

**2008 -- H 7040 SUBSTITUTE A AS AMENDED**

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LC00259/SUB A/3  
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**STATE OF RHODE ISLAND**

**IN GENERAL ASSEMBLY**

**JANUARY SESSION, A.D. 2008**

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT

Introduced By: Representatives San Bento, Rose, Singleton, Shanley, and Slater

Date Introduced: January 03, 2008

Referred To: House Finance

It is enacted by the General Assembly as follows:

1           SECTION 1. Sections 42-61.2-1, 42-61.2-6 and 42-61.2-7 of the General Laws in  
2 Chapter 42-61.2 entitled "Video Lottery Terminal" are hereby amended to read as follows:

3           **42-61.2-1. Definitions.** -- For the purpose of this chapter, the following words shall  
4 mean:

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

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

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

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

17           (i) Dog racing, pursuant to chapter 3.1 of title 41; and/or

18           (ii) Jai-alai games, pursuant to chapter 7 of title 41.

19           (5) "Technology provider" means any individual, partnership, corporation, or association

1 that designs, manufactures, installs, operates, distributes or supplies video lottery machines or  
2 associated equipment for the sale or use in this state.

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

5 (7) "Video lottery terminal" means any electronic computerized video game machine  
6 that, upon the insertion of cash, is available to play a video game authorized by the lottery  
7 division, and which uses a video display and microprocessors in which, by chance, the player  
8 may receive free games or credits that can be redeemed for cash. The term does not include a  
9 machine that directly dispenses coins, cash, or tokens.

10 **42-61.2-6. When games may be played.** – (a) Video lottery games authorized by this  
11 chapter may be played at the licensed video lottery retailer's facilities with the approval of the  
12 lottery commission even if that facility is not conducting a pari-mutuel event.

13 (b) Upon the effective date of this section, the facilities known as "Twin River" in  
14 Lincoln, Rhode Island, and "Newport Grand" in Newport, Rhode Island, are permitted at their  
15 discretion to maintain and operate all video lottery games which said facilities are authorized to  
16 conduct on a twenty-four (24) hour basis, on weekends and federal or state recognized holidays.  
17 For purposes of operating these additional hours on weekends, the facility may open at its  
18 regularly scheduled time on Friday, and then remain open through its regular closing time on  
19 Sunday evening, except that if the federal or state holiday is recognized on a Monday, the facility  
20 may remain open through to that Monday and close at the normal closing time on Monday. For  
21 purposes of operating these additional hours on federal or state recognized holidays, the facility  
22 may open at its regular time on the day preceding the holiday, and then remain open through to  
23 what would be its regular closing time on the holiday. It shall be the duty of the pari-mutuel  
24 licensees operating the respective facilities, under the supervision of the division of state lottery,  
25 to account for the amount of funds generated during and by these additional hours of operation.  
26 The normal closing time for said facilities shall be no later than three (3) o'clock A.M. except as  
27 provided herein.

28 **42-61.2-7. Division of revenue.** -- (a) Notwithstanding the provisions of section 42-61-  
29 15, the allocation of net terminal income derived from video lottery games is as follows:

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

33 (i) Except for the fiscal year ending June 30, 2008, nineteen one hundredths of one  
34 percent (0.19%) up to a maximum of twenty million dollars (\$20,000,000) shall be equally

1 allocated to the distressed communities as defined in section 45-13-12 provided that no eligible  
2 community shall receive more than twenty-five percent (25%) of that community's currently  
3 enacted municipal budget as its share under this specific subsection. Distributions made under  
4 this specific subsection are supplemental to all other distributions made under any portion of  
5 general laws section 45-13-12. For the fiscal year ending June 30, 2008 distributions by  
6 community shall be identical to the distributions made in the fiscal year ending June 30, 2007 and  
7 shall be made from general appropriations.

8 (ii) Five one hundredths of one percent (0.05%) up to a maximum of five million dollars  
9 (\$5,000,000) shall be appropriated to property tax relief to fully fund the provisions of section 44-  
10 33-2.1. The maximum credit defined in subdivision 44-33-9(2) shall increase to the maximum  
11 amount to the nearest five dollar (\$5.00) increment within the allocation until a maximum credit  
12 of five hundred dollars (\$500) is obtained. In no event shall the exemption in any fiscal year be  
13 less than the prior fiscal year.

14 (iii) One and twenty-two one hundredths of one percent (1.22%) to fund section 44-34.1-  
15 1, entitled "Motor Vehicle and Trailer Excise Tax Elimination Act of 1998", to the maximum  
16 amount to the nearest two hundred fifty dollar (\$250) increment within the allocation. In no event  
17 shall the exemption in any fiscal year be less than the prior fiscal year.

18 (iv) Except for the fiscal year ending June 30, 2008, ten one hundredths of one percent  
19 (0.10%) to a maximum of ten million dollars (\$10,000,000) for supplemental distribution to  
20 communities not included in paragraph (a)(1)(i) above distributed proportionately on the basis of  
21 general revenue sharing distributed for that fiscal year. For the fiscal year ending June 30, 2008  
22 distributions by community shall be identical to the distributions made in the fiscal year ending  
23 June 30, 2007 and shall be made from general appropriations.

24 (2) To the licensed video lottery retailer:

25 (a) (i) Prior to the effective date of the NGJA Master Contract, Newport Jai Ali twenty-  
26 six percent (26%) minus three hundred eighty four thousand nine hundred ninety-six dollars  
27 (\$384,996);

28 (ii) On and after the effective date of the NGJA Master Contract, to the licensed video  
29 lottery retailer who is a party to the NGJA Master Contract, all sums due and payable under said  
30 Master Contract minus three hundred eighty four thousand nine hundred ninety-six dollars  
31 (\$384,996).

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

1 thousand six hundred eighty-seven dollars (\$767,687);

2 (ii) On and after the effective date of the UTGR Master Contract, to the licensed video  
3 lottery retailer who is a party to the UTGR Master Contract, all sums due and payable under said  
4 Master Contract minus seven hundred sixty-seven thousand six hundred eighty-seven dollars  
5 (\$767,687).

6 (3) (i) To the technology providers who are not a party to the GTECH Master Contract  
7 as set forth and referenced in Public Law 2003, Chapter 32, seven percent (7%) of the net  
8 terminal income of the provider's terminals;

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

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

14 (4) To the city of Newport one and one hundredth percent (1.01%) of net terminal  
15 income of authorized machines at Newport Grand except that upon passage the allocation shall be  
16 one and two tenths percent (1.2%) of net terminal income of authorized machines at Newport  
17 Grand for each week the facility operates video lottery games on a twenty-four (24) hour basis for  
18 all eligible hours authorized in section 42-61.2-6(b) and to the town of Lincoln one and twenty-  
19 six hundredths (1.26%) of net terminal income of authorized machines at Lincoln Park; ~~and~~ except  
20 that upon passage the allocation shall be one and forty-five hundredths percent (1.45%) of net  
21 terminal income of authorized machines at Lincoln Park for each week the facility operates video  
22 lottery games on a twenty-four (24) hour basis for all eligible hours authorized in section 42-61.2-  
23 6(b);

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

34 (6) To the permanent school fund established in chapter 16-4 the additional revenue

1 accruing to the state as the direct result of the additional hours authorized by this act net of the  
2 additional revenue to the city of Newport and the Town of Lincoln resulting directly from the  
3 additional hours authorized under this act, not to exceed fourteen million one hundred thousand  
4 dollars (\$14,100,000) by June 30, 2009, to be allocated as aid to local education authorities as  
5 determined by the general assembly for fiscal year 2009, notwithstanding the provisions of  
6 chapter 16-4 of the Rhode Island General Laws.

7 ~~(6)~~ (7) Unclaimed prizes and credits shall remit to the general fund of the state;

8 ~~(7)~~ (8) Payments into the state's general fund specified in subdivisions (a)(1) and  
9 (a)~~(6)~~(7) shall be made on an estimated monthly basis. Payment shall be made on the tenth day  
10 following the close of the month except for the last month when payment shall be on the last  
11 business day.

12 SECTION 2 This act shall take effect upon passage and shall expire on June 30, 2009.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO STATE AFFAIRS AND GOVERNMENT

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1           This act would permit the operation of video lottery games on a twenty-four hour basis  
2 on weekends and federally recognized holidays at the Twin River and Newport Grand facilities.

3           This act would take effect upon passage.

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