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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2018

A N A C T

RELATING TO SPORTS, RACING, AND ATHLETICS - SPORTS BETTING

Introduced By: Representative Gregg Amore

Date Introduced: June 14, 2018

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 3-7 of the General Laws entitled "Retail Licenses" is hereby
2 amended by adding thereto the following section:

3 **3-7-7.8. Betting parlor license - Class B-BP.**

4 (a) A Class B-BP license shall be issued only to a holder of a sports gaming license or to
5 holders of a Class B-V license who have entered into a partnership or licensing agreement with a
6 holder of a sports gaming license, or a licensing agreement with the Rhode Island lottery to offer
7 sports betting using their platform. A Class B-BP license shall not be required of anyone holding
8 a Class B-C license.

9 (b) The license authorizes the holder to keep for sale and sell beverages, including beer in
10 cans, at retail at the place described and to deliver them for consumption on the premises or place
11 where sold. It also authorizes the charging of an admission to events at the gaming and
12 entertainment facility.

13 (c) The license authorizes the holder to sell and serve alcoholic beverages between the
14 hours of six o'clock (6:00) a.m. and two o'clock (2:00) a.m. on Fridays, Saturdays, and nights
15 before federal and state legally recognized holidays. The fee for a Class B-BP license shall be two
16 thousand five hundred dollars (\$2,500).

17 (d) The applicant for a Class B-BP license shall submit the following to its host
18 municipality:

19 (1) The applicant holds a valid and enforceable Class B-V license that is in good standing

1 or, in the case of a new business, meets the criteria necessary to hold a Class B-V license.

2 (2) The applicant possesses a gaming license or its application for a license has been
3 conditionally approved by the department.

4 (e) In the event that the host municipality grants a Class B-BP license, the licensee shall
5 exchange its existing Class B-V license for the Class B-BP license.

6 (f) Upon receipt of the proper permits from the local licensing board, holders of Class B-
7 BP licenses are permitted to have dances, entertainment, and food service within the licensed
8 premises to be conducted during the hours permitted for sale and service of alcoholic beverages.

9 (g) Notwithstanding any provisions in the department of business regulation liquor
10 control administration regulations, rule 18, it shall be lawful for the holder of a Class B-BP
11 license to permit the consumption of alcoholic beverages at any time as long as the subject
12 alcoholic beverage was purchased during legal service hours.

13 (h) To the extent that there is no conflict with the provisions of § 3-7-7.8, the provisions
14 of § 3-7- 7 shall apply to a holder of a Class B-BP license.

15 SECTION 2. Title 41 of the General Laws entitled "SPORTS, RACING, AND
16 ATHLETICS" is hereby amended by adding thereto the following chapter:

17 CHAPTER 12

18 SPORTS BETTING

19 **41-12-1. Definitions.**

20 As used in this chapter, the following words shall have the following meanings.

21 (1) "Account holder" means a person having money held in account for the purpose of
22 making wagers and having its cost deducted and any winnings deposited.

23 (2) "Agent" means a person engaged by a licensed operator or an applicant for a license,
24 for the purposes of representing their interests before administrative agencies or boards, judicial
25 courts of the state, or any lobbying activities.

26 (3) "Annual gross gambling yield" (AGGY) means the total of all money paid to the
27 licensee as bets minus the amount paid out for winning wagers over a one year period determined
28 by the department of business regulation.

29 (4) "Authorized site" means an Internet site operated by a licensed operator for the
30 purpose of offering contests authorized by this chapter.

31 (5) "Bet" or "wager" means to risk money on the unknown result of an event with the
32 hope of making more money.

33 (6) "Betting" means making or accepting a bet on: the outcome of a race, competition or
34 other event or process; the likelihood of anything occurring or not occurring; or whether anything

- 1 is or is not true, and includes pool betting.
- 2 (7) "Betting parlor" means and includes any physical location, licensed by the state, to
3 accept wagers placed on sporting or other events.
- 4 (8) "Betting service" means a service for the placing, making, receiving or acceptance of
5 bets and may include the services of a betting exchange (as well as direct service providers).
- 6 (9) "Bond" means a bond or other writing held in escrow for the purpose of maintaining
7 adequate reserves to account for losses suffered by the licensees and owed to persons covered by
8 this chapter.
- 9 (10) "Cheating" means improving the chances of winning or of altering the outcome by
10 deception, interference or manipulation of a game or of any equipment (including software
11 pertaining to or used in relation to the equipment), used for or in connection with the game or
12 event on which bets are placed or are invited, and includes attempts and conspiracy to cheat.
- 13 (11) "Director" means the director of the department of business regulation.
- 14 (12) "Department" means the department of business regulation.
- 15 (13) "Electronic means" means the use of the Internet or other method of transmitting
16 information not in person.
- 17 (14) "Employee" means all traditional and non-traditional employees including
18 independent contractors performing work or other tasks at the direction or on behalf of the
19 principals or key employees in the furtherance of their business interests in this chapter.
- 20 (15) "Entity" means any person, firm, partnership, association or corporation having or
21 applying for a license to operate or offer contests authorized by this chapter.
- 22 (16) "Event" means any real-world sporting event or other occurrence whose result is
23 unknown and is used as the basis for making a wager under this chapter.
- 24 (17) "Fixed odds betting" means bets made at pre-determined odds or spread whereby the
25 return to the player will be unaffected by any later fluctuation in odds.
- 26 (18) "Future bet" means a wager made on the occurrence of an event in the future, for the
27 purposes of this chapter future bets also include any wager involving a field of choices that is not
28 part of a pari-mutuel or pool bet.
- 29 (19) "Gaming service" means any service that is required for or comprises any
30 component of the activities of gaming and may be provided by an intermediary.
- 31 (20) "Host" means an entity licensed and operating an authorized site.
- 32 (21) "Key employee" means a person having the authority to act on behalf of: a licensed
33 operator; or any person, firms, partnerships, associations, or corporations in the process of
34 applying for a license authorized by this chapter and whose judgment is being relied on to

1 manage and advance the business operations. A principal may be a key employee if the
2 circumstances so warrant.

3 (22) "License" means a grant by the state to offer the opportunity to accept wagers on
4 events not prohibited by law.

5 (23) "Licensee" or "licensed operator" means any person, firm, partnership, association or
6 corporation licensed and authorized to accept wagers under the provisions of this chapter.

7 (24) "Live betting" means and refers to a type of wager that is placed after the event
8 being wagered on has commenced and whose odds on events occurring are adjusted in real time.
9 Live betting does not include wagers made between quarters, halves or periods of games where
10 the outcome of the event being wagered on is related only to the quarter, half or period that has
11 not yet commenced.

12 (25) "Money line" means the fixed odds in relation to a dollar amount that a team or
13 person will win outright, regardless of the spread.

14 (26) "Minor" means an individual who is less than eighteen (18) years old.

15 (27) "Occupational license" means a licensing requirement deemed necessary by the
16 department to protect consumers or residents of the state or otherwise affects the faith and
17 trustworthiness of the wagers being offered under this chapter.

18 (28) "Pari-mutuel betting" or "pool betting" means a type of bet in which all wagers on a
19 particular occurrence are pooled and winnings are paid in accordance with the size of the pool
20 and the number of winners.

21 (29) "Parlay bet" means a single bet that links together two (2) or more individual wagers
22 in which winnings accruing from each transaction are used as a stake for a further bet and is
23 dependent on all of those wagers winning together.

24 (30) "Principal" means any person having more than five percent (5%) ownership interest
25 in, or any officer of an entity licensed or applying for a license to offer contests authorized under
26 this chapter.

27 (31) "Proposition bet" means a wager made regarding the occurrence or non-occurrence
28 during a game or event not affecting the event's final outcome.

29 (32) "Real-world sporting event" means a scheduled sporting event whose outcome is
30 unknown and is determined by events or occurrences of persons who physically competed in the
31 event and is the basis of a wager under this chapter.

32 (33) "Real-world team" means a team that competes in scheduled sporting events against
33 other teams and whose roster or members are readily identifiable by the public.

34 (34) "Record" means a document, or an object, in any form (including any electronic

1 form) that is, has been or ought to have been, kept by reason of: any information or matter that it
2 contains or that can be obtained from it; or its connection with any event, person, circumstance or
3 thing.

4 (35) "Regulated worker" means any person working or contracted on behalf of the
5 licensee, who the state has determined must pass a background check and be licensed.

6 (36) "Remote communication" means communication using: the Internet, telephone,
7 television, radio, or any other kind of electronic or other technology for facilitating
8 communication.

9 (37) "Remote gambling" means gambling in which persons participate by the use of
10 remote communication.

11 (38) "Resident" means, for the purposes of this chapter, a person who primarily resides in
12 the state, a student attending a school of higher or lower education in the state who has a
13 substantial connection to the state, or for the purposes of gaming under this chapter any person
14 located within the boundaries of the state at the time they place a wager as described in this
15 chapter.

16 (39) "Self-exclusion" means the process that allows a person to voluntarily request that
17 they not be allowed at a place that allows gambling or to otherwise be allowed to place a wager in
18 person or remotely.

19 (40) "Spread betting" is a form of gambling in which stakes are placed not on the results
20 of contests but on the difference in the number of points scored between persons or teams.
21 Winnings and losses are calculated according to the accuracy or inaccuracy of the prediction.

22 (41) "Straight bet" means a singular wager using a point spread to determine the winner
23 of an event between two (2) persons or teams.

24 (42) "Transaction" means and includes both the initial cost of placing a wager and any
25 winnings resulting from a wager.

26 (43) "Vendors" mean and includes all contractors, subcontractors, independent
27 contractors and other non-traditional employees hired or contracted by the licensee for the
28 purpose of furthering their business.

29 (44) "Wager" or "bet" means to risk money on the unknown result of an event with the
30 hope of making more money.

31 **41-12-2. Certain activities permitted.**

32 (a) Within the department of business regulation there shall be a division of sports
33 betting. The division shall supervise the enforcement of all laws relating to the regulation and
34 control of sports betting. The division shall exercise all powers and duties prescribed by this

1 chapter and all other acts relative to the licensing and regulation of sports betting, including, but
2 not limited to, promulgating those rules and regulations it deems necessary to protect the integrity
3 of the activities prescribed in this chapter.

4 (b) The department of business regulation may permit a holder of a sports betting license
5 to offer and accept wagers within and without this state; provided, that those licensees without a
6 physical presence in the state and accepting wagers remotely from residents or persons located
7 within the state at the time the wager was placed agree to be subject to the jurisdiction of the state
8 as provided for in this chapter.

9 **41-12-3. Licenses issued by department of business regulation.**

10 (a) The right, power, and jurisdiction to issue sports betting licenses are vested solely in
11 the department of business regulation; provided, that before the department issues any license for
12 a betting parlor, it shall first receive the approval of the licensing authority of the town or city in
13 which the premises covered by the license are located; and, provided further, that the number of
14 licenses for betting parlors in the state shall be limited to nine (9) of which:

15 (1) One license is available to each of the five (5) counties;

16 (2) One license is to be provided to any casino licensed and in operation in the state
17 before November 6, 2018;

18 (3) Additional licenses are to be made available to any of the counties for each additional
19 one hundred and fifty thousand (150,000) inhabitants as determined by the latest census taken
20 under the authority of the United States or of this state; and

21 (4) No more than one license per city or town.

22 (b) Notwithstanding the provisions of this section or any general or special law to the
23 contrary, no city or town shall restrict the holder of an operational betting license from areas
24 already zoned for the size and type of business that may be proposed.

25 **41-12-4. Licenses - types.**

26 Notwithstanding gambling facilities licensed by the state before November 6, 2018, the
27 department of business regulation shall establish a number of license classifications it deems
28 necessary to effect the purposes of this chapter. Such classification of licenses for sports betting
29 shall include, but not be limited to:

30 (1) An operational betting license regulating the wagering activities offered within and
31 without the state by remote means and the ancillary operations supporting such business
32 including, but not limited to, customer service, computer operators, technical help and
33 supervisory staff;

34 (2) A remote betting license regulating wagering activities offered to residents of the state

1 and those persons physically located within the state's boundaries at the time they place their
2 wagers by telephonic and other electronic means;

3 (3) A betting parlor license regulating operations offering wagering activities, with a
4 physical presence in the state approved by the hosting community and licensed to sell alcoholic
5 beverages and further classified by:

6 (i) Those entities that have an ownership interest in both the licensed premises and the
7 sports betting license;

8 (ii) Those entities that have an ownership interest in the licensed premises and are in
9 partnership with the holder of the sports betting license;

10 (iii) Those entities that have an ownership interest in the licensed premises and have
11 licensing agreements in place to use the platform provided by the holder of the sports license; and

12 (iv) Those entities that have an ownership interest in the licensed premises and have a
13 licensing agreement in place with the Rhode Island lottery;

14 (4) A betting premises' license regulating operations offering wagering activities
15 governed by this chapter, with a physical presence in the state approved by the hosting
16 community and with no license to sell alcoholic beverages.

17 **41-12-5. Licenses - fees.**

18 Notwithstanding any gambling facility licensed by the state before November 6, 2018,
19 the department of business regulation shall establish fees for each classification of license granted
20 for sports betting as provided for in § 41-12-4.

21 (1) Operational betting license. There is hereby established a yearly licensing fee for the
22 holders of operational betting licenses based on the licensees' annual gross gambling yield
23 (AGGY) on remote wagers regulated by this chapter in the previous year and does not include
24 any wagers placed at a physical location in which the operator may have an additional business
25 interest.

<u>(i) If AGGY is:</u>	<u>The annual licensing fee is:</u>
<u>Less than \$10,000,000</u>	<u>\$50,000</u>
<u>More than \$10,000,000</u> <u>but less than \$50,000,000</u>	<u>\$100,000</u>
<u>More than \$50,000,000</u> <u>but less than \$100,000,000</u>	<u>\$150,000</u>
<u>More than \$100,000,000</u> <u>but less than \$250,000,000</u>	<u>\$250,000</u>
<u>More than \$250,000,000</u>	<u>\$500,000</u>

1 (ii) Upon the issuance of an operational betting license, the licensee shall pay one
2 hundred thousand dollars (\$100,000) towards the first year's annual fee with a remainder due after
3 an accounting of the annual gross gambling yield and based upon the fee structure provided for in
4 this section.

5 (iii) The licensing fee established in this subsection is in addition to any other fee
6 established by this or any other chapter.

7 (2) Remote betting license. There is hereby established a yearly licensing fee for the
8 holders of remote operating licenses based on the licensees' annual gross gambling yield (AGGY)
9 on remote wagers regulated by this chapter in the previous year and does not include any wagers
10 placed at a physical location in which the operator may have an additional business interest.

<u>(i) If AGGY is:</u>	<u>The annual licensing fee is:</u>
<u>Less than \$1,000,000</u>	<u>\$20,000</u>
<u>More than \$1,000,000</u>	<u>\$50,000</u>
<u>but less than \$5,000,000</u>	
<u>More than \$5,000,000</u>	<u>\$75,000</u>
<u>but less than \$15,000,000</u>	
<u>More than \$15,000,000</u>	<u>\$150,000</u>
<u>but less than \$50,000,000</u>	
<u>More than \$50,000,000</u>	<u>\$200,000</u>

20 (ii) Upon the issuance of a remote operating license, the licensee shall pay forty thousand
21 dollars (\$40,000) towards the first year's annual fee with a remainder due after an accounting of
22 the annual gross gambling yield and based upon the fee structure provided for in this section.

23 (iii) The licensing fee established in this subsection is in addition to any other fee
24 established by this or any other chapter.

25 (3) Betting parlor license. There is hereby established a yearly licensing fee for the
26 holders of a license to operate a betting parlor based on the annual gross gambling yield (AGGY)
27 of wagers regulated by this chapter in the previous year and placed at the physical location of the
28 licensee.

<u>(i) If AGGY is:</u>	<u>The annual licensing fee is:</u>
<u>Less than \$1,000,000</u>	<u>\$2,500</u>
<u>More than \$1,000,000</u>	<u>\$10,000</u>
<u>but less than \$5,000,000</u>	
<u>More than \$5,000,000</u>	<u>\$20,000</u>

34 (ii) Upon the issuance of a betting parlor license, the licensee shall pay five thousand

1 dollars (\$5,000) towards the first year's annual fee with a remainder due after an accounting of the
2 annual gross gambling yield and based upon the fee structure provided for in this section.

3 (iii) The licensing fee established in this subsection shall be shared equally between the
4 state and the hosting community and is in addition to any other fee established by this or any
5 other chapter.

6 (iv) Notwithstanding the holding of any other gaming license by the holder of a license to
7 operate a betting parlor and regardless if the account was set up at the physical location where
8 this fee is being applied, the calculation of the annual gross gambling yield used to establish the
9 licensing fee does not include wagers placed remotely.

10 (4) Betting premises license. There is hereby established a yearly licensing fee for the
11 holders of a license to operate a betting parlor premises on the annual gross gambling yield
12 (AGGY) of wagers regulated by this chapter in the previous year and placed at the physical
13 location of the licensee.

<u>(i) If AGGY is:</u>	<u>The annual licensing fee is:</u>
<u>Less than \$1,000,000</u>	<u>\$2,500</u>
<u>More than \$1,000,000</u> <u>but less than \$5,000,000</u>	<u>\$10,000</u>
<u>More than \$5,000,000</u>	<u>\$20,000</u>

19 (ii) Upon the issuance of a betting premises license, the licensee shall pay five thousand
20 dollars (\$5,000) towards the first year's annual fee with a remainder due after an accounting of the
21 annual gross gambling yield and based upon the fee structure provided for in this section.

22 (iii) The licensing fee established in this subsection shall be shared equally between the
23 state and the hosting community and is in addition to any other fee established by this or any
24 other chapter.

25 (iv) Notwithstanding the holding of any other gaming license by the holder of a license to
26 operate a betting premises and regardless if the account was set up at the physical location where
27 this fee is being applied, the calculation of the annual gross gambling yield used to establish the
28 licensing fee does not include wagers placed remotely.

29 **41-12-6. Restrictions and penalties.**

30 (a) Any person, firm, partnership, association or corporation that accepts wagers as
31 described by this chapter and is not licensed by the department or otherwise licensed by another
32 state, territory or country, shall be fined one thousand dollars (\$1,000) for each transaction arising
33 out of contacts with persons physically located in Rhode Island at the time of the transaction and
34 the matter shall be referred to the office of the attorney general.

1 (b)(1) Any person, firm, partnership, association or corporation that accepts wagers as
2 described by this chapter and is not licensed by the department, but is otherwise licensed by
3 another state, territory or country, shall be fined one thousand dollars (\$1,000) for each
4 transaction arising out of contacts with persons physically located in Rhode Island at the time of
5 the transaction and be required to become licensed under the provisions of this chapter or have
6 the matter referred to the office of attorney general.

7 (c) In any prosecution under the laws of this state, it shall be an irrebutable presumption
8 that any person, firm, partnership, association or corporation accepting wagers authorized by this
9 chapter without the proper licensing knowingly participated in gambling activities.

10 **41-12-7. Licensees - qualifications.**

11 (a) No license shall be issued, granted, renewed, or transferred to any trust or trustee or to
12 any corporation of which any share or shares of stock or other indicia of ownership or control are
13 owned or held by any trust, or trustee, business organization, or other entity or person other than a
14 natural person or corporation authorized by the secretary of state to transact business in this state
15 and with a physical presence in the United States.

16 (b) No persons, firms, partnerships, associations, or corporations having an ownership
17 interest or is otherwise responsible as the governing body of a team, league or otherwise having a
18 business or personal connection to the outcome of the events being wagered on may be licensed
19 or have an interest in a business operation provided for in this chapter.

20 (c) All those corporations holding a sports betting license shall report to the department
21 the name of any newly elected officer or director and the acquisition by any person of more than
22 ten percent (10%) of any class of corporate stock, within thirty (30) days after the election or
23 acquisition. Thereupon, the department or director may call a hearing, at its discretion, to
24 determine whether the new officer, director or stockholder is a suitable person under this section
25 and the board, body or official may revoke or suspend the license if the new officer or director or
26 stockholder is not a suitable person to hold a license.

27 (d) No person shall acquire fifty percent (50%) or more of any class of the stock of any
28 corporation licensed under this section, except corporations having more than twenty-five (25)
29 stockholders, unless permission for the acquisition is first given by the department. Application
30 for permission to acquire stock is subject to the provisions of § 41-12-16 relating to the transfer of
31 a license to another person except that it shall not be necessary that a new bond be given. Unless
32 the department determines that the person seeking permission to acquire fifty percent (50%) or
33 more of the corporation's stock is a suitable person to hold a license, permission shall not be
34 given.

1 (e) The sports betting license of a corporation is subject to suspension or revocation for
2 failure to comply with any of the provisions of this section or for any fraud or misrepresentation
3 in connection with the license.

4 **41-12-8. Escrow account.**

5 (a) The department shall determine an appropriate amount and require that before a
6 license is granted that each licensee place a bond in escrow to ensure that there exists adequate
7 reserves to pay off persons covered by this chapter.

8 (b) After each year's accounting, the department may determine that additional amounts
9 be placed in escrow to support the reserves.

10 (c) The licensee may maintain the bond at any financial institution licensed and regulated
11 by the state and shall be the beneficiary of any interest earned thereunder.

12 (d) In any dissolution, the monies owed to account holders covered by this chapter shall
13 be paid out of the escrow account before any taxes or fees owed to the state.

14 **41-12-9. Licensing - application.**

15 (a) All persons, firms, partnerships, associations, or corporations desiring to operate any
16 gaming business authorized by this chapter, shall submit an application for a license to the
17 department of business regulation on such forms and in such a manner as prescribed by
18 regulations of the department, and along with a processing fee of five thousand dollars (\$5,000)
19 provide and include:

20 (1) A list of all of the entity's principals, and for each principal:

21 (i) A national criminal records check initiated through the bureau of criminal
22 identification of the department of the attorney general;

23 (ii) Information as to financial standing; and

24 (iii) All releases and authorizations necessary to facilitate the purpose of this subsection
25 signed by the individual.

26 (2) A list of all the entity's key employees, and for those key employees:

27 (i) A national criminal records check initiated through the bureau of criminal
28 identification of the department of the attorney general that shall include fingerprints submitted to
29 the Federal Bureau of Investigation (FBI);

30 (ii) Information as to financial standing; and

31 (iii) All releases and authorizations necessary to facilitate the purpose of this subsection
32 signed by the individual.

33 (3) A list of all persons, corporations or other businesses providing any financing to the
34 applicant and any interest, whether direct or indirect, by any other person, firm or corporation in

1 the license applied for;

2 (4) A list of all vendors whose work for or contract with the licensee may affect the
3 public's trust in the granting of a license authorized under this chapter;

4 (5) A list of all vendors whose work for, or contract with the licensee may allow them
5 access to the private information of participants;

6 (6) The names of vendors, agents and subcontractors performing work or other activities
7 on the entity's behalf in furtherance of operations with connections to the state or as part of its
8 application for a license; and

9 (7) Any additional information from the principals and key employees the department
10 deems will aid in its decision making process as to their: moral character; previous employment;
11 corporate, partnership or association affiliations; ownership of personal assets; and such other
12 information necessary to protect the interests of the state and consumers. The department shall
13 have the right to reject any applications for a license to operate games under this chapter for any
14 cause, which it may deem sufficient. Applicants aggrieved by a decision or order of the
15 department shall have the right to an appeal to the department of business regulation pursuant to
16 chapter 35 of title 42 (the administrative procedures act).

17 (b) Every applicant and licensee has a continuous obligation to update and forward to the
18 department information required by subsection (a) of this section as it becomes known to them.

19 (c) An entity that knowingly fails to self-report its failure to provide an accurate list as
20 required by subsection (a) of this section, or update its information as required by subsection (b)
21 of this section shall have its license application denied.

22 (d) The department shall reject any application for a license under this chapter if any of
23 the principals or key employees listed in the application are found to have disqualifying
24 information as provided for in § 42-12-12. The department shall refuse to reconsider the entity's
25 application until such time that the department is satisfied that the person whom was disqualified
26 under § 42-12-12 is no longer a principal or key employee of the entity.

27 (e) Final action on an application before the department shall not be taken until such time
28 as the names and addresses of the principals have been made public and a public hearing
29 scheduled.

30 (f) Only persons, firms, partnerships, associations, or corporations whose application has
31 been approved under this section, may contact a community or property owner or otherwise
32 negotiate, solicit or contract for any business opportunities related to a sports betting license.

33 (g) Notwithstanding any of the provisions of this section, no approval of an application
34 by the department shall guarantee the granting of a license.

1 **41-12-10. Licensing of employees.**

2 (a) The department shall establish by regulations occupational licensing requirements for
3 positions it determines may provide employees access to private information provided by bettors
4 or account holders, and any other such persons it determines may affect consumer confidence in
5 the licensee.

6 (b) Any person required to possess an occupational license as provided for in this section
7 shall submit to a national criminal records check initiated through the bureau of criminal
8 identification of the department of the attorney general that shall include fingerprints submitted to
9 the FBI and be subject to the provisions of § 42-12-12.

10 (c) The cost of the licensing requirements of this section shall be paid by the entity, and
11 shall include one hundred and fifty percent (150%) of the total salaries and benefits for the state
12 employees engaged in the licensing and regulating of the games authorized by this chapter. The
13 funds shall be deposited as restricted receipts for the use of the state and shall be in addition to
14 any taxes and fees otherwise payable to the state.

15 (d) All employees regulated under this section shall, upon obtaining the license, maintain
16 upon their person while working an identification badge containing a unique identification
17 number, issued or authorized by the department of business regulation under rules and regulations
18 promulgated by the department.

19 (e) For employees of the entity there shall be a license fee paid yearly as set forth below:

20 (1) Key employees - three hundred dollars (\$300);

21 (2) Supervisory or exempt employees - two hundred dollars (\$200);

22 (3) Operation employees who have access to private or personal information - one
23 hundred fifty dollars (\$150); and

24 (4) Service employees or customer service representatives who have contact with
25 participants, but do not have access to private or personal information, one hundred dollars
26 (\$100).

27 **41-12-11. Licensing of software companies, independent contractors and employees.**

28 (a) All persons, firms, associations, or corporations employed or contracted by a licensee
29 under this chapter in providing computer and software services involving online wagering and
30 security, shall apply for a license to the department of business regulation upon such forms and in
31 such manner prescribed by regulations of the department, and along with a processing fee of two
32 thousand dollars (\$2,000), provide and include:

33 (1) A list of all of the entity's principals, and for each principal:

34 (i) A national criminal records check initiated through the bureau of criminal

1 identification of the department of the attorney general;

2 (ii) Information as to financial standing; and

3 (iii) All releases and authorizations necessary to facilitate the purposes of this subsection
4 signed by the individual.

5 (b) All traditional and non-traditional employees working on projects or materials
6 contracted by the licensee in subsection (a) of this section who may have access to private
7 information provided by account holders shall be licensed by the department on forms prescribed
8 by regulations of the department. Any person required to possess an occupational license as
9 provided for in this subsection shall submit to a national criminal records check initiated through
10 the bureau of criminal identification of the department of the attorney general that shall include
11 fingerprints submitted to the FBI and be subject to the provisions of § 42-12-12.

12 (c) For all persons, firms, associations, or corporations employed or contracted by a
13 licensed operator and who are not already licensed under § 42-12-5 there shall be a license fee
14 paid yearly as set forth below:

15 (1) Software development companies - one thousand dollars (\$1,000);

16 (2) Software engineers or independent contractors - three hundred dollars (\$300); and

17 (3) Computer operators and technicians - one hundred fifty dollars (\$150).

18 (d) All individual applicants for licensing under this section shall be fingerprinted, and,
19 upon obtaining the license, shall maintain upon their person while working an identification
20 badge containing a unique identification number, issued or authorized by the department.

21 **41-12-12. Criminal checks – disqualifying information.**

22 (a) Any person required to submit to a criminal background check as provided for in §§
23 41-12-9 and 41-12-10 shall be disqualified from obtaining the necessary licensure if information
24 produced by a national criminal records check finds the applicant was convicted of any of the
25 following crimes:

26 (1) Murder;

27 (2) Voluntary manslaughter;

28 (3) Involuntary manslaughter;

29 (4) First-degree sexual assault;

30 (5) Second-degree sexual assault;

31 (6) Third-degree sexual assault;

32 (7) Assault on persons sixty (60) years of age or older;

33 (8) Assault with intent to commit specified felonies (murder, robbery, rape, burglary, or
34 the abominable and detestable crime against nature);

- 1 (9) Felony assault;
- 2 (10) First-degree arson;
- 3 (11) Robbery;
- 4 (12) Felony drug offenses;
- 5 (13) Felony obtaining money under false pretenses;
- 6 (14) Felony embezzlement, abuse, neglect, and/or exploitation of adults with severe
- 7 impairments;
- 8 (15) Exploitation of elders;
- 9 (16) Felony larceny;
- 10 (17) Felony banking law violations; or
- 11 (18) A crime involving gambling activities or fraud.

12 (b) Information produced by a national criminal records check pertaining to convictions
13 for crimes other than those listed in subsection (a) of this section shall entitle the department to
14 decline to license to the applicant if the department makes a good faith determination based on
15 the information it has that the applicant would pose a risk that might affect the public's faith in the
16 operation, or the private information of the participants.

17 (c) For purposes of this section, "conviction" means, in addition to judgments of
18 conviction entered by a court subsequent to a finding of guilty or a plea of guilty, those instances
19 where the defendant has entered a plea of nolo contendere and has received a sentence of
20 probation and those instances where a defendant has entered into a deferred sentence agreement
21 with the attorney general.

22 (d) Persons licensed under this chapter shall have a continuous duty to inform the
23 department and their employer of any change of status to any information that may disqualify
24 them from being licensed.

25 (e) At the conclusion of any background check required by this chapter, the state police
26 or the local police department will promptly destroy the fingerprint card of the applicant.

27 **41-12-13. Duty to maintain employee and other records.**

28 (a) Each licensed operator shall keep a list of all persons licensed under this chapter
29 whom they employ, hire, or contract with, at their physical office, any place where records
30 subject to inspection under this chapter are kept, and at the physical location of any building or
31 office where those persons licensed normally work.

32 (b) Each list required under this section shall include the full name, license number and
33 expiration date of the license as well as any other information the department deems appropriate.

34 (c) As part of its responsibility to maintain records each entity shall have and keep on a

1 form provided by the department a statement attested to by each person holding a license that in
2 the period since their background check they have not been convicted of a crime provided for in §
3 41-12-12.

4 **41-12-14. License suspension and revocation - violations.**

5 (a) The department may suspend or revoke the license of any entity offering odds and
6 accepting wagers under this chapter for a singular or cumulative violation of the provisions of this
7 chapter, if the department in its judgment determines that these violation(s) indicate a lack of
8 trustworthiness on the part of the licensee or may otherwise negatively affect the people of the
9 state.

10 (b) Licensees aggrieved by a decision or order of the department under this section shall
11 have the right to an appeal pursuant to chapter 35 of title 42 (the administrative procedures act).

12 **41-12-15. Revocation of license - convictions.**

13 (a) If any licensed person or principal is subsequently convicted of any of the following
14 crimes: murder, voluntary manslaughter, involuntary manslaughter, first-degree sexual assault,
15 second-degree sexual assault, third-degree sexual assault, assault on persons sixty (60) years of
16 age or older, assault with intent to commit specified felonies (murder, robbery, rape, burglary, or
17 the abominable and detestable crime against nature), felony assault, first-degree arson, robbery,
18 felony drug offenses, felony obtaining money under false pretenses, felony embezzlement, abuse,
19 neglect, and/or exploitation of adults with severe impairments, exploitation of elders, felony
20 larceny, felony banking law violations, or a crime involving gambling activities or fraud, their
21 license shall be revoked and their interest transferred.

22 (b) For purposes of this section, "conviction" means, in addition to judgments of
23 conviction entered by a court subsequent to a finding of guilty or a plea of guilty, those instances
24 where the defendant has entered a plea of nolo contendere and has received a sentence of
25 probation and those instances where a defendant has entered into a deferred sentence agreement
26 with the attorney general.

27 **41-12-16. Transfer of license.**

28 (a) The department shall permit the license to be transferred among persons holding an
29 interest in the same license without restriction; provided, that if the license is intended to be
30 transferred to persons or entity without an existing interest in the license, the department shall,
31 before permitting the transfer, give notice of the application for the transfer in the same manner as
32 is provided in this chapter in the case of original application for the license, and a new bond shall
33 be given upon the issuance of the license.

34 (b) In all cases of transfer of license, indebtedness of the licensee incurred in the

1 operation of the licensed premises shall be paid to or released by an objecting creditor before the
2 issuing body permits the transfer. In cases of dispute as to the amount of indebtedness, the issuing
3 body, may, in its discretion, permit the transfer upon statement of the licensee, under oath, that
4 the claim of indebtedness is disputed and that the statement of dispute is not interposed for the
5 purpose of inducing transfer of the license. No creditor is allowed to object to the transfer of a
6 license by a receiver, trustee in bankruptcy, assignee for the benefit of creditors, executor,
7 administrator, and guardian or by any public officer under judicial process. In case of the death of
8 any licensee, the license becomes part of the personal estate of the deceased, but interest in the
9 license shall not pass except as provided in subsection (a) of this section.

10 (c) The transfer of a license is contingent upon the full payment of any outstanding debt
11 owed the state or municipality.

12 (d) The transferee of a license assumes all penalties that the license board has imposed
13 upon the transferor of the license.

14 **41-12-17. Prohibition against assignment or leasing of license.**

15 (a) The holder of a license issued pursuant to this title shall not assign, rent, lease or let
16 the license without the approval of the department but may transfer their interest only as provided
17 in § 14-12-16(a).

18 **41-12-18. Licensing agreements.**

19 Notwithstanding the prohibitions set forth in § 41-12-17, the department shall promulgate
20 those rules and regulations necessary to allow persons or entities whose application has been
21 approved or is already licensed under this chapter to form a partnership or otherwise enter into a
22 licensing agreement for the purpose of furthering their business.

23 **41-12-19. Online wagering.**

24 (a) Before any resident of the state opens an account with a licensed operator and places a
25 wager online, they must attest that they are eighteen (18) years of age or older and that their name
26 does not appear on any self-exclusion list.

27 (1) Nothing within this section shall restrict the licensee from taking any legal measures it
28 deems necessary to ensure that all participants are the legal age, including, but not limited to,
29 requiring that participants to provide the licensee a signed and notarized document attesting to
30 their age.

31 (2) For the purposes of this section, any minor who attests to being of proper age or any
32 other person who signs in place of a notary for the purpose of proving eligibility to playing a
33 game under this chapter shall be guilty of filing a false document pursuant to § 11-18-1.

34 (b) Each person desiring to open an account for the purpose of placing a wager online, by

1 telephonic or other electronic means shall provide to the licensee:

2 (1) A physical address not a post office box;

3 (2) A phone number;

4 (3) A unique user name;

5 (4) A bank account, in their own name, and routing number to transact with;

6 (5) Social security number; and

7 (6) An active email account.

8 (c) Persons are limited to one account and one unique user name for each authorized site
9 they join. Licensees shall take all reasonable and necessary steps to ensure that participants only
10 have one account.

11 **41-12-20. Protection of private information.**

12 (a) The licensee shall, in addition to any requirement of federal or state law on data
13 security, take all other additional steps necessary to protect the private information of its players
14 as is the standard in the industry.

15 (b) The licensee shall maintain an adequate level of insurance as determined by the
16 department to protect against any harm caused by the release of any account holder's private
17 information.

18 **41-12-21. Funds on account.**

19 (a) The funding of an account shall be limited to cash transactions. For the purpose of this
20 chapter, cash transaction means and includes:

21 (1) Cash, deposited at a physical location of the licensee;

22 (2) Electronic bank transfer (EBT) of funds;

23 (3) Western Union or other telegraphic transfer requiring cash to initiate the transaction;

24 and

25 (4) Any other method approved by rule or regulation by the department that can be
26 funded only by cash and not by credit.

27 (b) Monies or credits deposited or owed to a player remain the property of the player until
28 such time their value is withdrawn in part or in whole by check or electronic transfer, or any
29 portion thereof is deducted from the account as part of a separate and distinct wager.

30 (c) It is the responsibility of the licensee who holds these funds in trust, to ensure that all
31 appropriate safeguards and accounting measures are in place to:

32 (1) Prevent co-mingling of an account holder's monies or credits with the funds or
33 accounts of the licensee or other account holders; and

34 (2) Prevent unauthorized withdrawals from within and without the operations.

1 **41-12-22. Prohibition on extension of credit.**

2 No licensee, not already in operation before November 6, 2018, shall offer or accept the
3 extension of credit to a bettor or account holder who is a resident of the state or is physically
4 located within its boundaries.

5 **41-12-23. Transaction - records.**

6 For every deposit or withdrawal made to an account, or transaction between the host and
7 account holder, the host shall confirm such activity by email or other means agreed to by the
8 account holder.

9 **41-12-24. Wagers - prohibited.**

10 Sports wagering shall be prohibited in connection with any collegiate sports or athletic
11 event that takes place in Rhode Island or a sports contest or athletic event in which any Rhode
12 Island college team participates, regardless of where the event takes place.

13 **41-12-25. Wagers – persons prohibited.**

14 (a) No person participating actively or having the ability to affect the outcome of the real-
15 world sporting event shall be allowed to place a wager on the outcome of that event.

16 (b) Any licensee who knowingly accepts a wager from a person prohibited from
17 wagering on an event as described in subsection (a) of this section, shall have their license
18 revoked after a hearing held in accordance with chapter 35 of title 42 (the administrative
19 procedures act).

20 **41-12-26. Minors prohibited.**

21 (a) No minor shall be allowed entrance to that part of a licensed facility where the
22 offering of odds and wagering occur.

23 (b) No licensee shall knowingly or negligently permit any minor to wager on an event
24 authorized by this chapter.

25 (c) It shall not be an absolute defense that a minor self-reported as being over eighteen
26 (18) years of age for the purpose of opening an account and wagering by telephonic or other
27 electronic means under this chapter.

28 (d)(1) Upon notification by a parent or guardian that their minor child has a registered
29 account, the licensee shall return immediately to the parent or guardian the amount presently in
30 the account that combined with withdrawals already made does not exceed the total amount of
31 deposits made by the minor.

32 (2) After a hearing is held in accordance with chapter 35 of title 42 (the administrative
33 procedures act), the department may, if it determines the licensee did not take adequate steps to
34 prove the identity of a minor, direct the licensee to return to the parents or guardian all the

1 deposits made by the minor along with the remainder of the account.

2 **41-12-27. Odds - fixed.**

3 (a) Unless a wager is part of a pari-mutuel or other type of pool betting, the odds offered
4 and the amount to be paid on the result of an event or series of events shall be fixed and certain
5 and made available in advance of a wager being placed in clear and concise language.

6 (b) Upon the placing of a wager, unless the wager is part of a pari-mutuel pool, the bettor
7 shall be provided with a ticket or other record approved by the department confirming the wager
8 and describing the amount risked and the amount to be paid for correctly wagering on the result
9 of an event or series of events.

10 **41-12-28. Wagers - generally.**

11 Notwithstanding wagers prohibited by §§ 41-12-25 or 41-12-26 or otherwise procured by
12 unlawful means or through cheating, each wager shall be treated as an enforceable contract.

13 **41-12-29. Wagers - types.**

14 The department of business regulation is authorized by rule or regulation to determine the
15 type of wagers that shall not be offered under this chapter because they are against public policy
16 or are otherwise unfair to consumers.

17 (1) If the department has a good faith basis for determining that a wager being offered
18 under this chapter is against public policy or is unfair to consumers but is not prohibited by rule
19 or regulation, it may enjoin the licensee from offering such wager until a hearing is held, as soon
20 as practicable, before the department.

21 (2) Licensees aggrieved by a decision or order of the department under this section shall
22 have the right to an appeal pursuant to chapter 35 of title 42 (the administrative procedures act).

23 **41-12-30. Transaction fees.**

24 Each licensee offering odds and accepting wagers under this chapter shall pay to the
25 state, and there is hereby imposed a transaction fee computed at one percent (1%) of the total
26 money exchanged, whether that exchange occurs as part of the wager or as payment for selecting
27 the correct outcome of events. For the purpose of this section, "transaction" does not include
28 depositing or withdrawing funds from an account used to wager.

29 **41-12-31. Taxes.**

30 Any winning payments made to residents or persons who were physically located in the
31 state at the time the wager was placed shall be taxed at a rate determined by the type of wager
32 made.

33	<u>Type of wagers</u>	<u>Tax on winning wager</u>
34	<u>For straight spread bets</u>	<u>One percent (1%)</u>

1	<u>made on the occurrence of a singular</u>	
2	<u>event between two (2) persons or teams.</u>	
3	<u>For money line or fixed odds bets</u>	<u>Three percent (3%)</u>
4	<u>made on the occurrence of a singular</u>	
5	<u>event between two (2) persons or teams.</u>	
6	<u>For live betting.</u>	<u>Five percent (5%)</u>
7	<u>For future bets</u>	<u>Fifteen percent (15%)</u>
8	<u>For parlays of spread or money-line bets</u>	<u>Fifteen percent (15%)</u>
9	<u>For proposition bets.</u>	<u>Fifteen percent (15%)</u>

10 **41-12-32. Accounting system - supervision.**

11 The department shall devise a system of accounting to provide for all transactions
 12 involving wagers covered by this chapter and shall have the right of inspection in a manner to
 13 ensure that the rights of the state are protected, and shall collect all fees and licenses under such
 14 rules and regulations as it shall prescribe.

15 **41-12-33. Entry of premises for inspection.**

16 The department may authorize its employees or duly authorized deputies to enter upon
 17 the premises of any facility, within or without the state, utilized by the licensee to operate
 18 activities covered by this chapter, for the purpose of inspecting books and records kept as
 19 required by the chapter, or to make any other inspection of the premises necessary to protect the
 20 interests of the state and its consumers.

21 **41-12-34. Payments to the state.**

22 Each licensee shall pay quarterly to the state, for deposit in the general fund, all
 23 transaction fees and taxes withheld by it in the previous quarter.

24 **41-12-35. Collection of taxes – interest on delinquencies – failure to pay on demand.**

25 The tax administrator shall assess and collect the taxes and fees imposed by this chapter
 26 under such rules and regulations as the administrator may prescribe. All taxes and fees hereby
 27 imposed shall be due and payable at the time required by this section. Any tax or fee not paid
 28 upon demand of the tax administrator shall bear interest at the rate of six percent (6%) per annum
 29 from the time of the demand. Failure to pay any tax or fee upon demand shall be cause for
 30 revocation of a license.

31 **41-12-36. Obstruction.**

32 Any person who hinders or obstructs an officer or agent of the state from entering any
 33 place mentioned in this chapter is, upon conviction, guilty of obstructing an officer and liable to
 34 the penalty imposed in § 11-32-1.

1 **41-12-37. Advertising - prohibited.**

2 (a) No licensee shall directly or indirectly advertise or promote activities offered or
3 authorized by this chapter towards minors. Such prohibitions shall extend to all: public or private
4 schools of higher or lower education, amateur, school or college sporting venues or other places
5 where a significant number of the guests or audience members will be minors.

6 (b) The department shall investigate on its own or by complaint any advertising that a
7 reasonable person would believe is targeted towards minors. If the department determines that the
8 advertising is being targeted towards minors in violation of this section, it shall require that the
9 advertising stop or be removed.

10 (c) An entity wishing to challenge a restriction placed on its advertising may request a
11 hearing on the matter pursuant to chapter 35 of title 42 (the administrative procedures act).

12 (d) Nothing in this section shall prohibit any organization, public or private, from
13 determining on their own to refuse or restrict advertisements offered by licensees on their
14 premises or within their control.

15 **41-12-38. Jurisdiction.**

16 (a) Notwithstanding the physical location of the licensee, for the purposes of this chapter
17 any activity involving an account set up by a resident of the state or a wager placed by a person
18 physically located within the boundaries of the state is deemed to have occurred in the state.

19 (b) All cases or matters not subject to the provisions of chapter 35 of title 42 (the
20 administrative procedures act) shall be subject to a Rhode Island state court with appropriate
21 jurisdiction and such matters shall be determined under the general laws of the state without the
22 conflict of law provisions therein.

23 (c)(1) In exchange and consideration for being granted a license to offer odds and accept
24 wagers within the state, licensees are subject to the jurisdiction and laws of the state in all matters
25 related to their dealings with any resident or instrumentality of the state with regards to those
26 wagers authorized by this chapter.

27 (2) For the purposes of protecting the interests of the state and its citizenry, the
28 jurisdiction of the state extends to the physical location of the place the licensee maintains the
29 records and other materials required by this chapter to be made available for inspection.

30 **41-12-39. Settlement of disputes.**

31 (a) The director shall promulgate rules and regulations necessary to establish a
32 "settlement office" within the department for the purpose of resolving disputes arising between
33 licensees and bettors in a quick and equitable manner as provided for by rule or regulation.

34 (b) The settlement office shall have the further responsibility of tracking, by licensee, the

1 complaints made to the office along with a brief description of the type of complaint and a
2 general description of their resolutions and report the findings at least annually to the general
3 assembly. After the report is received by the general assembly, the department shall make an
4 electronic version available on its website to provide consumers with information necessary to
5 make informed decisions.

6 (c) If at the time during processing of complaints, the office becomes aware or has a
7 reasonable suspicion about the solvency of any licensee through an increased number of
8 complaints for non-payment, the office shall forward those suspicions immediately to the office
9 of the attorney general and the general assembly.

10 (d) The office shall be funded by the licensee and the positions filled only to the extent
11 necessary to accomplish the goals herein.

12 (e) Nothing shall prohibit a party not satisfied by the resolution proposed by the
13 settlement office from asserting a right or a claim in a court of proper jurisdiction.

14 **41-12-40. Duties of attorney general.**

15 It shall be mandatory upon the attorney general to prosecute all civil and criminal cases
16 which shall be referred by the director to the attorney general. It shall be the duty of the
17 department of attorney general to prosecute actions, both civil and criminal, for those violations
18 of this chapter that come to its knowledge and to independently enforce the provisions of this
19 chapter.

20 **41-12-41. Self-exclusion.**

21 The department shall develop and provide to each licensee a method for persons to
22 voluntarily exclude themselves from gambling activities and to place their name in a department
23 maintained register of self-excluded persons.

24 SECTION 3. Title 41 of the General Laws entitled "SPORTS, RACING, AND
25 ATHLETICS" is hereby amended by adding thereto the following chapter:

26 CHAPTER 13

27 SPORTS BETTING - LOCAL LICENSING

28 **41-13-1. Local option – Questions put to electors.**

29 (a) Before a betting parlor may be located in any town or city, the town council of the
30 town or the city council of the city shall pass a resolution to allow a referendum to be placed on
31 the ballot at the next general election to be submitted to the qualified electors of the town or city,
32 the following questions:

33 "Shall licenses for the operation of a betting premises as defined in chapter 12 of title 41,
34 be issued in this town (or city)?"

1 "Shall a retailer's Class B-BP beverage license provided for in § 3-7-7.8, be issued in this
2 town (or city)?"

3 (b) The question shall be submitted by the local board of canvassers to the electors of the
4 town or city where the facility or activity is to be located, and the results of the election shall be
5 certified to the secretary of state.

6 **41-13-2. Local licensing.**

7 Upon the approval at referendum, any city or town council, the board of police
8 commissioners, or in the case of the city of Providence, the bureau of licenses, or any other
9 licensing board or authority in any city or town may, for any term not exceeding one year, issue a
10 license for a betting parlor to operate within an area in its respective city or town that live
11 entertainment is allowed by general or special permit.

12 (1) Notwithstanding the pre-existence of any license or initial application approval under
13 § 41-12-9, each city or town is free to determine which licensee or applicant it grants a license but
14 may revoke or refuse to renew any such license only upon the grounds that the place presents a
15 danger to the public health or safety.

16 **41-13-3. Notice and hearing on licenses.**

17 (a) In applications for a license to operate a betting parlor before the appropriate city or
18 town licensing authority, no application shall be taken up until such time that the names and
19 addresses of principals, key employees and other persons required to submit to a background
20 check pursuant to § 41-12-12 are provided and made public. No license shall be issued by the city
21 or town to the corporation unless each officer, director or stockholder is a suitable person to hold
22 a license within the discretion of the board, body or official to whom application is made.

23 (b) Before granting a license to operate a betting parlor, the board, body or official to
24 whom application for the license is made, shall give notice by advertisement published once a
25 week for at least two (2) weeks in some newspaper published in the city or town where the
26 applicant proposes to carry on business, or, if there is no newspaper published in the city or town,
27 then in some newspaper having a general circulation in the city or town. The advertisement shall
28 contain the name of the applicant and a description by street and number or other plain
29 designation of the particular location for which the license is requested. Notice of the application
30 shall also be given, by mail, to all owners of property within two hundred feet (200') of the place
31 of business seeking the application. The notice shall be given by the board, body or official to
32 whom the application is made, and the cost of the application shall be borne by the applicant. The
33 notices shall state that remonstrants are entitled to be heard before the granting of the license, and
34 shall name the time and place of the hearing. At the time and place of the hearing, a fair

1 opportunity shall be granted the remonstrants to make their objections before acting upon the
2 application.

3 **41-13-4. Building inspection as prerequisite to license.**

4 (a)(1) A license shall not be issued under the provisions of this chapter until the building
5 to be used for which that license is desired, has been inspected by the inspector of buildings
6 appointed as provided in title 23 and the inspector has filed with the licensing authorities a
7 certificate, in writing, showing that the building meets, in all respects, the requirements of title 23,
8 and is otherwise safe to use for the purpose for which the license is desired; and

9 (2) Until the building has also been inspected by the chief of the respective fire
10 department or their assistants who shall also file with the licensing authorities a certificate, in
11 writing, showing that the building meets, in all respects, the requirements of the general and
12 public laws of this state for the protection of life and property against the menace of fire.

13 (b) If the building or apparatus does not meet those requirements or is otherwise unsafe,
14 then the license shall not be issued, and if any license is issued, that license is void.

15 (c) The city or town council may fix by ordinance a reasonable fee, related directly to the
16 cost of the inspection and other departmental operations, the amount of fee to be paid by the
17 licensee to the inspector for inspections made and that fee shall be paid to the city or town
18 treasurer for the use of the city or town.

19 **41-13-5. Obstruction.**

20 Any person who hinders or obstructs an officer or agent of the city or town from entering
21 any place mentioned in this chapter is, upon conviction, guilty of obstructing an officer and liable
22 to the penalty imposed in § 11-32-1.

23 **41-13-6. Expiration date of license.**

24 Every license for the operation of a betting parlor shall expire on December 1 after its
25 issuance.

26 **41-13-7. Relocation of license.**

27 The board, body or official responsible for approving the location of a betting parlor
28 license under this chapter may permit the license to be used at any other place within the limits of
29 the town or city where the license was granted; provided, that the issuing body shall, before
30 permitting the change, give notice of the application for the relocation in the same manner as is
31 provided in this chapter in the case of an original application for the license, and a new bond shall
32 be given upon the issuance of the license.

33 **41-13-8. Transfer of license.**

34 (a) The board, body or official responsible for approving the license shall permit the

1 license to be transferred among persons holding an interest in the same license without restriction;
2 provided, that if the license is intended to be transferred to persons or an entity without an
3 existing interest in the license, the board shall, before permitting the transfer, give notice of the
4 application in the same manner as is provided in this chapter in the case of an original application
5 for the license, and a new bond shall be given upon the issuance of the license.

6 (b) In all cases of transfer of license, indebtedness of the licensee incurred in the
7 operation of the licensed premises shall be paid to or released by an objecting creditor before the
8 issuing body permits the transfer. In cases of dispute as to the amount of indebtedness, the issuing
9 body, may, in its discretion, permit the transfer upon statement of the licensee, under oath, that
10 the claim of indebtedness is disputed and that the statement of dispute is not interposed for the
11 purpose of inducing transfer of the license. No creditor is allowed to object to the transfer of a
12 license by a receiver, trustee in bankruptcy, assignee for the benefit of creditors, executor,
13 administrator, and guardian or by any public officer under judicial process. In case of the death of
14 any licensee, the license becomes part of the personal estate of the deceased, but the interest in
15 the license shall not pass except as provided in subsection (a) of this section.

16 (c) The transfer of a license is contingent upon the full payment of any outstanding debt
17 owed the state or municipality.

18 (d) The transferee of a license assumes all penalties that the license board has imposed
19 upon the transferor of the license.

20 **41-13-9. Prohibition against assignment or leasing of license.**

21 The holder of a license issued pursuant to this title shall not assign, rent, lease or let the
22 license but may transfer their interest only as provided in §§ 41-12-16(a) and 41-13-9(a).

23 SECTION 4. Chapter 44-18 of the General Laws entitled "Sales and Use Taxes -
24 Liability and Computation" is hereby amended by adding thereto the following section:

25 **44-18-18.2. Local meals and beverage tax - Supplemental.**

26 (a) There is hereby levied and imposed a two percent (2%) tax upon every purchaser of a
27 meal and/or beverage from a retailer issued a Class B-BP license as provided for in § 3-7-7.8, in
28 addition to § 44-18-18.1. The tax shall be paid to the tax administrator by the retailer at the time
29 and in the manner provided and divided equally between the state and the city or town where the
30 meals and beverages are delivered.

31 (b) All sums received by the division of taxation under this section as taxes, penalties, or
32 forfeitures, interest, costs of suit, and fines shall be distributed at least quarterly and credited and
33 paid by the state treasurer to the city or town where the meals and beverages are delivered.

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

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LC005892
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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO SPORTS, RACING, AND ATHLETICS - SPORTS BETTING

1 This act would establish the licensing of nine (9) sports betting parlors located at the two
2 (2) established casinos, within each of the five (5) counties and two (2) for counties with at least
3 one hundred fifty thousand (150,000) inhabitants. The act would empower the department of
4 business regulation to issue rules and regulations and the issuance of licenses for wagering at the
5 sites of the betting parlors and online wagering using electronic means, for licensing and
6 application fees, licensing of employees, software companies, independent contractors and their
7 employees, transfers of licenses, collection of fees and taxes with local licensing and the issuance
8 of a betting parlor liquor license.

9 This act would take effect upon passage.

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LC005892
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