



State of Rhode Island and Providence Plantations

State House  
Providence, Rhode Island 02903-1196  
401-222-2080

Donald L. Carcieri  
Governor

July 2, 2009

TO THE HONORABLE, THE PRESIDENT OF THE SENATE:

In accordance with the provisions of Section 14, Article IX of the Constitution of the State of Rhode Island and Section 43-1-4 of the Rhode Island General Laws, I transmit, with my disapproval, 2009 S 0286, Substitute B, as amended, "An Act Relating to State Affairs and Government – Video Lottery Terminal."

I have vetoed the above captioned legislation because of my opposition to the provisions of Section 2 thereof which proposes to increase the number of days that the dog track must be operated annually from one hundred twenty-five (125) days to two hundred (200) days.

Dog racing at Twin River is unprofitable. Over the past fifteen (15) years, the wagers on live racing in Rhode Island have decreased from \$150 million in 1990 to \$13 million in the current year, a decrease of over 90%.

On Tuesday, June 23, 2009, BLB, owner of Twin River, filed for bankruptcy. The legislation may be viewed by the bankruptcy court as having been enacted to do an "end run" around the pending bankruptcy proceedings. The increase in the number of statutorily mandated racing days is inconsistent with the premises and predicates of the consensual restructuring agreed to by BLB, the Lenders and the Administration. To the extent that the enactment of the legislation were to interfere with the completion of the restructuring agreement, the legislation could actually result in the BLB bankruptcy filing becoming a protracted, free-fall proceeding – as opposed to a consensual one. If that occurs, the State could incur millions of dollars in expenses to protect the State's interest in what no doubt will be a protracted bankruptcy proceeding. In addition, the State has been advised that there could be a decrease of 10% or more in revenues to the State from the facility if a free-fall bankruptcy were to occur. That is a risk that the State can not afford to take.

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In addition, BLB pays the Rhode Island Greyhound Owners Association \$9 million per year, an amount which contributes to Twin River's crippling debt. Most of that money inures to the benefit of out-of-state kennel and dog owners and not Rhode Islanders. The fundamentally unsustainable \$9 million annual payment made by BLB to the Rhode Island Greyhound Owners Association will in all likelihood be rejected by the bankruptcy court.

There has been some speculation that without this legislation 225 jobs will be lost. According to the State's licensing records, there are fewer than half that number of individuals currently licensed and authorized to work at Twin River in positions related to dog racing. Some of those are part-time positions, some also perform functions related to simulcast wagering and some of them are kennel owners who share in the \$9 million referenced above.

For all of the above reasons this legislation is not in the best interests of the taxpayers of the State of Rhode Island.

For these reasons, I disapprove of this legislation and respectfully urge your support of this veto.

Sincerely,

A handwritten signature in black ink, appearing to read "Donald L. Carcieri", followed by a horizontal line extending to the right.

Donald L. Carcieri  
Governor