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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2019

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A N A C T

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

Introduced By: Senator Frank A. Ciccone

Date Introduced: May 22, 2019

Referred To: Senate Special Legislation and Veterans Affairs

It is enacted by the General Assembly as follows:

1 SECTION 1. The general assembly hereby finds that:

2 (1) The state of Rhode Island operates casino gaming at the "Twin River Casino Hotel,"
3 located at 100 Twin River Road in the town of Lincoln (the "Twin River Casino") and at the
4 "Tiverton Casino Hotel," located at 777 Tiverton Casino Boulevard, in the town of Tiverton (the
5 "Tiverton Casino"). The state of Rhode Island also operates video lottery games at the Twin River
6 Casino and the Tiverton Casino.

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

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

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

17 (5) While gaming and gambling can be a healthy source of recreation and entertainment
18 enjoyed by many people, the general assembly must ensure that persons who obtain a line of

1 credit from, or at, a state-operated gaming facility or casino are financially sound and financially
2 capable of entering into agreements for a line of credit. Accordingly, pursuant to Pub. L. 2014,
3 ch. 502 and Pub. L. 2014, ch. 533, as amended by Pub. L. 2016, ch. 5, Pub. L. 2016, ch. 6, and
4 Pub. L. 2018, ch. 47, art. 4, the general assembly authorized the establishment of a program for
5 the extension of credit to players at the Twin River Casino and the Tiverton Casino pursuant to
6 the terms and conditions thereof and the rules and regulations submitted by the Twin River
7 Casino and/or the Tiverton Casino and approved and promulgated by the division of lotteries.

8 (6) It is the intent of the general assembly to increase the limit on the amount of the line
9 of credit that may be provided to an individual patron by, or at, a state-operated gaming facility or
10 casino.

11 SECTION 2. Section 42-61.2-3.2 of the General Laws in Chapter 42-61.2 entitled
12 "Video-Lottery Games, Table Games and Sports Wagering" is hereby amended to read as
13 follows:

14 **42-61.2-3.2. Gaming credit authorized.**

15 (a) Authority. In addition to the powers and duties of the state lottery director under §§
16 42-61-4, 42-61.2-3, 42-61.2-3.1 and 42-61.2-4, the division shall authorize each licensed, video-
17 lottery retailer to extend credit to players pursuant to the terms and conditions of this chapter.

18 (b) Credit. Notwithstanding any provision of the general laws to the contrary, including,
19 without limitation, § 11-19-17, except for applicable licensing laws and regulations, each
20 licensed, video-lottery retailer may extend interest-free, unsecured credit to its patrons for the sole
21 purpose of such patrons making wagers at table games and/or video-lottery terminals and/or for
22 the purpose of making sports wagering bets, at the licensed, video-lottery retailer's facility subject
23 to the terms and conditions of this chapter.

24 (c) Regulations. Each licensed, video-lottery retailer shall be subject to rules and
25 regulations submitted by licensed, video-lottery retailers and subject to the approval of the
26 division of lotteries regarding procedures governing the extension of credit and requirements with
27 respect to a credit applicant's financial fitness, including, without limitation: annual income; debt-
28 to-income ratio; prior credit history; average monthly bank balance; and/or level of play. The
29 division of lotteries may approve, approve with modification, or disapprove any portion of the
30 policies and procedures submitted for review and approval.

31 (d) Credit applications. Each applicant for credit shall submit a written application to the
32 licensed, video-lottery retailer that shall be maintained by the licensed, video-lottery retailer for
33 three (3) years in a confidential credit file. The application shall include the patron's name;
34 address; telephone number; social security number; comprehensive bank account information; the

1 requested credit limit; the patron's approximate amount of current indebtedness; the amount and
2 source of income in support of the application; the patron's signature on the application; a
3 certification of truthfulness; and any other information deemed relevant by the licensed, video-
4 lottery retailer or the division of lotteries.

5 (e) Credit application verification. As part of the review of a credit application and before
6 an application for credit is approved, the licensed, video-lottery retailer shall verify:

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

9 (i) The information submitted with the application;

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

12 (iii) Information regarding the applicant's credit activity at other licensed facilities that
13 the licensed, video-lottery retailer may obtain through a casino credit bureau and, if appropriate,
14 through direct contact with other casinos.

15 (2) That the applicant's name is not included on an exclusion or self-exclusion list
16 maintained by the licensed, video-lottery retailer and/or the division of lotteries.

17 (3) As part of the credit application, the licensed, video-lottery retailer shall notify each
18 applicant in advance that the licensed, video-lottery retailer will verify the information in
19 subsections (e)(1) and (e)(2) and may verify any other information provided by the applicant as
20 part of the credit application. The applicant is required to acknowledge in writing that he or she
21 understands that the verification process will be conducted as part of the application process and
22 that he or she consents to having said verification process conducted.

23 (f) Establishment of credit. After a review of the credit application, and upon completion
24 of the verification required under subsection (e), and subject to the rules and regulations approved
25 by the division of lotteries, a credit facilitator may approve or deny an application for credit to a
26 player. The credit facilitator shall establish a credit limit for each patron to whom credit is
27 granted. The approval or denial of credit shall be recorded in the applicant's credit file that shall
28 also include the information that was verified as part of the review process, and the reasons and
29 information relied on by the credit facilitator in approving or denying the extension of credit and
30 determining the credit limit. Subject to the rules and regulations approved by the division of
31 lotteries, increases to an individual's credit limit may be approved by a credit facilitator upon
32 receipt of a written request from the player after a review of updated financial information
33 requested by the credit facilitator and re-verification of the player's credit information.

34 (g) Recordkeeping. Detailed information pertaining to all transactions affecting an

1 individual's outstanding indebtedness to the licensed, video-lottery retailer shall be recorded in
2 chronological order in the individual's credit file. The financial information in an application for
3 credit and documents related thereto shall be confidential. All credit application files shall be
4 maintained by the licensed, video-lottery retailer in a secure manner and shall not be accessible to
5 anyone not a credit facilitator or a manager or officer of a licensed, video-lottery retailer
6 responsible for the oversight of the extension of credit program.

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

11 (i) Voluntary credit suspension. A player may request that the licensed, video-lottery
12 retailer suspend or reduce his or her credit. Upon receipt of a written request to do so, the player's
13 credit shall be reduced or suspended as requested. A copy of the request and the action taken by
14 the credit facilitator shall be placed in the player's credit application file.

15 (j) Liability. In the event that a player fails to repay a debt owed to a licensed, video-
16 lottery retailer resulting from the extension of credit by that licensed, video-lottery retailer,
17 neither the state of Rhode Island nor the division of lotteries shall be responsible for the loss and
18 said loss shall not affect net, table-game revenue or net terminal income. A licensed, video-lottery
19 retailer, the state of Rhode Island, the division of lotteries, and/or any employee of a licensed,
20 video-lottery retailer, shall not be liable in any judicial or administrative proceeding to any player,
21 any individual, or any other party, including table game players or individuals on the voluntary
22 suspension list, for any harm, monetary or otherwise, that may arise as a result of:

- 23 (1) Granting or denial of credit to a player;
24 (2) Increasing the credit limit of a player;
25 (3) Allowing a player to exercise his or her right to use credit as otherwise authorized;
26 (4) Failure of the licensed, video-lottery retailer to increase a credit limit;
27 (5) Failure of the licensed, video-lottery retailer to restore credit privileges that have been
28 suspended, whether involuntarily or at the request of the table game patron; or
29 (6) Permitting or prohibiting an individual whose credit privileges have been suspended,
30 whether involuntarily or at the request of the player, to engage in gaming activity in a licensed
31 facility while on the voluntary credit suspension list.

32 (k) Limitations. Notwithstanding any other provision of this chapter, for any extensions
33 of credit by a licensed video-lottery retailer, the maximum amount of outstanding credit per
34 player shall be ~~fifty thousand dollars (\$50,000)~~ one hundred thousand dollars (\$100,000).

1 SECTION 3. Except to the extent amended by this act, the terms, conditions, provisions
2 and definitions of Pub. L. 2014, ch. 502, § 3; Pub. L. 2014, ch. 533, § 3; Pub. L. 2016, ch. 5, § 2;
3 Pub. L. 2016, ch. 6, § 2; Pub. L. 2018, ch. 47, art. 4, § 4 (in each case as the more recent law may
4 have amended an earlier law or laws), shall remain in full force and effect.

5 SECTION 4. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

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

1 This act would provide that licensed video-lottery retailers may extend credit of up to one
2 hundred thousand dollars (\$100,000) per player from the current limit of fifty thousand dollars
3 (\$50,000) per player.

4 This act would take effect upon passage.

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