "Newport Grand" shall mean such Tiverton facility.

28 (b) "Newport Grand facility" means the gaming and entertainment facility located at 150
29 Admiral Kalbfus Road, Newport, Rhode Island; provided however, once video lottery games are
30 no longer offered at the facility in Newport and video lottery games are offered at the gaming and
31 entertainment facility of Twin River-Tiverton located in the town of Tiverton, all references to
32 "Newport Grand facility" shall refer to such Tiverton facility.

33 (c) "Twin River-Tiverton" means Twin River-Tiverton LLC, a Delaware Limited
34 Liability Company, being the successor to Newport Grand, LLC under the Newport Grand

1 Master Contract. References herein to "Twin River-Tiverton" shall include its permitted
2 successors and assigns under the Newport Grand Master Contract.

3 SECTION 9. Authorization of Amendments to UTGR and Newport Grand Master
4 Contracts -- Incorporation of Prior Terms. -- Unless otherwise stated herein, and except to the
5 extent amended by this act, all definitions, conditions, provisions and terms used in Chapter 16 of
6 the public laws of 2010, entitled "An Act Relating to Authorizing the First Amendments to the
7 Master Video Lottery Terminal Contracts", as amended, are hereby incorporated herein by
8 reference and shall remain in full force and effect.

9 SECTION 10. Authorized Procurement of Fifth Amendment to the Newport Grand
10 Master Video Lottery Terminal Contract.- Notwithstanding any provision of the general or public
11 laws or regulations adopted thereunder to the contrary, the division of state lottery is hereby
12 expressly authorized and directed to enter into with Newport Grand (which, by definition,
13 includes an assignee pursuant to an assignment effected pursuant to the Newport Grand Master
14 Video Lottery Contract) a Fifth Amendment to the Newport Grand Master Video Lottery
15 Terminal Contract for the following purposes and containing the following terms and conditions,
16 all of which shall be set forth in more particular detail in the Fifth Amendment:

17 (a) All references to the facility located 150 Admiral Kalbfus Road, Newport, Rhode
18 Island shall refer to that facility until video lottery games are no longer offered there and video
19 lottery games are offered at a facility owned by Twin River-Tiverton located in the town of
20 Tiverton, at which time they shall refer to such Tiverton facility.

21 (b) Section 2.3 of the Newport Grand Master Video Lottery Terminal Contract, shall be
22 amended to grant the licensed video lottery retailer that is a party to such contract the option to
23 extend the term of such contract for two (2) additional terms of five (5) years each (the
24 "Extension Terms"). The first of the new Extension Terms shall commence on November 23,
25 2020 and continue until November 22, 2025 and the second of the Extension Terms shall
26 commence on November 23, 2025 and continue until November 22, 2030. The exercise of the
27 option to extend for each of the Extension Terms shall be subject to the terms and conditions of
28 Section 2.3 of the Newport Grand Master Video Lottery Terminal Contract.

29 (c) A new section shall be added to the Newport Grand Master Video Lottery Terminal
30 Contract to provide that, beginning on the date that a facility in the town of Tiverton owned by
31 Twin-River Tiverton, LLC offers patrons video lottery games and table games, the licensed video
32 lottery retailer that is a party to the Newport Grand Master Video Lottery Contract shall be
33 entitled to receive eighty-three and one-half percent (83.5%) of the net table game revenue
34 generated at the facility defined herein as "Newport Grand."

1 (d) A new section shall be added to the Newport Grand Master Video Lottery Terminal
2 Contract to provide that, beginning on the date that the Tiverton facility owned by Twin River-
3 Tiverton offers patrons video lottery games and table games, the town of Tiverton shall be
4 entitled to receive: (1) One and forty-five hundredths percent (1.45%) of net terminal income
5 from authorized video lottery terminals at such facility; and (2) One percent (1%) of the net table
6 game revenue generated at such facility; provided however, that beginning with the first state
7 fiscal year that such Tiverton facility offers patrons video lottery games and table games for all of
8 such state fiscal year, for that state fiscal year and each subsequent state fiscal year that such
9 Tiverton facility offers patrons video lottery games and table games for all of such state fiscal
10 year, if the town of Tiverton has not received an aggregate of three million dollars (\$3,000,000)
11 in the state fiscal year from net table game revenues and net terminal income, combined,
12 generated by such Tiverton facility, then the state shall make up such shortfall to the town of
13 Tiverton out of the state's percentage of net table game revenue and net terminal income (so that
14 the town of Tiverton receives, after accounting for the state make up of such shortfall, an
15 aggregate of three million dollars (\$3,000,000) from net table game revenues and net terminal
16 income, combined, with respect to such state fiscal year); provided further however, if in any
17 state fiscal year either video lottery games or table games are no longer offered at such Tiverton
18 facility, then the state shall not be obligated to make up the shortfall referenced in this section.
19 The town of Tiverton shall be a signatory to the amended Newport Grand Master Video Lottery
20 Terminal Contract with regard to this new section.

21 (e) A new section shall be added to the Newport Grand Master Video Lottery Terminal
22 Contract to provide that, after the date that video lottery games and table games are offered to
23 patrons at the Tiverton facility owned by Twin River-Tiverton, if the Newport Grand Master
24 Video Lottery Terminal Contract expires or otherwise terminates for any reason prior to the day
25 that would have been the last day of the Newport Grand Master Video Lottery Terminal Contract
26 had all extension options been exercised and said extension terms continued until their natural
27 expiration (the "Last Possible Day of the Newport Grand Master Video Lottery Terminal
28 Contract"), then, notwithstanding such expiration or termination of the Newport Grand Master
29 Video Lottery Terminal Contract, provided video lottery games and table games continue to be
30 offered at that Tiverton facility owned by Twin River-Tiverton, until the end of such Last
31 Possible Day of the Newport Grand Master Video Lottery Terminal Contract, the percentage of
32 net terminal income and the percentage of net table game revenue allocated to the town of
33 Tiverton shall continue to be the same percentage in each case, and shall continue to be subject to
34 the same three million dollar (\$3,000,000) minimum annual guarantee, as set forth in the Newport

1 Grand Master Video Lottery Terminal Contract, as amended by this Section 10. If video lottery
2 games and table games are not both offered at that Tiverton facility owned by Twin River-
3 Tiverton, the aforementioned three million dollar (\$3,000,000) annual guarantee to the town of
4 Tiverton shall no longer apply. Without affecting other provisions of the Newport Grand Master
5 Video Lottery Terminal Contract that continue in effect notwithstanding the expiration or earlier
6 termination thereof, the state and the town of Tiverton agree that this provision of the Newport
7 Grand Master Video Lottery Terminal Contract amendment shall continue in effect
8 notwithstanding the expiration or earlier termination of the Newport Grand Master Video Lottery
9 Terminal Contract. The town of Tiverton shall be a signatory to the amended Newport Grand
10 Master Video Lottery Terminal Contract with regard to this new section.

11 SECTION 11. Authorized Procurement of Fifth Amendment to the UTGR Master Video
12 Lottery Terminal Contract.-- Notwithstanding any provision of the general or public laws or
13 regulations adopted thereunder to the contrary, the division of state lottery is hereby expressly
14 authorized and directed to enter into with UTGR a Fifth Amendment to the UTGR Master Video
15 Lottery Terminal Contract for the following purposes and containing the following terms and
16 conditions, all of which shall be set forth in more particular detail in the Fifth Amendment:

17 (a) Section 2.5 of the UTGR Master Video Lottery Terminal Contract, shall be further
18 amended to grant UTGR the option to extend the term of the UTGR Master Video Lottery
19 Terminal Contract for two (2) additional terms of five (5) years each (the "Extension Terms").
20 The first of the two (2) Extension Terms shall commence on July 18, 2020 and continue until July
21 17, 2025 and the second of the new Extension Terms shall commence on July 18, 2025 and
22 continue until July 17, 2030. The exercise of the option to extend for each of the Extension Terms
23 shall be subject to the terms and conditions of Section 2.5 of the UTGR Master Video Lottery
24 Terminal Contract.

25 (b) A new section shall be added to the UTGR Master Video Lottery Terminal Contract
26 to provide as follows: Beginning on the date that a facility in the town of Tiverton owned by
27 Twin River-Tiverton, LLC offers patrons video lottery games and table games, UTGR shall be
28 entitled to receive eighty-three and one-half percent (83.5%) of the net table game revenue
29 generated at the Lincoln facility.

30 (c) A new section shall be added to the UTGR Master Video Lottery Terminal Contract
31 to provide that the town of Lincoln shall be entitled to receive:

32 (1) One and forty-five hundredths percent (1.45%) of net terminal income from
33 authorized machines at Twin River located in the town of Lincoln; and

34 (2) That, beginning on the date that a facility in the town of Tiverton owned by Twin

1 River-Tiverton, LLC offers patrons video lottery games and table games, one percent (1%) of the
2 net table game revenue generated at Twin River in the town of Lincoln; provided however, that
3 beginning with the first state fiscal year that such Tiverton facility offers patrons video lottery
4 games and table games for all of such state fiscal year, for that state fiscal year and each
5 subsequent state fiscal year that such Tiverton facility offers patrons video lottery games and
6 table games for all of such state fiscal year, if the town of Lincoln has not received an aggregate
7 of three million dollars (\$3,000,000) in the state fiscal year from net table game revenues and net
8 terminal income, combined, generated by the Twin River facility in the town of Lincoln, then the
9 state shall make up such shortfall to the town of Lincoln out of the state's percentage of net table
10 game revenue and net terminal income (so that the town of Lincoln receives, after accounting for
11 the state make-up of such shortfall, an aggregate of three million dollars (\$3,000,000) from net
12 table game revenues and net terminal income, combined, with respect to such state fiscal year);
13 provided further however, if in any state fiscal year either video lottery games or table games are
14 no longer offered at the Tiverton facility, then the state shall not be obligated to make up the
15 shortfall referenced in this section to the town of Lincoln. The town of Lincoln shall be a
16 signatory to the amended UTGR Master Video Lottery Terminal Contract with regard to this new
17 section.

18 (d) A new section shall be added to the UTGR Master Video Lottery Terminal Contract
19 to provide that, after the date that video lottery games and table games are offered to patrons at
20 the Tiverton facility owned by Twin River-Tiverton, if the UTGR Master Video Lottery Terminal
21 Contract expires or otherwise terminates for any reason prior to the day that would have been the
22 last day of the UTGR Master Video Lottery Terminal Contract had all extension options been
23 exercised and said extension terms continued until their natural expiration (the "Last Possible Day
24 of the UTGR Master Video Lottery Terminal Contract"), then, notwithstanding such expiration or
25 termination of the UTGR Master Video Lottery Terminal Contract, provided: (1) Video lottery
26 games and table games continue to be offered at the Twin River facility owned by UTGR; and (2)
27 Video lottery games and table games continue to be offered at the Tiverton facility owned by
28 Twin River-Tiverton, until the end of such Last Possible Day of the UTGR Master Video Lottery
29 Terminal Contract, the percentage of net terminal income and the percentage of net table game
30 revenue allocated to the town of Lincoln shall continue to be the same percentage in each case,
31 and shall continue to be subject to the same three million dollar (\$3,000,000) minimum annual
32 guarantee, as set forth in the UTGR Master Video Lottery Terminal Contract, as amended by this
33 Section 11. If either of the aforementioned conditions (1) and (2) (or both) of this section no
34 longer applies, the aforementioned three million dollar (\$3,000,000) minimum annual guarantee

1 to the town of Lincoln shall no longer apply. Without affecting other provisions of the UTGR
2 Master Video Lottery Terminal Contract that continue in effect notwithstanding the expiration or
3 earlier termination thereof, the state and the town of Lincoln agree that this provision of the
4 UTGR Master Video Lottery Terminal Contract amendment shall continue in effect
5 notwithstanding the expiration or earlier termination of the UTGR Master Video Lottery
6 Terminal Contract. The town of Lincoln shall be a signatory to the amended UTGR Master Video
7 Lottery Terminal Contract with regard to this new section.

8 SECTION 12. Section 41-9-4 of the General Laws in Chapter 41-9 entitled
9 "Establishment and Extension of Gambling Activities and Other Facilities" is hereby amended to
10 read as follows:

11 **41-9-4. Town and state election on establishment of facility.** -- (a) Before a gambling
12 facility shall be established in any town or city, the town council of the town or the city council of
13 the city shall comply with the following procedure:

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

18 ~~(2) Upon passage of an act to allow a single referendum which shall be considered both a~~
19 ~~statewide and a local referendum in accordance with Section 22 of Article 6 of the Constitution of~~
20 ~~Rhode Island for the establishment of the gambling facility and/or activity, at the next general~~
21 ~~election there shall be submitted to the qualified electors of the state, the following question:~~
22 ~~"Shall a gambling facility and/or activity be established in the town (or city) of~~
23 ~~_____?"~~

24 ~~(b) The question shall be submitted by the secretary of state to the qualified electors of~~
25 ~~the state at the same general election and the secretary of state shall certify the statewide election~~
26 ~~results, and the local board of canvassers of the city or town where the establishment of a~~
27 ~~gambling facility or activity is proposed, is authorized and directed to certify the local election~~
28 ~~results of the electors voting in the city or town on the referendum question, to the secretary of~~
29 ~~state.~~

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

34 (2) Upon passage of an act to allow a referendum for the establishment of the gambling

1 facility and/or activity, the town council of the town or the city council of the city shall pose, by
2 adopting a resolution to be placed on the ballot at the next general election to be submitted to the
3 qualified electors of the town or city and to the qualified electors of the state, the following
4 question: "Shall a gambling facility and/or activity be established in the town (or city) of
5 _____?"

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

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

11 (d) The affirmative vote of the subject town or city and the electors of the state shall be
12 necessary for the approval of the question, and if consent be thus given, all rules and regulations
13 shall be promulgated in accordance with the authority conferred upon the general assembly in R.I.
14 Const., Art. VI, Sec. 15.

15 SECTION 13. This Section 13, and Sections 5, 6 and 12 of this act shall take effect upon
16 passage of the act. All other sections of this act shall take effect immediately upon, but only if,
17 the requirements of Article VI, Section 22 of the Rhode Island Constitution are met, namely:

18 (i) The certification by the secretary of state that the qualified voters of the state have
19 approved authorizing a facility owned by Twin River-Tiverton, LLC and located at the
20 intersection of William S. Canning Boulevard and Stafford Road in the town of Tiverton to be
21 licensed as a pari-mutuel facility and offer state-operated video lottery games and state-operated
22 casino gaming, such as table games; and

23 (ii) The certification by (including on behalf of) the board of canvassers of the town of
24 Tiverton that qualified electors of the town of Tiverton have approved authorizing a facility
25 owned by Twin River-Tiverton, LLC and located at the intersection of William S. Canning
26 Boulevard and Stafford Road in the town of Tiverton to be licensed as a pari-mutuel facility and
27 offer state-operated video lottery games and state-operated casino gaming, such as table games.

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LC003790/SUB A
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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO SPORTS, RACING, AND ATHLETICS -- AUTHORIZING STATE-
OPERATED GAMING AT A FACILITY IN TIVERTON

1 This act authorizes state-operated gaming at a facility located in the town of Tiverton,
2 subject to voter approval.

3 Section 13 and Sections 5, 6 and 12 of this act would take effect upon passage of the act.
4 All other sections of this act would take effect immediately upon, but only if, the requirements of
5 Article VI, Section 22 of the Rhode Island Constitution are met, namely:

6 (i) The certification by the secretary of state that the qualified voters of the state have
7 approved authorizing a facility owned by Twin River-Tiverton, LLC and located at the
8 intersection of William S. Canning Boulevard and Stafford Road in the town of Tiverton to be
9 licensed as a pari-mutuel facility and offer state-operated video lottery games and state-operated
10 casino gaming, such as table games; and

11 (ii) The certification by (including on behalf of) the board of canvassers of the town of
12 Tiverton that qualified electors of the town of Tiverton have approved authorizing a facility
13 owned by Twin River-Tiverton, LLC and located at the intersection of William S. Canning
14 Boulevard and Stafford Road in the town of Tiverton to be licensed as a pari-mutuel facility and
15 offer state-operated video lottery games and state-operated casino gaming, such as table games.

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