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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- VIDEO LOTTERY, GAMES,
TABLE GAMES AND SPORTS WAGERING

Introduced By: Representatives Dawson, Corvese, Slater, Read, O'Brien, and Voas

Date Introduced: February 27, 2026

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 42-61.2-1, 42-61.2-2.4, 42-61.2-3.3 and 42-61.2-5 of the General
2 Laws in Chapter 42-61.2 entitled "Video Lottery Games, Table Games and Sports Wagering" are
3 hereby amended to read as follows:

4 **42-61.2-1. Definitions.**

5 For the purpose of this chapter, the following words shall mean:

6 (1) "2017 Budget Act" means 2017 — H 5175 Substitute A, as amended, entitled "An Act
7 Relating to Making Appropriations for the Support of the State for the Fiscal Year ending June 30,
8 2018," which Act was signed into law by the Governor of Rhode Island on August 3, 2017.

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

15 (3) "Central communication system" means a system approved by the Division, linking all
16 Video Lottery Terminals at a licensed video lottery retailer location to provide auditing program
17 information and any other information determined by the Division. In addition, the central
18 communications system must provide all computer hardware and related software necessary for the

1 establishment and implementation of a comprehensive system as required by the Division.

2 (4) “Collegiate sports or athletic event” means a sporting event offered or sponsored by or
3 played in connection with, a public or private institution that offers educational services beyond
4 the secondary level, but shall not include a collegiate sports contest or collegiate athletic event that
5 takes place in Rhode Island or a sports contest or athletic event in which any Rhode Island college
6 team participates regardless of where the event takes place unless such contest or event is part of a
7 collegiate tournament.

8 (5) “Collegiate tournament” means a series of collegiate sports or athletic events involving
9 four (4) or more collegiate teams that make up a single unit of competition.

10 (6) “Consolidated promotional points program” means, collectively, the “Initial
11 Promotional Points Program” and the “Supplementary Promotional Points Program” applicable to
12 the Lincoln gaming facility and the “Initial Promotional Points Program” and the “Supplementary
13 Promotional Points Program” applicable to the Tiverton gaming facility, with each of the terms
14 “Initial Promotional Points Program” and “Supplementary Promotional Points Program” having
15 the meanings given such terms in the 2017 Budget Act.

16 (7) “Credit facilitator” means any employee of a licensed video lottery retailer approved in
17 writing by the Division whose responsibility is to, among other things, review applications for
18 credit by players, verify information on credit applications, grant, deny, and suspend credit,
19 establish credit limits, increase and decrease credit limits, and maintain credit files, all in
20 accordance with this chapter and rules and regulations approved by the Division.

21 (8) “DBR” means the department of business regulation, division of gaming and athletics
22 licensing, and any successor in interest thereto.

23 (9) “Director” means the director of the Division.

24 (10) “Division” means the state lottery division of the department of revenue and/or any
25 successor in interest thereto.

26 (11) “Hosting facility” refers to the Lincoln gaming facility and the Tiverton gaming
27 facility.

28 (12)(i) “iGaming” means casino gaming, inclusive of online slot games and online table
29 games as defined herein, and made available to players who have reached twenty-one (21) years of
30 age through the use of the internet through computers, mobile applications on mobile devices, or
31 other interactive devices approved by the Division, which wagers are accepted by a server-based
32 gaming system located at the premises of a hosting facility.

33 (ii) All wagers on iGaming games shall be deemed to be placed and accepted, and iGaming
34 games shall be deemed to be operated on the Division’s behalf, at the premises of a hosting facility.

1 (iii) Notwithstanding the foregoing, the term “iGaming” does not include the following:

2 (A) Sports wagering conducted under § 42-61.2-2.4;

3 (B) Online sports wagering conducted under § 42-61.2-2.4 and regulated elsewhere
4 pursuant to the general laws, including in § 42-61.2-16;

5 (C) Pari-mutuel betting on the outcome of thoroughbred or harness horse racing, or
6 greyhound dog racing, including, but not limited to, pari-mutuel wagering on a race that is
7 “simulcast” (as defined in § 41-11-1), as regulated elsewhere pursuant to the general laws,
8 including in chapters 3, 3.1, 4, and 11 of title 41;

9 (D) Off-track betting on racing events, as regulated elsewhere pursuant to the general laws,
10 including in chapter 10 of title 41;

11 (E) Wagering on the respective scores or points of the game of jai alai or pelota and the
12 sale of pari-mutuel pools related to such games, as regulated elsewhere pursuant to the general
13 laws, including in chapter 7 of title 41; and

14 (F) Lotteries, charitable gaming, games of chance, bingo games, raffles, and pull-tab lottery
15 tickets, to the extent permitted and regulated pursuant to chapter 19 of title 11.

16 (13) “iGaming game vendor” means any entity authorized to provide online slot games and
17 online table games, as approved by the Division in connection with iGaming, on the Division’s
18 behalf in accordance with this chapter, such online slot games and online table games being games
19 owned or licensed by the iGaming game vendor (or by an entity controlling, controlled by, or under
20 common control with such entity) or games owned or licensed by a third party, that (in either case)
21 are licensed to the iGaming game vendor for sublicense to the Division as authorized by the
22 Division.

23 (14) “iGaming platform vendor” means an entity that operates a hosting facility (or by an
24 entity controlling, controlled by, or under common control with such an entity) and that is
25 authorized by the Division to conduct iGaming on the Division’s behalf in accordance with this
26 chapter.

27 (15) “IGT” means IGT Global Solutions Corporation, a Delaware corporation.

28 (16) “Licensed video lottery retailer” means a pari-mutuel licensee specifically licensed by
29 the Director subject to the approval of the Division to become a licensed video lottery retailer.

30 (17) “Lincoln gaming facility” means the gaming and entertainment facility located at 100
31 Twin River Road in the town of Lincoln, Rhode Island (sometimes referred to as “Twin River” or
32 the “Twin River gaming facility”).

33 (18) “Marketing Year” means the fiscal year of the state.

34 (19) “Net table-game revenue” means win from table games minus counterfeit currency.

1 (20) “Net terminal income” means currency placed into a Video Lottery Terminal less
2 credits redeemed for cash by players.

3 (21) “Newport Grand” means Newport Grand, LLC, a Rhode Island limited liability
4 company, successor to Newport Grand Jai Alai, LLC, and each permitted successor to and assignee
5 of Newport Grand, LLC under the Newport Grand Master Contract, including, without limitation,
6 Premier (as defined in subsection (33) of this section) and/or Twin River-Tiverton (as defined in
7 subsection (48) of this section) provided it is a pari-mutuel licensee (as defined in this section);
8 provided, further, however, where the context indicates that the term is referring to the physical
9 facility, then it shall mean the gaming and entertainment facility located at 150 Admiral Kalbfus
10 Road, Newport, Rhode Island.

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

14 (23) “Newport Grand Master Contract” means that certain master video lottery terminal
15 contract made as of November 23, 2005, by and between the division of lotteries of the Rhode
16 Island department of administration and Newport Grand, as amended and extended from time to
17 time as authorized therein and/or as such Newport Grand Master Contract may be assigned as
18 permitted therein.

19 (24) “Online gaming account” means an account opened by a patron that such patron shall
20 use for the deposit and withdrawal of funds used for online sports wagering, iGaming, or both. An
21 online gaming account may be used for both online sports wagering conducted under § 42-61.2-
22 2.4 and iGaming, only if the patron is over twenty-one (21) years of age. A patron under the age of
23 twenty-one (21) is prohibited from having or using an online gaming account for iGaming.

24 (25) “Online slot game” means an online slot-machine-like game authorized by the
25 Division within the scope of the term iGaming. Online slot games include, but are not limited to,
26 online games involving digital versions of spinning reels or pay lines, and may include:

- 27 (i) An auto play feature;
- 28 (ii) An adjustable bet feature;
- 29 (iii) A random number generator to determine the game outcome; and
- 30 (iv) Games that can be played infinitely, using a nondepleting prize pool, offer prizes that
31 are all available with every play, and have odds that remain the same with every play.

32 (26) “Online slot gaming revenue” means:

- 33 (i) The total of cash or cash equivalents received from the operation of online slot games
34 minus the total of:

1 (A) Cash or cash equivalents paid to players as a result of the operation of online slot
2 games;

3 (B) Marketing expenses related to online slot games as agreed to by the Division, the
4 iGaming game vendor, and the iGaming platform vendor, as approved by the Division; and

5 (C) Any federal excise taxes (if applicable).

6 (ii) The term does not include any of the following:

7 (A) Counterfeit cash;

8 (B) Coins or currency of other countries received as a result of the operation of online slot
9 games, except to the extent that the coins or currency are readily convertible to cash;

10 (C) Cash taken in a fraudulent act perpetrated against the iGaming platform vendor or
11 iGaming game vendor, for which the iGaming platform vendor or iGaming game vendor is not
12 reimbursed;

13 (D) Free play provided by the iGaming platform vendor or iGaming game vendor as
14 authorized by the Division to a player and subsequently “won back” by the iGaming platform
15 vendor or iGaming game vendor, for which the iGaming platform vendor or iGaming game vendor
16 can demonstrate that it or its affiliate has not been reimbursed in cash.

17 (27) “Online sports wagering” means engaging in the act of sports wagering by the placing
18 of wagers on sporting events or a combination of sporting events, or on the individual performance
19 statistics of athletes in a sporting event or a combination of sporting events, over the internet
20 through computers, mobile applications on mobile devices or other interactive devices approved
21 by the Division, which wagers are accepted by a server-based gaming system located at the
22 premises of a hosting facility authorized to accept sports wagers and administer payoffs of winning
23 sports wagers; all such wagers shall be deemed to be placed and accepted at the premises of such
24 hosting facility.

25 (28) “Online sports-wagering revenue” means:

26 (i) For sports-wagering vendor contracts entered into on or after the effective date of this
27 section, the total of cash or cash equivalents received from online sports wagering minus the total
28 of:

29 (A) Cash or cash equivalents paid to players as a result of online sports wagering; and

30 (B) Any federal excise taxes (if applicable).

31 (ii) For sports-wagering vendor contracts entered into prior to the effective date of this
32 section, including any renewal, extension, amendment, restatement, or successor agreement

33 thereto, the ~~(+)~~The total of cash or cash equivalents received from online sports wagering minus
34 the total of:

1 (A) Cash or cash equivalents paid to players as a result of online sports wagering;

2 (B) Marketing expenses related to online sports wagering as agreed to by the Division, the
3 sports-wagering vendor, and the host facilities, as approved by the Division; and

4 (C) Any federal excise taxes (if applicable).

5 ~~(ii)~~(iii) The term does not include any of the following:

6 (A) Counterfeit cash.

7 (B) Coins or currency of other countries received as a result of online sports wagering,
8 except to the extent that the coins or currency are readily convertible to cash.

9 (C) Cash taken in a fraudulent act perpetrated against a hosting facility or sports-wagering
10 vendor for which the hosting facility or sports-wagering vendor is not reimbursed.

11 (D) Free play provided by the hosting facility or sports-wagering vendor as authorized by
12 the Division to a player and subsequently “won back” by the hosting facility or sports-wagering
13 vendor, for which the hosting facility or sports-wagering vendor can demonstrate that it or its
14 affiliate has not been reimbursed in cash.

15 (29) “Online table game” means a casino-style table game authorized by the Division
16 within the scope of the term iGaming, where such games are conducted by one or more live persons
17 and made available to players through use of the internet through computers, mobile applications
18 on mobile devices, or other interactive devices approved by the Division, which wagers are
19 accepted by a server-based gaming system located at the premises of a hosting facility and played
20 with the digital representation of cards, dice, or equipment.

21 (30) “Online table gaming revenue” means:

22 (i) The total of cash or cash equivalents received from the operation of online table games
23 minus the total of:

24 (A) Cash or cash equivalents paid to players as a result of the operation of online table
25 games;

26 (B) Marketing expenses related to online table games as agreed to by the Division and the
27 iGaming platform vendor, as approved by the Division; and

28 (C) Any federal excise taxes (if applicable).

29 (ii) The term does not include any of the following:

30 (A) Counterfeit cash;

31 (B) Coins or currency of other countries received as a result of the operation of online table
32 games, except to the extent that the coins or currency are readily convertible to cash;

33 (C) Cash taken in a fraudulent act perpetrated against the iGaming platform vendor or
34 iGaming game vendor for which the iGaming platform vendor or iGaming game vendor is not

1 reimbursed;

2 (D) Free play provided by the iGaming platform vendor or iGaming game vendor as
3 authorized by the Division to a player and subsequently “won back” by the iGaming platform
4 vendor or iGaming game vendor, for which the iGaming platform vendor or iGaming game vendor
5 can demonstrate that it or its affiliate has not been reimbursed in cash.

6 (31) “Pari-mutuel licensee” means:

7 (i) An entity licensed pursuant to § 41-3.1-3; and

8 (ii) An entity licensed pursuant to § 41-7-3.

9 (32) “Payoff,” when used in connection with sports wagering, means cash or cash
10 equivalents paid to a player as a result of the player’s winning a sports wager. A “payoff” is a type
11 of “prize,” as the term “prize” is used in chapters 61, 61.2, and 61.3 of this title.

12 (33) “Premier” means Premier Entertainment II, LLC and its successor in interest by reason
13 of the acquisition of the stock, membership interests, or substantially all of the assets of such entity.

14 (34) “Prior marketing year,” means, with respect to a marketing year, the most recent
15 previous marketing year during which the Division operated a majority of the authorized video
16 lottery games at each of the Lincoln gaming facility and the Tiverton gaming facility for at least
17 360 days (or 361 days in the case there are 366 days in such marketing year). For the avoidance of
18 doubt, because the Division will not have operated a majority of the authorized video lottery games
19 at the Lincoln gaming facility and at the Tiverton gaming facility for at least 361 days during the
20 marketing year expiring on June 30, 2020, the prior marketing year with respect to the marketing
21 year expiring on June 30, 2021, shall be the marketing year expiring on June 30, 2019.

22 (35) “Promotional points” has the meaning given such term in the 2017 Budget Act.

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

26 (37) “Server-based gaming system” means all hardware, software, and communications
27 devices that comprise a system utilized for the purpose of offering an electronic platform used in
28 connection with the process of placing and accepting sports wagers and/or iGaming wagers (as
29 applicable).

30 (38) “Sporting event” means any professional sport or athletic event, any Olympic or
31 international sports competition event, any collegiate sport or athletic event, and any other event
32 authorized by the division or any portion thereof, including, but not limited to, the individual
33 performance statistics of athletes in a sports event or combination of sports events, except “sporting
34 event” shall not include:

1 (i) The individual performance statistics of athletes in a collegiate sports or athletic event
2 which is part of a collegiate tournament:

3 (A) That takes place in Rhode Island; or

4 (B) In which any Rhode Island college team participates regardless of where the event
5 takes place; or

6 (ii) Any other prohibited sporting event as determined by the division.

7 (39) “Sports wagering” means the business of accepting wagers on sporting events or a
8 combination of sporting events, or on the individual performance statistics of athletes in a sporting
9 event or combination of sporting events, by any system or method of wagering. The term includes,
10 but is not limited to, exchange wagering, parlays, over-under, moneyline, pools, and straight bets,
11 and the term includes the placement of such bets and wagers. However, the term does not include,
12 without limitation, the following:

13 (i) Lotteries, including video lottery games and other types of casino gaming operated by
14 the state, through the Division, as of June 22, 2018.

15 (ii) Pari-mutuel betting on the outcome of thoroughbred or harness horse racing, or
16 greyhound dog racing, including but not limited to, pari-mutuel wagering on a race that is
17 “simulcast” (as defined in § 41-11-1), as regulated elsewhere pursuant to the general laws,
18 including in chapters 3, 3.1, 4, and 11 of title 41.

19 (iii) Off-track betting on racing events, as regulated elsewhere pursuant to the general laws,
20 including in chapter 10 of title 41.

21 (iv) Wagering on the respective scores or points of the game of jai alai or pelota and the
22 sale of pari-mutuel pools related to such games, as regulated elsewhere pursuant to the general
23 laws, including in chapter 7 of title 41.

24 (v) Lotteries, charitable gaming, games of chance, bingo games, raffles, and pull-tab lottery
25 tickets, to the extent permitted and regulated pursuant to chapter 19 of title 11.

26 (vi) iGaming (as defined in this section).

27 (40) “Sports-wagering device” means any mechanical, electrical, or computerized
28 contrivance, terminal, machine, or other device, apparatus, equipment, or supplies approved by the
29 Division and used to conduct sports wagering.

30 (41) “Sports-wagering revenue” means:

31 (i) The total of cash or cash equivalents received from sports wagering minus the total of:

32 (A) Cash or cash equivalents paid to players as a result of sports wagering;

33 (B) The annual flat fee to the host communities as defined by § 42-61.2-5(c);

34 (C) Marketing expenses related to sports wagering as agreed to by the Division, the sports-

1 wagering vendor, and the host facilities, as approved by the Division; and

2 (D) Any federal excise taxes (if applicable).

3 (ii) The term does not include any of the following:

4 (A) Counterfeit cash.

5 (B) Coins or currency of other countries received as a result of sports wagering, except to
6 the extent that the coins or currency are readily convertible to cash.

7 (C) Cash taken in a fraudulent act perpetrated against a hosting facility or sports-wagering
8 vendor for which the hosting facility or sports-wagering vendor is not reimbursed.

9 (D) Free play provided by the hosting facility or sports-wagering vendor as authorized by
10 the Division to a patron and subsequently “won back” by the hosting facility or sports-wagering
11 vendor, for which the hosting facility or sports-wagering vendor can demonstrate that it or its
12 affiliate has not been reimbursed in cash.

13 (42) “Sports-wagering vendor” means any entity authorized by the Division to operate
14 sports betting on the Division’s behalf in accordance with this chapter.

15 (43) “Table game” or “Table gaming” means that type of casino gaming in which table
16 games are played for cash or chips representing cash, or any other representation of value that has
17 been approved by the Division, using cards, dice, or equipment and conducted by one or more live
18 persons.

19 (44) “Table-game retailer” means a retailer authorized to conduct table gaming pursuant to
20 § 42-61.2-2.1 or § 42-61.2-2.3.

21 (45) “Technology provider” means any individual, partnership, corporation, or association
22 that designs, manufactures, installs, maintains, distributes, or supplies Video Lottery Terminals or
23 associated equipment for the sale or use in this state.

24 (46) “Tiverton gaming facility” means the gaming and entertainment facility located at the
25 intersection of William S. Canning Boulevard and Stafford Road in the town of Tiverton, Rhode
26 Island (sometimes referred to as “Twin River-Tiverton”).

27 (47) “Twin River” (sometimes referred to as “UTGR”) means UTGR, Inc., a Delaware
28 corporation, and each permitted successor to and assignee of UTGR, Inc.; provided, however,
29 where the context indicates that the term is referring to a physical facility, then “Twin River” shall
30 mean the Lincoln gaming facility.

31 (48) “Twin River-Tiverton” means Twin River-Tiverton, LLC and its successor in interest
32 by reason of the acquisition of the stock, membership interests, or substantially all of the assets of
33 such entity; provided, however, where the context indicates that the term is referring to a physical
34 facility, then “Twin River-Tiverton” shall mean the Tiverton gaming facility.

1 (49) “Twin River-Tiverton Marketing Year” has the same meaning as Marketing Year (as
2 defined in subsection (18) of this section).

3 (50) “Twin River-Tiverton Master Contract” has the same meaning as Newport Grand
4 Master Contract (as defined in subsection (23) of this section).

5 (51) “UTGR Master Contract” means that certain master video lottery terminal contract
6 made as of July 1, 2005, by and between the division of lotteries of the Rhode Island department
7 of administration (now the division of lotteries of the Rhode Island department of revenue) and
8 Twin River, as amended and extended from time to time as authorized therein and as such UTGR
9 Master Contract may be assigned as permitted therein.

10 (52) “Video Lottery Agreement” means that certain Video Lottery Central Computer
11 System Agreement dated as of December 20, 2001, by and between IGT and the Division, as
12 amended, extended, assigned, and assumed from time to time.

13 (53) “Video lottery games” means lottery games played on Video Lottery Terminals
14 controlled by the Division.

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

21 (55) “VLT Agreement” means that certain Video Lottery Terminal Technology Provider
22 License Agreement dated as of September 28, 2000, by and between IGT and the Division, as
23 amended, extended, assigned, and assumed from time to time.

24 **42-61.2-2.4. State to conduct sports wagering hosted by Twin River and the Tiverton**
25 **gaming facility.**

26 (a) The state, through the division of lotteries, shall implement, operate, conduct, and
27 control sports wagering at the Twin River gaming facility and the Twin River-Tiverton gaming
28 facility, once Twin River-Tiverton is licensed as a video lottery and table-game retailer. In
29 furtherance thereof, the state, through the division, shall have full operational control to operate the
30 sports wagering, including, without limitation, the power and authority to:

31 (1) Establish, with respect to sports wagering, one or more systems for linking, tracking,
32 depositing, and reporting of receipts, audits, annual reports, prohibited conduct, and other matters
33 determined by the division from time to time;

34 (2) Collect all sports-wagering revenue indirectly through Twin River and Tiverton gaming

1 facilities, require that the Twin River and Tiverton gaming facilities collect all sports-wagering
2 revenue in trust for the state (through the division), deposit sports-wagering revenue into an account
3 or accounts of the division's choice, allocate sports-wagering revenue according to law, and
4 otherwise maintain custody and control over all sports-wagering revenue;

5 (3) Hold and exercise sufficient powers over the Twin River and Tiverton gaming facilities'
6 accounting and finances to allow for adequate oversight and verification of the financial aspects of
7 sports wagering hosted at their respective facilities in Lincoln and Tiverton, including, without
8 limitation:

9 (i) The right to require the Twin River and Tiverton gaming facilities to maintain an annual
10 balance sheet, profit and loss statement, and any other necessary information or reports;

11 (ii) The authority and power to conduct periodic compliance or special or focused audits
12 of the information or reports provided, as well as the premises within the facilities containing
13 records of sports wagering or in which the sports-wagering activities are conducted;

14 (4) Monitor the sports-wagering operations hosted by the Twin River and Tiverton gaming
15 facilities and have the power to terminate or suspend any sports-wagering activities in the event of
16 an integrity concern or other threat to the public trust, and in furtherance thereof, require Twin
17 River and Tiverton, respectively, to provide a specified area or areas from which to conduct such
18 monitoring activities;

19 (5) Through the use of a sports-wagering vendor, define and limit the rules of play and
20 odds of authorized sports-wagering games, including, without limitation, the minimum and
21 maximum wagers for each sports-wagering game. Sports-wagering payoffs shall not be subject to
22 any limitation or restriction related to sports-wagering revenue or lottery revenue;

23 (6) Establish compulsive gambling treatment programs;

24 (7) Promulgate, or propose for promulgation, any legislative, interpretive, and procedural
25 rules necessary for the successful implementation, administration, and enforcement of this chapter;
26 and

27 (8) Hold all other powers necessary and proper to fully effectively execute and administer
28 the provisions of this chapter for the purpose of allowing the state to operate sports wagering hosted
29 by the Twin River and Tiverton gaming facilities.

30 (b) The state, through the division and/or the DBR, shall have approval rights over matters
31 relating to the employment of individuals to be involved, directly or indirectly, with the operation
32 of sports wagering at the Twin River and Tiverton gaming facilities.

33 (c) Nothing in this chapter or elsewhere in the general laws shall be construed to create a
34 separate license governing the hosting of sports wagering in Rhode Island by licensed video lottery

1 and table-game retailers.

2 (d) The state, through the division, shall have authority to issue regulations as it deems
3 appropriate pertaining to the control, operation, and management of sports wagering. The state,
4 through DBR, shall have authority to issue regulations as it deems appropriate pertaining to the
5 employment of individuals to be involved, directly or indirectly, with the operations of sports
6 wagering as set forth in subsection (b).

7 (e) Any list or other identifiable data of sports-wagering players generated or maintained
8 by the sports-wagering vendor or the hosting facility as a result of sports wagering shall be the
9 exclusive property of the division, provided that the ~~hosting facilities~~ sports-wagering vendor shall
10 be permitted to use any list or other identifiable data generated or maintained by the sports-
11 wagering vendor for marketing purposes ~~to the extent it currently uses similar data, and, as~~
12 ~~approved by the division for other marketing purposes to directly or indirectly generate additional~~
13 ~~gaming revenue.~~

14 (f) Notwithstanding § 42-61.2-2.4(a) and any other provision of law, a sports-wagering
15 vendor shall be permitted to make operational decisions with regard to marketing, advertising, and
16 promotions; in compliance with rules and regulations promulgated by the division pursuant to §
17 42-61.2-2.4(d).

18 (g) Notwithstanding § 42-61.2-2.4(a) and any other provision of law, a sports-wagering
19 vendor shall be permitted to offer and accept wagers using promotions, bonuses, or cash equivalents
20 without regard to the jurisdiction where the promotion, bonus, or cash equivalent was initially
21 offered or awarded to a player.

22 **42-61.2-3.3. Sports wagering regulation.**

23 (a) In addition to the powers and duties of the division director under §§ 42-61-4, 42-61.2-
24 3, 42-61.2-4, and 42-61.2-3.1, and pursuant to § 42-61.2-2.4, the division director shall promulgate
25 rules and regulations relating to sports wagering and set policy therefor. These rules and regulations
26 shall establish standards and procedures for sports wagering and associated devices, equipment,
27 and accessories, and shall include, but not be limited to:

28 (1) Approve standards, rules, and regulations to govern the conduct of sports wagering and
29 the system of wagering associated with sports wagering, including without limitation:

30 (i) The objects of the sports wagering (i.e., the sporting events upon which sports-wagering
31 bets may be accepted) and methods of play, ~~including what constitutes win, loss, or tie bets~~ the
32 process by which wagers are settled;

33 (ii) The manner in which sports-wagering bets are received, payoffs are remitted, and point
34 spreads, lines, and odds are determined for each type of available sports wagering bet;

- 1 (iii) Physical characteristics of any devices, equipment, and accessories related to sports
2 wagering;
- 3 (iv) The applicable inspection procedures for any devices, equipment, and accessories
4 related to sports wagering;
- 5 (v) Procedures for the collection of bets and payoffs, including but not limited to,
6 requirements for internal revenue service purposes;
- 7 (vi) Procedures for handling suspected cheating and sports-wagering irregularities;
- 8 (vii) Procedures for handling any defective or malfunctioning devices, equipment, and
9 accessories related to sports wagering;
- 10 (viii) Procedures for investigation of patron complaints related to sports wagering;
- 11 (ix) Terms and conditions for online sports wagering;
- 12 (x) Internal controls for all aspects of online sports wagering, including procedures for
13 system integrity, system security, operations, accounting, and reporting of problem gamblers;
- 14 (xi) Operational controls for server-based gaming systems, software, and hardware utilized
15 for online sports wagering, including, but not limited to, appearance, functionality, contents,
16 collection, storage, and retention of data and security; and
- 17 (xii) Operational controls for online gaming accounts, including, but not limited to,
18 procedures for the establishment and closure of an online gaming account, funding of withdrawal
19 of funds from an online gaming account, and generation of an account statement for a patron's
20 online gaming account;
- 21 (2) Establishing the method for calculating sports-wagering revenue and online sports-
22 wagering revenue and standards for the daily counting and recording of cash and cash equivalents
23 received in the conduct of sports wagering, and ensuring that internal controls are followed and
24 financial books and records are maintained and audits are conducted;
- 25 (3) Establishing the number and type of sports-wagering bets authorized at the hosting
26 facility, including any new sports-wagering bets or variations or composites of approved sports-
27 wagering bets, and all rules related thereto;
- 28 (4) Establishing any sports-wagering rule changes, sports-wagering minimum and
29 maximum bet changes, and changes to the types of sports-wagering products offered at a particular
30 hosting facility, including but not limited to, any new sports-wagering bets or variations or
31 composites of approved sports-wagering bets, and including all rules related thereto;
- 32 (5) Requiring the hosting facility and/or sports-wagering vendor to:
- 33 (i) Provide written information at each sports-wagering location within the hosting facility
34 about wagering rules, payoffs on winning sports wagers, and written information prominently

1 displayed on any electronic platform available to the player through a server-based gaming system
2 and other information as the division may require;

3 (ii) Provide specifications approved by the division to integrate and update the hosting
4 facility's surveillance system to cover all areas within the hosting facility where sports wagering is
5 conducted and other areas as required by the division. The specifications shall include provisions
6 providing the division and other persons authorized by the division with onsite access to the system;

7 (iii) Designate one or more locations within the hosting facility where sports-wagering bets
8 are received;

9 (iv) Ensure that visibility in a hosting facility is not obstructed in any way that could
10 interfere with the ability of the division, the hosting facility, or other persons authorized under this
11 section or by the division to oversee the surveillance of the conduct of sports wagering;

12 (v) Ensure that the count rooms for sports wagering have appropriate security for the
13 counting and storage of cash;

14 (vi) Ensure that drop boxes are brought into or removed from an area where sports
15 wagering is conducted or locked or unlocked in accordance with procedures established by the
16 division;

17 (vii) Designate secure locations for the inspection, service, repair, or storage of sports-
18 wagering equipment and for employee training and instruction to be approved by the division;

19 (viii) Establish standards prohibiting persons under eighteen (18) years of age from
20 participating in sports wagering;

21 (ix) Establish compulsive and problem gambling standards and/or programs pertaining to
22 sports wagering consistent with this chapter;

23 (6) Establishing the minimal proficiency requirements for those individuals accepting
24 sports wagers and administering payoffs on winning sports wagers. The foregoing requirements of
25 this subsection may be in addition to any rules or regulations of the DBR requiring licensing of
26 personnel of state-operated gaming facilities;

27 (7) Establish appropriate eligibility requirements and standards for traditional sports-
28 wagering equipment suppliers; and

29 (8) Any other matters necessary for conducting sports wagering.

30 (b) The hosting facility shall provide secure, segregated facilities as required by the
31 division on the premises for the exclusive use of the division staff and the gaming enforcement unit
32 of the state police. The space shall be located proximate to the gaming floor and shall include
33 surveillance equipment, monitors with full camera control capability, as well as other office
34 equipment that may be deemed necessary by the division. The location and size of the space and

1 necessary equipment shall be subject to the approval of the division.

2 (c) No later than January 1, 2027, the division shall issue an open invitation to applicants
3 for sports-wagering vendor contracts and then shall award no less than four (4) and no more than
4 six (6) individual sports-wagering vendor contracts. This subsection shall not be construed to direct
5 the commission to award a sports-wagering vendor contract to an unqualified vendor.

6 (1) Each selected vendor shall be subject to licensing requirements, ongoing compliance
7 audits, and consumer protection standards as promulgated by the division.

8 (2) The request for proposals shall prioritize vendors that demonstrate:

9 (i) Technical capability to ensure platform integrity and responsible gaming;

10 (ii) Strong regulatory compliance history;

11 (iii) Strong history of sports betting operation in other states; and

12 (iv) Commitment to maximizing state revenue and minimizing harm.

13 (3) The division shall promulgate rules and regulations necessary to implement the
14 provisions of this subsection within ninety (90) days of the effective date of this section.

15 **42-61.2-5. Allocation of sports-wagering and online sports-wagering revenue.**

16 (a) Notwithstanding the provisions of § 42-61-15, the division of lottery is authorized to
17 enter into an agreement to allocate sports-wagering revenue derived from sports wagering and
18 online sports wagering at the hosting facilities between the state, the state's authorized sports-
19 wagering vendor, and the host facilities. The allocation of sports-wagering revenue and online
20 sports-wagering revenue shall be:

21 (1) To the state, fifty-one percent (51%) of sports-wagering revenue and online sports-
22 wagering revenue until the state has received the amount of revenue generated by sports-wagering
23 and online sports-wagering in the fiscal year 2025, after which the state shall receive twelve percent
24 (12%) of sports-wagering and online sports-wagering revenue;

25 (2) To the state's authorized sports-wagering ~~vendor~~ vendors, ~~thirty-two percent (32%)~~
26 forty and one half percent (40.5%) of sports-wagering revenue and online sports-wagering revenue
27 until the state has received the amount of revenue generated by sports-wagering and online sports-
28 wagering in the fiscal year 2025, after which the state's authorized sports-wagering vendors shall
29 receive seventy-nine and one half percent (79.5%) of sports-wagering and online sports-wagering
30 revenue; and

31 (3) To the host facilities, ~~seventeen percent (17%)~~ eight and a half percent (8.5%) of sports-
32 wagering revenue and online sports-wagering revenue; provided that, the host facilities have
33 received four million five hundred thousand dollars (\$4,500,000).

34 (b) Sports-wagering revenue and online sports-wagering revenue allocated to the state shall

1 be deposited into the state lottery fund for administrative purposes and then the balance remaining
2 into the general fund.

3 (c) The town of Lincoln shall be paid an annual flat fee of two hundred thousand dollars
4 (\$200,000) and the town of Tiverton shall be paid an annual flat fee of two hundred thousand dollars
5 (\$200,000) in compensation for serving as the host communities for sports wagering.

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- VIDEO LOTTERY, GAMES,
TABLE GAMES AND SPORTS WAGERING

1 This act would redefine sports wagering sections and specifically change the percent the
2 host facilities would receive on sports wagering. No later than January 1, 2027, the division would
3 issue an open invitation to applicants for sports-wagering vendor contracts and then would award
4 no less than four (4) and no more than six (6) individual sports-wagering vendor contracts.
5 Additionally, this act would allow a sports-wagering vendor to be permitted to make operational
6 decisions with regard to marketing, advertising, and promotions and reallocate the percentages of
7 revenue that the vendors, the state and host facilities would receive from sports-wagering revenues.

8 This act would take effect upon passage.

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