

**2024 -- S 3040 SUBSTITUTE A AS AMENDED**

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LC005887/SUB A  
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**STATE OF RHODE ISLAND**

**IN GENERAL ASSEMBLY**

**JANUARY SESSION, A.D. 2024**

**A N A C T**

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

Introduced By: Senators Ciccone, and Ruggerio

Date Introduced: May 02, 2024

Referred To: Senate Special Legislation and Veterans Affairs

It is enacted by the General Assembly as follows:

1           SECTION 1. Section 42-61.2-3.2 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           **42-61.2-3.2. Gaming credit authorized.**

4           (a) Authority. In addition to the powers and duties of the state lottery director under §§ 42-  
5 61-4, 42-61.2-3, 42-61.2-3.1 and 42-61.2-4, the division shall authorize each licensed video lottery  
6 retailer to extend credit to players pursuant to the terms and conditions of this chapter.

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

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

1 submitted for review and approval.

2 (d) Credit applications. Each applicant for credit shall submit a written application to the  
3 licensed video lottery retailer that shall be maintained by the licensed video lottery retailer for three  
4 (3) years in a confidential credit file. The application shall include the patron's name; address;  
5 telephone number; social security number; comprehensive bank account information; the requested  
6 credit limit; the patron's approximate amount of current indebtedness; the amount and source of  
7 income in support of the application; the patron's signature on the application; a certification of  
8 truthfulness; and any other information deemed relevant by the licensed video lottery retailer or the  
9 division of lotteries.

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

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

14 (i) The information submitted with the application;

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

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

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

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

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

1 to an individual's credit limit may be approved by a credit facilitator upon receipt of a written  
2 request from the player after a review of updated financial information requested by the credit  
3 facilitator and re-verification of the player's credit information.

4 (g) Recordkeeping. Detailed information pertaining to all transactions affecting an  
5 individual's outstanding indebtedness to the licensed video lottery retailer shall be recorded in  
6 chronological order in the individual's credit file. The financial information in an application for  
7 credit and documents related thereto shall be confidential. All credit application files shall be  
8 maintained by the licensed video lottery retailer in a secure manner and shall not be accessible to  
9 anyone not a credit facilitator or a manager or officer of a licensed video lottery retailer responsible  
10 for the oversight of the extension of credit program.

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

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

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

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

28 (2) Increasing the credit limit of a player;

29 (3) Allowing a player to exercise his or her right to use credit as otherwise authorized;

30 (4) Failure of the licensed video lottery retailer to increase a credit limit;

31 (5) Failure of the licensed video lottery retailer to restore credit privileges that have been  
32 suspended, whether involuntarily or at the request of the table game patron; or

33 (6) Permitting or prohibiting an individual whose credit privileges have been suspended,  
34 whether involuntarily or at the request of the player, to engage in gaming activity in a licensed

1 facility while on the voluntary credit suspension list.

2 (k) Limitations. Notwithstanding any other provision of this chapter, for any extensions of  
3 credit, the maximum amount of outstanding credit per player shall be ~~fifty thousand dollars~~  
4 ~~(\$50,000)~~ one hundred thousand dollars (\$100,000).

5 SECTION 2. Amendments to regulatory agreement involving Bally's Corporation and  
6 affiliates of Bally's Corporation.

7 Notwithstanding any provisions of the General Laws of the state or regulations adopted  
8 thereunder to the contrary, the Division and the State of Rhode Island department of business  
9 regulation (the "DBR") are hereby authorized and empowered to enter into one or more  
10 amendments to the Amended and Restated Regulatory Agreement dated March 1, 2024, by and  
11 among the Division, the DBR, Bally's, Bally's Management Group, LLC, UTGR, LLC, and Twin  
12 River-Tiverton, LLC and Bally's RI iCasino, LLC (the "Amended and Restated Regulatory  
13 Agreement"), which amendment (the "Regulatory Agreement Amendment"), shall:

14 (1) Increase the "Maximum Leverage Ratio" to 5.5:1 whereby the Division, DBR and  
15 Bally's shall agree on the methodology used to calculate the "Leverage Ratio" through the Extended  
16 Expiration Date by using net leverage instead of gross leverage and including EBITDA adjustments  
17 relating to development projects. In addition to these changes, for purposes of calculating the  
18 "Leverage Ratio," for the period beginning on the JV Effective Date and continuing through the  
19 Extended Expiration Date, modify the definition of: (i) "Consolidated EBITDA" to include any  
20 income Bally's earns from the Joint Venture or records as income under generally accepted  
21 accounting principles as EBITDA and reduce the "VLT Addback" for Bally's proportionate  
22 ownership share of the Joint Venture; and (ii) "Indebtedness" to exclude "Capital Lease  
23 Obligations" entered into in connection with a sale-leaseback transaction provided that both the  
24 transaction and the use of proceeds occur in accordance with the provisions of subsection (3) of  
25 this section (all terms in quotations in this subsection (4) are as defined in the Amended and  
26 Restated Regulatory Agreement).

27 SECTION 3. 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

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1           This act would make various amendments to the authorization of gaming credits and the  
2 regulatory agreement involving Bally's corporation and affiliates to increase Rhode Island's  
3 competitiveness in the gaming industry.

4           This act would take effect upon passage.

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