

2020 -- H 8097

=====
LC005504
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2020

A N A C T

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

Introduced By: Representatives Mattiello, and Abney

Date Introduced: July 08, 2020

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 42-61.2-1 and 42-61.2-16 of the General Laws in Chapter 42-61.2
2 entitled "Video-Lottery Games, Table Games and Sports Wagering" are hereby amended to read
3 as follows:

4 **42-61.2-1. Definitions.**

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

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

12 (2) "Central communication system" means a system approved by the lottery division,
13 linking all video-lottery machines at a licensee location to provide auditing program information
14 and any other information determined by the lottery. In addition, the central communications
15 system must provide all computer hardware and related software necessary for the establishment
16 and implementation of a comprehensive system as required by the division. The central
17 communications licensee may provide a maximum of fifty percent (50%) of the video-lottery
18 terminals.

1 (3) "Collegiate sports or athletic event" shall not include a collegiate sports contest or
2 collegiate athletic event that takes place in Rhode Island or a sports contest or athletic event in
3 which any Rhode Island college team participates regardless of where the event takes place.

4 (4) "Credit facilitator" means any employee of a licensed video-lottery retailer approved in
5 writing by the division whose responsibility is to, among other things, review applications for credit
6 by players, verify information on credit applications, grant, deny, and suspend credit, establish
7 credit limits, increase and decrease credit limits, and maintain credit files, all in accordance with
8 this chapter and rules and regulations approved by the division.

9 (5) "DBR" means the department of business regulation, division of gaming and athletics
10 licensing, and/or any successor in interest thereto.

11 (6) "Director" means the director of the division.

12 (7) "Division," "division of lottery," "division of lotteries," or "lottery division" means the
13 division of lotteries within the department of revenue and/or any successor in interest thereto.

14 (8) "Hosting facility" refers to Twin River and the Tiverton gaming facility.

15 (9) "Licensed video-lottery retailer" means a pari-mutuel licensee specifically licensed by
16 the director subject to the approval of the division to become a licensed video-lottery retailer.

17 (10) "Net table-game revenue" means win from table games minus counterfeit currency.

18 (11) "Net terminal income" means currency placed into a video-lottery terminal less credits
19 redeemed for cash by players.

20 (12) "Newport Grand" means Newport Grand, LLC, a Rhode Island limited-liability
21 company, successor to Newport Grand Jai Alai, LLC, and each permitted successor to and assignee
22 of Newport Grand, LLC under the Newport Grand Master Contract, including, but not limited to,
23 Premier Entertainment II, LLC and/or Twin River-Tiverton, LLC, provided it is a pari-mutuel
24 licensee as defined in § 42-61.2-1 et seq.; provided, further, however, where the context indicates
25 that the term is referring to the physical facility, then it shall mean the gaming and entertainment
26 facility located at 150 Admiral Kalbfus Road, Newport, Rhode Island.

27 (13) "Newport Grand Marketing Year" means each fiscal year of the state or a portion
28 thereof between November 23, 2010, and the termination date of the Newport Grand Master
29 Contract.

30 (14) "Newport Grand Master Contract" means that certain master video-lottery terminal
31 contract made as of November 23, 2005, by and between the division of lotteries of the Rhode
32 Island department of administration and Newport Grand, as amended and extended from time to
33 time as authorized therein and/or as such Newport Grand Master Contract may be assigned as
34 permitted therein.

1 (15) "Online gaming account" means an account ~~established at a hosting facility and~~
2 opened by a patron ~~in person on the premises of a hosting facility~~ that a such patron shall use for
3 the deposit and withdrawal of funds used for online sports wagering.

4 (16) "Online sports wagering" means engaging in the act of sports wagering by the placing
5 of wagers on sporting events or a combination of sporting events, or on the individual performance
6 statistics of athletes in a sporting event or a combination of sporting events, over the internet
7 through computers, mobile applications on mobile devices or other interactive devices approved
8 by the division, which wagers are accepted by a server-based gaming system located at the premises
9 of a hosting facility authorized to accept sports wagers and administer payoffs of winning sports
10 wagers; all such wagers shall be deemed to be placed and accepted at the premises of a hosting
11 facility.

12 (17) "Online sports-wagering revenue" means:

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

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

16 (II) Marketing expenses related to online sports wagering as agreed to by the division, the
17 sports-wagering vendor, and the host facilities, as approved by the division of the lottery; and

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

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

20 (I) Counterfeit cash.

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

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

25 (IV) Free play provided by the hosting facility or sports-wagering vendor as authorized by
26 the division of lottery to a player and subsequently "won back" by the hosting facility or sports-
27 wagering vendor, for which the hosting facility or sports-wagering vendor can demonstrate that it
28 or its affiliate has not been reimbursed in cash.

29 (18) "Pari-mutuel licensee" means:

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

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

32 (19) "Payoff," when used in connection with sports wagering, means cash or cash
33 equivalents paid to a player as a result of the player's winning a sports wager. A "payoff" is a type
34 of "prize," as the term "prize" is used in chapters 61, 61.2, and 61.3 of this title.

1 (20) "Premier" means Premier Entertainment II, LLC and/or its successor in interest by
2 reason of the acquisition of the stock, membership interests, or substantially all of the assets of such
3 entity.

4 (21) "Rake" means a set fee or percentage of cash and chips representing cash wagered in
5 the playing of a nonbanking table game assessed by a table games retailer for providing the services
6 of a dealer, gaming table, or location, to allow the play of any nonbanking table game.

7 (22) "Server-based gaming system" means all hardware, software, and communications
8 devices that comprise a system utilized for the purpose of offering an electronic platform used in
9 connection with the process of placing and accepting sports wagers.

10 (23) "Sporting event" means any professional sport or athletic event, any Olympic or
11 international sports competition event, and any collegiate sport or athletic event, or any portion
12 thereof, including, but not limited to, the individual performance statistics of athletes in a sports
13 event or combination of sports events, except "sports event" shall not include a prohibited sports
14 event.

15 (24) "Sports wagering" means the business of accepting wagers on sporting events or a
16 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, on the date this act is enacted [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, including
26 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 (25) "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 (26) "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 of the lottery; 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 of lottery to a patron and subsequently "won back" by the hosting facility or sports-
18 wagering vendor, for which the hosting facility or sports-wagering vendor can demonstrate that it
19 or its affiliate has not been reimbursed in cash.

20 (27) "Sports-wagering vendor" means any entity authorized by the division of lottery to
21 operate sports betting on the division's behalf in accordance with this chapter.

22 (28) "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 of lotteries, using cards, dice, or equipment and conducted by one
25 or more live persons.

26 (29) "Table-game retailer" means a retailer authorized to conduct table gaming pursuant to
27 § 42-61.2-2.1 or § 42-61.2-2.3.

28 (30) "Technology provider" means any individual, partnership, corporation, or association
29 that designs, manufactures, installs, maintains, distributes, or supplies video-lottery machines or
30 associated equipment for the sale or use in this state.

31 (31) "Tiverton gaming facility" (sometimes referred to as "Twin River-Tiverton") means
32 the gaming and entertainment facility located in the town of Tiverton at the intersection of William
33 S. Canning Boulevard and Stafford Road.

34 (32) "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 further,
2 however, where the context indicates that the term is referring to a physical facility, then "Twin
3 River" or "Twin River gaming facility" shall mean the gaming and entertainment facility located at
4 100 Twin River Road in Lincoln, Rhode Island.

5 (33) "Twin River-Tiverton" means Twin River-Tiverton, LLC and/or its successor in
6 interest by reason of the acquisition of the stock, membership interests, or substantially all of the
7 assets of such entity.

8 (34) "Video-lottery games" means lottery games played on video-lottery terminals
9 controlled by the lottery division.

10 (35) "Video-lottery terminal" means any electronic computerized video game machine that,
11 upon the insertion of cash or any other representation of value that has been approved by the
12 division of lotteries, is available to play a video game authorized by the lottery division, and that
13 uses a video display and microprocessors in which, by chance, the player may receive free games
14 or credits that can be redeemed for cash. The term does not include a machine that directly dispenses
15 coins, cash, or tokens.

16 **42-61.2-16. General requirements for online sports wagering.**

17 (a) Online sports wagering shall only occur within the state of Rhode Island. A hosting
18 facility shall only accept online wagers from players who have been affirmatively located as being
19 physically present in the state of Rhode Island at the time of their wager.

20 (b) The server-based gaming system shall employ a mechanism to detect the physical
21 location of a player ~~when the player logs onto the system~~ at the time the player is wagering and as
22 frequently as specified in any regulations promulgated by the state, through the ~~division~~ Division.
23 If the system detects that the physical location of the patron at the time the player is wagering is in
24 an area outside the state of Rhode Island, the system shall not accept that patron's wagers until such
25 time as the patron is in the state of Rhode Island.

26 (c) The server-based gaming system and all hardware, software, and other technology or
27 equipment located on a hosting facility's premises and used to conduct online sports wagering shall
28 be located in a restricted area on the hosting facility's premises.

29 (d) Online sports wagering shall only be engaged in by patrons who have established an
30 online gaming account ~~in person on the premises of a hosting facility~~ pursuant to the rules and
31 regulations promulgated by the Division.

32 SECTION 2. This act shall take effect upon passage.

=====
LC005504
=====

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 provide that in regard to online sports wagering, a server-based gaming
2 system would utilize a mechanism to detect the physical location of a player at the time the player
3 is wagering. This act would also amend the definition of the term “online gaming account.”

4 This act would take effect upon passage.

=====
LC005504
=====