

**2009 -- S 286 SUBSTITUTE A AS AMENDED**

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LC00997/SUB A  
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**STATE OF RHODE ISLAND**

**IN GENERAL ASSEMBLY**

**JANUARY SESSION, A.D. 2009**

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT - VIDEO LOTTERY TERMINAL

Introduced By: Senators Ciccone, Picard, Tassoni, Felag, and Jabour

Date Introduced: February 12, 2009

Referred To: Senate Constitutional & Regulatory Issues

It is enacted by the General Assembly as follows:

1           SECTION 1. Sections 42-61.2-6 and 42-61.2-7 of the General Laws in Chapter 42-61.2  
2 entitled "Video Lottery Terminal" are hereby amended to read as follows:

3           **42-61.2-6. When games may be played. [Effective June 30, 2009.] – (a)** Video lottery  
4 games authorized by this chapter may be played at the licensed video lottery retailer's facilities  
5 with the approval of the ~~lottery commission~~ Division of State Lottery even if that facility is not  
6 conducting a pari-mutuel event.

7           (b) Upon the effective date of this section, the facilities known as "Twin River" in  
8 Lincoln, Rhode Island, and "Newport Grand" in Newport, Rhode Island, are permitted at their  
9 discretion to maintain and operate all video lottery games which said facilities are authorized to  
10 conduct on a twenty-four (24) hour basis, on weekends and federal or state recognized holidays.  
11 For purposes of operating these additional hours on weekends, the facility may open at its  
12 regularly scheduled time on Friday, and then remain open through its regular closing time on  
13 Sunday evening, except that if the federal or state holiday is recognized on a Monday, the facility  
14 may remain open through to that Monday and close at the normal closing time on Monday. For  
15 purposes of operating these additional hours on federal or state recognized holidays, the facility  
16 may open at its regular time on the day preceding the holiday, and then remain open through to  
17 what would be its regular closing time on the holiday. It shall be the duty of the pari-mutuel  
18 licensees operating the respective facilities, under the supervision of the division of state lottery,  
19 to account for the amount of funds generated during and by these additional hours of operation.

1 [The normal closing time for said facilities shall be no later than three o'clock \(3:00\) A.M. except](#)  
2 [as provided herein.](#)

3 **42-61.2-7. Division of revenue. [Effective June 30, 2009]** -- (a) Notwithstanding the  
4 provisions of section 42-61-15, the allocation of net terminal income derived from video lottery  
5 games is as follows:

6 (1) For deposit in the general fund and to the state lottery division fund for  
7 administrative purposes: Net terminal income not otherwise disbursed in accordance with  
8 subdivisions (a)(2) -- (a)~~(6)~~(7) herein;

9 (i) Except for the fiscal year ending June 30, 2008, nineteen one hundredths of one  
10 percent (0.19%) up to a maximum of twenty million dollars (\$20,000,000) shall be equally  
11 allocated to the distressed communities as defined in section 45-13-12 provided that no eligible  
12 community shall receive more than twenty-five percent (25%) of that community's currently  
13 enacted municipal budget as its share under this specific subsection. Distributions made under  
14 this specific subsection are supplemental to all other distributions made under any portion of  
15 general laws section 45-13-12. For the fiscal year ending June 30, 2008 distributions by  
16 community shall be identical to the distributions made in the fiscal year ending June 30, 2007 and  
17 shall be made from general appropriations. For the fiscal year ending June 30, 2009, the total  
18 state distribution shall be the same total amount distributed in the fiscal year ending June 30,  
19 2008 and shall be made from general appropriations.

20 (ii) Five one hundredths of one percent (0.05%) up to a maximum of five million dollars  
21 (\$5,000,000) shall be appropriated to property tax relief to fully fund the provisions of section 44-  
22 33-2.1. The maximum credit defined in subdivision 44-33-9(2) shall increase to the maximum  
23 amount to the nearest five dollar (\$5.00) increment within the allocation until a maximum credit  
24 of five hundred dollars (\$500) is obtained. In no event shall the exemption in any fiscal year be  
25 less than the prior fiscal year.

26 (iii) One and twenty-two one hundredths of one percent (1.22%) to fund section 44-34.1-  
27 1, entitled "Motor Vehicle and Trailer Excise Tax Elimination Act of 1998", to the maximum  
28 amount to the nearest two hundred fifty dollar (\$250) increment within the allocation. In no event  
29 shall the exemption in any fiscal year be less than the prior fiscal year.

30 (iv) Except for the fiscal year ending June 30, 2008, ten one hundredths of one percent  
31 (0.10%) to a maximum of ten million dollars (\$10,000,000) for supplemental distribution to  
32 communities not included in paragraph (a)(1)(i) above distributed proportionately on the basis of  
33 general revenue sharing distributed for that fiscal year. For the fiscal year ending June 30, 2008  
34 distributions by community shall be identical to the distributions made in the fiscal year ending

1 June 30, 2007 and shall be made from general appropriations. For the fiscal year ending June 30,  
2 2009, the total state distribution shall be the same total amount distributed in the fiscal year  
3 ending June 30, 2008 and shall be made from general appropriations.

4 (2) To the licensed video lottery retailer:

5 (a) (i) Prior to the effective date of the NGJA Master Contract, Newport Jai Ali twenty-  
6 six percent (26%) minus three hundred eighty four thousand nine hundred ninety-six dollars  
7 (\$384,996);

8 (ii) On and after the effective date of the NGJA Master Contract, to the licensed video  
9 lottery retailer who is a party to the NGJA Master Contract, all sums due and payable under said  
10 Master Contract minus three hundred eighty four thousand nine hundred ninety-six dollars  
11 (\$384,996).

12 (b) (i) Prior to the effective date of the UTGR Master Contract, to the present licensed  
13 video lottery retailer at Lincoln Park which is not a party to the UTGR Master Contract, twenty-  
14 eight and eighty-five one hundredths percent (28.85%) minus seven hundred sixty-seven  
15 thousand six hundred eighty-seven dollars (\$767,687);

16 (ii) On and after the effective date of the UTGR Master Contract, to the licensed video  
17 lottery retailer who is a party to the UTGR Master Contract, all sums due and payable under said  
18 Master Contract minus seven hundred sixty-seven thousand six hundred eighty-seven dollars  
19 (\$767,687).

20 (3) (i) To the technology providers who are not a party to the GTECH Master Contract  
21 as set forth and referenced in Public Law 2003, Chapter 32, seven percent (7%) of the net  
22 terminal income of the provider's terminals;

23 (ii) To contractors who are a party to the Master Contract as set forth and referenced in  
24 Public Law 2003, Chapter 32, all sums due and payable under said Master Contract;

25 (iii) Notwithstanding paragraphs (i) and (ii) above, there shall be subtracted  
26 proportionately from the payments to technology providers the sum of six hundred twenty-eight  
27 thousand seven hundred thirty-seven dollars (\$628,737);

28 (4) To the city of Newport one and one ~~hundreth~~ hundredth percent (1.01%) of net  
29 terminal income of authorized machines at Newport Grand except that upon passage the  
30 allocation shall be one and two tenths percent (1.2%) of net terminal income of authorized  
31 machines at Newport Grand for each week the facility operates video lottery games on a twenty-  
32 four (24) hour basis for all eligible hours authorized in subsection 42-61.2-6(b) and to the town of  
33 Lincoln one and twenty-six ~~hundreths~~ hundredths (1.26%) of net terminal income of authorized  
34 machines at Lincoln Park; ~~and~~ except that upon passage the allocation shall be one and forty-five

1 hundredths percent (1.45%) of net terminal income of authorized machines at Lincoln Park for  
2 each week the facility operates video lottery games on a twenty-four (24) hour basis for all  
3 eligible hours authorized in subsection 42-61.2-6(b);

4 (5) To the Narragansett Indian Tribe, seventeen hundredths of one percent (0.17%) of net  
5 terminal income of authorized machines at Lincoln Park up to a maximum of ten million dollars  
6 (\$10,000,000) per year, which shall be paid to the Narragansett Indian Tribe for the account of a  
7 Tribal Development Fund to be used for the purpose of encouraging and promoting: home  
8 ownership and improvement, elderly housing, adult vocational training; health and social  
9 services; childcare; natural resource protection; and economic development consistent with state  
10 law. Provided, however, such distribution shall terminate upon the opening of any gaming facility  
11 in which the Narragansett Indians are entitled to any payments or other incentives; and provided  
12 further, any monies distributed hereunder shall not be used for, or spent on previously contracted  
13 debts;

14 (6) To the permanent school fund established in chapter 16-4 the additional revenue  
15 accruing to the state as the direct result of the additional hours authorized by this act net of the  
16 additional revenue to the city of Newport and the town of Lincoln resulting directly from the  
17 additional hours authorized under this act, to be allocated as aid to local education authorities as  
18 determined by the general assembly notwithstanding the provisions of chapter 16-4 of the Rhode  
19 Island general laws;

20 ~~(6)~~ (7) Unclaimed prizes and credits shall remit to the general fund of the state; and

21 ~~(7)~~ (8) Payments into the state's general fund specified in subdivisions (a)(1) and (a)(6)  
22 shall be made on an estimated monthly basis. Payment shall be made on the tenth day following  
23 the close of the month except for the last month when payment shall be on the last business day.

24 SECTION 2. Section 41-3.1-4 of the General Laws in Chapter 41-3.1 entitled "Dog  
25 Racing in Burrillville, Lincoln, and West Greenwich" is hereby amended to read as follows:

26 **41-3.1-4. Powers and duties of racing and athletics division.** -- In addition to the other  
27 powers conferred upon the division, the division of racing and athletics shall carry out the  
28 provisions of this chapter, and to that end, the division may:

29 (1) Personally or by agent, supervise and check the making of pari-mutuel pools and  
30 wages and the distribution therefrom;

31 (2) Fix and set the dates within which any dog track may be operated; provided,  
32 however, there shall be at least ~~one hundred twenty five (125)~~ two hundred (200) days annually  
33 of the operation; and

34 (3) Require any applicant for a permit to operate a dog track to file an application under

1 oath setting forth:

2 (i) The full name of the person, firm, corporation, or association, and if a corporation, the  
3 name of the state under which it is incorporated, as well as the names of the officers and directors  
4 of the corporation, and their places of residence, or if an association, the name and residence of  
5 the members of the association;

6 (ii) The exact location where it is desired to operate a dog track;

7 (iii) Whether or not the dog track is owned or leased, and if leased, the name, residence,  
8 and address of the owners or lessees, or if the owner or lessee be a corporation, the name and  
9 address of the officers and directors thereof;

10 (iv) A statement of the assets and liabilities of the person, firm, corporation, or  
11 association making application for the permit; and

12 (v) Such other information as the division may require.

13 SECTION 3. This act shall take effect on June 30, 2009 and shall expire on June 30,  
14 2010.

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

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1           This act would permit the facilities known as "Twin River" in Lincoln, Rhode Island and  
2 "Newport Grand" in Newport, Rhode Island at their discretion to maintain and operate all video  
3 lottery games which said facilities are authorized to conduct on a twenty-four (24) hour basis, on  
4 weekends and federal or state recognized holidays and would provide for the division of revenue  
5 generated during the expanded hours and would permit the division of racing and athletics to  
6 require at least two hundred (200) days annually of the operation of dog racing.

7           This act would take effect on June 30, 2009 and would expire on June 30, 2010.

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Presented by