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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2012

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- AUTHORIZING STATE-
OPERATED CASINO GAMING AT NEWPORT GRAND SUBJECT TO STATEWIDE AND
LOCAL VOTER APPROVAL

Introduced By: Senators Goodwin, Ciccone, Bates, and Crowley

Date Introduced: March 01, 2012

Referred To: Senate Special Legislation and Veterans Affairs

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 42-61.2 of the General Laws entitled "Video Lottery Terminal" is
2 hereby amended by adding thereto the following section:

3 **42-61.2-2.2. State authorized to operate casino gaming at Newport Grand. – (a)**
4 State-operated casino gaming shall be authorized at the facility of the licensed video lottery
5 terminal retailer known as “Newport Grand” located in the town of Newport; provided, that the
6 requirements of Article VI, Section 22 of the Rhode Island Constitution are met with respect to
7 said facility at the general election next held after enactment of this section.

8 (1) With respect to the Newport Grand facility, the authorization of this section 2.2 shall
9 be effective upon:

10 (i) The certification by the secretary of state that the qualified voters of the state have
11 approved the expansion of gambling at such facility to include casino gaming; and

12 (ii) The certification by the board of canvassers of the city of Newport that the qualified
13 electors of the city of Newport have approved the expansion of gambling at such facility to
14 include casino gaming.

15 (b) The general assembly finds that:

16 (i) The operation of casino gaming at Newport Grand will play a critical role in the
17 economy of the state and enhance local revenues;

18 (2) Pursuant to Article VI, Section 15 of the Rhode Island Constitution and the specific

1 powers, authorities and safeguards set forth in subsection (c) herein in connection with the
2 operation of casino gaming, the state shall have full operational control over the specified
3 location at which casino gaming shall be conducted;

4 (3) It is in the best interest of the state to have the authorization to operate casino gaming
5 as specified at Newport Grand; and

6 (4) Pursuant to the provisions of subdivision 42-61.2-2.1(b)(4), and by action of the
7 governor, an extensive analysis and evaluation of competitive casino-gaming operations was
8 completed, which concluded that the viability of Newport Grand as a video lottery terminal
9 facility is threatened by the location of casino gaming in Southeast Massachusetts.

10 (5) The legislature shall, by enactment of comprehensive legislation during the 2012
11 session, determine the terms and conditions pursuant to which casino gaming would be operated
12 in the state if it is authorized as set forth herein.

13 (c) Notwithstanding the provisions of any other law and pursuant to Article VI, Section
14 15 of the Rhode Island Constitution, the state is authorized to operate, conduct and control casino
15 gaming at Newport Grand subject to subsection (a) above. In furtherance thereof, the state,
16 through the division of state lottery and/or the department of business regulation, shall have full
17 operational control to operate the foregoing facilities, the authority to make all decisions about all
18 aspects of the functioning of the business enterprise, including, without limitation, the power and
19 authority to:

20 (1) Determine the number, type, placement and arrangement of casino-gaming games,
21 tables and sites within the facility;

22 (2) Establish with respect to casino gaming one or more systems for linking, tracking,
23 deposit and reporting of receipts, audits, annual reports, prohibitive conduct and other such
24 matters determined from time to time;

25 (3) Collect all receipts from casino gaming, require that Newport Grand collect casino-
26 gaming gross receipts in trust for the state through the division of state lottery, deposit such
27 receipts into an account or accounts of its choice, allocate such receipts according to law, and
28 otherwise maintain custody and control over all casino-gaming receipts and funds;

29 (4) Hold and exercise sufficient powers over Newport Grand's accounting and finances to
30 allow for adequate oversight and verification of the financial aspects of casino gaming at the
31 facility, including, without limitation:

32 (i) The right to require Newport Grand to maintain an annual balance sheet, profit and
33 loss, and any other necessary information or reports; and

34 (ii) The authority and power to conduct periodic compliance or special or focused audits

1 of the information or reports provided, as well as the premises with the facility containing records
2 of casino gaming or in which the business of Newport Grand's casino-gaming operations are
3 conducted;

4 (5) Monitor all casino-gaming operations and have the power to terminate or suspend any
5 casino-gaming activities in the event of an integrity concern or other threat to the public trust, and
6 in furtherance thereof, require the licensed video lottery retailer to provide a specified area or
7 areas from which to conduct such monitoring activities;

8 (6) Define and limit the rules of play and odds of authorized casino-gaming games,
9 including, without limitation, the minimum and maximum wagers for each casino-gaming game;

10 (7) Have approval rights over matters relating to the employment of individuals to be
11 involved, directly or indirectly, with the operation of casino gaming at Newport Grand;

12 (8) Establish compulsive gambling treatment programs;

13 (9) Promulgate, or propose for promulgation, any legislative, interpretive and procedural
14 rules necessary for the successful implementation, administration and enforcement of this
15 chapter; and

16 (10) Hold all other powers necessary and proper to fully effectively execute and
17 administer the provisions of this chapter for its purpose of allowing the state to operate a casino-
18 gaming facility through a licensed video lottery retailer hosting said casino gaming on behalf of
19 the state of Rhode Island.

20 (d) Subject to subsection (a) above, the state, through the division of state lottery and/or
21 the department of business regulation, may expand Newport Grand's existing video lottery
22 license issued, or issue Newport Grand a new casino-gaming license, to permit casino gaming to
23 the extent authorized by this act.

24 (e) Subject to subsection (a) above, all rules and regulations shall be promulgated by the
25 state, through the division of state lottery and the department of business regulation, in
26 accordance with the authority conferred upon the general assembly pursuant to Article VI,
27 Section 15 of the Rhode Island Constitution. In accord therewith, subject to subsection (a) above,
28 the state, through the division of state lottery and/or the department of business regulation, shall
29 have authority to issue such regulations as it deems appropriate pertaining to control, operation
30 and management of casino gaming as specifically set forth in subsections (b) and (c).

31 SECTION 2. Nothing in this act shall abrogate or diminish the powers of the state,
32 through the division of state lottery and/or the department of business regulation, to conduct and
33 control video lottery terminals pursuant to chapter 42-61.2 of the general laws.

34 SECTION 3. Pursuant to Article VI, section 22 of the Rhode Island constitution, the

1 following question shall be submitted by the secretary of state to the qualified electors of the state
2 at the next statewide general election, and the secretary of state shall certify the election results:

3 “Shall an act be approved which would authorize the facility known as “Newport Grand”
4 in the city of Newport to add state-operated casino gaming, such as table games, to the types of
5 gambling it offers?”

6 SECTION 4. Pursuant to Article VI, section 22 of the Rhode Island constitution, the
7 following question shall be submitted by the local board of canvassers to the qualified electors of
8 the city of Newport at the next statewide general election, and the results thereof shall be certified
9 to the secretary of state:

10 “Shall an act be approved which would authorize the facility known as “Newport Grand”
11 in the city of Newport to add state-operated casino gaming, such as table games, to the types of
12 gambling it offers?”

13 SECTION 5. Unless otherwise amended by this act, the terms, conditions, provisions,
14 and definitions of chapters 322 and 323 of the public laws of 2005 and chapter 16 of the public
15 laws of 2010 are hereby incorporated herein by reference and shall remain in full force and effect.

16 SECTION 6. The said question to be submitted to the qualified electors relating to
17 Newport Grand, as well as that question to be submitted to the qualified electors pursuant to
18 article 25 of chapter 151 of the 2011 public laws relating to Twin River shall appear on the ballots
19 as the first two (2) referendum question.

20 SECTION 7. 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 -- AUTHORIZING STATE-
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LOCAL VOTER APPROVAL

- 1 This act would authorize approve casino gaming at Newport Grand subject to the
- 2 approval of the qualified electors of the state and the city of Newport at the next general election.
- 3 This act would take effect upon passage.

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