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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- STATE LOTTERY

Introduced By: Senators Ciccone, Tikoian, and Urso

Date Introduced: February 26, 2025

Referred To: Senate Labor & Gaming

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 42-61-4 of the General Laws in Chapter 42-61 entitled "State Lottery"

2 is hereby amended to read as follows:

3 **42-61-4. Powers and duties of director.**

4 The director shall have the power and it shall be the director's duty to:

5 (1) Supervise and administer the operation of lotteries in accordance with this chapter,
6 chapter 61.2 of this title and with the rules and regulations of the division;

7 (2) Act as the chief administrative officer having general charge of the office and records
8 and to employ necessary personnel to serve at the director's pleasure and who shall be in the
9 unclassified service and whose salaries shall be set by the director of the department of revenue,
10 pursuant to the provisions of § 42-61-3;

11 (3) In accordance with this chapter and the rules and regulations of the division, license as
12 agents to sell lottery tickets those persons, as in the director's opinion, who will best serve the
13 public convenience and promote the sale of tickets or shares. The director may require a bond from
14 every licensed agent, in an amount provided in the rules and regulations of the division. Every
15 licensed agent shall prominently display the agent's license, or a copy of the agent's license, as
16 provided in the rules and regulations of the committee;

17 (4) Confer regularly as necessary or desirable, and not less than ~~nine (9)~~ four (4) times per
18 year, and at the call of the chair and vice chair of the committee, with the permanent joint committee
19 on state lottery on the operation and administration of the lotteries; make available for inspection

1 by the committee, upon request, all books, records, files, and other information, and documents of
2 the division; advise the committee and recommend those matters that the director deems necessary
3 and advisable to improve the operation and administration of the lotteries;

4 (5) Suspend or revoke any license issued pursuant to this chapter, chapter 61.2 of this title
5 or the rules and regulations promulgated under this chapter and chapter 61.2 of this title;

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

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

18 (8) Carry on a continuous study and investigation of the state lotteries throughout the state,
19 and the operation and administration of similar laws, which may be in effect in other states or
20 countries; and the director shall continue to exercise the director's authority to study, evaluate, and
21 where deemed feasible and advisable by the director, implement lottery-related initiatives,
22 including but not limited to, pilot programs for limited periods of time, with the goal of generating
23 additional revenues to be transferred by the lottery to the general fund pursuant to § 42-61-15(a)(3).
24 Each such initiative shall be objectively evaluated from time to time using measurable criteria to
25 determine whether the initiative is generating revenue to be transferred by the lottery to the general
26 fund. Nothing herein shall be deemed to permit the implementation of an initiative that would be
27 inconsistent with existing law or that would constitute an expansion of gambling requiring voter
28 approval under applicable Rhode Island law;

29 (9) Implement the creation and sale of commercial advertising space on lottery tickets as
30 authorized by this section as soon as practicable after June 22, 1994;

31 (10) Promulgate rules and regulations, which shall include, but not be limited to:

32 (i) The price of tickets or shares in the lotteries;

33 (ii) The number and size of the prizes on the winning tickets or shares;

34 (iii) The manner of selecting the winning tickets or shares;

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

1 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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RELATING TO STATE AFFAIRS AND GOVERNMENT -- STATE LOTTERY

1 This act would reduce the number of times the director of the lottery has to confer with the
2 permanent joint committee on state lottery from nine (9) times per year to four (4) times per year
3 or at the call of the chair and vice chair of the committee.

4 This act would take effect upon passage.

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