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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

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

Introduced By: Representatives Baginski, and Finkelman

Date Introduced: April 21, 2023

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 42-61.2-1 of the General Laws in Chapter 42-61.2 entitled "Video
2 Lottery Games, Table Games and Sports Wagering" is hereby amended to read as follows:

3 **42-61.2-1. Definitions.**

4 For the purpose of this chapter, the following words shall mean:

5 (1) "2017 Budget Act" means 2017 — H 5175 Substitute A, as amended, entitled "An Act
6 Relating to Making Appropriations for the Support of the State for the Fiscal Year ending June 30,
7 2018," which Act was signed into law by the Governor of Rhode Island on August 3, 2017.

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

14 (3) "Central communication system" means a system approved by the Division, linking all
15 Video Lottery Terminals at a licensed video lottery retailer location to provide auditing program
16 information and any other information determined by the Division. In addition, the central
17 communications system must provide all computer hardware and related software necessary for the
18 establishment and implementation of a comprehensive system as required by the Division.

1 (4) “Collegiate sports or athletic event” means a sporting event offered or sponsored by or
2 played in connection with, a public or private institution that offers educational services beyond
3 the secondary level, but shall not include a collegiate sports contest or collegiate athletic event that
4 takes place in Rhode Island or a sports contest or athletic event in which any Rhode Island college
5 team participates regardless of where the event takes place unless such contest or event is part of a
6 collegiate tournament.

7 (5) “Collegiate tournament” means a series of collegiate sports or athletic events involving
8 four (4) or more collegiate teams that make up a single unit of competition.

9 ~~(5)~~(6) “Consolidated promotional points program” means, collectively, the “Initial
10 Promotional Points Program” and the “Supplementary Promotional Points Program” applicable to
11 the Lincoln gaming facility and the “Initial Promotional Points Program” and the “Supplementary
12 Promotional Points Program” applicable to the Tiverton gaming facility, with each of the terms
13 “Initial Promotional Points Program” and “Supplementary Promotional Points Program” having
14 the meanings given such terms in the 2017 Budget Act.

15 ~~(6)~~(7) “Credit facilitator” means any employee of a licensed video lottery retailer approved
16 in writing by the Division whose responsibility is to, among other things, review applications for
17 credit by players, verify information on credit applications, grant, deny, and suspend credit,
18 establish credit limits, increase and decrease credit limits, and maintain credit files, all in
19 accordance with this chapter and rules and regulations approved by the Division.

20 ~~(7)~~(8) “DBR” means the department of business regulation, division of gaming and
21 athletics licensing, and/or any successor in interest thereto.

22 ~~(8)~~(9) “Director” means the director of the Division.

23 ~~(9)~~(10) “Division” means the state lottery division of the department of revenue and/or any
24 successor in interest thereto.

25 ~~(10)~~(11) “Hosting facility” refers to the Lincoln gaming facility and the Tiverton gaming
26 facility.

27 ~~(11)~~(12) “IGT” means IGT Global Solutions Corporation, a Delaware corporation.

28 ~~(12)~~(13) “Licensed video lottery retailer” means a pari-mutuel licensee specifically
29 licensed by the Director subject to the approval of the Division to become a licensed video lottery
30 retailer.

31 ~~(13)~~(14) “Lincoln gaming facility” means the gaming and entertainment facility located at
32 100 Twin River Road in the town of Lincoln, Rhode Island (sometimes referred to as “Twin River”
33 or the “Twin River gaming facility”).

34 ~~(14)~~(15) “Marketing Year” means the fiscal year of the state.

1 ~~(15)~~(16) “Net table-game revenue” means win from table games minus counterfeit
2 currency.

3 ~~(16)~~(17) “Net terminal income” means currency placed into a Video Lottery Terminal less
4 credits redeemed for cash by players.

5 ~~(17)~~(18) “Newport Grand” means Newport Grand, LLC, a Rhode Island limited-liability
6 company, successor to Newport Grand Jai Alai, LLC, and each permitted successor to and assignee
7 of Newport Grand, LLC under the Newport Grand Master Contract, including, without limitation,
8 Premier (as defined in subsection (25) of this section) and/or Twin River-Tiverton (as defined in
9 subsection (40) of this section) provided it is a pari-mutuel licensee (as defined in this section);
10 provided, further, however, where the context indicates that the term is referring to the physical
11 facility, then it shall mean the gaming and entertainment facility located at 150 Admiral Kalbfus
12 Road, Newport, Rhode Island.

13 ~~(18)~~(19) “Newport Grand Marketing Year” means each fiscal year of the state or a portion
14 thereof between November 23, 2010, and the termination date of the Newport Grand Master
15 Contract.

16 ~~(19)~~(20) “Newport Grand Master Contract” means that certain master video lottery
17 terminal contract made as of November 23, 2005, by and between the division of lotteries of the
18 Rhode Island department of administration and Newport Grand, as amended and extended from
19 time to time as authorized therein and/or as such Newport Grand Master Contract may be assigned
20 as permitted therein.

21 ~~(20)~~(21) “Online gaming account” means an account opened by a patron that such patron
22 shall use for the deposit and withdrawal of funds used for online sports wagering.

23 ~~(21)~~(22) “Online sports wagering” means engaging in the act of sports wagering by the
24 placing of wagers on sporting events or a combination of sporting events, or on the individual
25 performance statistics of athletes in a sporting event or a combination of sporting events, over the
26 internet through computers, mobile applications on mobile devices or other interactive devices
27 approved by the Division, which wagers are accepted by a server-based gaming system located at
28 the premises of a hosting facility authorized to accept sports wagers and administer payoffs of
29 winning sports wagers; all such wagers shall be deemed to be placed and accepted at the premises
30 of a hosting facility.

31 ~~(22)~~(23) “Online sports-wagering revenue” means:

32 (i) The total of cash or cash equivalents received from online sports wagering minus the
33 total of:

34 (I) Cash or cash equivalents paid to players as a result of online sports wagering;

1 (II) Marketing expenses related to online sports wagering as agreed to by the Division, the
2 sports-wagering vendor, and the host facilities, as approved by the Division; and

3 (III) Any federal excise taxes (if applicable).

4 (ii) The term does not include any of the following:

5 (I) Counterfeit cash.

6 (II) Coins or currency of other countries received as a result of online sports wagering,
7 except to the extent that the coins or currency are readily convertible to cash.

8 (III) Cash taken in a fraudulent act perpetrated against a hosting facility or sports-wagering
9 vendor for which the hosting facility or sports-wagering vendor is not reimbursed.

10 (IV) Free play provided by the hosting facility or sports-wagering vendor as authorized by
11 the Division to a player and subsequently “won back” by the hosting facility or sports-wagering
12 vendor, for which the hosting facility or sports-wagering vendor can demonstrate that it or its
13 affiliate has not been reimbursed in cash.

14 ~~(23)~~(24) “Pari-mutuel licensee” means:

15 (i) An entity licensed pursuant to § 41-3.1-3; and/or

16 (ii) An entity licensed pursuant to § 41-7-3.

17 ~~(24)~~(25) “Payoff,” when used in connection with sports wagering, means cash or cash
18 equivalents paid to a player as a result of the player’s winning a sports wager. A “payoff” is a type
19 of “prize,” as the term “prize” is used in chapters 61, 61.2, and 61.3 of this title.

20 ~~(25)~~(26) “Premier” means Premier Entertainment II, LLC and/or its successor in interest
21 by reason of the acquisition of the stock, membership interests, or substantially all of the assets of
22 such entity.

23 ~~(26)~~(27) “Prior marketing year,” means, with respect to a marketing year, the most recent
24 previous marketing year during which the Division operated a majority of the authorized video
25 lottery games at each of the Lincoln gaming facility and the Tiverton gaming facility for at least
26 360 days (or 361 days in the case there are 366 days in such marketing year). For the avoidance of
27 doubt, because the Division will not have operated a majority of the authorized video lottery games
28 at the Lincoln gaming facility and at the Tiverton gaming facility for at least 361 days during the
29 marketing year expiring on June 30, 2020, the prior marketing year with respect to the marketing
30 year expiring on June 30, 2021, shall be the marketing year expiring on June 30, 2019.

31 ~~(27)~~(28) “Promotional points” has the meaning given such term in the 2017 Budget Act.

32 ~~(28)~~(29) “Rake” means a set fee or percentage of cash and chips representing cash wagered
33 in the playing of a nonbanking table game assessed by a table games retailer for providing the
34 services of a dealer, gaming table, or location, to allow the play of any nonbanking table game.

1 ~~(29)~~(30) “Server-based gaming system” means all hardware, software, and
2 communications devices that comprise a system utilized for the purpose of offering an electronic
3 platform used in connection with the process of placing and accepting sports wagers.

4 ~~(30)~~(31) “Sporting event” means any professional sport or athletic event, any Olympic or
5 international sports competition event, ~~and~~ any collegiate sport or athletic event, and any other
6 event authorized by the division or any portion thereof, including, but not limited to, the individual
7 performance statistics of athletes in a sports event or combination of sports events, except “sporting
8 event” shall not include a :

9 (i) The individual performance statistics of athletes in a collegiate sports or athletic event
10 which is part of a collegiate tournament:

11 (A) Takes place in Rhode Island; or

12 (B) In which any Rhode Island college team participates regardless of where the event
13 takes place; or

14 (ii) Any other prohibited sporting event as determined by the division.

15 ~~(31)~~(32) “Sports wagering” means the business of accepting wagers on sporting events or
16 a combination of sporting events, or on the individual performance statistics of athletes in a sporting
17 event or combination of sporting events, by any system or method of wagering. The term includes,
18 but is not limited to, exchange wagering, parlays, over-under, moneyline, pools, and straight bets,
19 and the term includes the placement of such bets and wagers. However, the term does not include,
20 without limitation, the following:

21 (i) Lotteries, including video lottery games and other types of casino gaming operated by
22 the state, through the Division, as of June 22, 2018.

23 (ii) Pari-mutuel betting on the outcome of thoroughbred or harness horse racing, or
24 greyhound dog racing, including but not limited to, pari-mutuel wagering on a race that is
25 “simulcast” (as defined in § 41-11-1), as regulated elsewhere pursuant to the general laws,
26 including in chapters 3, 3.1, 4, and 11 of title 41.

27 (iii) Off-track betting on racing events, as regulated elsewhere pursuant to the general laws,
28 including in chapter 10 of title 41.

29 (iv) Wagering on the respective scores or points of the game of jai alai or pelota and the
30 sale of pari-mutuel pools related to such games, as regulated elsewhere pursuant to the general
31 laws, including in chapter 7 of title 41.

32 (v) Lotteries, charitable gaming, games of chance, bingo games, raffles, and pull-tab lottery
33 tickets, to the extent permitted and regulated pursuant to chapter 19 of title 11.

34 ~~(32)~~(33) “Sports-wagering device” means any mechanical, electrical, or computerized

1 contrivance, terminal, machine, or other device, apparatus, equipment, or supplies approved by the
2 Division and used to conduct sports wagering.

3 ~~(33)~~(34) “Sports-wagering revenue” means:

4 (i) The total of cash or cash equivalents received from sports wagering minus the total of:

5 (I) Cash or cash equivalents paid to players as a result of sports wagering;

6 (II) The annual flat fee to the host communities as defined by § 42-61.2-5(c);

7 (III) Marketing expenses related to sports wagering as agreed to by the Division, the sports-
8 wagering vendor, and the host facilities, as approved by the Division; and

9 (IV) Any federal excise taxes (if applicable).

10 (ii) The term does not include any of the following:

11 (I) Counterfeit cash.

12 (II) Coins or currency of other countries received as a result of sports wagering, except to
13 the extent that the coins or currency are readily convertible to cash.

14 (III) Cash taken in a fraudulent act perpetrated against a hosting facility or sports-wagering
15 vendor for which the hosting facility or sports-wagering vendor is not reimbursed.

16 (IV) Free play provided by the hosting facility or sports-wagering vendor as authorized by
17 the Division to a patron and subsequently “won back” by the hosting facility or sports-wagering
18 vendor, for which the hosting facility or sports-wagering vendor can demonstrate that it or its
19 affiliate has not been reimbursed in cash.

20 ~~(34)~~(35) “Sports-wagering vendor” means any entity authorized by the Division to operate
21 sports betting on the Division’s behalf in accordance with this chapter.

22 ~~(35)~~(36) “Table game” or “Table gaming” means that type of casino gaming in which table
23 games are played for cash or chips representing cash, or any other representation of value that has
24 been approved by the Division, using cards, dice, or equipment and conducted by one or more live
25 persons.

26 ~~(36)~~(37) “Table-game retailer” means a retailer authorized to conduct table gaming
27 pursuant to § 42-61.2-2.1 or § 42-61.2-2.3.

28 ~~(37)~~(38) “Technology provider” means any individual, partnership, corporation, or
29 association that designs, manufactures, installs, maintains, distributes, or supplies Video Lottery
30 Terminals or associated equipment for the sale or use in this state.

31 ~~(38)~~(39) “Tiverton gaming facility” means the gaming and entertainment facility located
32 at the intersection of William S. Canning Boulevard and Stafford Road in the town of Tiverton,
33 Rhode Island (sometimes referred to as “Twin River-Tiverton”).

34 ~~(39)~~(40) “Twin River” (sometimes referred to as “UTGR”) means UTGR, Inc., a Delaware

1 corporation, and each permitted successor to and assignee of UTGR, Inc.; provided, however,
2 where the context indicates that the term is referring to a physical facility, then “Twin River” shall
3 mean the Lincoln gaming facility.

4 ~~(40)~~(41) “Twin River-Tiverton” means Twin River-Tiverton, LLC and/or its successor in
5 interest by reason of the acquisition of the stock, membership interests, or substantially all of the
6 assets of such entity; provided, however, where the context indicates that the term is referring to a
7 physical facility, then “Twin River-Tiverton” shall mean the Tiverton gaming facility.

8 ~~(41)~~(42) “Twin River-Tiverton Marketing Year” has the same meaning as Marketing Year
9 (as defined in subsection (14) of this section).

10 ~~(42)~~(43) “Twin River-Tiverton Master Contract” has the same meaning as Newport Grand
11 Master Contract (as defined in subsection (19) of this section).

12 ~~(43)~~(44) “UTGR Master Contract” means that certain master video lottery terminal
13 contract made as of July 1, 2005, by and between the division of lotteries of the Rhode Island
14 department of administration (now the division of lotteries of the Rhode Island department of
15 revenue) and Twin River, as amended and extended from time to time as authorized therein and/or
16 as such UTGR Master Contract may be assigned as permitted therein.

17 ~~(44)~~(45) “Video Lottery Agreement” means that certain Video Lottery Central Computer
18 System Agreement dated as of December 20, 2001, by and between IGT and the Division, as
19 amended, extended, assigned, and assumed from time to time.

20 ~~(45)~~(46) “Video lottery games” means lottery games played on Video Lottery Terminals
21 controlled by the Division.

22 ~~(46)~~(47) “Video lottery terminal” means any electronic computerized video game machine
23 that, upon the insertion of cash or any other representation of value that has been approved by the
24 Division, is available to play a video game authorized by the Division, and that uses a video display
25 and microprocessors in which, by chance, the player may receive free games or credits that can be
26 redeemed for cash. The term does not include a machine that directly dispenses coins, cash, or
27 tokens.

28 ~~(47)~~(48) “VLT Agreement” means that certain Video Lottery Terminal Technology
29 Provider License Agreement dated as of September 28, 2000, by and between IGT and the Division,
30 as amended, extended, assigned, and assumed from time to time.

31 SECTION 2. 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 amend the definitions of "collegiate sports or athletic event" and "sporting
- 2 event" within the chapter on "video lottery games, table games and sports wagering".
- 3 This act would take effect upon passage.

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