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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 THE STATE-OPERATED GAMING FACILITIES IN TIVERTON

Introduced By: Senators Goodwin, and Ruggerio

Date Introduced: May 23, 2019

Referred To: Senate Special Legislation and Veterans Affairs

It is enacted by the General Assembly as follows:

1 SECTION 1. Purpose. The general assembly hereby finds that:

2 (a) The Twin River gaming facility known as the Tiverton Casino Hotel located at 777
3 Tiverton Casino Blvd. in the town of Tiverton and owned by Twin River-Tiverton (the "Tiverton
4 Facility"), is an important source of revenue for the state of Rhode Island. Indeed, revenues
5 generated from state-operated gaming in Rhode Island constitute the third largest source of
6 revenue to the state, behind only revenue generated from income taxes and sales and use taxes.

7 (b) In an increasingly competitive gaming market, it is imperative that action be taken to
8 preserve and protect the state's ability to maximize revenues at the Tiverton Facility, and in
9 particular to expand critical revenue-driving promotional and marketing programs through
10 legislative authorization and necessary amendments to contracts, previously authorized by the
11 general assembly, to position the promotional and marketing programs for long-term success.

12 (c) Accordingly, the purpose of this act is to help enhance the revenues generated by the
13 Tiverton Facility in order to maximize the public's share of revenue generated by it for the state of
14 Rhode Island. It is the intent of the general assembly that this act, being necessary for the welfare
15 of the state and its citizens, be liberally construed in order to effectuate its purposes, including
16 without limitation, the state's attempt to enhance the ability of the Tiverton Facility to generate
17 revenue. The inclusion of the Tiverton Facility within the scope of this act is based on the
18 fulfilment in 2016 of the requirements of Article VI, Section 22 of the Rhode Island Constitution
19 with respect to that facility, namely that:

1 (1) The Rhode Island secretary of state certified that the qualified voters of the state
2 approved authorizing a facility owned by Twin River-Tiverton located at the intersection of
3 William S. Canning Blvd. and Stafford Road in the town of Tiverton to be licensed as a pari-
4 mutuel facility and offer state-operated video lottery games and state-operated casino gaming,
5 such as table games; and

6 (2) The board of canvassers of the town of Tiverton certified that the qualified electors of
7 the town of Tiverton approved authorizing a facility owned by Twin River-Tiverton located at the
8 intersection of William S. Canning Blvd. and Stafford Road in the town of Tiverton to be licensed
9 as a pari-mutuel facility and offer state-operated video lottery games and state-operated casino
10 gaming, such as table games.

11 SECTION 2. Except to the extent amended by this act, the terms, conditions, provisions
12 and definitions of Pub. L. 2005, ch. 322; Pub. L. 2005, ch. 323; Pub. L. 2010, ch. 16; Pub. L.
13 2011, ch. 151, art. 25; Pub. L. 2012, ch. 289; Pub. L. 212, ch. 290; Pub. L. 2014, ch. 145, art. 13;
14 Pub. L. 2015, ch. 141, art. 11, §§ 16-22; Pub. L. 2016, ch. 005; Pub. L. 2016, ch. 006; Pub. L.
15 2017, ch. 302, art. 8; Pub. L. 2018, ch. 047, art. 4; and Pub. L. 2018, ch. 070 (in each case as the
16 more recent law may have amended an earlier law or laws), are hereby incorporated herein by
17 reference and shall remain in full force and effect; provided, however, and for the avoidance of
18 doubt, all references herein to or incorporating "Twin River-Tiverton" or the "Tiverton Facility"
19 shall have the same meaning ascribed to "Newport Grand" (when referring to a legal entity and to
20 a gaming facility, respectively) in Pub. L. 2017, ch. 302, art. 8 (e.g., (i) all references to the
21 "Tiverton Facility Master Contract" herein shall have the same meaning ascribed to "Newport
22 Grand Master Contract," as previously defined in Pub. L. 2017, ch. 302, art. 8; and (ii) all
23 references to the "Twin River-Tiverton Marketing Program" shall have the same meaning
24 ascribed to "Newport Grand Marketing Program" as previously defined in Pub. L. 2017, ch. 302,
25 art. 8, as further clarified by this act.)

26 SECTION 3. Definitions. For the purposes of this act, the following terms shall have the
27 following meanings, and to the extent that such terms are otherwise defined in any provision of
28 the general or public laws (including, but not limited to, Pub. L. 2010, ch. 16, as amended, Pub.
29 L. 2016, ch. 005, Pub. L. 2016, ch. 006, and Pub. L. 2017, ch. 302, art. 8), for purposes of this act,
30 those terms are hereby amended to read as follows:

31 (1) "Marketing Program" means, as to UTGR, Inc. (UTGR), that marketing program set
32 forth in Pub. L. 2010, ch. 16, § 4(a)(iii) of Part A, as amended by Pub. L. 2011, ch. 151, art. 25, §
33 8, as amended by Pub. L. 2014, ch. 145, art. 13, § 5, as amended by Pub. L. 2016, ch. 005 and
34 Pub. L. 2016, ch. 006, and as amended by Pub. L. 2017, ch. 302, art. 8. As to Twin River-

1 Tiverton, "Marketing Program" means that marketing program set forth in Pub. L. 2010, ch. 16, §
2 4(a)(iii) of Part B, as amended by Pub. L. 2011, ch. 151, art. 25 § 8, as amended by Pub. L. 2016,
3 ch. 005 and Pub. L. 2016, ch. 006, as amended by Pub. L. 2017, ch. 302, art. 8, and as clarified by
4 this act.

5 SECTION 4. Authorized procurement of Eighth Amendment to the Tiverton Facility
6 Master Contract. Notwithstanding any general or public law, regulation or rule to the contrary,
7 within ninety (90) days of the enactment of this act, the division is hereby expressly authorized,
8 empowered and directed to enter into with Twin River-Tiverton an eighth amendment to the
9 Tiverton facility master contract ("eighth amendment") memorializing the amendments described
10 in this section, to be effective as of the date of enactment.

11 (a) Amendment to Twin River-Tiverton marketing program.

12 (1) Subject to subsections (a)(2) through (a)(5) of this section, for each marketing year, to
13 the extent Twin River-Tiverton's marketing program expenditures exceed one million dollars
14 (\$1,000,000), the division shall pay Twin River-Tiverton an amount equal to the product of such
15 excess multiplied by the division percentage (for the avoidance of doubt, the division percentage
16 applying to Twin River-Tiverton as defined in § 42-61.2-7 of the general laws in chapter 61.2 of
17 title 42, entitled "Video lottery terminal"); provided, however, subject to subsections (a)(2)
18 through (a)(5) of this section, if the total amount of Twin River-Tiverton's marketing program
19 expenditures in any given marketing year exceed two million five hundred thousand dollars
20 (\$2,500,000), the division shall not be required to make payments with respect to such amounts in
21 excess of two million five hundred thousand dollars (\$2,500,000). (Stated differently, subject to
22 subsections (a)(2) through (a)(5) of this section, the total amount payable by the division for such
23 marketing year shall be "capped" at an amount equal to the division percentage multiplied by one
24 million five hundred thousand dollars (\$1,500,000) (i.e. two million five hundred thousand
25 dollars (\$2,500,000) total Twin River-Tiverton marketing program expenditures)).

26 (2) In addition to the amounts payable by the division pursuant to subsection (a)(1) of this
27 section, to the extent Twin River-Tiverton's aggregate Twin River-Tiverton marketing program
28 expenditures exceed three million five hundred thousand dollars (\$3,500,000) in any given
29 marketing year beginning with the marketing year beginning on July 1, 2018, the division shall
30 pay Twin River-Tiverton an amount equal to the product of such excess multiplied by the
31 division percentage; provided, however, subject to subsections (a)(3) through (a)(5) of this
32 section, if the total amount of Twin River-Tiverton's marketing program expenditures in any
33 given marketing year exceed four million two hundred fifty thousand dollars (\$4,250,000), the
34 division shall not be required to make payments with respect to such amounts in excess of four

1 million two hundred fifty thousand dollars (\$4,250,000).

2 (3) By the way of example only, if in a particular marketing year Twin River-Tiverton's
3 marketing program expenditures equal six million dollars (\$6,000,000), the division shall pay to
4 Twin River-Tiverton the division percentage multiplied by the sum of one million five hundred
5 thousand dollars (\$1,500,000) and seven hundred fifty thousand dollars (\$750,000) (i.e., division
6 percentage x (\$1,500,000 + \$750,000)).

7 (4) Notwithstanding the foregoing, in any partial marketing year, the thresholds (or
8 "caps") on the division contributions contemplated in subsections (a)(1) and (a)(2) of this section,
9 (such thresholds or caps being one million five hundred thousand dollars (\$1,500,000) and seven
10 hundred fifty thousand dollars (\$750,000), respectively, applicable to the Twin River-Tiverton
11 marketing program spend amounts in excess of two million five hundred thousand dollars
12 (\$2,500,000) and four million two hundred fifty thousand dollars (\$4,250,000)), shall be reduced
13 by multiplying each by a fraction:

14 (i) The numerator of which is the number of days in any partial marketing year; and

15 (ii) The denominator of which is three hundred sixty five (365).

16 (5) For the avoidance of doubt, in accordance with Pub. L. 2011, ch. 151, art. 25 §
17 8(a)(ii), the division shall pay Twin River-Tiverton the amounts contemplated in subsection (a) of
18 this section, amending the Twin River-Tiverton marketing program without regard to whether the
19 state has received net terminal income for any relevant marketing year in an amount equal to or
20 exceeding the amount of net terminal income the state received for the state's prior fiscal year.

21 (b) Except to the extent amended pursuant to subsection (a) of this section, the terms,
22 provisions and conditions of the Tiverton Facility master contract, including without limitation
23 those terms, provisions and conditions relating to the initial promotion points program, the
24 supplementary promotional points program and the marketing program, shall remain in full force
25 and effect. If there is a conflict between any provision of the Tiverton Facility master contract and
26 this act, the provisions of this act shall control.

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO THE STATE-OPERATED GAMING FACILITIES IN TIVERTON

1 This act would preserve and protect the state's ability to maximize revenues at the
2 Tiverton Casino by authorizing an amendment to the Twin River-Tiverton marketing program.

3 This act would take effect upon passage.

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