

2008 -- H 7040

LC00259

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2008

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT

Introduced By: Representatives San Bento, Rose, Singleton, Shanley, and Slater

Date Introduced: January 03, 2008

Referred To: House Finance

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.** – (a) Video lottery games authorized by this
4 chapter may be played at the licensed video lottery retailer's facilities with the approval of the
5 lottery commission even if that facility is not conducting a pari-mutuel event.

6 (b) Upon the effective date of this section, the facilities known as "Twin River" in
7 Lincoln, Rhode Island, and "Newport Grand" in Newport, Rhode Island, are directed to maintain
8 and operate all video lottery games which said facilities are authorized to conduct on a twenty-
9 four (24) hour basis, including weekends and state and federally recognized holidays. It shall be
10 the duty of the pari-mutuel licensees operating the respective facilities, under the supervision of
11 the division of state lottery, to account for the amount of funds generated during and by these
12 additional hours of operation.

13 **42-61.2-7. Division of revenue.** -- (a) Notwithstanding the provisions of section 42-61-
14 15, the allocation of net terminal income derived from video lottery games is as follows:

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

18 (i) Except for the fiscal year ending June 30, 2008, nineteen one hundredths of one
19 percent (0.19%) up to a maximum of twenty million dollars (\$20,000,000) shall be equally

1 allocated to the distressed communities as defined in section 45-13-12 provided that no eligible
2 community shall receive more than twenty-five percent (25%) of that community's currently
3 enacted municipal budget as its share under this specific subsection. Distributions made under
4 this specific subsection are supplemental to all other distributions made under any portion of
5 general laws section 45-13-12. For the fiscal year ending June 30, 2008 distributions by
6 community shall be identical to the distributions made in the fiscal year ending June 30, 2007 and
7 shall be made from general appropriations.

8 (ii) Five one hundredths of one percent (0.05%) up to a maximum of five million dollars
9 (\$5,000,000) shall be appropriated to property tax relief to fully fund the provisions of section 44-
10 33-2.1. The maximum credit defined in subdivision 44-33-9(2) shall increase to the maximum
11 amount to the nearest five dollar (\$5.00) increment within the allocation until a maximum credit
12 of five hundred dollars (\$500) is obtained. In no event shall the exemption in any fiscal year be
13 less than the prior fiscal year.

14 (iii) One and twenty-two one hundredths of one percent (1.22%) to fund section 44-34.1-
15 1, entitled "Motor Vehicle and Trailer Excise Tax Elimination Act of 1998", to the maximum
16 amount to the nearest two hundred fifty dollar (\$250) increment within the allocation. In no event
17 shall the exemption in any fiscal year be less than the prior fiscal year.

18 (iv) Except for the fiscal year ending June 30, 2008, ten one hundredths of one percent
19 (0.10%) to a maximum of ten million dollars (\$10,000,000) for supplemental distribution to
20 communities not included in paragraph (a)(1)(i) above distributed proportionately on the basis of
21 general revenue sharing distributed for that fiscal year. For the fiscal year ending June 30, 2008
22 distributions by community shall be identical to the distributions made in the fiscal year ending
23 June 30, 2007 and shall be made from general appropriations.

24 (2) To the licensed video lottery retailer:

25 (a) (i) Prior to the effective date of the NGJA Master Contract, Newport Jai Ali twenty-
26 six percent (26%) minus three hundred eighty four thousand nine hundred ninety-six dollars
27 (\$384,996);

28 (ii) On and after the effective date of the NGJA Master Contract, to the licensed video
29 lottery retailer who is a party to the NGJA Master Contract, all sums due and payable under said
30 Master Contract minus three hundred eighty four thousand nine hundred ninety-six dollars
31 (\$384,996).

32 (b) (i) Prior to the effective date of the UTGR Master Contract, to the present licensed
33 video lottery retailer at Lincoln Park which is not a party to the UTGR Master Contract, twenty-
34 eight and eighty-five one hundredths percent (28.85%) minus seven hundred sixty-seven

1 thousand six hundred eighty-seven dollars (\$767,687);

2 (ii) On and after the effective date of the UTGR Master Contract, to the licensed video
3 lottery retailer who is a party to the UTGR Master Contract, all sums due and payable under said
4 Master Contract minus seven hundred sixty-seven thousand six hundred eighty-seven dollars
5 (\$767,687).

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

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

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

14 (4) To the city of Newport one and one hundredth percent (1.01%) of net terminal income
15 of authorized machines at Newport Grand and to the town of Lincoln one and twenty-six
16 hundredths (1.26%) of net terminal income of authorized machines at Lincoln Park; and

17 (5) To the Narragansett Indian Tribe, seventeen hundredths of one percent (0.17%) of net
18 terminal income of authorized machines at Lincoln Park up to a maximum of ten million dollars
19 (\$10,000,000) per year, which shall be paid to the Narragansett Indian Tribe for the account of a
20 Tribal Development Fund to be used for the purpose of encouraging and promoting: home
21 ownership and improvement, elderly housing, adult vocational training; health and social
22 services; childcare; natural resource protection; and economic development consistent with state
23 law. Provided, however, such distribution shall terminate upon the opening of any gaming facility
24 in which the Narragansett Indians are entitled to any payments or other incentives; and provided
25 further, any monies distributed hereunder shall not be used for, or spent on previously contracted
26 debts.

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

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

31 (8) Provided, that any additional revenue derived by the increase in hours of operation of
32 video lottery games at either the Twin River facility in the town of Lincoln, or the Newport Grand
33 facility in the city of Newport, respectively, shall be deposited in the general fund.

1 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

1 This act would require the operation of video lottery games on a twenty-four hour basis at
2 the Twin River and Newport Grand facilities. The revenue gained from the additional hours of
3 operation would be deposited in the general fund.

4 This act would take effect upon passage.

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