

**ARTICLE 16 AS AMENDED**

RELATING TO MUNICIPALITIES

SECTION 1. Section 42-61.2-7 of the General Laws in Chapter 42-61.2 entitled "Video Lottery Terminal" is hereby amended to read as follows:

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

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

(i) Except for the fiscal year ending June 30, 2008, nineteen one hundredths of one percent (0.19%) up to a maximum of twenty million dollars (\$20,000,000) shall be equally allocated to the distressed communities as defined in § 45-13-12 provided that no eligible community shall receive more than twenty-five percent (25%) of that community's currently enacted municipal budget as its share under this specific subsection. Distributions made under this specific subsection are supplemental to all other distributions made under any portion of general laws § 45-13-12. For the fiscal year ending June 30, 2008 distributions by community shall be identical to the distributions made in the fiscal year ending June 30, 2007 and shall be made from general appropriations. For the fiscal year ending June 30, 2009, the total state distribution shall be the same total amount distributed in the fiscal year ending June 30, 2008 and shall be made from general appropriations. For the fiscal year ending June 30, 2010, the total state distribution shall be the same total amount distributed in the fiscal year ending June 30, 2009 and shall be made from general appropriations, provided however that \$784,458 of the total appropriation shall be distributed equally to each qualifying distressed community. For each of the fiscal years ending June 30, 2011, ~~and~~ June 30, 2012, and June 30, 2013 seven hundred eighty-four thousand four hundred fifty-eight dollars (\$784,458) of the total appropriation shall be distributed equally to each qualifying distressed community.

(ii) Five one hundredths of one percent (0.05%) up to a maximum of five million dollars (\$5,000,000) shall be appropriated to property tax relief to fully fund the provisions of § 44-33-2.1. The maximum credit defined in subdivision 44-33-9(2) shall increase to the maximum amount to the nearest five dollar (\$5.00) increment within the allocation until a maximum credit

1 of five hundred dollars (\$500) is obtained. In no event shall the exemption in any fiscal year be  
2 less than the prior fiscal year.

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

7 (iv) Except for the fiscal year ending June 30, 2008, ten one hundredths of one percent  
8 (0.10%) to a maximum of ten million dollars (\$10,000,000) for supplemental distribution to  
9 communities not included in paragraph (a)(1)(i) above distributed proportionately on the basis of  
10 general revenue sharing distributed for that fiscal year. For the fiscal year ending June 30, 2008  
11 distributions by community shall be identical to the distributions made in the fiscal year ending  
12 June 30, 2007 and shall be made from general appropriations. For the fiscal year ending June 30,  
13 2009, no funding shall be disbursed. For the fiscal year ending June 30, 2010 and thereafter,  
14 funding shall be determined by appropriation.

15 (2) To the licensed video lottery retailer:

16 (a)(i) Prior to the effective date of the NGJA Master Contract, Newport Jai Ali twenty-six  
17 percent (26%) minus three hundred eighty four thousand nine hundred ninety-six dollars  
18 (\$384,996);

19 (ii) On and after the effective date of the NGJA Master Contract, to the licensed video  
20 lottery retailer who is a party to the NGJA Master Contract, all sums due and payable under said  
21 Master Contract minus three hundred eighty four thousand nine hundred ninety-six dollars  
22 (\$384,996).

23 (b)(i) Prior to the effective date of the UTGR Master Contract, to the present licensed  
24 video lottery retailer at Lincoln Park which is not a party to the UTGR Master Contract, twenty-  
25 eight and eighty-five one hundredths percent (28.85%) minus seven hundred sixty-seven  
26 thousand six hundred eighty-seven dollars (\$767,687);

27 (ii) On and after the effective date of the UTGR Master Contract, to the licensed video  
28 lottery retailer who is a party to the UTGR Master Contract, all sums due and payable under said  
29 Master Contract minus seven hundred sixty-seven thousand six hundred eighty-seven dollars  
30 (\$767,687).

31 (3)(i) To the technology providers who are not a party to the GTECH Master Contract as  
32 set forth and referenced in Public Law 2003, Chapter 32, seven percent (7%) of the net terminal  
33 income of the provider's terminals; in addition thereto, technology providers who provide  
34 premium or licensed proprietary content or those games that have unique characteristics such as

1 3D graphics, unique math/game play features or merchandising elements to video lottery  
2 terminals may receive incremental compensation, either in the form of a daily fee or as an  
3 increased percentage, if all of the following criteria are met:

4 (A) A licensed video lottery retailer has requested the placement of premium or licensed  
5 proprietary content at its licensed video lottery facility;

6 (B) The division of lottery has determined in its sole discretion that the request is likely to  
7 increase net terminal income or is otherwise important to preserve or enhance the competitiveness  
8 of the licensed video lottery retailer;

9 (C) After approval of the request by the division of lottery, the total number of premium  
10 or licensed propriety content video lottery terminals does not exceed ten percent (10%) of the  
11 total number of video lottery terminals authorized at the respective licensed video lottery retailer;  
12 and

13 (D) All incremental costs are shared between the division and the respective licensed  
14 video lottery retailer based upon their proportionate allocation of net terminal income. The  
15 division of lottery is hereby authorized to amend agreements with the licensed video lottery  
16 retailers, or the technology providers, as applicable, to effect the intent herein.

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

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

22 (4) To the city of Newport one and one hundredth percent (1.01%) of net terminal income  
23 of authorized machines at Newport Grand except that effective November 9, 2009 until June 30,  
24 2012, the allocation shall be one and two tenths percent (1.2%) of net terminal income of  
25 authorized machines at Newport Grand for each week the facility operates video lottery games on  
26 a twenty-four (24) hour basis for all eligible hours authorized and to the town of Lincoln one and  
27 twenty-six hundredths percent (1.26%) of net terminal income of authorized machines at Lincoln  
28 Park except that effective November 9, 2009 until June 30, 2012, the allocation shall be one and  
29 forty-five hundredths percent (1.45%) of net terminal income of authorized machines at Lincoln  
30 Park for each week the facility operates video lottery games on a twenty-four (24) hour basis for  
31 all eligible hours authorized; and

32 (5) To the Narragansett Indian Tribe, seventeen hundredths of one percent (0.17%) of net  
33 terminal income of authorized machines at Lincoln Park up to a maximum of ten million dollars  
34 (\$10,000,000) per year, which shall be paid to the Narragansett Indian Tribe for the account of a

1 Tribal Development Fund to be used for the purpose of encouraging and promoting: home  
2 ownership and improvement, elderly housing, adult vocational training; health and social  
3 services; childcare; natural resource protection; and economic development consistent with state  
4 law. Provided, however, such distribution shall terminate upon the opening of any gaming facility  
5 in which the Narragansett Indians are entitled to any payments or other incentives; and provided  
6 further, any monies distributed hereunder shall not be used for, or spent on previously contracted  
7 debts; and

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

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

12 (b) Notwithstanding the above, the amounts payable by the Division to UTGR related to  
13 the Marketing Program shall be paid on a frequency agreed by the Division, but no less  
14 frequently than annually.

15 (c) Notwithstanding anything in this chapter 61.2 of this title 42 to the contrary, the  
16 Director is authorized to fund the Marketing Program as described above in regard to the First  
17 Amendment to the UTGR Master Contract.

18 (d) Notwithstanding the above, the amounts payable by the Division to Newport Grand  
19 related to the Marketing Program shall be paid on a frequency agreed by the Division, but no less  
20 frequently than annually.

21 (e) Notwithstanding anything in this chapter 61.2 of this title 42 to the contrary, the  
22 Director is authorized to fund the Marketing Program as described above in regard to the First  
23 Amendment to the Newport Grand Master Contract.

24 SECTION 2. Section 45-13-12 of the General Laws in Chapter 45-13 entitled "Distressed  
25 communities relief fund" is hereby amended to read as follows:

26 **45-13-12. Distressed communities relief fund.** -- (a) There is established a fund to  
27 provide state assistance to those Rhode Island cities and towns which have the highest property  
28 tax burdens relative to the wealth of taxpayers.

29 (b) *Establishment of indices.* Four (4) indices of distress shall be established to determine  
30 eligibility for the program. Each community shall be ranked by each distress index and any  
31 community which falls into the lowest twenty percent (20%) of at least three (3) of the four (4)  
32 indices shall be eligible to receive assistance. The four (4) indices are established as follows:

33 (1) *Percent of tax levy to full value of property.* This shall be computed by dividing the  
34 tax levy of each municipality by the full value of property for each municipality. For the 1990-91

1 fiscal year, tax levy and full value shall be as of the assessment date December 31, 1986.

2 (2) *Per capita income.* This shall be the most recent estimate reported by the U.S.  
3 Department of Commerce, Bureau of the Census.

4 (3) *Percent of personal income to full value of property.* This shall be computed by  
5 multiplying the per capita income above by the most recent population estimate as reported by the  
6 U.S. Department of Commerce, Bureau of the Census, and dividing the result by the full value of  
7 property.

8 (4) *Per capita full value of property.* This shall be the full value of property divided by  
9 the most recent estimate of population by the U.S. Department of Commerce, Bureau of the  
10 Census.

11 (c) *Distribution of funds.* Funds shall be distributed to each eligible community on the  
12 basis of the community's tax levy relative to the total tax levy of all eligible communities. For the  
13 fiscal year 1990-91, the reference year for the tax levy shall be the assessment date of December  
14 31, 1988. For each fiscal year thereafter, except for fiscal year 2007-2008, the reference year and  
15 the fiscal year shall bear the same relationship. For the fiscal year 2007-2008 the reference year  
16 shall be the same as for the distributions made in fiscal year 2006-2007.

17 Any newly qualifying community shall be paid fifty percent (50%) of current law  
18 requirements the first year it qualifies. The remaining fifty percent (50%) shall be distributed to  
19 the other distressed communities proportionately. When any community falls out of the distressed  
20 community program, it shall receive a one-time payment of fifty percent (50%) of the prior year  
21 requirement exclusive of any reduction for first year qualification. The community shall be  
22 considered a distressed community in the fall-out year.

23 (d) *Appropriation of funds.* The state of Rhode Island shall appropriate funds in the  
24 annual appropriations act to support this program. For each of the fiscal years ending June 30,  
25 2011, ~~and~~ June 30, 2012, [and June 30, 2013](#) seven hundred eighty-four thousand four hundred  
26 fifty-eight dollars (\$784,458) of the total appropriation shall be distributed equally to each  
27 qualifying distressed community.

28 (e) *Payments.* Payments shall be made to eligible communities each ~~March equal to one~~  
29 ~~half of the appropriated amount and each~~ August ~~equal to one half of the appropriated amount.~~

30 SECTION 3. Section 45-65-6 of the General Laws in Chapter 45-65 entitled "Retirement  
31 Security Act for Locally Administered Pension Funds" is hereby amended to read as follows:

32 **45-65-6. Certification and notice requirements.** -- (1) Every municipality that  
33 maintains a locally administered plan shall submit its initial annual actuarial valuation study to  
34 the study commission created herein under § 45-64-8 on or before April 1, 2012, and for each

1 plan year ending on or after December 31, 2012, within six (6) months of completing such plan  
2 year. The initial actuarial experience study shall be submitted to the study commission on or  
3 before April 1, 2012, and subsequent actuarial experience studies must be submitted to the study  
4 commission no less frequently than once every three (3) years.

5 (2) In any case in which an actuary certifies that a locally administered plan is in critical  
6 status for a plan year, the municipality administering such a plan shall, not later than thirty (30)  
7 business days following the certification, provide notification of the critical status to the  
8 participants and beneficiaries of the plan and to the general assembly, the governor, the general  
9 treasurer, the director of revenue, and the auditor general. The notification shall also be posted  
10 electronically on the general treasurer's website. Within one hundred eighty (180) days of sending  
11 the critical status notice, the municipality shall submit to the study commission a reasonable  
12 alternative funding improvement plan to emerge from critical status.

13 (3) The state shall reimburse every municipality for fifty percent (50%) of the cost of  
14 undertaking its annual actuarial valuation study, [which is due on April 1, 2012.](#)

15 (4) Notwithstanding any other law to the contrary, the funding improvement plans and  
16 actuarial valuation studies submitted pursuant to this section shall be public records.

17 SECTION 4. This article shall take effect upon passage.

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