

2014 -- S 3013 SUBSTITUTE A AS AMENDED

LC005611/SUB A

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- VIDEO LOTTERY TERMINAL

Introduced By: Senator Maryellen Goodwin

Date Introduced: May 15, 2014

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

SECTION 1. Findings. The general assembly hereby finds that:

(1) The state of Rhode Island operates table games at the Twin River facility ("Twin River") located in the town of Lincoln pursuant to § 42-61.2-2.1 and electoral approval in accordance with Article VI, Section 22 of the Rhode Island Constitution. The state of Rhode Island also operates video lottery games at Twin River pursuant to § 42-61.2-2.

(2) It is imperative that legislative action be taken to preserve and protect the state's ability to maximize revenues at Twin River in an increasingly competitive gaming market by expanding critical revenue-driving programs.

(3) The extension of credit to table game and video lottery players (collectively, "players" or "patrons") is a vital customer service function that facilitates a gaming program's long-term success.

(4) While preserving and protecting the state's ability to maximize revenues in the competitive gaming market is imperative to the financial well-being of the state, the general assembly also recognizes the need to balance that concern with the financial well-being and safety of its citizens.

(5) While gaming and gambling can be a healthy source of recreation and entertainment enjoyed by many people, the general assembly must ensure that persons who obtain a line of credit from, or at, a state-operated gaming facility or casino are financially sound and financially capable of entering into agreements for a line of credit.

1 (6) It is the intent of the general assembly to authorize the establishment of a program for
2 the extension of credit to players at Twin River pursuant to the terms and conditions hereof and
3 the rules and regulations submitted by Twin River and approved and promulgated by the division
4 of lotteries.

5 It is also the intent of the general assembly to place limitations on the amount of the line
6 of credit that may be provided to an individual patron by, or at, a state-operated gaming facility or
7 casino.

8 SECTION 2. Section 42-61.2-1 of the General Laws in Chapter 42-61.2 entitled "Video
9 Lottery Terminal" is hereby amended to read as follows:

10 **42-61.2-1. Definitions. [Effective June 30, 2009.]** -- For the purpose of this chapter, the
11 following words shall mean:

12 (1) "Central communication system" means a system approved by the lottery division,
13 linking all video lottery machines at a licensee location to provide auditing program information
14 and any other information determined by the lottery. In addition, the central communications
15 system must provide all computer hardware and related software necessary for the establishment
16 and implementation of a comprehensive system as required by the division. The central
17 communications licensee may provide a maximum of fifty percent (50%) of the video lottery
18 terminals.

19 (2) "Licensed video lottery retailer" means a pari-mutuel licensee specifically licensed
20 by the director subject to the approval of the division to become a licensed video lottery retailer.

21 (3) "Net terminal income" means currency placed into a video lottery terminal less
22 credits redeemed for cash by players.

23 (4) "Pari-mutuel licensee" means an entity licensed and authorized to conduct:

24 (i) Dog racing, pursuant to chapter 3.1 of title 41; and/or

25 (ii) Jai-alai games, pursuant to chapter 7 of title 41.

26 (5) "Technology provider" means any individual, partnership, corporation, or association
27 that designs, manufactures, installs, maintains, distributes, or supplies video lottery machines or
28 associated equipment for the sale or use in this state.

29 (6) "Video lottery games" means lottery games played on video lottery terminals
30 controlled by the lottery division.

31 (7) "Video lottery terminal" means any electronic computerized video game machine
32 that, upon the insertion of cash or any other representation of value that has been approved by the
33 division of lotteries, is available to play a video game authorized by the lottery division, and
34 ~~which~~ that uses a video display and microprocessors in which, by chance, the player may receive

1 free games or credits that can be redeemed for cash. The term does not include a machine that
2 directly dispenses coins, cash, or tokens.

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

9 (9) "Net ~~T~~able ~~G~~ame ~~R~~evenue" means win from ~~T~~able ~~G~~ames minus counterfeit
10 currency.

11 (10) "Rake" means a set fee or percentage of cash and chips representing cash wagered
12 in the playing of a nonbanking ~~T~~able ~~G~~ame assessed by a ~~T~~able ~~G~~ame ~~R~~etailer for providing
13 the services of a dealer, gaming table or location, to allow the play of any nonbanking ~~T~~able
14 ~~G~~ame.

15 (11) "Table ~~G~~ame" or "~~T~~able ~~G~~aming" means that type of ~~C~~asino ~~G~~aming in which
16 table games are played for cash or chips representing cash, or any other representation of value
17 that has been approved by the division of lotteries, using cards, dice, or equipment and conducted
18 by one or more live persons.

19 (12) "Table ~~G~~ame ~~R~~etailer" means a retailer authorized to conduct ~~T~~able ~~G~~aming
20 pursuant to ~~sections §§~~42-61.2-2.1 and 42-61.2-2.2 ~~of the Rhode Island General Laws~~.

21 (13) "Credit facilitator" means any employee of Twin River approved in writing by the
22 division whose responsibility is to, among other things, review applications for credit by players,
23 verify information on credit applications, grant, deny and suspend credit, establish credit limits,
24 increase and decrease credit limits, and maintain credit files, all in accordance with this chapter
25 and rules and regulations approved by the division.

26 SECTION 3. Chapter 42-61.2 of the General Laws entitled "Video Lottery Terminal" is
27 hereby amended by adding thereto the following section:

28 **42-61.2-3.2. Gaming credit authorized. –** (a) Authority. In addition to the powers and
29 duties of the state lottery director under §§ 42-61-4, 42-61.2-3, 42-61.2-3.1 and 42-61.2-4, the
30 division shall authorize Twin River to extend credit to players pursuant to the terms and
31 conditions of this chapter.

32 (b) Credit. Notwithstanding any provision of the general laws to the contrary, including,
33 without limitation, §11-19-17, except for applicable licensing laws and regulations, Twin River
34 may extend interest-free, unsecured credit to its patrons for the sole purpose of such patrons

1 making wagers at table games and/or video lottery terminals at the Twin River facility subject to
2 the terms and conditions of this chapter.

3 (c) Regulations. Within ninety (90) days of the effective date of this section, Twin River
4 shall submit to the division of lotteries, for review and approval, proposed rules and regulations
5 regarding the establishment of procedures governing a program for the extension of credit and
6 requirements with respect to a credit applicant's financial fitness, including, without limitation,
7 annual income, debt-to-income ratio, prior credit history, average monthly bank balance and/or
8 level of play. The division of lotteries may approve, approve with modification, or disapprove
9 any portion of the policies and procedures submitted for review and approval.

10 (d) Credit applications. Each applicant for credit shall submit a written application to
11 Twin River that shall be maintained by Twin River for three (3) years in a confidential credit file.
12 The application shall include the patron's name; address; telephone number; social security
13 number; comprehensive bank account information; the requested credit limit; the patron's
14 approximate amount of current indebtedness; the amount and source of income in support of the
15 application; the patron's signature on the application; a certification of truthfulness; and any other
16 information deemed relevant by Twin River or the division of lotteries.

17 (e) Credit application verification. As part of the review of a credit application and before
18 an application for credit is approved, Twin River shall verify:

19 (1) The identity, creditworthiness, and indebtedness information of the applicant by
20 conducting a comprehensive review of:

21 (i) The information submitted with the application;

22 (ii) Indebtedness information regarding the applicant received from a credit bureau;
23 and/or

24 (iii) Information regarding the applicant's credit activity at other licensed facilities that
25 Twin River may obtain through a casino credit bureau and, if appropriate, through direct contact
26 with other casinos.

27 (2) That the applicant's name is not included on an exclusion or self-exclusion list
28 maintained by Twin River and/or the division of lotteries.

29 (3) As part of the credit application, Twin River shall notify each applicant in advance
30 that Twin River will verify the information in subsections (e)(1) and (e)(2) of this section and
31 may verify any other information provided by the applicant as part of the credit application. The
32 applicant is required to acknowledge in writing that he or she understands that the verification
33 process will be conducted as part of the application process and that he or she consents to having
34 said verification process conducted.

1 (f) Establishment of credit. After a review of the credit application and upon completion
2 of the verification required under subsection (e) of this section, and subject to the rules and
3 regulations approved by the division of lotteries, a credit facilitator may approve or deny an
4 application for credit to a player. The credit facilitator shall establish a credit limit for each patron
5 to whom credit is granted. The approval or denial of credit shall be recorded in the applicant's
6 credit file that shall also include the information that was verified as part of the review process,
7 and the reasons and information relied on by the credit facilitator in approving or denying the
8 extension of credit and determining the credit limit. Subject to the rules and regulations approved
9 by the division of lotteries, increases to an individual's credit limit may be approved by a credit
10 facilitator upon receipt of written request from the player after a review of updated financial
11 information requested by the credit facilitator and re-verification of the player's credit
12 information.

13 (g) Recordkeeping. Detailed information pertaining to all transactions affecting an
14 individual's outstanding indebtedness to Twin River shall be recorded in chronological order in
15 the individual's credit file. The financial information in an application for credit and documents
16 related thereto shall be confidential. All credit application files shall be maintained by Twin River
17 in a secure manner and shall not be accessible to anyone that is not a credit facilitator or a Twin
18 River manager or officer responsible for the oversight of the extension of credit program.

19 (h) Reduction or suspension of credit. A credit facilitator may reduce a player's credit
20 limit or suspend his or her credit to the extent permitted by the rules and regulations approved by
21 the division of lotteries and shall reduce a player's credit limit or suspend a player's credit limit as
22 required by said rules and regulations.

23 (i) Voluntary credit suspension. A player may request that Twin River suspend or reduce
24 his or her credit. Upon receipt of a written request to do so, the player's credit shall be reduced or
25 suspended as requested. A copy of the request and the action taken by the credit facilitator shall
26 be placed in the player's credit application file.

27 (j) Liability. In the event that a player fails to repay a debt owed to Twin River resulting
28 from the extension of credit by Twin River, neither the state of Rhode Island nor the division of
29 lotteries shall be responsible for the loss and said loss shall not affect net table game revenue or
30 net terminal income. Twin River, the state of Rhode Island, the division of lotteries, and/or any
31 employee of Twin River, shall not be liable in any judicial or administrative proceeding to any
32 player, any individual, or any other party, including table game players or individuals on the
33 voluntary suspension list, for any harm, monetary or otherwise, that may arise as a result of:

34 (1) Granting or denial of credit to a player;

- 1 (2) Increasing the credit limit of a player;
2 (3) Allowing a player to exercise his or her right to use credit as otherwise authorized;
3 (4) Failure of Twin River to increase a credit limit;
4 (5) Failure of Twin River to restore credit privileges that have been suspended, whether
5 involuntarily or at the request of the player; or
6 (6) Permitting or prohibiting an individual whose credit privileges have been suspended,
7 whether involuntarily or at the request of the player, to engage in gaming activity in a licensed
8 facility while on the voluntary credit suspension list.
9 (k) Limitations. Notwithstanding any other provision of this chapter, for any extensions
10 of credit, the maximum amount of outstanding credit per player shall be fifty thousand dollars
11 (\$50,000).

12 SECTION 4. Section 9-26-4 of the General Laws in Chapter 9-26 entitled "Levy and Sale
13 on Execution" is hereby amended to read as follows:

14 **9-26-4. Property exempt from attachment. --** The following goods and property shall
15 be exempt from attachment on any warrant of distress or on any other writ, original, mesne, or
16 judicial:

17 (1) The necessary wearing apparel of a debtor or of the debtor's family, if he or she has a
18 family.

19 (2) The working tools of a debtor necessary in the debtor's usual occupation, not
20 exceeding in value the sum of two thousand dollars (\$2,000), and the professional library of any
21 professional person in actual practice.

22 (3) The household furniture, clothing, and family stores of a debtor, including beds and
23 bedding, not exceeding in value the sum of nine thousand six hundred dollars (\$9,600).

24 (4) The bibles, school books, and other books in use in the family, not exceeding in value
25 the sum of three hundred dollars (\$300).

26 (5) The debtor's interest in one lot or right of burial, as the case may be, in any cemetery.

27 (6) Wages due or accruing to any sailor.

28 (7) Debts secured by bills of exchange or negotiable promissory notes.

29 (8) (i) The entire salary or wages of any debtor due or payable from any charitable
30 corporation, or from any person or corporation engaged in the disbursement or administration of
31 any public charitable fund or money, whenever the salaries or wages are to be paid or supplied,
32 directly or indirectly, from any fund or money appropriated or contributed for the relief of the
33 poor or in aid of unemployment, and the debtor is the object of the relief or aid.

34 (ii) The entire wages or salary of any debtor due or payable from any employer, where

1 the debtor has been the object of relief from any state, federal, or municipal corporation or agency
2 for a period of one year from and after the time when the debtor ceases to be the object of such
3 relief.

4 (iii) The salary or wages due or payable to any other debtor, not exceeding the sum of
5 fifty dollars (\$50.00).

6 (9) The salary and wages of the wife and the minor children of any debtor.

7 (10) Such other property, real, personal, or mixed, in possession or actions as is or shall
8 be exempted from attachment and execution, either permanently or temporarily, by general or
9 special acts, charters of incorporation, or by the policy of the law.

10 (11) An individual retirement account or individual retirement annuity as defined in
11 ~~sections 408 and 408A of the~~ the Internal Revenue Code, 26 U.S.C. ~~sections §§~~ 408 and 408A,
12 and the payments or distributions from such an account or annuity, except that this exemption
13 does not apply to any of the following:

14 (i) An order of a court pursuant to a judgment of divorce or separate maintenance.

15 (ii) An order of a court concerning child support.

16 (iii) Contributions to an individual retirement account or premiums on an individual
17 retirement annuity, including the earnings or benefits from those contributions or premiums, that
18 constitute an excess contribution within the meaning ~~of Section 4973~~ of the Internal Revenue
19 Code, ~~26 U.S.C. section §~~ 4973.

20 (12) The right or interest of a person in an annuity, pension, profit sharing, or other
21 retirement plan protected by the Employee Retirement Income Security Act of 1974, Public Law
22 93-406, 29 U.S.C. ~~section §~~ 1001 et seq. This exemption shall also apply to the operation of the
23 Federal Bankruptcy Code, as permitted by ~~Section 522(d)(10)(E) of Title 11 of the United States~~
24 ~~Code~~, 11 U.S.C. ~~section §~~ 522(d)(10)(E). This exemption shall not apply to the right or interest of
25 a person in an annuity, pension, profit sharing, or other retirement plan to the extent that that right
26 or interest is subject to any of the following:

27 (i) An order of the court pursuant to a judgment of divorce or separated maintenance.

28 (ii) An order of a court concerning child support.

29 This exemption shall not apply to any contributions to and the earnings of any of the
30 retirement plans enumerated in this subdivision that are not qualified retirement plans as defined
31 by ~~Section 401 of the~~ the Internal Revenue Code, 26 U.S.C. ~~section §~~ 401.

32 (13) Any and all motor vehicles owned by the debtor not to exceed an aggregate total of
33 twelve thousand dollars (\$12,000).

34 (14) Any and all jewelry owned by the debtor not to exceed an aggregate total of two

1 thousand dollars (\$2,000).

2 (15) An account balance, right, or interest of a person in a "prepaid tuition program" or a
3 "tuition savings program" as defined in ~~section~~ §16-57-3(10) and (16), respectively. This
4 exemption shall not apply to a balance, right, or interest to the extent that the balance, right, or
5 interest is subject to any of the following:

6 (i) An order of a court pursuant to a judgment of divorce or separate maintenance;

7 (ii) An order of a court concerning child support.

8 (16) In addition to the exemptions herein, a debtor in bankruptcy may exempt an
9 additional six thousand five hundred dollars (\$6,500) in any assets.

10 (17) The real property of any person having debts secured by casino-issued lines of credit
11 also known as "casino markers" that are issued to casino patrons by the casino credit department
12 or other department or agency of the casino.

13 SECTION 5. This act shall take effect upon passage.

=====
LC005611/SUB A
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO STATE AFFAIRS AND GOVERNMENT -- VIDEO LOTTERY TERMINAL

1 This act would authorize the extension of credit to players at the Twin River gaming
2 facility, and would establish the statutory guidelines governing such extension of credit.

3 This act would also prohibit casinos from attaching the real estate of any person who is
4 provided a casino marker or line of credit by the casino.

5 This act would take effect upon passage.

=====
LC005611/SUB A
=====