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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2010

A N A C T

RELATING TO SPORTS, RACING AND ATHLETICS - THE RHODE ISLAND GAMING CONTROL AND REVENUE ACT

Introduced By: Representatives Kilmartin, Martin, and Menard

Date Introduced: February 25, 2010

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 41-9.1-1, 41-9.1-2, 41-9.1-3, 41-9.1-4, 41-9.1-6, 41-9.1-7, 41-9.1-
2 8, 41-9.1-14, 41-9.1-25, 41-9.1-26, 41-9.1-27, 41-9.1-30, 41-9.1-31, 41-9.1-36, and 41-9.1-40 of
3 the General Laws in Chapter 41-9.1 entitled "The Rhode Island Gaming Control and Revenue
4 Act" are hereby amended to read as follows:

5 **41-9.1-1. Title.** -- This chapter shall be known as the "Rhode Island Gaming Control and
6 ~~Revenue~~ Enforcement Act."

7 **41-9.1-2. Legislative findings.** -- (a) The general assembly ~~makes the following findings~~
8 hereby finds, determines and declares it to be the public policy of this state that:

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

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

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

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

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

18 ~~(6) To ensure the integrity of the commercial casino gaming industry and its reputation~~

1 ~~in Rhode Island, commercial casino gaming needs the strictest possible regulation with law~~
2 ~~enforcement oversight;~~

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

5 (2) The success of gaming is dependent upon public confidence and trust that licensed
6 gaming is conducted honestly and competitively; that that rights of the creditors of licensees are
7 protected; and that gaming is free from criminal and corruptive elements;

8 (3) Public confidence and trust can be maintained only by strict regulation of all persons,
9 locations, practices, associations, and activities related to the operation of licensed gaming
10 establishments and the manufacture or distribution of gaming devices and equipment;

11 (4) All establishments where gaming is conducted and where gambling devices are
12 operated and all manufactures, sellers, and distributors of certain gambling devices and
13 equipment must therefore be licensed, controlled, and assisted to protect the public health, safety,
14 good order, and the general welfare of the inhabitants of the state to foster the stability and
15 success of gaming and to preserve the economy and policies of free competition of the State of
16 Rhode Island;

17 (5) No applicant for a license or other affirmative commission approval has any right to a
18 license or to the granting of the approval sought. Any license issued or other commission
19 approval granted pursuant to the provisions of this act is a revocable privilege, and no holder
20 acquires any vested right therein or thereunder.

21 ~~(8)~~(6) Problem gambling already exists in Rhode Island and may increase with the
22 introduction of casino gaming;

23 ~~(9)~~(7) The state of Rhode Island should follow the lead of other casino jurisdictions and
24 take measures designed to detect the extent of problem gambling, educate the public, and assure
25 availability of resources for treatment.

26 (b) It is the intent of the general assembly that, to achieve the goals set froth in subsection
27 (a) of this section, the commission should place great weight upon the policies expressed in said
28 subdivision (3) in construing the provisions of this chapter.

29 **41-9.1-3. Definitions.** -- As used in this chapter, the following terms are defined as
30 follows:

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

32 ~~(2)~~(1) "Affiliate" means a person who, directly or indirectly, through one or more
33 intermediaries, controls, is controlled by, or is under common control with; is in a partnership
34 (general or limited) or joint venture relationship with; or is a co-shareholder of a corporation, a

1 co-member of a limited liability company, or co-partner in a limited liability partnership with a
2 person who holds or applies for a casino license under this chapter.

3 ~~(3)~~(2) "Affiliated company" means any form of business organization which controls, is
4 controlled by or is under common control with, is in a partnership (general or limited) or joint
5 venture relationship with, or is a co-shareholder of a corporation, a co-member of a limited
6 liability company, or co-partner in a limited liability partnership with a person who holds or
7 applies for a casino license under this chapter.

8 ~~(4)~~(3) "Agent" means any person who is employed by any agency of the state other than
9 the state lottery division, the state police, or attorney general who is assigned to perform full-time
10 services on behalf of or for the benefit of the state lottery division regardless of the title or
11 position held by that person.

12 ~~(5)~~(4) "Applicant" means any person who applies for ~~any right, license or registration~~
13 ~~under this chapter: a license or for registration under this chapter. The term applicant as it may~~
14 ~~appear in this chapter shall include an affiliate, affiliated company, officer, director, or~~
15 ~~managerial employee of the applicant or a person who holds greater than one percent (1%) direct~~
16 ~~or indirect pecuniary interest in the applicant. As used in this chapter the terms "affiliate" and~~
17 ~~"affiliated company" does not include a partnership, (general or limited), a joint venture~~
18 ~~relationship, a co-shareholder of a corporation, a co-member of a limited liability company, or a~~
19 ~~co-partner in a limited liability partnership that has less than one percent (1%) direct interest in~~
20 ~~the applicant and is not involved in the casino or casino enterprise application as defined in rules~~
21 ~~promulgated by the state lottery division.~~

22 ~~(6)~~(5) "Casino" means a building in which gaming is conducted.

23 ~~(7)~~(6) "Casino licensee" or "casino operator" means any person licensed to conduct
24 gaming operations according to the provisions of this chapter.

25 ~~(7)~~ "Casino enterprise" means the buildings, facilities, or rooms functionally or
26 physically connected to a casino, including, but not limited to, any bar, restaurant, hotel, cocktail
27 lounge, retail establishment, arena or any other facility located in a municipality under the control
28 of a casino enterprise licensee or affiliated company.

29 (8) "Chairperson" means the chairperson of the ~~state lottery division~~ Rhode Island
30 Gaming Control Commission.

31 ~~(9)~~ "Cheat" means to alter the selection of criteria which determine the result of a
32 gambling game or the amount or frequency of payment in a gambling game, in violation of this
33 chapter or rules promulgated under this chapter.

34 ~~(9)~~(10) "Commission" means the state lottery division as created by chapter 61 of title 42

1 [Rhode Island Gaming Control Commission](#).

2 ~~(10)~~[\(11\)](#) "Company" means a sole proprietorship, corporation partnership (general or
3 limited), limited liability partnership, limited liability company, trust, association, joint stock
4 company, joint venture tribal corporation or other form of business organization.

5 ~~(11)~~[\(12\)](#) "Compensation" means any money, thing of value or financial benefit conferred
6 on or received by a person in return for services rendered or to be rendered, whether by that
7 person or another.

8 ~~(12)~~[\(13\)](#) "Conflict of interest" means a situation in which the private interest of a
9 member, employee, or agent of the ~~state lottery division~~ [commission](#) may influence the judgment
10 of the member, employee, or agent in the performance of his or her public duty under this
11 chapter. [Such a conflict of interest, shall require that the individual formally recuse themselves](#)
12 [from any matters before the commission.](#) A conflict of interest includes, but is not limited to, the
13 following:

14 (i) Any conduct that would lead a reasonable person knowing all of the circumstances, to
15 conclude that the member, employee, or agent of the ~~state lottery division~~ [commission](#) is biased
16 against or in favor of an applicant.

17 (ii) Acceptance of any form of compensation other than from the ~~state lottery division~~
18 [commission](#), for any services rendered as part of or related to the official duties of the member,
19 employee, or agent for the ~~state lottery division~~ [commission](#).

20 (iii) Participation in any business being transacted with or before the ~~state lottery~~
21 ~~division~~ [commission](#), in which the member, employee, or agent of the ~~state lottery division~~
22 [commission](#), or his or her ~~parent, spouse or child,~~ [immediate family](#) has a financial interest.

23 (iv) Use of the position, title, or any related authority of the member, employee, or agent
24 of the ~~state lottery division~~ [commission](#) in a manner designed for personal gain or benefit.

25 (v) Demonstration through work or other action in the performance of the official duties
26 of the member, employee, or agent of the ~~state lottery division~~ [commission](#) of any preferential
27 attitude or treatment of any person.

28 ~~(13)~~[\(14\)](#) "Control" means having a greater than ~~twenty percent (20%)~~ [fifteen percent](#)
29 [\(15%\)](#) direct or indirect pecuniary interest in the gaming operation with respect to which the
30 license is sought.

31 ~~(14) "Development agreement" means a written agreement between an applicant for a~~
32 ~~casino license and the Town of West Warwick pertaining to the casino including, but not limited~~
33 ~~to, approval of the location of the site and the process for addressing and approving zoning, land~~
34 ~~use, utility and other essential services, on-site and off-site improvements, local impacts and~~

1 ~~construction and operational issues.~~

2 (15) "Director" means the assistant or special assistant attorney general selected by the
3 attorney general to supervise the attorney general's division of gaming enforcement.

4 ~~(15)~~(16) "Disciplinary action" is an action by the ~~state lottery division~~ commission
5 suspending or revoking a license, fining, excluding, reprimanding or otherwise penalizing a
6 person for violating this chapter or rules promulgated by the ~~state lottery division~~ commission.

7 (17) "Division" means the attorney general's division of gaming enforcement.

8 (18) "Ex parte communication" means any communication, direct or indirect, regarding a
9 licensing application, disciplinary action, or a contested case under this chapter other than
10 communication that takes place during a meeting or hearing conducted under this chapter.

11 ~~(16)~~(19) "Financial interest" or "financially interested" means any interest in investments,
12 awarding of contracts, grants, loans, purchases, leases, sales, or similar matters under
13 consideration or consummated by the ~~state lottery division~~ commission. A member, employee, or
14 agent of the ~~state lottery division~~ commission will be considered to have a financial interest in a
15 matter under consideration if any of the following circumstances exist:

16 (i) He or she owns a ~~five percent (5%) or greater direct or indirect pecuniary interest in~~
17 ~~any party to the matter under consideration or consummated by the state lottery division~~ direct or
18 indirect pecuniary interest in any affiliate, affiliated company, agent, applicant, licensee, person,
19 supplier, vendor or any other party, to the matter under consideration, or consummated by the
20 commission and/or division; or

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

23 ~~(17)~~(20) "Gambling game" means any game played with cards, dice, equipment or a
24 machine, including any mechanical, electromechanical or electronic device which shall include
25 computers and cashless wagering systems, for money, credit, or any representative of value;
26 including, but not limited to faro, monte, roulette, keno, bingo fan tan, twenty-one, blackjack,
27 seven and a half, klondike, craps, poker, chuck a luck, Chinese chuck a luck (dai shu), wheel of
28 fortune, chemin de fer, baccarat, pai gow, beat the banker, panguingui, slot machine, any banking
29 or percentage game, or any other game or device approved by the ~~state lottery division~~
30 commission, but does not include games played with cards in private homes or residences in
31 which no person makes money for operating the game.

32 ~~(18)~~(21) "Game" means any banking or percentage game located exclusively within a
33 licensed casino, which is played with cards, dice, or any electronic, electrical, or mechanical
34 device or machine for money, property, or any thing of value.

1 ~~(19)~~(22) "Gaming" means to deal, operate, carry on, conduct, maintain or expose or offer
2 for play any gambling game or gaming operation.

3 ~~(20)~~(23) "Gaming device" means any equipment or mechanical, electromechanical, or
4 electronic contrivance component or machine used directly or indirectly in connection with
5 gaming or any game which affects the result of a wager by determining win or loss. The term
6 includes a system for processing information, which can alter the normal criteria of random
7 selection which affects the operation of any game or which determines the outcome of a game.
8 The term does not include a system or device, which affects a game solely by stopping its
9 operation so that the outcome remains undetermined. The term does not include video slot
10 machines not located at a licensed casino.

11 (24) "Gaming employee" means any person employed by a casino enterprise licensee to
12 work directly with the gaming portion of such licensed casino enterprise, which person shall be
13 twenty-one (21) years of age or older and hold a gaming employee license. Persons deemed to be
14 gaming employees shall include, but shall not be limited to, the following: dealers; change and
15 counting room personnel; cashiers; floormen; cage personnel; slot machine repairmen or
16 mechanics; persons who accept or transport revenue from a slot, blackjack, or poker table drop or
17 dropbox; security personnel; shift or pit bosses; floor managers; supervisors, slot machine and
18 slot booth personnel; any person involved in the handling, counting, collecting, or exchanging of
19 money, property, checks, credit or any representative of value, including any coin, token, chip,
20 cash premium, merchandise, redeemable game credits, or any other thing of value or payoff from
21 any game, any gaming, or any gaming device; and such other persons as the commission shall by
22 rule or regulation determine.

23 ~~(21)~~(25) "Gaming operation" means the conduct of authorized gambling games in a
24 casino pursuant to this chapter but does not include those operations governed by chapters 61 and
25 61.2 of Title 42.

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

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

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

33 ~~(25)~~(26) "Gross receipts" means the total of all sums including valid or invalid checks,
34 currency, tokens, coupons, vouchers, or instruments of monetary value whether collected or

1 uncollected, received by a casino licensee from gaming, including all entry fees assessed for
2 tournaments or other contests less a deduction for uncollectible gaming receivables not to exceed
3 the uncollectible amounts owed as a result of wagers placed at or through a gambling game or
4 four percent (4%) of the total gross receipts, whichever is less. The licensee shall not receive the
5 deduction unless the licensee provides written proof to the state treasurer of the uncollected
6 gaming receivable and has complied with all rules promulgated by the ~~state lottery division~~
7 commission regarding the issuance of credit and the collection of amounts due under a credit
8 extension.

9 (27) "Immediate family" means a person's spouse, parent, child or child's spouse.

10 (28) "Investigative hearing" means any hearing conducted by the commission or its
11 authorized representative to investigate and gather information or evidence regarding pending
12 license applications, applicants, licensees, or alleged or apparent violations of this act or rules
13 promulgated by the commission.

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

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

17 ~~(b) An investment company that is registered under the Investment Company Act of~~
18 ~~1940.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5 ~~(g) Any dealer registered pursuant to section 15 of the Securities and Exchange Act of~~
6 ~~1934.~~

7 ~~(h) Any qualified institutional buyer, as defined in Rule 144A under the Securities Act of~~
8 ~~1933 and any entity, all of the equity owners of which are qualified institutional buyers, as~~
9 ~~defined in rule 144A under the Securities Act of 1933, acting for its own account or the accounts~~
10 ~~of other qualified institutional buyers.~~

11 ~~(i) Any bank as defined in section 3(a)(2) of the Securities Act of 1933, any savings and~~
12 ~~loan association or other institution as referenced in section 3(a)(5)(A) of the Securities Act of~~
13 ~~1933, or any foreign bank or savings and loan association or equivalent institution or any~~
14 ~~investment fund that participates in a bank syndication, and any purchaser that takes an~~
15 ~~assignment or other participation interest in the bank syndication.~~

16 ~~(j) Any investor or group of investors purchasing debt securities of a licensee, permittee,~~
17 ~~or casino gaming operator, or a subsidiary of a licensee, permittee or casino gaming operator, in~~
18 ~~any public offering registered pursuant to the Securities Act of 1933 or through any private~~
19 ~~placement, and any investor purchasing such securities in a subsequent sale; however, such~~
20 ~~securities are widely held and freely traded, and the investor holds no more than twenty percent~~
21 ~~(20%) of a licensee, permittee or casino gaming operator's total debt or fifty percent (50%) of a~~
22 ~~material debt issue unless otherwise approved by the state lottery division, so as not to give such~~
23 ~~investor the ability to control a licensee, permittee, or casino gaming operator.~~

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

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

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

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

32 (29) "Junket enterprise" means any person other than a casino enterprise licensee or
33 applicant who employs or otherwise engages in the procurement or referral of persons who may
34 participate in a junket to a casino enterprise licensed under this chapter or casino enterprise

1 whether or not those activities occur within the state.

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

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

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

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

12 (32) "Managerial employee" means a person who by virtue of the level of their
13 remuneration or otherwise holds a management supervisory, or policy-making position with any
14 authorized licensee pursuant to this chapter, vendor, or the ~~state lottery division~~ commission.

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

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

21 ~~(35)~~(34) "Member" means a member appointed to the state lottery division's board.

22 ~~(36)~~(35) "Municipality" means any city or town within the state.

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

26 (36) "Outside employment" means any work for which an individual receives
27 compensation, including, but not limited to, the following:

28 (i) Operation of a proprietorship;

29 (ii) Participation in a partnership or group business enterprise;

30 (iii) Performance as a director or corporate officer of any for-profit corporation or
31 banking or credit institution.

32 ~~(38)~~(37) "Permit" means any permit or authorization, or application therefore, issued
33 pursuant to the provisions of this chapter.

34 ~~(39)~~(38) "Permittee" means any person or entity that is issued or applying for a permit

1 pursuant to the provisions of this chapter.

2 ~~(40)~~(39) "Person" means an individual, corporation, limited liability company,
3 association, partnership (general or limited), limited liability partnership, trust, entity, or other
4 legal entity.

5 (40) "Political activity" means:

6 (i) Acting as a leader or holding an office in a political organization;

7 (ii) Running for the nomination or as a candidate for election to a partisan or non-partisan
8 political office;

9 (iii) Attending political gatherings or soliciting others to attend political gatherings;

10 (iv) Contributing to or soliciting others to contribute to a political organization, political
11 candidate or political officeholder; and

12 (v) Endorsing publicly or opposing publicly a candidate for public office.

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

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

24 (43) "Suitable" "suitability" ~~or "suitability requirements"~~ means ~~the criteria provided for~~
25 ~~in section 41-9.1-22~~, in relation to a person, the ability to be licensed by the commission and, in
26 relation to acts or practices, lawful acts or practices.

27 (44) "Supplier" means a person who the commission has identified under rules
28 promulgated by the commission as requiring a license to provide casino enterprise licensees or
29 casino enterprisers with goods or services regarding the realty, construction, maintenance, or
30 business of a proposed or existing casino, casino enterprise, or related facility on a regular or
31 continuing basis, including, but not limited to, junket enterprisers, security businesses,
32 manufacturers, distributors, persons who service gaming devices or equipment, garbage haulers,
33 maintenance companies, transportation providers, food purveyors, and construction companies.

34 ~~(44)~~(45) "Vendor" means a person who supplies any goods or services to a casino

1 licensee, is not licensed under this act who supplies any goods or services to a casino licensee or
2 supplier licensee.

3 ~~(45) "Video Lottery Terminal revenue" means net terminal income derived from video~~
4 ~~lottery games and deposited in the general fund and to the state lottery division for administrative~~
5 ~~purposes pursuant to section 42-61.2-7(a)(1).~~

6 (46) "Wagerer" means a person who plays a gambling game authorized under this
7 chapter.

8 ~~(47) "Wagering tax revenue" means the tax revenue to the state derived from the taxes~~
9 ~~imposed on the adjusted gross receipts of the casino licensee in accordance with section 41-9.1-~~
10 ~~12(b).~~

11 ~~(48)~~(47) "Winnings" means the total cash value of all property or sums including
12 currency, tokens, or instruments of monetary value paid to wagerers as a direct result of wagers
13 placed at or through a gambling game.

14 ~~**41-9.1-4. State lottery division -- Members, employees, agents -- Powers and duties.--**~~

15 ~~**State commission member and employee disclosure and conduct.**~~ -- (a) ~~In addition to its~~
16 ~~powers and duties set forth in chapter 61 of title 42, the state lottery division shall have the~~
17 ~~powers and duties specified within this chapter and all other powers necessary and proper to fully~~
18 ~~and effectively execute and administer the provisions of this chapter for its purpose of licensing,~~
19 ~~regulating and enforcing the system of casino gaming.~~ Prior to confirmation by both the house of
20 representatives and the senate, each appointed commission member shall file with the office of
21 the commission a member disclosure form, as detailed in subsection (b).

22 (b) By January 31st of each subsequent year, each member of the ~~state lottery division~~
23 commission shall prepare and file with the office of the ~~state lottery division~~ commission, a
24 member disclosure form in which the member does all of the following:

25 (1) Affirms that the member or the member's spouse, ~~parent, child, or child's spouse~~
26 immediate family is not a member of the board of directors, or financially interested in, or
27 employed by a licensee or applicant.

28 (2) Affirms that the member continues to meet any other criteria for ~~state lottery division~~
29 commission membership under this chapter or the rules promulgated by the ~~state lottery division~~
30 commission.

31 (3) Discloses any legal or beneficial interests in any real property that is or that may be
32 directly or indirectly involved with gaming or gaming operations authorized by this chapter.

33 ~~(3)~~(4) Discloses any other information as may be required to ensure that the integrity of
34 the ~~state lottery division~~ commission and its work is maintained.

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

4 (1) Affirms the absence of financial interests prohibited by this chapter.

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

7 (3) Discloses whether the employee or the employee's ~~spouse, parent, child, or child's~~
8 ~~spouse~~ immediate family is financially interested in or employed by licensee or applicant.

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

11 (d) A member, employee, or agent of the ~~state lottery division~~ commission who becomes
12 aware that the member, employee or agent of the ~~state lottery division~~ commission or his or her
13 ~~spouse, parent, or child~~ immediate family is a member of the board of directors; or financially
14 interested in, or employed by, a licensee or an applicant shall immediately provide detailed
15 written notice thereon to the chairperson.

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

21 (f) Any member, employee, or agent of the ~~state lottery division~~ commission who is
22 negotiating for, or acquires by any means any interest in any person who is a licensee or an
23 applicant, or any person affiliated with such a person, shall immediately provide written notice of
24 the details of the interest to the chairperson. The member, employee, or agent of the ~~state lottery~~
25 ~~division~~ commission shall not act on behalf of the ~~state lottery division~~ commission with respect
26 to that person.

27 (g) A member, employee, or agent of the ~~state lottery division~~ commission may not enter
28 into any negotiations for employment with any person or affiliate of any person who is a licensee
29 or an applicant, and shall immediately provide written notice of the details of any such
30 negotiations or discussions to the chairperson. The member, employee, or agent of the ~~state~~
31 ~~lottery division~~ commission shall not take any action on behalf of the state lottery division with
32 respect to that person.

33 (h) Any member, employee, or agent of the ~~state lottery division~~ commission who
34 receives an invitation, written or oral, to initiate a discussion concerning employment or the

1 possibility of employment with a person or affiliate of a person who is a licensee or an applicant
2 shall immediately report that he or she received the invitation to the chairperson. The member,
3 employee, or agent of the ~~state lottery division~~ commission shall not take action on behalf of the
4 ~~state lottery division~~ commission with respect to the person.

5 (i) A licensee or applicant shall not knowingly initiate a negotiation for or discussion of
6 employment with a member, employee, or agent of the ~~state lottery division~~ commission. A
7 licensee or applicant who initiates a negotiation or discussion about employment shall
8 immediately provide written notice of the details of the negotiation or discussion to the
9 chairperson as soon as he or she becomes aware that the negotiation or discussion has been
10 initiated with a member, employee, or agent of the ~~state lottery division~~ commission.

11 (j) A member, employee, or agent of the ~~state lottery division~~ commission, or former
12 member, employee, or agent of the ~~state lottery division~~ commission, shall not disseminate or
13 otherwise disclose any material or information in the possession of the state lottery division that
14 the state lottery division considers confidential unless specifically authorized to do so by the
15 chairperson of the ~~state lottery division~~ commission.

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

21 (l) A member, employee, or agent of the ~~state lottery division~~ commission who is
22 approached and offered a bribe shall immediately provide written account of the details of the
23 incident to the chairperson and to a law enforcement officer of ~~a law enforcement agency having~~
24 ~~jurisdiction~~ the Rhode Island State Police.

25 (m) A member, employee, or agent of the ~~state lottery division~~ commission shall disclose
26 his or her past involvement with any casino interest in the past five (5) years and shall not engage
27 in political activity or politically-related activity during the duration of his or her appointment or
28 employment.

29 (n) A member, employee, or agent of the ~~state lottery division~~ commission or ~~a parent,~~
30 ~~spouse, sibling, spouse of a sibling, child, or spouse of a child~~ the immediate family of a member,
31 employee, or agent of the ~~state lottery division~~ commission may not accept, other than that which
32 they may be able to receive as a legislator in compliance with campaign contribution, disclosure
33 and other rules, regulations and general laws in existence, any gift, gratuity, compensation, travel,
34 lodging, or anything of value, directly or indirectly, from any licensee or any applicant or affiliate

1 or representative of an applicant or licensee. Any member, employee, or agent of the ~~state lottery~~
2 ~~division~~ commission who is offered or receives any gift, gratuity, compensation, travel, lodging,
3 or anything of value, directly or indirectly, from any licensee or any applicant or affiliate or
4 representative of an applicant or licensee shall immediately provide written notification of the
5 details to the chairperson.

6 (o) A licensee or applicant, or affiliate or representative of an applicant or licensee, may
7 not, directly or indirectly, give or offer to give any gift, gratuity, compensation, travel, lodging, or
8 anything of value to any member, employee, or agent of the ~~state lottery division~~ commission
9 which the member, employee, or agent of the ~~state lottery division~~ commission is prohibited from
10 accepting under subsection (j).

11 (p) Except as follows, no member, employee, or agent of the ~~state lottery division~~
12 commission may participate in or wager on any gambling game conducted by any licensee or
13 applicant or any affiliate of an applicant or licensee in Rhode Island or in any other jurisdiction.;

14 (1) A member, employee, or agent of the ~~state lottery division~~ commission may
15 participate in and wager on a gambling game conducted by a licensee under this chapter, to the
16 extent authorized by the chairperson or ~~board of the state lottery division~~ commission as part of
17 the person's surveillance, security, or other official duties for the ~~state lottery division.~~
18 commission; and

19 (2) A member, employee, or agent of the commission shall advise the chairperson at least
20 twenty-four (24) hours in advance if he or she plans to be present in a casino in this state or in
21 another jurisdiction operated by a licensee or applicant, or affiliate of a licensee or an applicant,
22 outside the scope of his or her official duties for the commission.

23 (q) A former member, employee or agent of the ~~state lottery division~~ commission may
24 appear before the ~~state lottery division~~ commission as a fact witness about matters or actions
25 handled by the member, employee, or agent during his or her tenure as a member, employee, or
26 agent of the ~~state lottery division~~ commission. The member, employee, or agent of the ~~state~~
27 ~~lottery division~~ commission shall not receive compensation for such an appearance other than
28 standard witness fee for reimbursement for travel expenses as established by statute or court rule.

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

1 (s) An employee or agent of the ~~state lottery division~~ commission granted permission for
2 outside employment shall not conduct any business or perform any activities, including
3 solicitation, related to outside employment on premises used by the ~~state lottery division~~
4 commission or during the employee's working hours for the ~~state lottery division~~ commission.

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

9 (u) The chairperson shall report any action he or she has taken or contemplates taking
10 under this section with respect to an employee or agent or former employee or former agent to the
11 ~~state lottery division~~ commission at the next meeting of the ~~state lottery division~~ commission. The
12 ~~state lottery division~~ commission may direct the executive director to take additional or different
13 action.

14 (v) A licensee or applicant or any affiliate or representative of an applicant or licensee
15 shall not engage in ex parte communications with a member of the commission. A member of the
16 commission shall not engage in any ex parte communications with a licensee or an applicant or
17 with any affiliate or representative of an applicant or licensee.

18 (w) Any commission, member, licensee, or applicant or affiliate or representative of a
19 commission member, licensee, or applicant who receives any ex parte communications in
20 violation of subsection (v), or who is aware of an attempted communication in violation of
21 subsection (v), shall immediately report the details of the communication or attempted
22 communication in writing to the chairperson.

23 (x) Any member of the commission who receives an ex parte communication which
24 attempts to influence the member's official action shall disclose the source and content of the
25 communication to the chairperson. The chairperson may investigate or initiate an investigation of
26 the matter with the assistance of the attorney general and state police to determine if the
27 communication violates subsection (v) or other state law. The disclosure under this section and
28 the investigation shall remain confidential. Following an investigation, the chairperson shall
29 advise the governor or the commission, or both, of the results of the investigation and may
30 recommend action as the chairperson considers appropriate.

31 ~~(v)~~(y) Violation of this section by a licensee or applicant, or affiliate of a licensee or
32 applicant, may result in denial of the application of licensure or revocation or suspension of
33 license or other disciplinary action by the ~~state lottery division~~ commission.

34 ~~(w)~~(z) Violation of this section by a member of the ~~state lottery division~~ commission

1 may result in disqualification or constitute cause for removal pursuant to the provisions of this
2 chapter or other disciplinary action as determined by the ~~state lottery division~~ commission.

3 ~~(x)~~(aa) A violation of this section by an employee or agent of the ~~state lottery division~~
4 commission will not result in termination of employment if the ~~state lottery division~~ commission
5 determines that the conduct involved does not violate the purpose of this chapter. However,
6 employment will be terminated as follows:

7 (1) If, after being offered employment or beginning employment with the ~~state lottery~~
8 ~~division~~ commission, the employee or agent intentionally acquires a financial interest in a
9 licensee or an applicant, or affiliate of a licensee or applicant, employment with the ~~state lottery~~
10 ~~division~~ commission shall be terminated.

11 (2) If a financial interest in a licensee or an applicant, or affiliate of a licensee or
12 applicant, is acquired by an employee or agent that has been offered employment with the ~~state~~
13 ~~lottery division~~ commission, an employee of the ~~state lottery division~~ commission, or the
14 employee's or agent's ~~spouse, parent, or child~~ immediate family, through no intentional action of
15 the employee or agent, the individual shall have up to thirty (30) days to divest or terminate the
16 financial interest. Employment may be terminated if the interest has not been divested after thirty
17 (30) days.

18 (3) Employment shall be terminated if the employee or agent is a ~~spouse, parent, child,~~
19 ~~or spouse of a child~~ immediate family of a ~~state lottery division~~ commission member.

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

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

23 ~~(1) Operation of a proprietorship.~~

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

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

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~~ commission.

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

1 (c) Conduct audits to assist the ~~state lottery division~~ commission in determining
2 compliance with all gaming laws, rules and regulations on gaming activities and operations under
3 the ~~state lottery division's~~ commission's jurisdiction.

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

7 **41-9.1-7. Appropriation -- Reimbursement.** ~~-- Operations of the state lottery division~~
8 ~~during fiscal years shall be funded by the fees paid by licensees and suppliers pursuant to the~~
9 ~~provisions of this chapter, including without limitation section 41-9.1-11. There is appropriated~~
10 for the fiscal year of the effective date a sum sufficient to fund the operations of the commission.
11 This appropriation shall be reimbursed either directly from the casino enterprise licensee(s)
12 licensed under this chapter or indirectly assessed by the chairperson of the Rhode Island gaming
13 commission pursuant as outlined in this chapter. The amount owing from such license(s) shall be
14 paid to the general fund no later than the first (1st) day such casino(s) open for operation or upon
15 transfer of an existing gaming license. Operations of the commission during subsequent fiscal
16 years shall be funded by the fees paid by licensees and suppliers pursuant to the provisions of this
17 chapter.

18 **41-9.1-8. Casino gaming authorized.** ~~--~~ (a) Notwithstanding any other section of Rhode
19 Island General Laws, ~~gaming is authorized at a single casino in the state of Rhode Island to the~~
20 ~~extent that it is conducted in accordance with this chapter~~ casino gaming is authorized in the state
21 of Rhode Island to the extent that is conducted in accordance with this chapter.

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

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

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

28 (3) Bingo.

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

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

33 (6) Recreational card playing, bowling, redemption games, and occasional promotional
34 activities.

1 (c) Any other law that is inconsistent with this chapter does not apply to casino gaming as
2 provided for by this chapter.

3 (d) This chapter and rules promulgated by the commission shall apply to all persons who
4 are licensed or who otherwise participate in gaming under this chapter.

5 **41-9.1-14. Promulgation of operational rules and regulations.** -- Upon the licensing of
6 a casino under the provisions of this chapter, the ~~state lottery division~~ commission shall have
7 authority to issue such regulations as it deems appropriate pertaining to the operation and
8 management of the facility, the hiring of employees thereof, the establishment of compulsive
9 gambling treatment programs, the conduct of gaming, electronic funds transfer terminals, audits,
10 annual reports, prohibited conduct and such other matters as the ~~state lottery division~~ commission
11 shall determine.

12 **41-9.1-25. Uniform compulsive and problem gambling program.** -- (a) The gaming
13 industry through the American Gaming Association in the Responsible Gaming Resource Guide
14 has stated that the industry recognizes that gaming entertainment companies must stand up and
15 take responsible actions to address social problems and costs that are created when some
16 individuals have problems handling the product or services they provide. The industry has also
17 stated that they know that the vast majority of the men and women who are their customers can
18 enjoy their games responsibly, but that they also know the customers expect them to act
19 responsibly toward those who cannot. It is imperative for the health, safety, and welfare of the
20 citizens of the state of Rhode Island that all casino licensees develop and implement
21 comprehensive compulsive and problem gambling programs to be approved by the ~~state lottery~~
22 ~~division~~ commission.

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

25 (1) Provide procedures designed to prevent employees from willfully permitting a person
26 identified on a self-exclusion list from engaging in gaming activities at the licensed establishment
27 or facility.

28 (2) Provide procedures to offer employee assistance programs or equivalent coverage.
29 The procedures shall be designed to provide confidential assessment and treatment referral for
30 gaming employees and, if covered, their dependents who may have a gambling problem.

31 (3) Provide procedures for the development of programs to address issues of underage
32 gambling and unattended minors at gaming facilities.

33 (4) Provide procedures for the training of all employees that interact with gaming patrons
34 in gaming areas.

1 (5) Provide procedures designed to prevent serving alcohol to individuals who appear to
2 be intoxicated consistent with the provisions of Rhode Island law.

3 (6) Provide procedures for removing self-excluded person from the licensed
4 establishment or facility, including, if necessary, procedures that include obtaining the assistance
5 of local law enforcement.

6 (7) Provide procedures preventing any person identified on the self-exclusion list from
7 receiving any advertisement promotion, or other targeted mailing after ninety (90) days of
8 receiving notice from the ~~state lottery division~~ commission that the person has been placed on the
9 self-exclusion list.

10 (8) Provide procedures for the distribution or posting within the gaming establishment of
11 information that promotes public awareness about problem gambling and provides information on
12 available services and resources to those who have a gambling problem.

13 (9) Provide procedures for the distribution of responsible gaming materials to
14 employees.

15 (10) Provide procedures for the posting of local curfews or laws and prohibitions, if any,
16 regarding underage gambling and unattended minors.

17 (11) Provide procedures to prevent any person placed on the self-exclusion list from
18 having access to credit or from receiving complimentary services, check-cashing services, and
19 other club benefits.

20 (c) (1) The ~~state lottery division~~ commission shall provide by rule for the establishment
21 of a list of self-excluded persons from gaming activities at all gaming establishments. Any person
22 may request placement on the list of self-excluded persons by acknowledging in a manner to be
23 established by the ~~state lottery division~~ commission that the person wishes to be excluded and by
24 agreeing that, during any period of voluntary exclusion, the person may not collect any winnings
25 or recover any losses resulting from any gaming activity at such gaming establishments.

26 (2) The rules of the ~~state lottery division~~ commission shall establish procedures for
27 placements on, and removals from, the list of self-excluded persons, provided that
28 notwithstanding any law to the contrary, prior to the removal from such list, the ~~state lottery~~
29 ~~division~~ commission or a hearing officer shall conduct a investigative hearing not open to the
30 general public at which it shall be established by the person seeking removal that there is no
31 longer a basis to be maintained on the self-exclusion list.

32 (3) The rules shall establish procedures for the transmittal to the gaming establishment of
33 identifying information concerning self-excluded persons, and shall require all the gaming
34 establishment to establish procedures designed, at a minimum, to remove self-excluded persons

1 from targeted mailings or other forms of advertising or promotions and deny self-excluded
2 persons access to credit, complimentaries, check-cashing privileges and other club benefits.

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

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

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

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

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

27 (h) (1) The ~~state lottery division~~ commission may impose sanctions on a licensee or
28 permittee, under this chapter, if the licensee, permittee, or casino gaming operator willfully fails
29 to exclude from the licensed gaming establishment a person placed on the self-exclusion list.

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

33 (i) A licensee conducting gaming pursuant to the provisions of this chapter can
34 demonstrate to the ~~state lottery division~~ commission compliance with the education and training

1 provisions of this section by providing proof of attendance by all employees when they are hired
2 and annually thereafter at one of the following education programs:

3 (1) Training programs conducted by the Rhode Island department of mental health,
4 retardation, and hospitals.

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

7 **41-9.1-26. State lottery division designated excluded persons.** -- (a) The ~~state lottery~~
8 ~~division~~ commission shall adopt rules to provide for the establishment of a list of persons who are
9 to be excluded from any room, premises, or designated gaming area of any establishment where
10 gaming is conducted pursuant to a license or contract issued pursuant to the provisions of this
11 chapter. The rules must define the standards for exclusion and include standards relating to the
12 following persons:

13 (1) Those who are career or professional offenders as defined by the rules of the ~~state~~
14 ~~lottery division~~ commission.

15 (2) Those who have been convicted of a criminal offense specified by the ~~state lottery~~
16 ~~division~~ commission.

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

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

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

25 (1) By personal service.

26 (2) By certified mail to the last known address of such person.

27 (d) A person may petition the ~~state lottery division~~ commission for removal of his or her
28 name from the list. The petitioner has the burden of proving he or she does not meet the criteria of
29 subdivision (a)(1), (a)(2), or (a)(3) of this section.

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

1 excluded or ejected.

2 (f) The ~~state lottery division~~ [commission](#) may impose sanctions on a licensee under this
3 chapter if the licensee willfully fails to exclude from the licensed gaming establishment a person
4 placed on the exclusion list.

5 (g) The ~~state lottery division~~ [commission](#) may seek suspension of a license if the licensee
6 engages in a pattern of willful failure to exclude from the licensed gaming establishment persons
7 placed on the exclusion list.

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

11 **41-9.1-27. Advertising -- Compulsive gambling information. --** In any advertisement
12 of gaming activities or of a gaming establishment that is offered to the general public in print by
13 any casino licensee pursuant to the provisions of this chapter, the toll-free telephone number of
14 the National Council on Problem Gambling or a similar toll-free number approved by the ~~state~~
15 ~~lottery division~~ [commission](#) shall be placed on such advertisement.

16 **41-9.1-30. Use of device to obtain advantage at casino game -- Forfeiture -- Notice. --**
17 If, in playing a game in a licensed casino, the person uses, or assists another in the use of, an
18 electronic, electrical or mechanical device which is designed, constructed, or programmed
19 specifically for use in obtaining an advantage at playing any game in a licensed casino, such
20 action is prohibited and is punishable by imprisonment for a period of one year and/or a fine up to
21 one thousand dollars (\$1,000). In addition, any device used by any person in violation of this
22 section shall be subject to forfeiture. Each casino licensee shall post notice of this prohibition and
23 the penalties of this section in a manner determined by the ~~state lottery division~~ [commission](#).

24 **41-9.1-31. Unlawful use of bogus chips or gaming billets, marked cards, dice,**
25 **cheating devices, unlawful coins -- Penalty. --** (a) It shall be unlawful for any person to play any
26 game and:

27 (1) Knowingly to use bogus or counterfeit chips or gaming billets, or knowingly to
28 substitute and use in any such game cards or dice that have been marked, loaded or tampered
29 with; or

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

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

32 (1) Knowingly to use other than a lawful coin or legal tender of the United States of
33 America or to use coin not of the same denomination as the coin intended to be used in such slot
34 machine, except that in the playing of any slot machine or similar gaming device, it shall be

1 lawful for any person to use gaming billets, tokens or similar objects therein which are approved
2 by the ~~state lottery division~~ [commission](#); or

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

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

13 (d) It shall be unlawful for any person knowingly to possess or use while on the premises
14 of any licensed casino any key or device designed for the purpose of or suitable for opening or
15 entering any slot machine or similar gaming device or drop box, except that a duly authorized
16 employee of a licensed casino, or of the state lottery division may possess and use any of the
17 foregoing only in furtherance of his or her employment.

18 (e) Any person who violates any of the provisions of this section shall be imprisoned for
19 no more than (5) five years and may be fined an amount not to exceed ten thousand dollars
20 (\$10,000).

21 **41-9.1-36. Prohibited conduct -- Violation as felony -- Violation as misdemeanor --**
22 **Penalties -- Presumption -- Venue. --** (a) A person is guilty of a felony punishable by
23 imprisonment for not more than ten (10) years or a fine of not more than one hundred thousand
24 dollars (\$100,000) or both, and shall be barred from receiving or maintaining a license, for doing
25 any of the following:

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

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

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

32 (b) A person commits a felony punishable by imprisonment for not more than ten (10)
33 years or a fine of not more than one hundred thousand dollars (\$100,000) or both, and, in
34 addition, shall be barred for life from a gaming operation under the jurisdiction of the state lottery

1 division if the person does any of the following:

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

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

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

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

18 (2) Willfully failing to appear before or provide an item to the ~~state lottery division~~
19 [commission](#) at the time and place specified in a subpoena or summons issued by the ~~state lottery~~
20 ~~division~~ [commission](#) or executive director.

21 (3) Willfully refusing, without just cause, to testify or provide items in answer to a
22 subpoena, subpoena duces tecum or summons issued by the ~~state lottery division~~ [commission](#) or
23 executive director.

24 (4) Conducting or permitting a person who is not licensed or permitted pursuant to this
25 chapter to conduct activities required to be licensed or permitted under the casino, occupational,
26 and suppliers licensee and permittee provisions in this chapter or in rules promulgated by the ~~state~~
27 ~~lottery division~~ [commission](#).

28 (5) Leasing, pledging, borrowing, or loaning money against a casino, supplier, or
29 occupational license or permit.

30 **41-9.1-40. Smoking.** -- (a) Notwithstanding any other provisions of the general laws or
31 regulations adopted thereunder to the contrary, including, but not limited to, the provisions of
32 chapter 20.10 of title 23, the provisions of this section shall govern and control with respect to
33 any and all smoking prohibitions as such relate to a casino licensed under this chapter.

34 (b) Any casino licensed under this chapter shall provide designated smoking and

1 nonsmoking gaming areas in its facility.

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

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

9 (e) Any casino licensee shall promulgate rules and regulations to allow its employees the
10 right to work in a smoke free environment. These rules shall include, but not be limited to,
11 provisions on the right to opt out of working in a smoking area and a provision that no adverse
12 impact or action could take place against the employee if they request to opt out of a smoking
13 area. The rules promulgated by the casino licensee shall be filed with the ~~state lottery division~~
14 [commission](#) with copies to the general assembly and the department of health prior to the opening
15 of the casino for business.

16 (f) A casino licensee shall file an annual report with the ~~state lottery division~~ [commission](#)
17 with copies to the general assembly and department of health detailing smoke mitigation efforts
18 undertaken by the licensee during the previous year and plans for the upcoming year. The
19 licensee shall be required to monitor air quality with current appropriate technology. A
20 professional HVAC engineer (or other appropriate professional) shall certify the monitoring
21 process and results. The results of the monitoring process shall be included in the annual report.

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

26 SECTION 2. Chapter 41-9.1 of Title 41 of the General Laws entitled "Sports, Racing,
27 and Athletics" is hereby amended by adding thereto the following sections:

28 **41-9.1-4.1 Rhode Island gaming control commission - Creation.** – (a) There is hereby
29 created, the "Rhode Island Gaming Control Commission," a separate and independent agency of
30 the state within the executive branch. The commission shall have the powers and duties specified
31 within this chapter and all other powers necessary and proper to fully and effectively execute and
32 administer the provisions of this chapter for the purpose of licensing, regulating, and enforcing
33 the system of casino gaming.

34 (b) The full commission shall consist of five (5) members, all of whom shall be citizens

1 of the United States and residents of the state for the past five (5) years. The governor, with the
2 advice and consent of both the house of representatives and the senate, shall appoint the
3 members. At the first meeting of each fiscal year, a chairperson and vice-chairperson of the
4 commission shall be chosen from the membership by a majority of the members. Membership
5 and operation of the commission shall additionally meet the following requirements:

6 (1) One member of the commission shall have had at least five (5) years' law enforcement
7 experience as a peace officer as defined in section 12-7-21; one member shall be an attorney
8 admitted to the practice of law in Rhode Island for not less than five (5) years; one member shall
9 be a certified public accountant or public accountant who has been practicing in Rhode Island for
10 at least five (5) years; one member shall have been engaged in business in a management-level
11 capacity for at least five (5) years; and one member shall be a member of the general public who
12 is not employed in the gaming industry or any profession or industry otherwise as set forth in
13 section 41-9.1-3.

14 (c) Initial members shall be appointed to the commission by the governor no later than
15 one hundred and twenty (120) days after the effective date of this chapter. All members of the
16 commission shall be appointed for staggered terms of office as follows: one member to serve
17 until one year after initial appointment; one member to serve until two (2) years after initial
18 appointment; one member to serve until three (3) years after initial appointment; and two (2)
19 members to serve until four (4) years after initial appointment. All subsequent appointments shall
20 be for terms of five (5) years. No member of the commission shall be eligible to serve more than
21 two (2) consecutive terms.

22 (d) Any vacancy on the commission shall be filled for the unexpired term in the same
23 manner as the original appointment. The member appointed to fill such vacancy shall be from the
24 same category described in subsection (a) of this subdivision (1) as the member vacating the
25 position.

26 (e) Any person who is not of good moral character or who has been indicted or charged
27 with, convicted of, pled guilty or nolo contendere to, or forfeited bail concerning a felony or
28 misdemeanor involving gambling, theft, dishonesty, or fraud under the laws of this state, any
29 other state, or the United States or a local ordinance in any state involving gambling, theft,
30 dishonesty, or fraud that substantially corresponds to a misdemeanor or felony in that state, shall
31 not be appointed to or remain a member of the commission.

32 (f) Any member of the commission may be removed by the governor for neglect of duty,
33 misfeasance, malfeasance, nonfeasance, or any other just cause with the consent and approval of
34 both the house of representatives and senate.

1 (g) No commission member shall seek or accept any other employment from any
2 licensee, licensee applicant or other entity regulated by the commission for a period of one year
3 after leaving the commission. This does not preclude them from appearing before the commission
4 as a fact witness pursuant to subsection 41-9.1-5(q).

5 (h) Commission members shall be reimbursed for necessary travel and other reasonable
6 expenses incurred in the performance of their official duties.

7 (i) The commission shall hold at least one meeting each month and such additional
8 meetings as may be prescribed by rules of the commission. In addition, special meetings may be
9 called by the chairperson, any two (2) commission members, or the executive director, if written
10 notification of such meeting is delivered to each member at least seventy-two (72) hours prior to
11 such meeting.

12 (j) A majority of the full commission shall constitute a quorum, and the concurrence of a
13 majority of the members appointed to the commission shall be required for any final
14 determination by the commission.

15 (k) The commission shall appoint an executive director of the commission to serve a five
16 (5) year term. After the initial appointment of the executive director, any subsequent appointment
17 of the executive director shall require the approval of the senate by a recorded roll call vote. The
18 commission shall determine, including, without limitation, the salary of the executive director.
19 The executive director shall perform any and all duties that the commission assigns to him or her.
20 The executive director shall be reimbursed for all actual and necessary expenses incurred in the
21 discharge of official duties. The executive director shall keep records of all proceedings of the
22 commission and shall reserve all records, books, documents, and other papers belonging to the
23 commission or entrusted to its care. The executive director shall devote his or her full time to the
24 duties of the office and shall not hold any other office or employment. A vacancy in the position
25 of executive director shall be filled as provided within this subsection for a new five (5) year
26 term.

27 (l) The commission shall employ such personnel as may be necessary to carry out the
28 functions of the commission.

29 (m) The commission shall be subject to chapter 2 of title 38, entitled "Access to Public
30 Records", and chapter 46 of title 42 entitled "Open Meetings."

31 **41-9.1-4.2. Commission – Powers and duties.** -- The commission shall have the
32 following powers and duties:

33 (1) To promulgate such rules and regulations governing the licensing, conducting and
34 operating of casino gaming as it deems necessary to carry out the purposes of this chapter. The

1 executive director shall prepare and submit to the commission written recommendations
2 concerning proposed rules and regulations for this purpose.

3 (2) To conduct investigative hearings upon complaints charging violations of this chapter
4 or rules and regulations promulgated pursuant to this chapter and to conduct such other hearings
5 as may be required by rules of the commission.

6 (3) To enter into agreements with the attorney general and the Rhode Island state police
7 for the conduct of investigation, identification, or registration, or any combination thereof, of
8 licensed operators and employees in licensed premises or in premises containing licensed
9 premises in accordance with the provisions of this chapter, which conduct shall include, but not
10 be limited to, performing background investigations and criminal records checks on an applicant
11 applying for licensure pursuant to the provisions of this act and investigating violations of any
12 provision of this chapter or of any rule or regulation promulgated by the commission pursuant to
13 subdivision (1) discovered as a result of such investigatory process or discovered by the
14 commission and division in the course of conducting its business. Nothing in this section shall
15 prevent or impair the attorney general or state or local law enforcement agencies from engaging
16 in the activities set forth in subdivision (3) on their own initiative.

17 (4) To conduct a continuous study and investigation of casino gaming throughout the
18 state for the purpose of ascertaining any defects in this chapter or in the rules and regulations
19 promulgated pursuant to this chapter in order to discover any abuses in the administration and
20 operation of the division or any violation of this chapter or any rule or regulation promulgated
21 pursuant to this chapter.

22 (5) To formulate and recommend changes to this chapter or any rule or regulation
23 promulgated pursuant to this chapter for the purpose of preventing abuses and violations of this
24 chapter or any of the rules or regulations promulgated pursuant to this chapter, to guard against
25 the use of this chapter and such rules and regulations as a cloak for the conducting of illegal
26 activities and to ensure that this chapter and such rules and regulations shall be in such form and
27 be so administered as to serve the true purpose and intent of this chapter.

28 (6) To report immediately to the governor, the attorney general, the speaker of the house
29 of representatives, the president of the senate, the majority and minority leaders of both houses
30 and such other state officers as the commission deems appropriate concerning any laws which it
31 determines require immediate amendment to prevent abuses and violations of this chapter or any
32 rule or regulation promulgated pursuant to this chapter or to remedy undesirable conditions in
33 connection with the administration or the operation of the commission, division of casino gaming.

34 (7) To require such special reports from the chairperson, executive director and division

1 as it considers necessary.

2 (8) To issue temporary or permanent licenses to those involved in the ownership,
3 participation or conduct of casino gaming and to review and approve the transfer of any existing
4 license(s) or facility(ies).

5 (9) Upon complaint, or upon its own motion, to levy fines and to suspend or revoke
6 licenses which the commission has issued.

7 (10) To establish and collect fees and taxes upon persons, licenses and gaming devices
8 used in, or participating in, casino gaming.

9 (11) To obtain all information from licensees and other persons and agencies which the
10 commission deems necessary or desirable in the conduct of its business.

11 (12) To issue subpoenas for the appearance or production of persons, records and things
12 in connection with applications before the commission or in connection with disciplinary or
13 contested cases considered by the commission.

14 (13) To apply for injunctive or declaratory relief to enforce the provisions of this chapter
15 and any rules and regulations pursuant to this chapter.

16 (14) To inspect and examine without notice all premises wherein casino gaming is
17 conducted or devices or equipment used in casino gaming are located, manufactured, sold or
18 distributed, and to summarily seize, remove and impound, without notice or hearing from such
19 premises any equipment, devices, supplies, books or records for the purpose of examination or
20 inspection.

21 (15) To enter into contracts with any governmental entity to carry out its duties. Such
22 contracts or formal agreements, or both, are to be based on pre-established commission criteria
23 specifying minimum levels of cooperation and conditions for payment. No state agency shall
24 count employees used in any agreements entered into with the commission for the purpose of
25 entering into, or to carry out, any agreement shall be considered an administrative expense of the
26 commission. When such agreements are entered into for responsibilities relating to casino
27 enterprise licensing, as well as ongoing casino enterprise gaming, the commission shall require
28 both casino enterprise license applicants and existing licensees to pay for such services under
29 rules and regulations of the commission. The commission may provide by rules and regulations
30 for the offset of any prize winnings won by any person making a wager subject to the jurisdiction
31 of the commission, when practical, when such person has an outstanding debt owed to the state of
32 Rhode Island.

33 (16) To exercise such other incidental powers as may be necessary to ensure the safe and
34 orderly regulation of casino gaming and the secure collection of all revenues, taxes and license

1 fees.

2 (17) To establish internal control procedures for licensees, including accounting
3 procedures, reporting procedures and personal policies.

4 (18) To establish and collect fees for performing background checks on all applicants for
5 licenses and on all persons with whom the commission or division may contract with for the
6 provision of goods or services, as the commission and division deems appropriate.

7 (19) To establish and collect fees for performing, or having performed, tests on
8 equipment and devices to be used in casino gaming.

9 (20) To establish a field office in regulated casino gaming facilities as deemed necessary
10 by the commission.

11 (21) To demand, at any time when business is being conducted, access to and inspection,
12 examination, photocopying and auditing of all papers, books and records of applicants and
13 licensees, on their premises or elsewhere as practicable and in the presence of the licensee or
14 his/her agent, pertaining to the gross income produced by any licensed gaming establishment and
15 to require verification of income, and all other matters affecting the enforcement of the policies of
16 the commission any provision of this chapter; and to impound or remove all papers, books and
17 records of applicants and licensees, without hearing, for inspection or examination.

18 (22) To prescribe voluntary alternative methods for the making, filing, signing,
19 subscribing, verifying, transmitting, receiving or storing of returns or other documents.

20 (23) The disclosure of the complete financial interest of applicants for licenses or of
21 licensees.

22 (24) The issuance or denial of gaming employee and supplier licenses.

23 (25) The granting of certain licenses with special conditions or for limited periods, or
24 both.

25 (26) The establishment of procedures for determining suitability or unsuitability of
26 persons, acts or practices.

27 (27) The payment of costs incurred in the operation and administration of the
28 commission, and the costs resulting from any contract entered into for consulting or operational
29 services;

30 (28) The payment of costs incurred by the attorney general and the Rhode Island state
31 police for investigation or background checks, which shall be paid by applicants for licenses or by
32 licensees;

33 (29) The levying of fines for violations of this act or any rule or regulation promulgated
34 pursuant to this chapter;

- 1 (30) To set the amount of license fees for all types of licenses issued by the commission;
2 (31) Establish conditions and circumstances that constitute suitability of persons,
3 locations and equipment for gaming;
4 (32) Determine the types and specification of all equipment and devices used in or with
5 casino gaming; and
6 (33) All other provisions necessary to accomplish the purposes of this chapter.

7 SECTION 3. Sections 41-9.1-5, 41-9.1-9, 41-9.1-10, 41-9.1-11, 41-9.1-12, 41-9.1-13, 41-
8 9.1-15, 41-9.1-16, 41-9.1-17, 41-9.1-18, 41-9.1-19, 41-9.1-20, 41-9.1-21, 41-9.1-22, 41-9.1-23
9 and 41-9.1-24 of the General Laws in Chapter 41-9.1 entitled "The Rhode Island Gaming Control
10 and Revenue Act" are hereby repealed.

11 ~~**41-9.1-5. State lottery division --- Jurisdiction --- Powers.** (a) In addition to its~~
12 ~~jurisdiction and powers set forth in chapter 61 of title 42, the state lottery division shall also have~~
13 ~~such jurisdiction and powers as provided for in this title. The state lottery division shall have~~
14 ~~jurisdiction over and shall supervise all gaming operations governed by this chapter. The state~~
15 ~~lottery division shall have all powers necessary and proper to fully and effectively execute this~~
16 ~~chapter; including, but not limited to, the authority to do all of the following:~~

17 ~~(1) Investigate applicants and determine the eligibility of applicants for licenses or~~
18 ~~registration and to grant licenses to applicants in accordance with this chapter and the rules~~
19 ~~promulgated under this chapter.~~

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

22 ~~(3) Enter, to the extent permissible under the Constitutions of the State of Rhode Island~~
23 ~~and of the United States of America, through its investigators agents, auditors, and the state police~~
24 ~~at any time without a warrant and without notice to the licensee, the premises, offices, casinos,~~
25 ~~facilities or other places of business of a casino licensee or gaming supplier permittee where~~
26 ~~evidence of the compliance or noncompliance with this chapter or the rules promulgated by the~~
27 ~~state lottery division is likely to be found, for the following purposes:~~

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

31 ~~(ii) To inspect, examine, audit, impound, seize or assume physical control of, or~~
32 ~~summarily remove from the premises all books, ledgers, documents, writings, photocopies,~~
33 ~~correspondence, records, videotapes, including electronically stored records, money receptacles,~~
34 ~~other containers and their contents, equipment in which the records are stored, or other gaming~~

1 ~~related equipment and supplies on or around the premises including counting rooms.~~

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

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

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

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

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

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

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

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

25 ~~(10) Revoke or suspend licenses or permits, impose fines and penalties as the state~~
26 ~~lottery division considers necessary and in compliance with this chapter and applicable laws of~~
27 ~~the state regarding administrative procedure, and review and decide the renewal of licenses.~~

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

1 ~~division.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23 ~~-(1) Issue subpoenas and compel the attendance of witnesses or the production of~~
24 ~~documents.~~

25 ~~-(2) Administer oath.~~

26 ~~-(3) Require testimony under oath before the hearing officer or hearing panel in the~~
27 ~~course of a hearing being held for any reason.~~

28 ~~-(4) Issue written interrogatories.~~

29 ~~-(e) Notwithstanding any other provisions of the general laws or regulations adopted~~
30 ~~thereunder to the contrary, including, but not limited to, the provisions of chapter 2 of title 37,~~
31 ~~and chapter 61 of title 42, the state lottery division is hereby authorized, empowered and directed~~
32 ~~to enter into a Master Contract with the Narragansett Indian Tribe and Harrah's Entertainment,~~
33 ~~Inc. or an Affiliate thereof ("Harrah's") which contract will have a term commencing on the date~~
34 ~~of execution and expiring ten (10) years from the date that the casino opens for business, and to~~

1 ~~fix in the Master Contract for the duration of such term the following: the casino license fee; the~~
2 ~~rate of taxation on the adjusted gross receipts from gaming authorized under this chapter; the two~~
3 ~~(2) year tax revenue insurance policy; the hotel occupancy tax which shall be in lieu of all other~~
4 ~~parking, admission and other related patron taxes and fees; the project investment requirement of~~
5 ~~the casino licensee; the annual funding covenant of the casino licensee in favor of the Rhode~~
6 ~~Island Council on Problem Gambling; and the annual funding covenant of the casino licensee in~~
7 ~~connection with a joint marketing budget in favor of the Rhode Island Hospitality and Tourism~~
8 ~~Association and Rhode Island Convention Center and Visitors Bureau, all as set forth and~~
9 ~~described in section 41-9.1-12. Insofar as the provisions of this act are inconsistent with the~~
10 ~~provisions of any other general or special law, the provisions of this act shall be controlling. The~~
11 ~~state does hereby pledge and agree under this act that the state will not limit, alter, diminish, or~~
12 ~~adversely impact the rights or economic benefits which vest in the casino licensee under the terms~~
13 ~~of the Master Contract authorized hereby, unless authorized by this act, and the state lottery~~
14 ~~division is hereby authorized, empowered and directed to memorialize this pledge and agreement~~
15 ~~on behalf of the state in the Master Contract.~~

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

19 ~~**41-9.1-9. State and local referendum election.** -- (a) Pursuant to the terms of R.I.~~
20 ~~Const., Art. VI, section 22 and chapter 5 of title 17, the general assembly hereby authorizes~~
21 ~~submission to all of the electors of the state, at the general election to take place on November 2,~~
22 ~~2004, the following question: "Shall there be a casino in the Town of West Warwick operated by~~
23 ~~an Affiliate of Harrah's Entertainment in association with the Narragansett Indian Tribe?"~~

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

29 ~~-(1) Evidence that the West Warwick Town Council has agreed to pose, by adopting~~
30 ~~subsequent to July 1, 2004, a resolution to be placed on the ballot at the next general election to~~
31 ~~be submitted to the qualified electors of the Town of West Warwick and to the qualified electors~~
32 ~~of the state, the question referenced in subsection (a) of this section;~~

33 ~~-(2) Adequate description of real estate designated and available for the development of~~
34 ~~the casino, which real estate shall constitute at least thirty (30) acres;~~

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

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

3 ~~(c) In the event of certification by the state lottery division of the statement of intent, the~~
4 ~~question referenced in subsection (a) shall then be submitted by the secretary of state to the~~
5 ~~qualified electors of the state at a general election to take place on November 2, 2004. The~~
6 ~~secretary of state shall certify the election results. The question shall also be submitted at the~~
7 ~~same general election by the local board of canvassers to the qualified electors of the Town of~~
8 ~~West Warwick, and the local board of canvassers shall certify the election results to the secretary~~
9 ~~of state. Notwithstanding any provisions of this section, in the event that certification by the state~~
10 ~~lottery division of the statement of intent does not occur, then any vote by the qualified electors of~~
11 ~~the state and the Town of West Warwick on the question referenced in subsection (a) shall be~~
12 ~~deemed non-binding.~~

13 ~~(d) In the event of the affirmative vote of the qualified electors of the Town of West~~
14 ~~Warwick and the qualified electors of the state, the state lottery division shall, in accordance with~~
15 ~~the provisions of this section and section 41-9.1-11, award the casino license to the applicant that~~
16 ~~is a party with the Town of West Warwick to the development agreement no later than March 1,~~
17 ~~2005.~~

18 ~~(e) In the event that the affirmative vote of both the Town of West Warwick and the~~
19 ~~electors of the state does not occur, or in the event that the casino license applicant is not able to~~
20 ~~timely file a statement of intent with the state lottery division in accordance with the provisions of~~
21 ~~subsection (b), then this chapter shall cease to have effect, and shall become null and void.~~

22 ~~(f) Notwithstanding any provision of the General Laws to the contrary, with respect to~~
23 ~~the matters contemplated in this chapter, the application and license issuance process described in~~
24 ~~this chapter shall govern and control and shall be in lieu of any other public bidding, request for~~
25 ~~proposal rights or requirements contained in the General Laws. Any decision or act by the general~~
26 ~~assembly, the secretary of state or the state lottery division in: (i) phrasing or submitting the~~
27 ~~statewide question, (ii) determining whether a statement of intent is in compliance with the filing~~
28 ~~and other provisions of this chapter, or (iii) awarding the single casino license, shall be final and~~
29 ~~binding and shall not be reviewable in any court on any grounds except corruption or fraud, so as~~
30 ~~to promote and not hinder the economic development initiatives and matters contemplated in this~~
31 ~~chapter. Jurisdiction of any suit, action or proceeding with respect to any of the foregoing shall~~
32 ~~immediately and exclusively vest in the Superior Court, and any appeal to the Rhode Island~~
33 ~~Supreme Court shall be heard on an expedited basis; provided, however, that no such suit, action~~
34 ~~or proceeding shall serve to enjoin (i) the question referenced in subsection (a) from being~~

1 ~~submitted by the Secretary of State to the qualified electors of the state at a general election to~~
2 ~~take place on November 2, 2004, and submitted at the same general election by the local board of~~
3 ~~canvassers to the qualified electors of the Town of West Warwick, (ii) the awarding and issuance~~
4 ~~of the single casino license, or (iii) any recipient of a casino license from proceeding with~~
5 ~~development or operational matters, until a final, non-appealable decision has been rendered by a~~
6 ~~court.~~

7 **41-9.1-10. Content of proposal.** ~~--- The proposal filed with the state lottery division shall~~
8 ~~be made under oath, and shall include without limitation all of the following:~~

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

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

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

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

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

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

32 ~~-(g) A statement regarding compliance with federal and state affirmative action~~
33 ~~guidelines.~~

34 **41-9.1-11. Issuance of single casino license.** ~~--- (a) The casino license issued shall remain~~

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

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

9 **41-9.1-12. Wagering and other related taxes and fees.** ~~— Subject to the provisions of~~
10 ~~section 41-9.1-5(e), the wagering and other related taxes and fees set forth below in this section~~
11 ~~shall be paid by the casino licensee, shall be fixed and memorialized in the Master Contract, and~~
12 ~~shall constitute the total remuneration owed from the casino licensee to the state during the term~~
13 ~~of the Master Contract other than as provided for in this act as of the date of its passage [July 30,~~
14 ~~2004]and other than general business and corporate taxes that all businesses of this state are~~
15 ~~subject to under the laws of this state.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9 ~~AGR greater than \$900 million 40.00%~~

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

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

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

31 ~~(f) Funding Covenant of Casino Licensee in favor of the Rhode Island Hospitality and~~
32 ~~Tourism Association and the Rhode Island Convention Center and Visitors Bureau. Fifty~~
33 ~~thousand dollars (\$50,000) per year to each entity throughout the term of the casino license shall~~
34 ~~be provided by casino licensee for the marketing of state convention and tourism business.~~

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

5 ~~**41-9.1-13. State lottery division and other approvals necessary for construction of**~~
6 ~~**casino.** (a) No casino licensed under this chapter shall open for operation until the state lottery~~
7 ~~division and all appropriate state agencies have received and approved certification from the~~
8 ~~Town of West Warwick that all casino construction has complied with all applicable provisions~~
9 ~~of this chapter, any regulations promulgated thereunder, and applicable state and local law, as~~
10 ~~well as with all provisions of the development agreement.~~

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

16 ~~**41-9.1-15. Gaming and non-gaming supplier permits and gaming employee permits**~~
17 ~~**required -- Terms.** (a) The securing of a permit under the provisions of this chapter shall be a~~
18 ~~prerequisite for performing any activity which requires a permit pursuant to this chapter.~~

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

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

25 ~~-(d) A licensee shall not employ any person in a capacity for which he is required to be~~
26 ~~issued a permit, unless he possesses a valid permit.~~

27 ~~-(e) Every person desiring to obtain a gaming supplier permit, a key gaming employee~~
28 ~~permit or a non-gaming supplier permit shall make application to the state lottery division where~~
29 ~~applicable on a form and in a manner prescribed by the state lottery division. The application~~
30 ~~forms shall be provided by the state lottery division and shall contain such information pursuant~~
31 ~~to the provisions of this chapter and the state lottery division. No application shall be accepted~~
32 ~~unless the state lottery division determines that all relevant requirements of this chapter have been~~
33 ~~met. Notwithstanding anything to the contrary contained in this chapter, the state lottery division~~
34 ~~in its sole discretion may issue such permits on a temporary basis prior to all relevant~~

1 ~~requirements of this chapter having been met, to such applicants under the circumstances and on~~
2 ~~terms that it deems appropriate.~~

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

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

9 **41-9.1-16. Gaming supplier permits.** ~~--- (a) The state lottery division shall issue a~~
10 ~~gaming supplier permit to suitable persons who supply, sell, lease or repair, or contract to supply,~~
11 ~~sell lease or repair gaming devices, equipment, and supplies to the holder of a license. A person~~
12 ~~shall not supply, sell, lease, or repair, or contract to supply, sell, lease or repair, gaming devices,~~
13 ~~equipment and supplies unless then possess a valid gaming supplier permit.~~

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

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

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

33 ~~-(e) Except as is otherwise required under section 41-9.1-17, non-gaming suppliers shall~~
34 ~~not be required to obtain a permit from the state lottery division; provided, however, the state~~

1 ~~lottery division may call forward any such non gaming supplier and require a finding of~~
2 ~~suitability if necessary to protect the public interest.~~

3 ~~**41-9.1-17. Non-gaming supplier permits.** --- (a) The state lottery division shall issue a~~
4 ~~non-gaming supplier permit to suitable persons who supply, sell, lease or repair, or contract to~~
5 ~~supply, sell, lease or repair, non-gaming devices and supplies, in amounts that in the aggregate~~
6 ~~exceed two hundred thousand dollars (\$200,000) per calendar year, to the holder of a license. A~~
7 ~~person shall not be entitled to compensation for the supply, sale, lease or repair of, or a contract to~~
8 ~~supply, sell, lease, or repair, non-gaming devices and supplies in amounts that in the aggregate~~
9 ~~exceed two hundred thousand dollars (\$200,000) per calendar year, unless they possess a valid~~
10 ~~non-gaming supplier permit.~~

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

16 ~~**41-9.1-18. Key gaming employee and key gaming employee permit.** --- (a) The state~~
17 ~~lottery division shall issue a key gaming employee permit to suitable persons pursuant to this~~
18 ~~chapter. No key gaming employee required by this chapter to be permitted may commence~~
19 ~~employment or be employed as a key gaming employee unless that person is the holder of a valid~~
20 ~~key gaming employee permit; provided, however, the state lottery division may issue temporary~~
21 ~~permits.~~

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

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

26 ~~-(d) The fee for the initial application for a key gaming employee permit issued under the~~
27 ~~provisions of this section is two hundred dollars (\$200). This fee is required to be submitted at the~~
28 ~~time of application. The renewal fee for the key gaming employee permit is one hundred dollars~~
29 ~~(\$100).~~

30 ~~**41-9.1-19. License, permit and registration as revocable privilege --- Rights,**~~
31 ~~**limitations and prohibitions --- Revocation and suspension --- Penalties for violation.** --- (a) A~~
32 ~~license, permit or registration issued under this chapter is a revocable privilege granted by the~~
33 ~~state dependent upon the holder's compliance with this chapter and rules promulgated hereunder~~
34 ~~and is not a property right. Granting a license, permit or registration under this chapter does not~~

1 ~~create or vest any right, title, franchise or other property interest. Any casino license or gaming~~
2 ~~supplier permit is exclusive to the holder, and a holder or any other person shall apply for and~~
3 ~~receive the state lottery division's approval before a casino license or gaming supplier permit is~~
4 ~~transferred, sold or purchased, or before a voting trust agreement or other similar agreement is~~
5 ~~established with respect to such. A holder of a casino license or gaming supplier permit, or any~~
6 ~~other person, shall not lease, pledge, or borrow, or loan money against such license or permit. The~~
7 ~~attempted transfer, sale or other conveyance of an interest in a casino license or gaming supplier~~
8 ~~permit without prior state lottery division approval is grounds for suspension or revocation of the~~
9 ~~license or permit, or other sanctions considered appropriate by the state lottery division. In the~~
10 ~~event of any transfer, sale or other conveyance of a casino license or gaming supplier permit,~~
11 ~~including those ordered by a court of competent jurisdiction in connection with a bankruptcy,~~
12 ~~receivership or other like proceeding, the state lottery division shall have the right to approve any~~
13 ~~proposed transferee pursuant to the requirements of this chapter. Any costs associated with a~~
14 ~~transfer, sale or other conveyance of a casino license or gaming supplier permit shall be borne by~~
15 ~~the transferee.~~

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

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

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

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

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

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

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

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

20 ~~-(5) Hearings are subject to chapter 46 of title 42, entitled "open meetings", and the~~
21 ~~holder has an opportunity to be heard in person or by counsel. The state lottery division shall~~
22 ~~render a decision on any application or complaint within sixty (60) days after the final hearing on~~
23 ~~the matter and shall immediately notify the parties to the proceedings, in writing, of its ruling,~~
24 ~~order or decision. In the event the matter contained in the complaint has been filed or made part~~
25 ~~of a case pending in any court of this state, the state lottery division may then withhold its~~
26 ~~decision until the court action has been concluded. Hearings are held in accordance with rules~~
27 ~~promulgated by the state lottery division in conformity with state and federal law.~~

28 ~~-(e) The state lottery division may suspend a license, permit or registration, without notice~~
29 ~~or hearing, upon a determination that the safety or health of patrons or employees is jeopardized.~~
30 ~~If the state lottery division suspends a license, permit or registration under this subsection without~~
31 ~~notice or hearing, a prompt post-suspension hearing shall be held in accordance with subsection~~
32 ~~(d) to determine if the suspension should remain in effect. The suspension may remain in effect~~
33 ~~until the state lottery division determines that the cause for suspension has been abated. The state~~
34 ~~lottery division may revoke the license, permit or registration upon a determination that the~~

1 ~~holder has not made satisfactory progress toward abating the hazard.~~

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

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

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

24 ~~(h) Any person aggrieved has the right of appeal from any adverse ruling, order or~~
25 ~~decision of the state lottery division to a court of competent jurisdiction in the county where the~~
26 ~~hearing was held within thirty (30) days from the service of notice of the action of the state lottery~~
27 ~~division upon the parties to the hearing.~~

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

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

1 ~~the court so directs.~~

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

7 ~~**41-9.1-20. Records of state lottery division deemed open -- Exceptions.**~~ (a) Except
8 ~~as otherwise provided in this chapter or other chapters, records of the state lottery division shall~~
9 ~~be public records. A record of the state lottery division shall be confidential when the record:~~

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

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

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

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

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

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

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

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

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

30 ~~-(b) Confidential information or data which is obtained by the state lottery division may~~
31 ~~not be revealed in whole or in part except in the course of the proper administration of this~~
32 ~~chapter. However, the state lottery division or its authorized agents may reveal such information~~
33 ~~or data to an authorized agent of any agency of the United States government or to any agent of~~
34 ~~this state or of any political subdivision of this state, pursuant to rules and regulations adopted by~~

1 ~~the state lottery division, or pursuant to a lawful order of a court of competent jurisdiction. Notice~~
2 ~~of the content of any information or data furnished or released pursuant to this section may be~~
3 ~~given to the applicant or licensee to whom it pertains in a manner prescribed by rules adopted by~~
4 ~~the state lottery division.~~

5 ~~(c) No state lottery division member, employee, agent, or authorized representative shall~~
6 ~~disclose, divulge, disseminate, or otherwise transmit or communicate any confidential state~~
7 ~~lottery division record, reports, or any confidential information therein, except as permitted in this~~
8 ~~section and then only with the approval of the state lottery division. Disclosure of any~~
9 ~~confidential state lottery division record, report, or any information therein other than as provided~~
10 ~~in this section shall be grounds for removal of a state lottery division member or termination of~~
11 ~~any employee.~~

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

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

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

24 **41-9.1-21. Restricted use agreements — confidentiality of records.** ~~(a) The state~~
25 ~~lottery division may enter into intelligence sharing, reciprocal use, or restricted use agreements~~
26 ~~with a department or agency of the federal government, law enforcement agencies, and gaming~~
27 ~~enforcement and regulatory agencies of other jurisdictions which provide for and regulate the use~~
28 ~~of information provided and received pursuant to the agreement.~~

29 ~~(b) Records, documents and information in the possession of the state lottery division~~
30 ~~received pursuant to an intelligence sharing, reciprocal use or restricted use agreement entered~~
31 ~~into by the state lottery division with a federal department or agency, any law enforcement~~
32 ~~agency, or the gaming enforcement or regulatory agency of any jurisdiction shall be considered~~
33 ~~investigative records of a law enforcement agency and shall not be disseminated under any~~
34 ~~condition without the permission of the person or agency providing the record or information or~~

1 ~~by order of a court with competent jurisdiction over the matter.~~

2 ~~**41-9.1-22. Standards for license, permit and registration issuance suitability**~~
3 ~~**qualifications.**~~ (a) ~~No applicant shall be eligible to obtain a license to conduct gaming~~
4 ~~operations, a permit or registration unless the state lottery division: (i) has, with respect to a~~
5 ~~casino license applicant, received a filing made under oath that includes, without limitation, the~~
6 ~~information set forth below, and (ii) is satisfied that the applicant is suitable. In determining~~
7 ~~whether a casino license applicant is suitable, the state lottery division may consider, in addition~~
8 ~~to the information set forth below, whether the applicant has been found suitable and/or has been~~
9 ~~issued a license to conduct casino gaming in other jurisdictions.~~

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

29 ~~(2) An identification of any business, including, if applicable, the state of incorporation~~
30 ~~or registration, in which an applicant or any other person or entity identified in subdivision (a)(1)~~
31 ~~has an equity interest of five percent (5%) or more. If an applicant is a corporation, partnership, or~~
32 ~~other business entity, the applicant shall identify any other corporation, partnership, or other~~
33 ~~business entity in which it has an equity interest of five percent (5%) or more; including, if~~
34 ~~applicable, the state of incorporation or registration. An applicant can comply with this~~

1 ~~subdivision by filing a copy of the applicant's registration with the securities exchange board if~~
2 ~~the registration contains the information required by this subsection.~~

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

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

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

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

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

25 ~~c. that the applicant has sufficient business ability and casino experience as to establish~~
26 ~~the likelihood of creation and maintenance of a successful, efficient and competitive casino~~
27 ~~operation.~~

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

31 ~~(7) A statement listing the names and titles of all Rhode Island public officials or officers~~
32 ~~of any unit of government, and the spouses, parents, and children of those public officials or~~
33 ~~officers who, directly or indirectly, own any financial interest in, have any beneficial interest in,~~
34 ~~are the creditors of or hold any debt instrument issued by, or hold or have any interest in any~~

1 ~~contractual or service relationship with an applicant. As used in this subsection, the terms "public~~
2 ~~official" and "officer" do not include a person who would have to be listed solely because of his~~
3 ~~or her state or federal military service. This subsection shall not apply to public officials or~~
4 ~~officers or the spouses, parents and children thereof, whose sole financial interest amounts to less~~
5 ~~than a one percent (1%) ownership interest in a publicly traded company.~~

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

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

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

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

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

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

25 ~~(2) Is a person whose prior activities, criminal record, if any, reputation, habits, and~~
26 ~~associations do not pose a threat to the public interest of this state or to the effective regulation~~
27 ~~and control of gaming, or create or enhance the dangers of unsuitable, unfair, or illegal practices,~~
28 ~~methods, and activities in the conduct of gaming or the carrying on of the business and financial~~
29 ~~arrangements incidental thereto.~~

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

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

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

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

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

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

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

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

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

21 ~~-(g) All licensees, all permittees, and any other persons who have been found suitable or~~
22 ~~approved by the state lottery division shall maintain suitability throughout the term of the license,~~
23 ~~permit or approval. In the event of a current prosecution of an offense, the state lottery division~~
24 ~~shall have the discretion to defer a determination on a person's continuing suitability pending the~~
25 ~~outcome of the proceedings, provided that if a decision is deferred pending such outcome, the~~
26 ~~state lottery division, where applicable, may take such action as is necessary to protect the public~~
27 ~~trust, including the suspension of any license, permit or registration.~~

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

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

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

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

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

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

25 ~~-(4) Exercise significant influence over activities of a person, or a holding or intermediary~~
26 ~~company of a person, holding a license, permit, or other approval issued pursuant to the~~
27 ~~provisions of this chapter.~~

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

32 **41-9.1-23. Casino license -- Disqualification criteria.** -- The state lottery division shall
33 not award a casino or other license, permit or registration to any person who is disqualified on the
34 basis of any of the following criteria:

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

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

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

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

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

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

19 ~~**41-9.1-24. Institutional investors or institutional lenders.** -- (a) Requirements of~~
20 ~~disclosure or of being suitable or qualified with respect to an institutional investor or institutional~~
21 ~~lender, pursuant to the provisions of this chapter and the rules adopted pursuant thereto, shall be~~
22 ~~deemed to have been complied with upon submission of documentation by the casino licensee~~
23 ~~applicant, casino licensee, permittee or the institution, as appropriate, sufficient to establish~~
24 ~~qualifications as an institutional investor or institutional lender as defined herein and it is~~
25 ~~determined that:~~

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

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

34 ~~-(b) The exercise of voting privileges with regard to publicly traded securities shall not be~~

1 ~~deemed to constitute the exercise of influence over the affairs of the issuer of such securities.~~

2 ~~(c) The state lottery division may rescind the presumption of suitability for an~~
3 ~~institutional lender or institutional investor at any time if the institutional lender or investor~~
4 ~~exercises or intends to exercise influence or control over the affairs of the casino licensee~~
5 ~~applicant, the casino licensee, permittee, or a holding, intermediate, or parent company of the~~
6 ~~casino licensee applicant, the casino licensee or permittee.~~

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

11 SECTION 4. Title 41 of the General Laws entitled "SPORTS, RACING, AND
12 ATHLETICS" is hereby amended by adding thereto the following chapter:

13 CHAPTER 9.2

14 GAMING ENFORCEMENT

15 **41-9.2-1. Attorney general's division of gaming enforcement.** – There is hereby
16 established in the department of attorney general the division of gaming enforcement. The
17 division shall be under the immediate supervision of a director who shall also be sworn as an
18 assistant attorney general and who shall administer the work of the division under the direction
19 and supervision of the attorney general. The attorney general shall be responsible for the exercise
20 of the duties and powers assigned to the division.

21 **41-9.2-2. Organization and employees.** – The attorney general shall organize the work
22 of the division in such bureaus and other organizational units as he/she may determine to be
23 necessary for efficient and effective operation and shall assign to the division such employees of
24 the department of attorney general as may be necessary to assist the director in the performance
25 of his/her duties. Subject to the approval of the superintendent of state police, the Rhode Island
26 state police shall assign such supervisory and investigative personnel and other resources to the
27 division of gaming enforcement as may be necessary to fulfill its obligations under this act.

28 **41-9.2-3. Annual assessments of licensees.** – (a) The chairperson of the Rhode Island
29 gaming commission shall make an annual assessment against each applicant and casino licensee
30 subject to regulation under title 41 with respect to casino gaming. The annual assessment shall be
31 for all reasonable expenditures incurred by the division in matters involving casino gaming
32 regulation enforcement and oversight. The assessments shall be in amounts annually determined
33 and certified by the attorney general to the chairperson of the Rhode Island gaming commission
34 as sufficient reimbursement for the expenditures of the attorney general and the Rhode Island

1 state police on behalf of the commission and division and shall be proportionately assessed by the
2 chairperson of the Rhode Island gaming commission against each casino licensee, or casino
3 enterprise license applicant.

4 (b) A company may meet its obligations under this section by directly reimbursing the
5 attorney general and by notifying the chairperson of the Rhode Island gaming commission of the
6 amount of the payment.

7 **41-9.2-4. Division of gaming enforcement – General duties and powers. – The**
8 **division of gaming enforcement shall:**

9 (1) Investigate all applications, enforce the provisions of this chapter and any regulations
10 promulgated hereunder, and prosecute before the commission all proceedings for violations of
11 this act or any regulations promulgated hereunder;

12 (2) Provide the commission with all information necessary for all actions under this
13 chapter and for all proceedings involving enforcement of the provisions of this chapter or any
14 regulations promulgated hereunder; and

15 (3) Investigate the qualifications of each applicant before any license, certificate, or
16 permit is issued pursuant to the provisions of this chapter;

17 (4) Investigate the circumstances surrounding any act or transaction for which
18 commission approval is required;

19 (5) Investigate violations of this chapter and regulations promulgated hereunder;

20 (6) Initiate, prosecute and defend such proceedings before the commission, or appeals
21 therefrom, as the division may deem appropriate;

22 (7) Provide assistance upon request by the commission in the consideration and
23 promulgation of rules and regulations;

24 (8) Conduct continuing reviews of casino operations through on-site observation and
25 other reasonable means to assure compliance with this chapter and regulations promulgated
26 hereunder;

27 (9) Receive and take appropriate action on any referral from the commission relating to
28 any evidence of a violation of the regulations promulgated thereunder;

29 (10) To the extent allowed by the law, exchange fingerprint data with, and receive
30 criminal history information from the Federal Bureau of Investigation for use in considering
31 applicants for any license or registration issued pursuant to any regulations promulgated;

32 (11) Conduct audits of casino operations at such times, under such circumstances, and to
33 such extent as the director shall determine, including reviews of accounting, administrative and
34 financial records, and management control systems, procedures and records utilized by a casino

1 licensee;

2 (12) Be entitled to request and receive information, materials and other data from any
3 licensee or registrant, or applicant for a license or registration under this chapter; and

4 (13) Report to the attorney general and the commission recommendations that promote
5 more efficient operations of the division.

6 **41-9.2-5 Cooperation by licensees, registrants or applicants.** -- Each licensee or
7 registrant, or applicant for a license or registration under this chapter shall cooperate with the
8 division in the performance of its duties.

9 **41-9.2-6 Appropriation -- Reimbursement.** -- There is appropriated for the first year of
10 the effective date a sum sufficient to fund the operations of the division. This appropriation shall
11 be reimbursed either directly from the casino enterprise licensee(s) licensed under this chapter or
12 indirectly assessed by the chairperson of the Rhode Island gaming control commission pursuant
13 to this chapter. The amount owing from such license(s) shall be paid to the general fund no later
14 than the first (1st) day such casino(s) open for operation or upon transfer of an existing gaming
15 license. Operations of the division during subsequent fiscal years shall be funded by the fees paid
16 by licensees and suppliers pursuant to the provisions of this chapter.

17 SECTION 5. This act shall take effect in accordance with the Rhode Island Constitution,
18 when Article VI, Section 22 of the Rhode Island Constitution is amended by the voters to allow
19 casino gaming.

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LC01402
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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO SPORTS, RACING AND ATHLETICS - THE RHODE ISLAND GAMING
CONTROL AND REVENUE ACT

1 This act would establish the Rhode Island gaming control and enforcement Act, would
2 establish gaming enforcement within the department of attorney general, and would create the
3 Rhode Island gaming control commission.

4 This act would take effect in accordance with the Rhode Island Constitution, when
5 Article VI, Section 22 of the Rhode Island Constitution is amended by the voters to allow casino
6 gaming.

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