

1 **41-9.1-2. Legislative findings.** – The general assembly makes the following findings:

2 (1) In accord with Article 6, Section 22 of the Rhode Island Constitution, only the people
3 of the State of Rhode Island can determine whether the state should pursue casino gaming as a
4 source of revenue;

5 (2) The people should be able to make this determination in a manner that is consistent
6 with the Rhode Island Constitution and in a manner that cannot be unduly influenced by any one
7 specific proposal;

8 (3) The people should be able to exercise their right and their elected representatives
9 should be able to implement the people’s determination based upon clear and objective criteria;

10 (4) Potential casino enterprise licensees should be provided with clear and objective
11 criteria;

12 (5) If the people so exercise their discretion to realize revenues from casino gaming,
13 those revenues should be maximized through the development of a destination-style casino resort
14 that will endure future competition;

15 (6) Casino states have diverse regulatory schemes, but all have strong legislative and
16 regulatory oversight to ensure integrity of casino operations and to maintain public confidence;

17 (7) To ensure the integrity of the commercial casino gaming industry and its reputation
18 in Rhode Island, commercial casino gaming needs the strictest possible regulation with law
19 enforcement oversight;

20 (8) There are socio-economic costs that expanded gaming may impose on communities
21 and the state;

22 (9) Problem gambling already exists in Rhode Island and may increase with the
23 introduction of casino gambling;

24 (10) The state of Rhode Island should follow the lead of other casino jurisdictions and
25 take measures designed to detect the extent of problem gambling, educate the public, and assure
26 availability of resources for treatment.

27 **41-9.1-3. Definitions.** – As used in this chapter, the following terms are defined as
28 follows:

29 (1) “Adjusted gross receipts” means the gross receipts less winnings paid to wagerers.

30 (2) “Affiliate” means a person who, directly or indirectly, through one (1) or more
31 intermediaries, controls, is controlled by, or is under common control with; is in a partnership
32 (general or limited) or joint venture relationship with; or is a co-shareholder of a corporation, a
33 co-member of a limited liability company, or co-partner in a limited liability partnership with a
34 person who holds or applies for a casino enterprise license under this chapter.

1 (3) “Affiliated company” means any form of business organization which controls, is
2 controlled by or is under common control with; is in a partnership (general or limited) or joint
3 venture relationship with; or is a co-shareholder of a corporation, a co-member of a limited
4 liability company, or co-partner in a limited liability partnership with a person who holds or
5 applies for a casino enterprise license under this chapter.

6 (4) “Agent” means any person who is employed by any agency of the state, other than the
7 board, the state police, or attorney general, who is assigned to perform full-time services on
8 behalf of or for the benefit of the board regardless of the title or position held by that person.

9 (5) “Applicant” means any person who applies for any right, license or registration under
10 this chapter.

11 (6) “Board” means the Rhode Island Gaming Control Board.

12 (7) “Casino” means a building in which gaming is conducted.

13 (8) “Casino gaming operations” means any gaming operations offered or conducted
14 pursuant to this chapter but does not include those operations governed by chapters 61 and 61.2
15 of title 42.

16 (9) “Casino licensee” or “casino operator” means any person licensed to conduct casino
17 gaming operations according to the provisions of this chapter.

18 (10) “Casino enterprise means the buildings, facilities, or rooms functionally or
19 physically connected to a casino including, but not limited to, any bar, restaurant, hotel, cocktail
20 lounge, retail establishment, or arena or any other facility located in a municipality under the
21 control of a casino enterprise licensee or affiliated company.

22 (11) “Certified development agreement” means a development agreement that has been
23 certified by a municipality and submitted to the Rhode Island Gaming Control Board.

24 (12) “Chairperson” means the chairperson of the board.

25 (13) “Company” means a sole proprietorship, corporation, partnership (general or
26 limited), limited liability partnership, limited liability company, trust, association, joint stock
27 company, joint venture, tribal corporation or other form of business organization.

28 (14) “Compensation” means any money, thing of value, or financial benefit conferred on
29 or received by a person in return for services rendered, or to be rendered, whether by that person
30 or another.

31 (15) “Conflict of interest” means a situation in which the private interest of a member,
32 employee, or agent of the board may influence the judgment of the member, employee, or agent
33 in the performance of his or her public duty under this chapter. A conflict of interest includes, but
34 is not limited to, the following:

1 (i) Any conduct that would lead a reasonable person, knowing all of the circumstances, to
2 conclude that the member, employee, or agent of the board is biased against or in favor of an
3 applicant.

4 (ii) Acceptance of any form of compensation, other than from the board, for any services
5 rendered as part of or related to the official duties of the member, employee, or agent for the
6 board.

7 (iii) Participation in any business being transacted with or before the board in which the
8 member, employee, or agent of the board or his or her parent, spouse, or child has a financial
9 interest.

10 (iv) Use of the position, title, or any related authority of the member, employee, or agent
11 of the board in a manner designed for personal gain or benefit.

12 (v) Demonstration, through work or other action in the performance of the official duties
13 of the member, employee, or agent of the board, of any preferential attitude or treatment of any
14 person.

15 (16) “Control” means having a greater than fifteen percent (15%) direct or indirect
16 pecuniary interest in the casino gaming operation with respect to which the license is sought.

17 (17) “Development agreement” means a written agreement between a person and a
18 municipality in the referendum referenced in section 41-9.1-10 that rendered an affirmative vote
19 in such referendum, naming the person as the designated developer of a casino in the municipality
20 and covering certain subjects including, but not limited to: approval by the municipality of the
21 location of the casino; zoning, land use and site plan requirements; utility connection fees;
22 infrastructure improvements; reimbursement for predevelopment and infrastructure costs, traffic
23 engineering, and other transportation costs; noise control, lighting design and screening; public
24 safety; trash removal; plans for completion of destination attractions either within or outside the
25 casino facility; and ancillary development rights.

26 (18) “ Disciplinary action” is an action by the board suspending or revoking a license,
27 fining, excluding, reprimanding, or otherwise penalizing a person for violating this chapter or
28 rules promulgated by the board.

29 (19) “Financial interest” or “financially interested” means any interest in investments,
30 awarding of contracts, grants, loans, purchases, leases, sales, or similar matters under
31 consideration or consummated by the board. A member, employee, or agent of the board will be
32 considered to have a financial interest in a matter under consideration if any of the following
33 circumstances exist:

34 (i) He or she owns a five percent (5 %) or greater direct or indirect pecuniary interest in

1 any party to the matter under consideration or consummated by the board; or

2 (ii) He or she is employed by or is an independent contractor for a party to the matter
3 under consideration or consummated by the board.

4 (20) “Gambling game” means any game played with cards, dice, equipment or a machine,
5 including any mechanical, electromechanical or electronic device which shall include computers
6 and cashless wagering systems, for money, credit, or any representative of value; including, but
7 not limited to, faro, monte, roulette, keno, bingo, fan tan, twenty-one, blackjack, seven and a half,
8 klondike, craps, poker, chuck a luck, Chinese chuck a luck (dai shu), wheel of fortune, chemin de
9 fer, baccarat, pai gow, beat the banker, panguingui, slot machine, any banking or percentage
10 game, or any other game or device approved by the board, but does not include games played
11 with cards in private homes or residences in which no person makes money for operating the
12 game.

13 (21) “Gambling operation” means the conduct of authorized gambling games in a casino.

14 (22) “Game” means any banking or percentage game located exclusively within a
15 licensed casino establishment which is played with cards, dice, or any electronic, electrical, or
16 mechanical device or machine for money, property, or any thing of value.

17 (23) “Gaming” means to deal, operate, carry on, conduct, maintain or expose or offer for
18 play any gambling game or gambling operation.

19 (24) “Gaming device” means any equipment or mechanical, electromechanical, or
20 electronic contrivance, component, or machine used directly or indirectly in connection with
21 gaming or any game which affects the result of a wager by determining win or loss. The term
22 includes a system for processing information which can alter the normal criteria of random
23 selection, which affects the operation of any game, or which determines the outcome of a game.
24 The term does not include a system or device which affects a game solely by stopping its
25 operation so that the outcome remains undetermined.

26 (25) “Gaming supplier” means any person who supplies, sells, or leases, or contracts to
27 sell or lease, gaming devices, equipment, or supplies to a holder of a license or a casino gaming
28 operator.

29 (26) “Gaming supplier permit” means the permit of a gaming supplier.

30 (27) “Gaming supplies” means all materials and supplies other than gaming devices
31 which the board finds or determines to be used or expended in gaming operations or activities and
32 that can impact the outcome of game.

33 (28) “Gross receipts” means the total of all sums including valid or invalid checks,
34 currency, tokens, coupons, vouchers, or instruments of monetary value whether collected or

1 uncollected, received by a casino enterprise licensee from gaming, including all entry fees
2 assessed for tournaments or other contests, less a deduction for uncollectible gaming receivables
3 not to exceed the uncollectible amounts owed as a result of wagers placed at or through a
4 gambling game or four percent (4%) of the total gross receipts; whichever is less. The licensee
5 shall not receive the deduction unless the licensee provides written proof to the state treasurer of
6 the uncollected gaming receivable and has complied with all rules promulgated by the board
7 regarding the issuance of credit and the collection of amounts due under a credit extension.

8 (29) "Institutional investor" means a person that is:

9 (a) A plan or trust established and maintained by the United States Government, a state,
10 or a political subdivision of a state for the benefit of its respective employees.

11 (b) An investment company that is registered under the Investment Company Act of
12 1940.

13 (c) A Collective Investment Trust organized by a bank under Part Nine of the rules of the
14 Comptroller of the Currency.

15 (d) A closed end investment trust registered with the United States Securities and
16 Exchange Board.

17 (e) A mutual fund.

18 (f) A life insurance company or property and casualty insurance company.

19 (g) A federal or state bank.

20 (h) An investment advisor registered under the Investment Advisors Act of 1940.

21 (i) Such other similar regulated entities as may be approved by the board for good cause.

22 (30) "Institutional lender" means a person that is:

23 (a) An insurance company regulated by any state of the United States.

24 (b) Any investment company registered under the Investment Company Act of 1940.

25 (c) Any plan established and maintained by a state, its political subdivision, or any
26 agency or instrumentality of a state or its political subdivisions, for the benefit of its employees.

27 (d) Any trust fund the trustee of which is a bank or trust.

28 (e) Any investment adviser registered with the United States Securities and Exchange
29 Board.

30 (f) Any real estate investment trust registered with the United States Securities and
31 Exchange Board.

32 (g) Any dealer registered pursuant to section 15 of the Securities and Exchange Act of
33 1934.

34 (h) Any qualified institutional buyer, as defined in rule 144A under the Securities Act of

1 1933, and any entity, all of the equity owners of which are qualified institutional buyers, as
2 defined in rule 144A under the Securities Act of 1933, acting for its own account or the accounts
3 of other qualified institutional buyers.

4 (i) Any bank as defined in section 3(a)(2) of the Securities Act of 1933, any savings and
5 loan association or other institution as referenced in section 3(a)(5)(A) of the Securities Act of
6 1933, or any foreign bank or savings and loan association or equivalent institution or any
7 investment fund that participates in a bank syndication, and any purchaser that takes an
8 assignment or other participation interest in the bank syndication.

9 (j) Any investor or group of investors purchasing debt securities of a licensee, permittee,
10 or casino gaming operator, or a subsidiary of a licensee, permittee, or casino gaming operator, in
11 any public offering registered pursuant to the Securities Act of 1933 or through any private
12 placement, and any investor purchasing such securities in a subsequent sale; however, such
13 securities are widely held and freely traded, and the investor holds no more than twenty percent
14 (20%) of a licensee, permittee, or casino gaming operator's total debt or fifty percent of a material
15 debt issue unless otherwise approved by the board, so as not to give such investor the ability to
16 control a licensee, permittee, or casino gaming operator.

17 (k) Any business development company as defined in section 2(a)(48) of the Investment
18 Company Act of 1940.

19 (l) Any business development company as defined in section 202(a)(22) of the
20 Investment Advisers Act of 1940.

21 (m) Any other regulated lender as the board may determine in its sole discretion
22 consistent with the provisions of this chapter.

23 (n) Such other similar regulated entities as may be approved by the board for good cause.

24 (31) "Investigative hearing" means any hearing conducted by the board or its authorized
25 representative to investigate and gather information or evidence regarding pending license
26 applications, applicants, licensees, or alleged or apparent violations of this chapter or the rules
27 promulgated by the board.

28 (32) "Junket enterprise" means any person other than a casino licensee or applicant who
29 employs or otherwise engages in the procurement or referral of persons and receives
30 compensation based on a percentage of the actual or theoretical gaming of such persons,
31 provided, however, it does not include enterprises receiving flat fees in exchange for the bussing
32 of patrons to the casino or for customary tour and travel arrangements.

33 (33) "Key gaming employee" means any natural person employed in the operation of a
34 licensed casino facility in a supervisory managerial capacity or empowered to make discretionary

1 decisions which regulate casino facility operations, as determined by the board.

2 (34) “Key gaming employee permit” means the permit of a key gaming employee.

3 (35) “License” means an authorization issued to a person or entity by or in the name of
4 the board to engage in or assist gaming operations or activities regulated by this chapter.

5 (36) “Licensee” means any employee, agent, person, or entity that is required to be issued
6 a license under this chapter or under the rules and regulations of the board.

7 (37) “Managerial employee” means a person who by virtue of the level of their
8 remuneration or otherwise holds a management, supervisory, or policy-making position with any
9 authorized licensee pursuant to this chapter, vendor, or the board.

10 (38) “Manufacturer” means any person or entity who manufactures or assembles
11 programs or slot machines or other gaming devices for sale or use in this state.

12 (39) “Member” means a board member appointed to the Rhode Island Gaming Control
13 Board.

14 (40) “Municipality” means any city or town within the state.

15 (41) “Non-gaming supplier” means any person or entity who sells, leases, or otherwise
16 distributes, directly or indirectly, goods or services other than gaming equipment and supplies to
17 the holder of a license.

18 (42) “Permit” means any permit or authorization, or application therefore, issued
19 pursuant to the provisions of this chapter.

20 (43) “Permittee” means any person or entity who is issued or applying for a permit
21 pursuant to the provisions of this chapter.

22 (44) “Person” means an individual, corporation, limited liability company, association,
23 partnership (general or limited), limited liability partnership, trust, entity, or other legal entity.

24 (45) “Security” means the protection of information that would or could provide an unfair
25 advantage to any individual involved in the operation of the casino gaming; protection and
26 preservation of the integrity of casino gaming games and operations; as well as measures taken to
27 prevent crimes against a gaming operator or the board.

28 (46) “Slot machine” means any mechanical, electrical, or other device, contrivance, or
29 machine which, upon insertion of a coin, token, or similar object therein or upon payment of any
30 consideration whatsoever, is available to play or, operate the play or operation of which, whether
31 by reason of the skill of the operator or application of the element of chance, or both, may deliver
32 or entitle the person playing or operating the machine to receive cash, premiums, merchandise,
33 tokens, or any thing of value, whether the payoff is made automatically from the machine or in
34 any other manner.

1 (47) “Successful Applicant” means a person or applicant determined by the board to be
2 awarded the single casino enterprise license, as set forth in this chapter.

3 (48) “Suitable”, “suitability” or “suitability requirements” means the criteria provided for
4 in section 24.

5 (49) “Vendor” means a person who supplies any goods or services to a casino enterprise
6 licensee or supplier licensee.

7 (50) “Wagerer” means a person who plays a gambling game authorized under this
8 chapter.

9 (51) “Winnings” means the total cash value of all property or sums including currency,
10 tokens, or instruments of monetary value paid to wagerers as a direct result of wagers placed at or
11 through a gambling game.

12 **41-9.1-4. Creation of gaming control board -- Composition -- Appointment. – (a)**

13 There is hereby created The Rhode Island gaming control board; a separate and independent
14 agency of the state within the executive branch. The board shall have the powers and duties
15 specified within this chapter and all other powers necessary and proper to fully and effectively
16 execute and administer the provisions of this chapter for the purpose of licensing, regulating, and
17 enforcing the system of casino gambling.

18 (b) The board shall consist of five (5) members, one (1) who shall have at least five (5)
19 years investigative law enforcement experience, one (1) who shall be an attorney with at least five
20 (5) years experience in regulatory law, one (1) who shall be a certified public accountant with at
21 least five (5) years experience, one (1) who shall have at least five (5) years experience in
22 management, and one (1) with expertise in the area of problem gambling; all to be appointed by
23 the governor, with the advice and consent of the senate, one (1) of whom shall be designated by
24 the governor to be chairperson. The members shall be appointed by the governor forthwith after
25 the approval of this act by a majority of the electors of the state of Rhode Island as provided in
26 this chapter, and shall serve as interim members until receiving the advice and consent of the
27 senate. Each member shall be a resident of this state.

28 (c) The members shall serve staggered terms of three (3) years. Notwithstanding the
29 foregoing, with respect to initial members, two members shall be appointed for a period of two
30 (2) years, two members shall be appointed for a period of three (3) years, and one member shall
31 be appointed for a period of four (4) years. A member’s term shall expire on December 31st of the
32 last year of the member’s term. In the event of a vacancy on the board, the governor shall appoint
33 in like manner a successor to fill the unexpired term.

34 (d) Each member of the board shall be reimbursed for all actual and necessary expenses

1 and disbursements incurred in the execution of official duties.

2 (e) A person who is not of good moral character or who has been indicted or charged
3 with, convicted of, pled guilty or nolo contendere to, or forfeited bail concerning a felony or a
4 misdemeanor involving gambling, theft, dishonesty, or fraud under the laws of this state, any
5 other state, or the United States or a local ordinance in any state involving gambling, dishonesty,
6 theft, or fraud that substantially corresponds to a misdemeanor in that state, shall not be appointed
7 or remain as a member of the board.

8 (f) Any member of the board may be removed by the governor for neglect of duty,
9 misfeasance, malfeasance, nonfeasance, or any other just cause.

10 (g) The board shall appoint an executive director of the board to serve a five (5) year
11 term. After the initial appointment of an executive director, any subsequent appointment of the
12 executive director shall require the approval of the senate by a record roll call vote. The terms of
13 employment of the executive director; including, without limitation, the salary of the executive
14 director, shall be determined by the board. The executive director shall perform any and all duties
15 that the board shall assign to him or her. The executive director shall be reimbursed for all actual
16 and necessary expenses incurred by him or her in discharge of his or her official duties. The
17 executive director shall keep records of all proceedings of the board and shall preserve all
18 records, books, documents, and other papers belonging to the board or entrusted to its care. The
19 executive director shall devote his or her full time to the duties of the office and shall not hold
20 any other office or employment. A vacancy in the position of executive director shall be filled as
21 provided within this subsection for a new five (5) year term.

22 (h) The board shall employ such personnel as may be necessary to carry out the functions
23 of the board.

24 **41-9.1-5. Member, employee, or agent of board – Conduct generally.** – (1) By
25 January 31st of each year, each member of the board shall prepare and file with the office of the
26 board, a board disclosure form in which the member does all of the following:

27 (a) Affirms that the member or the member’s spouse, parent, child, or child’s spouse is
28 not a member of the board of directors, or financially interested in, or employed by a licensee or
29 applicant.

30 (b) Affirms that the member continues to meet any other criteria for board membership
31 under this chapter or the rules promulgated by the board.

32 (c) Discloses any legal or beneficial interests in any real property that is or that may be
33 directly or indirectly involved with gaming or gaming operations authorized by this chapter.

34 (d) Discloses any other information as may be required to ensure that the integrity of the

1 board and its work is maintained.

2 (2) By January 31st of each year, each employee of the board shall prepare and file with
3 the office of the board an employee disclosure form in which the employee does all of the
4 following:

5 (a) Affirms the absence of financial interests prohibited by this chapter.

6 (b) Discloses any legal or beneficial interests in any real property that is or that may be
7 directly or indirectly involved with gaming or gaming operations authorized by this chapter.

8 (c) Discloses whether the employee or the employee's spouse, parent, child, or child's
9 spouse is financially interested in or employed by a supplier licensee or an applicant for a
10 supplier's license under this chapter.

11 (d) Discloses such other matters as may be required to ensure that the integrity of the
12 board and its work is maintained.

13 (3) A member, employee, or agent of the board who becomes aware that the member,
14 employee, or agent of the board or his or her spouse, parent, or child is a member of the board of
15 directors, or financially interested in, or employed by a licensee or an applicant shall immediately
16 provide detailed written notice thereon to the chairperson.

17 (4) A member, employee, or agent of the board who has been indicted, charged with,
18 convicted of, pled guilty or nolo contendere to, or forfeited bail concerning a misdemeanor or
19 felony involving gambling, dishonesty, theft, or fraud in this state or any state or of the United
20 States shall immediately provide detailed written notice of the conviction or charge to the
21 chairperson.

22 (5) Any member, employee, or agent of the board who is negotiating for, or acquires by
23 any means, any interest in any person who is a licensee or an applicant, or any person affiliated
24 with such a person, shall immediately provide written notice of the details of the interest to the
25 chairperson. The member, employee, or agent of the board shall not act on behalf of the board
26 with respect to that person.

27 (6) A member, employee, or agent of the board may not enter into any negotiations for
28 employment with any person or affiliate of any person who is a licensee or an applicant, and shall
29 immediately provide written notice of the details of any such negotiations or discussions to the
30 chairperson. The member, employee, or agent of the board shall not take any action on behalf of
31 the board with respect to that person.

32 (7) Any member, employee, or agent of the board who receives an invitation, written or
33 oral, to initiate a discussion concerning employment or the possibility of employment with a
34 person or affiliate of a person who is a licensee or an applicant shall immediately report that he or

1 she received the invitation to the chairperson. The member, employee, or agent of the board shall
2 not take action on behalf of the board with respect to the person.

3 (8) A licensee or applicant shall not knowingly initiate a negotiation for or discussion of
4 employment with a member, employee, or agent of the board. A licensee or applicant who
5 initiates a negotiation or discussion about employment shall immediately provide written notice
6 of the details of the negotiation or discussion to the chairperson as soon as he or she becomes
7 aware that the negotiation or discussion has been initiated with a member, employee, or agent of
8 the board.

9 (9) A member, employee, or agent of the board, or former member, employee, or agent of
10 the board, shall not disseminate or otherwise disclose any material or information in the
11 possession of the board that the board considers confidential unless specifically authorized to do
12 so by the chairperson of the board.

13 (10) A member, employee, or agent of the board or a parent, spouse, sibling, spouse of a
14 sibling, child, or spouse of a child of a member, employee, or agent of the board may not accept
15 any gift, gratuity, compensation, travel, lodging, or anything of value, directly or indirectly, from
16 any licensee or any applicant or affiliate or representative of an applicant or licensee, unless the
17 acceptance conforms to a written policy or directive that is issued by the chairperson or the board.
18 Any member, employee, or agent of the board who is offered or receives any gift, gratuity,
19 compensation, travel, lodging, or anything of value, directly or indirectly, from any licensee or
20 any applicant or affiliate or representative of an applicant or licensee shall immediately provide
21 written notification of the details to the chairperson.

22 (11) A licensee or applicant, or affiliate or representative of an applicant or licensee, may
23 not, directly or indirectly, give or offer to give any gift, gratuity, compensation, travel, lodging, or
24 anything of value to any member, employee, or agent of the board which the member, employee,
25 or agent of the board is prohibited from accepting under subsection (10).

26 (12) A member, employee, or agent of the board shall not engage in any conduct that
27 constitutes a conflict of interest, and shall immediately advise the chairperson in writing of the
28 details of any incident or circumstances that would present the existence of a conflict of interest
29 with respect to the performance of the board-related work or duty of the member, employee, or
30 agent of the board.

31 (13) A member, employee, or agent of the board who is approached and offered a bribe
32 shall immediately provide written account of the details of the incident to the chairperson and to a
33 law enforcement officer of a law enforcement agency having jurisdiction.

34 (14) A member, employee, or agent of the board shall disclose his or her past

1 involvement with any casino interest in the past five (5) years and shall not engage in political
2 activity or politically related activity during the duration of his or her appointment or
3 employment.

4 (15) A former member, employee, or agent of the board may appear before the board as a
5 fact witness about matters or actions handled by the member, employee, or agent during his or
6 her tenure as a member, employee, or agent of the board. The member, employee, or agent of the
7 board shall not receive compensation for such an appearance other than a standard witness fee for
8 reimbursement for travel expenses as established by statute or court rule.

9 (16) A licensee or applicant or any affiliate or representative of an applicant or licensee
10 shall not engage in ex parte communications with a member of the board. A member of the board
11 shall not engage in any ex parte communications with a licensee or an applicant or with any
12 affiliate or representative of an applicant or licensee.

13 (17) Any board member, licensee, or applicant or affiliate or representative of a board
14 member, licensee, or applicant who receives any ex parte communications in violation of
15 subsection (16), or who is aware of an attempted communication in violation of subsection (16),
16 shall immediately report the details of the communication or attempted communication in writing
17 to the chairperson.

18 (18) Any member of the board who receives an ex parte communication which attempts
19 to influence the member's official action shall disclose the source and content of the
20 communication to the chairperson. The chairperson may investigate or initiate an investigation of
21 the matter with the assistance of the attorney general and state police to determine if the
22 communication violates subsection (16) or subsection (17) or other state law. The disclosure
23 under this section and the investigation shall remain confidential. Following an investigation, the
24 chairperson shall advise the governor or the board, or both, of the results of the investigation and
25 may recommend action as the chairperson considers appropriate.

26 (19) A new or current employee or agent of the board shall obtain written permission
27 from the executive director before continuing outside employment held at the time the employee
28 begins to work for the board. Permission shall be denied, or permission previously granted will be
29 revoked, if the nature of the work is considered to or does create a possible conflict of interest or
30 otherwise interferes with the duties of the employee or agent for the board.

31 (20) An employee or agent of the board granted permission for outside employment shall
32 not conduct any business or perform any activities, including solicitation, related to outside
33 employment on premises used by the board or during the employee's working hours for the
34 board.

1 (21) Whenever the chairperson, as an employee of the board, is required to file disclosure
2 forms or report in writing the details of any incident or circumstance pursuant to this section, he
3 or she shall make such filings or written reports to the board.

4 (22) The chairperson shall report any action he or she has taken or contemplates taking
5 under this section with respect to an employee or agent or former employee or former agent to the
6 board at the next meeting of the board. The board may direct the executive director to take
7 additional or different action.

8 (23) Except as follows, no member, employee, or agent of the board may participate in or
9 wager on any gambling game conducted by any licensee or applicant or any affiliate of an
10 applicant or licensee in Rhode Island or in any other jurisdiction:

11 (a) A member, employee, or agent of the board may participate in and wager on a
12 gambling game conducted by a licensee under this chapter, to the extent authorized by the
13 chairperson or board as part of the person's surveillance, security, or other official duties for the
14 board.

15 (b) A member, employee, or agent of the board shall advise the chairperson at least
16 twenty-four (24) hours in advance if he or she plans to be present in a casino in this state or in
17 another jurisdiction operated by a licensee or applicant, or affiliate of a licensee or an applicant,
18 outside the scope of his or her official duties for the board.

19 (24) Violation of this section by a licensee or applicant, or affiliate or representative of a
20 licensee or applicant, may result in denial of the application of licensure or revocation or
21 suspension or license or other disciplinary action by the board.

22 (25) Violation of this section by a member of the board may result in disqualification or
23 constitute cause for removal pursuant to the provisions of this chapter or other disciplinary action
24 as determined by the board.

25 (26) A violation of this section by an employee or agent of the board will not result in
26 termination of employment if the board determines that the conduct involved does not violate the
27 purpose of this chapter. However, employment will be terminated as follows:

28 (i) If, after being offered employment or beginning employment with the board, the
29 employee or agent intentionally acquires a financial interest in a licensee or an applicant, or
30 affiliate or representative of a licensee or applicant, employment with the board shall be
31 terminated.

32 (ii) If a financial interest in a licensee or an applicant, or affiliate or representative of a
33 licensee or applicant, is acquired by an employee or agent that has been offered employment with
34 the board, an employee of the board, or the employee's or agent's spouse, parent, or child,

1 through no intentional action of the employee or agent, the individual shall have up to thirty (30)
2 days to divest or terminate the financial interest. Employment may be terminated if the interest
3 has not been divested after thirty (30) days.

4 (iii) Employment shall be terminated if the employee or agent is a spouse, parent, child,
5 or spouse of a child of a board member.

6 (27) Violation of this section does not create a civil cause of action.

7 (28) As used in this section:

8 (i) "Outside employment" includes, but is not limited to, the following:

9 (A) Operation of a proprietorship.

10 (B) Participation in a partnership or group business enterprise.

11 (C) Performance as a director or corporate officer of any for-profit corporation or
12 banking or credit institution.

13 (ii) "Political activity" or "politically related activity" includes all of the following:

14 (A) Using his or her official authority or influence for the purpose of interfering with or
15 affecting the result of an election.

16 (B) Knowingly soliciting, accepting, or receiving a political contribution from any
17 person.

18 (C) Running for the nomination or as a candidate for election to a partisan political office.

19 (D) Knowingly soliciting or discouraging the participation in any political activity of
20 any person who is either of the following:

21 (1) Applying for any compensation, grant, contract, ruling, license, permit, or certificate
22 pending before the board.

23 (2) The subject of or a participant in an ongoing audit, investigation, or enforcement
24 action being carried out by the board.

25 **41-9.1-6. Rhode Island Gaming Board – Jurisdiction – Powers.** - - (a) The board shall
26 have jurisdiction over and shall supervise all gambling operations governed by this chapter. The
27 board shall have all powers necessary and proper to fully and effectively execute this chapter;
28 including, but not limited to, the authority to do all of the following:

29 (1) Investigate applicants and determine the eligibility of applicants for licenses or
30 registration and to grant licenses to applicants in accordance with this chapter and the rules
31 promulgated under this chapter.

32 (2) Have jurisdiction over and supervise casino gambling operations authorized by this
33 chapter and all persons in casinos where gambling operations are conducted under this chapter.

1 (3) Enter, to the extent permissible under the Constitutions of the State of Rhode Island
2 and of the United States of America, through its investigators, agents, auditors, and the state
3 police at any time, without a warrant and without notice to the licensee, the premises, offices,
4 casinos, casino enterprises, facilities, or other places of business of a casino enterprise licensee or
5 casino supplier licensee, where evidence of the compliance or noncompliance with this chapter or
6 the rules promulgated by the board is likely to be found, for the following purposes:

7 (i) To inspect and examine all premises wherein casino gaming or the business of gaming
8 or the business of a supplier is conducted, or where any records of the activities are prepared.

9 (ii) To inspect, examine, audit, impound, seize, or assume physical control of, or
10 summarily remove from the premises all books, ledgers, documents, writings, photocopies,
11 correspondence, records, videotapes, including electronically stored records, money receptacles,
12 other containers and their contents, equipment in which the records are stored, or other gaming
13 related equipment and supplies on or around the premises, including counting rooms.

14 (iii) To inspect the person, and inspect, examine, and seize personal effects present in a
15 casino facility licensed under this chapter, of any holder of a license or registration issued
16 pursuant to this chapter while that person is present in a licensed casino facility.

17 (iv) To investigate and deter alleged violations of this chapter or the rules promulgated by
18 the board.

19 (4) Investigate alleged violations of this chapter or rules promulgated by the board and to
20 take appropriate disciplinary action against a licensee or any other person or holder of an
21 occupational license for a violation, or institute appropriate legal action for enforcement, or both.

22 (5) Adopt standards for the licensing of all persons pursuant to this chapter, as well as for
23 electronic or mechanical gambling games, and to establish fees for the license.

24 (6) Adopt appropriate standards for all casino gaming facilities and equipment.

25 (7) Require that all records of casino and supplier licensees, including financial or other
26 statements, be kept on the premises of the casino enterprise licensee or supplier licensee in the
27 manner prescribed by the board.

28 (8) Require that each casino enterprise licensee involved in the ownership or management
29 of gambling operations submit to the board an annual balance sheet, profit and loss statement, and
30 a list of stockholders or persons having a five percent (5%) or greater beneficial interest in the
31 gambling activities of each licensee in addition to any other information the board considers
32 necessary in order to effectively administer this chapter, all rules promulgated by the board, and
33 orders and final decisions made under this chapter.

1 (9) Prescribe a form to be used by any licensee involved in the ownership or management
2 of gambling operations as an application for employment for prospective employees.

3 (10) Revoke or suspend licenses, impose fines and penalties as the board considers
4 necessary and in compliance with this chapter and applicable laws of the state regarding
5 administrative procedures, and review and decide applications for the renewal of licenses.

6 (11) In addition to a disassociated person, eject or exclude or authorize the ejection or
7 exclusion of a person from a casino if the person violates the provisions of this chapter, rules
8 promulgated by the board, or final orders of the board or when the board determines that the
9 person's conduct or reputation is such that his or her presence within the casino gambling
10 facilities may compromise the honesty and integrity of the gambling operations or interfere with
11 the orderly conduct of the gambling operations. However, the propriety of the ejection or
12 exclusion is subject to a subsequent hearing by the board.

13 (12) Suspend, revoke, or restrict licenses and require the removal of a licensee or an
14 employee of a licensee for a violation of this chapter or a rule promulgated by the board or for
15 engaging in a fraudulent practice, and impose civil penalties pursuant to the provisions of this
16 chapter.

17 (13) Disqualify a person in accordance with the applicable provisions of this chapter.

18 (14) In addition to the authority provided under subsection (12), revoke or suspend a
19 casino enterprise license or impose any other disciplinary action for any of the following reasons:

20 (i) The casino enterprise licensee has violated the provisions of chapter 2 of title 3 or
21 rules promulgated pursuant to this chapter.

22 (ii) At any time the licensee no longer meets the eligibility requirements or suitability
23 determination by the board for a casino enterprise license under this chapter.

24 (iii) The failure to revoke or suspend the license would undermine the public's
25 confidence in the Rhode Island gaming industry.

26 (15) Conduct periodic compliance or special or focused audits of casinos authorized
27 under this chapter. Said audits may be conducted by state agency personnel or private sector audit
28 firms and shall be in addition to annual financial audits conducted by certified public accountant
29 firms.

30 (16) Establish minimum levels of insurance to be maintained by licensees.

31 (17) Perform a background check, at the vendor's expense, of any vendor using the same
32 standards that the board uses in determining whether to grant a gaming or non-gaming supplier's
33 license.

1 (18) Review the business practices of a casino enterprise licensee including, but not
2 limited to, the price and quality of goods and services offered to patrons and take disciplinary
3 action as the board considers appropriate to prevent practices that undermine the public's
4 confidence in the Rhode Island gaming industry.

5 (19) Review a holder of a license, permit or registration if that holder is under review or
6 is otherwise subject to discipline by a regulatory body in any other jurisdiction for a violation of a
7 gambling law or regulation in that jurisdiction.

8 (20) Take any other action as may be reasonable or appropriate to enforce this chapter
9 and rules promulgated by the board.

10 (b) The board may seek and shall receive the cooperation and assistance of the
11 department of state police and department of attorney general in conducting background
12 investigations of applicants and in fulfilling its responsibilities under this chapter.

13 (c) The board shall establish, issue and promulgate rules and regulations pertaining to any
14 or all matters within the board's jurisdiction, in accordance with the provisions of the state
15 administrative procedures act, chapter 35 of title 42, including, but not limited to:

16 (i) The issuance of any license, registration, or permit authorized by this chapter or other
17 law providing for gaming operations and activities subject to regulation of the board.

18 (ii) The methods and procedures for making an application for a license, registration, or
19 permit to be considered by the board.

20 (iii) The methods for providing to the board information concerning a person's family,
21 habits, character, associates, criminal record, business activities, and financial affairs.

22 (iv) Enforcement of this chapter, gaming laws administered by the board, and rules of the
23 board, including imposition and collection of fines, penalties, and other sanctions which may be
24 imposed by the board against a casino operator or any other licensee or permittee of the board.

25 (v) The operation and management of the facility, the hiring of employees thereof, the
26 establishment of compulsive gambling treatment programs, the conduct of gaming, electronic
27 funds transfer terminals, audits, annual reports, prohibited conduct, and such other matters as the
28 board shall determine.

29 (d) The board may conduct hearings or may designate a hearing officer or hearing panel
30 to conduct hearings and in connection therewith may:

31 (1) Issue subpoenas and compel the attendance of witnesses or the production of
32 documents.

33 (2) Administer oaths.

1 (3) Require testimony under oath before the hearing officer or hearing panel in the course
2 of a hearing being held for any reason.

3 (4) Issue written interrogatories.

4 **41-9.1-7. Division of state police– Jurisdiction – Powers.** - - The division of state
5 police, shall:

6 (a) Conduct investigations and audits regarding the qualifications of applicants for
7 licenses, permits or registrations requiring suitability determinations as required by law or rule or
8 determined necessary by the board.

9 (b) Submit all investigative reports to the board by and through the executive director for
10 analysis, review, and action pursuant to the provisions of this chapter.

11 (c) Conduct audits to assist the board in determining compliance with all gaming laws,
12 rules, and regulations on gaming activities and operations under the board’s jurisdiction.

13 (d) Perform all other duties and functions necessary for the efficient, efficacious, and
14 thorough regulation and control of gaming activities and operations under the board’s
15 jurisdiction.

16 **41-9.1-8. Appropriation - Reimbursement.** - - There shall be appropriated for the fiscal
17 year 2005 a sum sufficient to fund the operations of the board. This appropriation shall be
18 reimbursed by the casino enterprise licensee licensed under this chapter. The amount owing from
19 such licensee shall be paid to the state treasurer and deposited into the general fund no later than
20 the first (1st) day on which such casino opens for operation. Operations of the board during
21 subsequent fiscal years shall be funded by the fees paid by licensees and suppliers pursuant to the
22 provisions of this chapter.

23 **41-9.1-9. Casino gaming authorized.** - - (a) Notwithstanding any other section of
24 Rhode Island General Laws, casino gaming is authorized at a single gambling facility in the state
25 of Rhode Island to the extent that it is conducted in accordance with this chapter.

26 (b) This chapter does not apply to any of the following:

27 (1) The pari-mutuel system of wagering used or intended to be used in connection with
28 race meetings as authorized under chapters 3.1 and 4 of title 41.

29 (2) Lottery games authorized under chapters 61 and 61.2 of title 42; including, without
30 limitation, video lottery terminals located at Newport Grand Jai Alai and Lincoln Greyhound
31 Park.

32 (3) Bingo.

33 (4) The pari-mutuel system of wagering used or intended to be used in connection with
34 jai alai as authorized under chapter 7 of title 41.

1 (5) Recreational card playing, bowling, redemption games, and occasional promotional
2 activities.

3 (c) Any other law that is inconsistent with this chapter does not apply to casino gaming as
4 provided for by this chapter.

5 (d) This chapter and rules promulgated by the board shall apply to all persons who are
6 licensed or who otherwise participate in gaming under this chapter.

7 **41-9.1-10. State and local referendum election. - -** (a) Pursuant to the terms of Article
8 6, section 22 of the Rhode Island Constitution and section 17-5-1.1, the General Assembly hereby
9 authorizes submission to all of the electors of the state, at the general election to take place on
10 November 2, 2004, the following single question and explanation:

11 “Shall there be a single destination-style casino resort in Rhode Island in (one of) the
12 following town(s) or city(ies) _____; provided, that the issuance of the casino license for such
13 resort shall be subject to a request for proposal process conducted by an independent regulatory
14 board appointed by the governor?

15 The proposed law would:

16 (1) Establish the Rhode Island Gaming Control Board consisting of five (5) members
17 appointed by the governor with expertise in investigative law enforcement, regulatory law, public
18 accountancy, management and problem gambling.

19 (2) Require the Rhode Island Gaming Control Board to issue a request for proposals from
20 potential casino developers and select the successful applicant.

21 (3) Require that the successful applicant be party to a development agreement executed
22 by the municipality in which the casino will be located.

23 (4) Require the Rhode Island Gaming Control Board to provide strict regulatory oversight
24 if a casino comes into existence.”

25 (b) Prior to the general election question being submitted to the electors of the state and
26 prior to any destination-style casino resort being established in any municipality, and in order for
27 such municipality to be eligible as the host community for such casino resort, the town or city
28 council of the municipality shall, prior to July 1, 2004, file a statement of intent with the secretary
29 of state that demonstrates the following:

30 (i) evidence of a resolution from such town or city council for a referendum to establish a
31 destination-style casino resort in such town or city; and (ii) adequate description of real estate
32 designated and available for the development of the destination-style casino resort, which real
33 estate shall constitute at least thirty (30) acres. Failure of a municipality to so file a statement of
34 intent prior to July 1, 2004, shall disqualify and bar such municipality from being named in the

1 general election question and from being eligible to be the host community for a destination-style
2 casino resort.

3 (c) In the event of certification by the secretary of state of its receipt of a statement of
4 intent in compliance with the provisions of subsection (b) above, the question and explanation
5 referenced in subsection (a) above shall then be submitted to the electors of the state at a general
6 election to take place on November 2, 2004. The question and explanation shall be submitted at
7 such general election by the secretary of state to the qualified electors of the state, and the
8 secretary of state shall certify the election results. The following question shall also be submitted
9 at the same general election by the local board of canvassers to the electors of any town or city
10 named in the statewide question referenced in subsection (a):

11 “Shall there be a single destination-style casino resort in Rhode Island in the town (or
12 city) of _____?”

13 The local board of canvassers shall certify the election results to the secretary of state.

14 (d) In the event of the affirmative vote of one or more municipalities and the electors of
15 the state, the board shall determine through a request for proposal process, in accordance with the
16 provisions of section 41-9.1-10, 41-9.1-11 and 41-9.1-12, the applicant that shall be awarded the
17 casino license.

18 (e) In the event that the affirmative vote of one or more municipalities and the electors of
19 the state does not occur, or in the event that no applicant is able to submit a timely application in
20 accordance with the provisions of section 41-9.1-11, then this chapter shall cease to have effect,
21 shall become null and void, and the board (if in existence) shall dissolve.

22 **41-9.1-11. Request for Proposal Process – Content of Proposals. - - (a)**
23 Notwithstanding any provision of the General Laws to the contrary, with respect to the matters
24 contemplated in this chapter, the request for proposal process described in this chapter shall
25 govern and control and shall be in lieu of any other public bidding or request for proposal rights
26 or requirements contained elsewhere in the General Laws. In the event of the affirmative vote of
27 one or more municipalities and the electors of the state in accordance with section 41-9.1-10, the
28 board shall issue, no later than January 15, 2005, a request for proposals from interested
29 applicants with respect to the establishment of a single destination-style casino resort to be
30 located in one of the municipalities that rendered an affirmative vote at the general election
31 referendum. Each proposal shall be made under oath on forms provided by the board, and shall be
32 submitted by an applicant to the board no later than March 1, 2005. The application shall contain
33 information as prescribed by the board, including, but not limited to, all of the following:

1 (1) The identity of every person, in accordance with the provisions of this subsection
2 (a)(1), who has or controls any ownership interest in the applicant with respect to which the
3 license is sought. If the disclosed entity is a trust, the application shall disclose the names,
4 addresses, birth dates and social security numbers of all such beneficiaries; if a corporation, the
5 names, addresses, birth dates and social security numbers of all such stockholders and directors; if
6 a partnership, the names, addresses, birth dates and social security numbers of all such partners,
7 both general and limited; if a limited liability company, the names, addresses, birth dates and
8 social security numbers of all such members. The applicant shall also separately disclose any
9 person or entity directly or indirectly owning or controlling a five percent (5%) or greater interest
10 in such owners of the applicant. If any such persons or entities are institutional investors or
11 institutional lenders owning or controlling a five percent (5%) or greater interest in such owners
12 of the applicant, such institutional investors or institutional lenders shall not be required to
13 provide detailed information other than their respective identities unless otherwise requested by
14 the board.

15 (2) An identification of any business, including, if applicable the state of incorporation or
16 registration, in which an applicant or any other person or entity identified in subsection (1) above
17 has an equity interest of five percent (5%) or more. If an applicant is a corporation, partnership, or
18 other business entity, the applicant shall identify any other corporation, partnership, or other
19 business entity in which it has an equity interest of five percent (5%) or more; including, if
20 applicable, the state of incorporation or registration. An applicant can comply with this
21 subdivision by filing a copy of the applicant's registration with the securities exchange board if
22 the registration contains the information required by this subsection.

23 (3) Whether an applicant or any other person or entity identified in subsection (1) above
24 has been indicted, charged, arrested, convicted, pleaded guilty or nolo contendere, forfeited bail
25 concerning, or has had expunged any criminal offense under the laws of any jurisdiction, either
26 felony or misdemeanor, not including traffic violations, regardless of whether the offense has
27 been expunged, pardoned, or reversed on appeal or otherwise, including the date, the name and
28 location of the court, arresting agency and prosecuting agency, the case caption, the docket
29 number, the offense, the disposition, and the location and length of incarceration.

30 (4) Whether an applicant or any other person or entity identified in subsection (1) above
31 has ever applied for or has been granted any license or certificate issued by a licensing authority
32 within this state or any other jurisdiction that has been denied, restricted, suspended, revoked, or
33 not renewed, and a statement describing the facts and circumstances concerning the application,

1 denial, restriction, suspension, revocation, or nonrenewal, including the licensing authority, the
2 date each action was taken, and the reason for each action.

3 (5) Whether an applicant or any other person or entity identified in subsection (1) above
4 has ever filed or had had filed against it a civil or administrative action or proceeding in
5 bankruptcy or has ever been involved in any formal process to adjust, defer, suspend, or
6 otherwise work out the payment of any debt including the date of filing, the name and location of
7 the court, the case caption, the docket number, and the disposition.

8 (6) Whether an applicant or any other person or entity identified in subsection (1) above
9 has filed, or been served with, a complaint or other notice filed with any public body, regarding
10 the delinquency in the payment of, or a dispute over the filings concerning the payment of any tax
11 required under federal, state, or local law, including the amount, type of tax, the taxing agency, and
12 time periods involved.

13 (7) A statement listing the names and titles of all Rhode Island public officials or officers
14 of any unit of government, and the spouses, parents, and children of those public officials or
15 officers who, directly or indirectly, own any financial interest in, have any beneficial interest in,
16 are the creditors of or hold any debt instrument issued by, or hold or have any interest in any
17 contractual or service relationship with an applicant. As used in this subsection, the terms “public
18 official” and “officer” do not include a person who would have to be listed solely because of his
19 or her state or federal military service. This subsection shall not apply to public officials or
20 officers, or the spouses, parents and children thereof, whose sole financial interest amounts to less
21 than a one percent (1%) ownership interest in a publicly traded company.

22 (8) Whether an applicant or any other person or entity identified in subsection (1) above
23 has made, directly or indirectly, any political contribution, or any loans, donations, or other
24 payments to any candidate or officeholder elected in this state or to a committee established under
25 Rhode Island law, within one (1) year from the date of the filing of the application, including the
26 identity of the board member, candidate, or officeholder the date, the amount, and the method of
27 payment.

28 (9) The name and business telephone number of any attorney, counsel, lobbyist agent, or
29 any other person representing an applicant in matters before the board.

30 (10) Financial information in the manner and form prescribed by the board.

31 (b) The application shall also contain:

32 (1) A fully executed development agreement between the applicant and a municipality
33 contained in the approved referendum and that rendered an affirmative vote in such referendum.

1 (2) A description of the proposed casino gaming operation and related amenities,
2 including the economic benefits to the host community and the state (i.e. the amount of
3 investment in construction and development; square footage of the casino; the number and types
4 of games; the presence of hotels, restaurants and other non-gaming amenities; parking spaces;
5 etc.).

6 (3) A description of the physical location of the proposed casino gaming operation and
7 related amenities, and evidence that applicant has the real estate site control (i.e. real estate
8 purchase and sale agreements or option agreements) necessary to support such development,
9 sufficient to demonstrate that:

10 (a) such real estate site is adequate in size to accommodate all facets of the applicant's
11 proposed casino development project, including necessary infrastructure and parking;

12 (b) existing and/or planned utility infrastructure with respect to the site and/or
13 municipality is sufficient to support the applicant's proposed casino development project.

14 (4) A description of the anticipated or actual number of employees, and related wages
15 and benefits.

16 (5) A description of the marketing and operating experience of the applicant, and a
17 description of how such experience and other assets of the applicant would enable it and the state
18 to secure and maintain a strategic and competitive position within New England's casino-style
19 gaming industry presently and in the future.

20 (6) A statement regarding compliance with federal and state affirmative action
21 guidelines; and a range of estimates of potential costs and benefits of its proposed development.

22 (c) Information provided on the application shall be used as a basis for a thorough
23 background investigation which the board shall conduct on each applicant. A false or incomplete
24 application may be cause for denial of a license by the board. The board in its sole discretion may
25 provide the applicant a reasonable opportunity to correct any deficiency in the application.

26 (d) Applicants shall consent in writing to being subject to the inspections, searches, and
27 seizures provided for in this chapter and to disclosure to the board and its agents of otherwise
28 confidential records, including tax records held by any federal, state, or local agency, or credit
29 bureau or financial institution, while applying for or holding a license under this chapter.

30 (e) The board may contract for, at the expense of the applicants, any technical or
31 investigative services that it shall require to conduct such research and/or investigation as it
32 deems appropriate with respect to its evaluation of the applications. A nonrefundable application
33 fee of fifty thousand dollars (\$50,000) shall be paid at the time of filing to defray the costs
34 associated with such research and investigation conducted by the board. If the costs of the

1 research and investigation exceed fifty thousand dollars (\$50,000), the applicant shall pay the
2 additional amount to the board.

3 **41-9.1-12. Evaluation of Proposals; Selection of Applicant to receive the Casino**

4 **License.** - - (a) The board shall award the single casino license no later than July 1, 2005 to the
5 most qualified, responsive and responsible applicant whose proposal, in the opinion of the board,
6 best maximizes economic development and revenues to the state and accomplishes and promotes
7 the public policies set forth in this chapter. The board shall consider, in evaluating applications,
8 the responsiveness, thoroughness, and appropriateness of an applicant's coverage of the
9 evaluation criteria set forth in section 41-9.1-11.

10 (b) The casino enterprise license issued pursuant to this chapter shall be valid for a period
11 of one (1) year. The licensee may apply for renewal of the license no later than ninety (90) days
12 prior to the expiration of the existing license. Any such application for the renewal shall be
13 accompanied by any and all information required by the board pursuant to the rules and
14 regulations promulgated by the board and a renewal fee in the amount of one million dollars
15 (\$1,000,000). The renewal fee shall be paid to the board and used to fund the operations of the
16 board.

17 (c) Any casino license issued pursuant to this chapter shall be subject to the continuing
18 duty of the licensee to maintain the suitability requirements of section 24 and all requirements of
19 the board. A casino licensee may only transfer the license upon approval by the board.

20 (d) The decision of the board in awarding the single casino license shall be final and
21 binding, and shall not be reviewable in any court on any grounds except corruption or fraud, so as
22 to promote and not hinder the economic development initiatives and matters contemplated in this
23 chapter. Jurisdiction of any suit, action or proceeding with respect to the awarding of such casino
24 license shall immediately and exclusively vest in the Supreme Court; provided, however, that no
25 such suit, action or proceeding shall serve to enjoin any recipient of a casino license from
26 proceeding with development or operational matters until a final, non-appealable decision has been
27 rendered by a court.

28 **41-9.1-13. Wagering tax – Casino enterprise tax and rates – Payments to**

29 **municipality.** – (a) A wagering tax shall be imposed on the adjusted gross receipts received by
30 the casino enterprise licensee from gaming authorized under this chapter at the rate set forth by
31 the successful casino enterprise licensee bid, but in no event less than a rate of twenty-five
32 percent (25%) of adjusted gross receipts received from gaming. The state shall pay to the
33 municipality in which the casino is located, seven and one-half percent (7.5%) of the wagering
34 tax amounts collected by the state.

1 (b) All other sales and transactions taking place within the casino enterprise that are
2 otherwise subject to taxation under the laws of this state shall be subject to an eight (8%) percent
3 casino enterprise tax.

4 (c) There shall be no state tax incentives given nor any employer tax credits allowed to a
5 casino enterprise licensee.

6 **41-9.1-14. Use of gaming and casino enterprise revenue.** – (a) Except as specifically
7 provided under this section, the wagering tax, casino enterprise tax, plus all other fees, fines, and
8 charges imposed by the state, shall be deposited into a restricted account of the State of Rhode
9 Island. The taxes shall be remitted daily by the holder of the casino enterprise license to the
10 general treasurer by an electronic wire transfer of funds. The state shall remit the host
11 municipality's portion of a wagering tax on a monthly basis by the method chosen by the general
12 treasure of the state.

13 (b) Revenues generated by the wagering and casino enterprise taxes shall then be utilized
14 to fund the board's enforcement of this chapter. All remaining revenues shall be deposited in the
15 general fund of the state.

16 **41-9.1-15. Board oversight of construction of facility.** – (a) Upon the issuance of a
17 license as provided in this chapter, the board shall oversee the construction of the proposed
18 gambling facility to insure that such construction complies with all applicable provisions of this
19 chapter, any regulations promulgated thereunder, and applicable state and local law, as well as
20 with all provisions of the development agreement.

21 (b) No gambling facility licensed under this chapter shall open for operation until final
22 approval of the board and all appropriate state agencies has first been obtained.

23 **41-9.1-16. Promulgation of operational rules and regulations.** – Upon the licensing of
24 a gambling facility under the provisions of this chapter, the board shall have authority to issue
25 such regulations as it deems appropriate pertaining to the operation and management of the
26 facility, the hiring of employees thereof, the establishment of compulsive gambling treatment
27 programs, the conduct of gaming, electronic funds transfer terminals, audits, annual reports,
28 prohibited conduct, and such other matters as the board shall determine.

29 **41-9.1-17. Gaming and Non-Gaming Supplier Permits and Gaming Employee**
30 **Permits required; Terms.** –

31 (a) The securing of a permit under the provisions of this chapter shall be a prerequisite for
32 performing any activity which requires a permit pursuant to this chapter.

33 (b) The permits provided for in this chapter shall not be transferable.

34 (c) Any permit applied for, granted, or issued under the provisions of this chapter is an

1 absolute revocable privilege, the awarding, denial, or withdrawal of which is solely within the
2 discretion of the board, where applicable, except as provided in this chapter. Any permit used or
3 renewed under the provisions of this chapter is not a property right or a protected interest under
4 the constitutions of either the United States or the state of Rhode Island.

5 (d) A licensee shall not employ any person in a capacity for which he is required to be
6 issued a permit, unless he possesses a valid permit.

7 (e) Every person desiring to obtain a gaming supplier permit, a key gaming employee
8 permit or a non-gaming supplier permit shall make application to the board where applicable on a
9 form and in a manner prescribed by the board. The application forms shall be provided by the
10 board and shall contain such information pursuant to the provisions of this chapter, the board, and
11 the division. No application shall be accepted unless the board or division, where applicable,
12 determines that all relevant requirements of this chapter have been met. Notwithstanding anything
13 to the contrary contained in this chapter, the board in its sole discretion may issue such permits on
14 a temporary basis, prior to all relevant requirements of this chapter having been met, to such
15 applicants under the circumstances and on terms that it deems appropriate.

16 (f) The term of a permit shall be for five (5) years; however, the board may issue
17 temporary permits.

18 (g) The board shall establish by rule a procedure for issuing and renewing permits that
19 are issued so that a similar number of permits will come up for renewal in each subsequent year.
20 The rule may provide for a one-time renewal period of less than a five-year duration. Appropriate
21 fees shall also be established.

22 **41-9.1-18. Gaming supplier permits. –**

23 (a) The board shall issue a gaming supplier permit to suitable persons who supply, sell,
24 lease, or repair, or contract to supply, sell, lease, or repair gaming devices, equipment, and
25 supplies to the holder of a license. A person shall not supply, sell, lease, or repair or contract to
26 supply, sell, lease, or repair gaming devices, equipment, and supplies unless they possess a valid
27 gaming supplier permit.

28 (b) Gaming devices, supplies, or equipment may not be distributed to the holder of a
29 license unless such devices, equipment, or supplies conform to rules adopted by the board of such
30 purpose.

31 (c) A gaming supplier shall furnish to the board a list of any gaming equipment and
32 supplies offered by the gaming supplier for sale or lease in connection with games authorized
33 under this chapter. A gaming supplier shall keep books and records for the furnishing of gaming
34 equipment and supplies to gaming operations separate and distinct from any other business that

1 the gaming supplier might operate. A gaming supplier shall file an annual return with the board
2 listing all sales and leases. A gaming supplier shall permanently affix its name to all its gaming
3 devices, equipment, and supplies for gaming operations unless otherwise authorized by the board.
4 Any gaming supplier's gaming devices, equipment, or supplies which are used by any person in
5 unauthorized gaming operations shall be forfeited to the board. The holder of a license may own
6 its own gaming devices equipment, and supplies. Each gaming supplier and the holder of a
7 license shall file an annual report with the board listing its inventories of gaming devices,
8 equipment, and supplies.

9 (d) The initial fee for a gaming supplier permit issued under the provisions of this section
10 is three thousand dollars (\$3,000) and the renewal fee shall be one thousand dollars (\$1,000). This
11 fee is required to be submitted at the time of application and on the anniversary date of the
12 issuance of the permit thereafter. The board may assess the gaming supplier any costs incurred in
13 testing and approving any equipment.

14 (e) Except as is otherwise required under section 41-9.1-19, non-gaming suppliers shall
15 not be required to obtain a permit from the board, provided however, the board may call forward
16 any such gaming supplier and require a finding of suitability if necessary to protect the public
17 interest.

18 **41-9.1-19. Non-gaming supplier permits. –**

19 (a) The board shall issue a non-gaming supplier permit to suitable persons who supply,
20 sell, lease, or repair, or contract to supply, sell, lease, or repair, non-gaming devices, equipment,
21 and supplies, in amounts that in the aggregate exceed one hundred thousand dollars (\$100,000) per
22 calendar year, to the holder of a license. A person shall not be entitled to compensation for the
23 supply, sale, lease, or repair of, or a contract to supply, sell, lease, or repair, non-gaming devices,
24 equipment, and supplies, in amounts that in the aggregate exceed one hundred thousand dollars
25 (\$100,000) per calendar year, unless they possess a valid non-gaming supplier permit.

26 (b) A person requiring a non-gaming supplier permit shall furnish to the board a list of
27 the non-gaming equipment and supplies offered by the non-gaming supplier for sale or lease to
28 the holder of a license. Such a non-gaming supplier shall also keep books and records for the
29 furnishing of non-gaming equipment and supplies to gaming operations separate and distinct from
30 any other business that the non-gaming supplier might operate. Such non-gaming supplier shall
31 also file an annual return with the board listing all sales and leases.

32 (c) The initial fee for a non-gaming supplier permit issued under the provisions of this
33 section is one hundred dollars (\$100.00) and the renewal fee shall be one hundred dollars
34 (\$100.00). This fee is required to be submitted at the time of application and on the anniversary

1 date of the issuance of the permit thereafter. The board may assess the non-gaming supplier any
2 costs incurred in testing and approving any equipment.

3 **41-9.1-20. Key gaming employee and gaming employee permit. –**

4 (a) The board shall issue a key gaming employee permit to suitable persons pursuant to
5 this chapter. No key gaming employee required by this chapter to be permitted may commence
6 employment or be employed as a gaming employee unless that person is the holder of a valid
7 gaming employee permit, provided however, the board may issue temporary permits.

8 (b) The board shall issue a gaming employee permit to suitable persons pursuant to this
9 chapter.

10 (c) The holder of a key gaming employee permit or temporary permit issued under this
11 chapter shall be authorized to work in the capacity for which permitted for the holder of a license.

12 (d) The fee for the initial application for a key gaming employee permit issued under the
13 provisions of this section is two hundred dollars (\$200.00). This fee is required to be submitted at
14 the time of application. The renewal fee for the key gaming employee permit is one hundred
15 dollars (\$100.00).

16 **41-9.1-21. License as revocable privilege – Rights, limitations and prohibitions –**

17 **Revocation and suspension – Penalties for violation. –** (a) A license , permit or registration
18 issued under this chapter is a revocable privilege granted by the state dependent upon the holder’s
19 compliance with this chapter and rules promulgated hereunder and is not a property right.

20 Granting a license, permit or registration under this chapter does not create or vest any right, title,
21 franchise or other property interest. Such license, permit or registration is exclusive to the holder,
22 and a holder or any other person shall apply for and receive the board’s approval before a license,
23 permit or registration is transferred, sold or purchased, or before a voting trust agreement or other
24 similar agreement is established with respect to the license, permit or registration. A holder of a
25 license permit or registration or any other person shall not lease, pledge, or borrow, or loan
26 money against a license, permit or registration. The attempted transfer, sale or other conveyance
27 of an interest in a license, permit or registration without prior board approval is grounds for
28 suspension or revocation of the license, permit or registration, or other sanctions considered
29 appropriate by the board. In the event of any transfer, sale or other conveyance of a license,
30 permit or registration, including those ordered by a court of competent jurisdiction in connection
31 with a bankruptcy, receivership or other like proceeding, the board shall have the right to approve
32 any proposed transferee pursuant to the requirements of this chapter. Any costs associated with a
33 transfer, sale or other conveyance of a license, permit or registration shall be borne by the
34 transferee.

1 (b) The board may upon its own motion, and shall, upon the verified complaint, in
2 writing, of any person initiating a cause under this chapter, ascertain the facts and, if warranted,
3 hold a hearing for the nonrenewal, suspension or revocation of a license, permit or registration.
4 The board shall have the power to suspend or revoke a license, permit or registration or place a
5 holder on probation where the license, permit or registration has been obtained by false
6 representation, or by fraudulent act or conduct, or where a holder violates any of the provisions of
7 this chapter.

8 (c) In addition to the nonrenewal, revocation or suspension of a license, permit or
9 registration, the board is authorized to levy an administrative penalty not exceeding the greater of:
10 (1) five hundred thousand dollars (\$500,000) or (2) two hundred percent (200%) of the amount
11 unreported or underreported for any violation of the reporting requirements of this chapter and/or
12 the rules and regulations promulgated by the board. For violations of the chapter and/or the rules
13 promulgated by the board other than reporting requirements, the board may levy administrative
14 penalties of up to five thousand dollars (\$5,000) against individuals and up to ten thousand dollars
15 (\$10,000) or an amount equal to the daily gross receipts on the date of the violation, whichever is
16 greater, against casino enterprise licensees for each such violation.

17 (d)(1) Except as provided in subsection (e) below, before refusing to renew, suspending
18 or revoking a license, permit or registration on its own motion, the board shall notify the holder of
19 its intended action and the grounds for the action. The holder may, within twenty (20) days, file
20 with the board, in triplicate, a request for a hearing stating his or her answer to the grounds
21 specified in the notification. The board shall consider the answer and set a date for a hearing,
22 notifying the holder of the date at least twenty (20) days prior to the hearing date.

23 (2) Before refusing to renew, suspending or revoking an existing license, permit or
24 registration upon the verified written complaint of any person stating a violation of this chapter,
25 the board shall, in writing, notify the holder of its receipt of the complaint, enclosing a copy of
26 the complaint. The holder shall, within twenty (20) days, file with the department, in
27 quadruplicate, his or her answer to the complainant or complainants.

28 (3) The board shall transmit a copy of the answer to the complainant or complainants
29 with the scheduled date, time and place for hearing at least twenty (20) days prior to the hearing
30 date.

31 (4) All notices and answers required or authorized to be made or filed under this section
32 may be served or filed personally, or by certified mail to the last known business address of the
33 addressee. If served personally, the time runs from the date of service; if by registered mail, from
34 the postmarked date of the letter enclosing the document.

1 (5) Hearings are subject to chapter 46 of title 42, entitled “open meetings”, and the holder
2 has an opportunity to be heard in person or by counsel. The board shall render a decision on any
3 application or complaint within sixty (60) days after the final hearing in the matter and shall
4 immediately notify the parties to the proceedings, in writing, of its ruling, order or decision. In
5 the event the matter contained in the complaint has been filed or made part of a case pending in
6 any court of this state, the board may then withhold its decision until the court action has been
7 concluded. Hearings are held in accordance with rules promulgated by the board in conformity
8 with state and federal law.

9 (e) The board may suspend a license, permit or registration, without notice or hearing,
10 upon a determination that the safety or health of patrons or employees is jeopardized. If the board
11 suspends a license, permit or registration under this subsection without notice or hearing, a
12 prompt post-suspension hearing shall be held in accordance with subsection (d) to determine if
13 the suspension should remain in effect. The suspension may remain in effect until the board
14 determines that the cause for suspension has been abated. The board may revoke the license,
15 permit or registration upon a determination that the holder has not made satisfactory progress
16 toward abating the hazard.

17 (f)(1) The board is authorized and empowered to issue subpoenas for the attendance of
18 witnesses and the production of records or documents. The process issued by the board may
19 extend to all parts of the state, and the process may be served by any person designated by the
20 board. The person serving that process shall receive any compensation that is allowed by the
21 board, not to exceed the fee prescribed by law for similar services. All witnesses subpoenaed
22 who appear in any proceedings before the board shall receive the same fees and mileage
23 allowances allowed by law, and all those fees and allowances are taxed as part of the costs of the
24 proceedings.

25 (2) Where, in any proceeding before the board, any witness fails or refuses to attend upon
26 subpoena issued by the board, or refuses to testify, or refuses to produce any records or
27 documents the production of which is called for by the subpoena, the attendance of the witness
28 and the giving of his or her testimony and the production of the documents and records shall be
29 enforced by any court of competent jurisdiction of this state in the same manner as are enforced
30 the attendance, testimony of witnesses and production of records in civil cases in the courts of
31 this state.

32 (g) The procedures of the administrative procedures act, chapter 35 or title 42, and all
33 amendments and modifications to that act and the rules adopted pursuant to the act, apply to and
34 govern all proceedings for the judicial review of final administrative decisions of the board. Any

1 party aggrieved by a final administrative decision of the board may seek review of that decision
2 in the superior court of the county of his or her residence, if a natural person, or the county in
3 which the aggrieved party maintains a place of business, if other than a natural person.

4 (h) Any person aggrieved has the right of appeal from any adverse ruling, order or
5 decision of the board to a court of competent jurisdiction in the county where the hearing was
6 held within thirty (30) days from the service of notice of the action of the board upon the parties
7 to the hearing.

8 (i) Notice of appeal is filed in the office of the clerk of the court, which shall issue a writ
9 of certiorari directed to the board, commanding it, within fifteen (15) days after service of the
10 writ, to certify to the court its entire record in the matter in which the appeal has been taken. The
11 appeal shall be heard, in due course, by the court, which shall review the record and, after a
12 hearing on the matter, make its determination of the cause.

13 (j) A final administrative decision of the board shall not become effective until time for
14 appeal has expired. If an appeal is taken, it shall not act as a stay of decision unless the court so
15 directs.

16 (k) In the event of a suspension or revocation of a license, permit or registration, the
17 board may take such action as is necessary to continue the daily operation of the casino until the
18 reinstatement of the license, permit or registration, in the case of a suspension, or the approval of
19 a replacement license, permit or registration in accordance with the approval process contained in
20 this chapter in the case of a revocation.

21 (l) In addition to violations to this chapter by a holder of a license, permit or registration,
22 upon the termination of a development agreement between a casino enterprise licensee and the
23 municipality in which the casino is located, the board, upon the request of the municipality, may
24 revoke the licensee's casino enterprise license.

25 **41-9.1-22. Records of Rhode Island Gaming Board deemed open: Exceptions. - -**

26 (a) Except as otherwise provided in this chapter, records of the board shall be public records. A
27 record of the board shall be confidential when the record:

28 (1) Relates to the background of an applicant and was provided by the applicant or a
29 confidential source or informant.

30 (2) Relates to security measures of the board, an applicant, or a licensee or permittee.

31 (3) Consists of an applicant's personal history forms or questionnaires, disclosure forms,
32 or financial statements and records.

33 (4) Relates to surveillance and security techniques, procedures, or practices of the board,
34 an applicant, or a licensee or permittee.

1 (5) Relates to trade secrets or design of experimental gaming devices and equipment.

2 (6) Consists of proprietary architectural construction, schematic or engineering plans,
3 blueprints, specifications, computer programs or software, or economic or financial calculations
4 which relate authorized gaming activities on the premises where authorized gaming activities are
5 conducted or to be conducted.

6 (7) Relates to an ongoing investigation of the board into a possible violation by a licensee
7 or permittee, until the board initiates proposed enforcement action against the licensee or the
8 permittee and makes the record public in the course thereof.

9 (8) Results from or is part of a board background investigation of an applic ant.

10 (9) Relates to specific financial data concerning casino operations and results, provided
11 however the monthly gross gaming revenue amount shall be publicly disclosed.

12 (b) Confidential information or data which is obtained by the board may not be revealed
13 in whole or in part except in the course of the proper administration of this chapter. However, the
14 board or its authorized agents may reveal such information or data to an authorized agent of any
15 agency of the United States government or to any agent of this state or of any political
16 subdivision of this state, pursuant to rules and regulations adopted by the board, or pursuant to a
17 lawful order of a court of competent jurisdiction. Notice of the content of any information or data
18 furnished or released pursuant to this section may be given to the applicant or licensee to whom it
19 pertains in a manner prescribed by rules adopted by the board.

20 (c) No board member, employee, agent, or authorized representative shall disclose,
21 divulge, disseminate, or otherwise transmit or communicate any confidential board record,
22 reports, or any confidential information therein, except as permitted in this section and then only
23 with the approval of the board. Disclosure of any confidential board record, report, or any
24 information therein other than as provided in this section shall be grounds for removal of a board
25 member or termination of any employee.

26 (d) All files, records, reports, and other information pertaining to gaming matters in the
27 possession of the division of state police or any other state or municipal law enforcement
28 authority, and otherwise not specifically provided for in this chapter shall be made available to
29 the board as necessary for the regulation of gaming activities and operations as provided by law.

30 (e) The board shall maintain a file of all applications for licenses, permits or registrations
31 and requests for all other board actions or approvals received by the board, together with a record
32 of all action taken with respect to those applications and requests. The file and record shall be
33 open to public inspection.

34 (f) The board shall maintain a file of all bids or proposals for any contract let or entered

1 into by the board, together with a record of all action taken with respect to those bids. The file
2 and record shall be open to public inspection.

3 **41-9.1-23. Restricted use agreements: confidentiality of records. - -**

4 (a) The board may enter into intelligence sharing, reciprocal use, or restricted use
5 agreements with a department or agency of the federal government, law enforcement agencies,
6 and gaming enforcement and regulatory agencies of other jurisdictions which provide for and
7 regulate the use of information provided and received pursuant to the agreement.

8 (b) Records, documents, and information in the possession of the board received pursuant
9 to an intelligence sharing, reciprocal use, or restricted use agreement entered into by the board
10 with a federal department or agency, any law enforcement agency, or the gaming enforcement or
11 regulatory agency of any jurisdiction shall be considered investigative records of a law
12 enforcement agency and shall not be disseminated under any condition without the permission of
13 the person or agency providing the record or information or by order of a court with competent
14 jurisdiction over the matter.

15 **41-9.1-24. Standards for license, Permit and Registration Issuance; Suitability**
16 **Qualifications. - -**

17 (a) No person shall be eligible to obtain a license to conduct casino gaming operations, a
18 permit or registration unless the board is satisfied that the applicant is suitable.

19 (b) For purposes of this chapter, "suitable" means that the proposed casino licensee, or
20 other applicant or licensee has demonstrated to the board by clear and convincing evidence that
21 he or she:

22 (1) Is a person of good character, honesty, and integrity or an entity whose reputation
23 indicates it possesses honesty, integrity and sufficient knowledge of the gaming industry.

24 (2) Is a person whose prior activities, criminal record, if any, reputation, habits, and
25 associations do not pose a threat to the public interest of this state or to the effective regulation
26 and control of gaming, or create or enhance the dangers of unsuitable, unfair, or illegal practices,
27 methods, and activities in the conduct of gaming or the carrying on of the business and financial
28 arrangements incidental thereto.

29 (3) Is capable of and likely to conduct the activities for which the applicant or casino
30 gaming operator is licensed or approved in accordance with the provisions of this chapter and any
31 rules of the board.

32 (c) For purposes of a casino licensee, the applicant shall also demonstrate by clear and
33 convincing evidence that:

34 (1) He/she or the entity has adequate business competence and experience in the

1 operation of casino gaming operations.

2 (2) The proposed financing of the conducting of casino gaming operations is:

3 (a) Adequate for the nature of the proposed operation; and

4 (b) From a suitable source, subject to provisions of section 25 hereof.

5 (d) All licensees, all permittees, and any other persons who have been found suitable or
6 approved by the board shall maintain suitability throughout the term of the license, permit or
7 approval. In the event of a current prosecution of an offense, the board, shall have the discretion
8 to defer a determination on a person's continuing suitability pending the outcome of the
9 proceedings provided that if a decision is deferred pending such outcome the board where
10 applicable, may take such action as is necessary to protect the public trust, including the
11 suspension of any license, permit or registration.

12 (e) All holders of licenses, permits and registrations, and any other persons required to be
13 found suitable, shall have a continuing duty to inform the board and division of any possible
14 violation of this chapter and of any rules adopted by the board. No person who so informs the
15 board or any law enforcement authority within the state of a violation or possible violation shall
16 be discriminated against by the applicant, licensee, permittee, registrant or casino gaming
17 operator because of supplying such information and shall be afforded the protection of 28-50-1 et
18 al. "The Rhode Island Whistleblower's Protection Act", so called.

19 (f) The board shall have the power to call forward for a finding of suitability any person
20 that is affiliated with a licensee, permittee or registrant if necessary to protect the public interest.
21 Subject to section 26, any person who has or controls directly or indirectly five percent (5%) or
22 more ownership, income, or profit or economic interest in an entity which has or applies for a
23 license or permit, or who receives five percent (5%) or more revenue interest in the form of a
24 board, finder's fee, loan repayment, or any other business expense related to the gaming
25 operation, or who has the ability, in the opinion of the board, to exercise a significant influence
26 over a casino licensee, a permittee, or other person required to be found suitable pursuant to the
27 provisions of this chapter, shall meet all suitability requirements and qualifications pursuant to the
28 provisions of this chapter, unless otherwise determined by the board.

29 (g) If the board finds that an individual owner or holder of a security of a licensee,
30 permittee, or registrant, or of a holding or intermediary company of a licensee or permittee, or
31 registrant, or any person or persons with an economic interest in a licensee, permittee, or
32 registrant, or a director, partner, officer, or managerial employee is not suitable, and if as a result,
33 the licensee, permittee, or registrant is no longer qualified to continue as a licensee, permittee, or
34 registrant, the board shall propose action necessary to protect the public interest, including the

1 suspension of the license, permit or registration. The board may also issue under penalty of
2 revocation or suspension of a license, permit, or registration, impose a condition of
3 disqualification naming the person or persons and declaring that such person or persons may not:

4 (1) Receive dividends or interest on securities of a person, or a holding or intermediary
5 company of a person, holding a license, permit, or other approval.

6 (2) Exercise directly, or through a trustee or nominee, a right conferred by securities of a
7 person, or a holding or intermediary company of a person, holding a license, permit, or other
8 approval of the board issued pursuant to the provisions of this chapter.

9 (3) Receive remuneration or other economic benefit from any person, or a holding or
10 intermediary company of a person, holding a license, permit, or other approval issued pursuant to
11 this chapter.

12 (4) Exercise significant influence over activities of a person, or a holding or intermediary
13 company of a person, holding a license, permit, or other approval issued pursuant to the
14 provisions of this chapter.

15 (5) Continue owning or holding a security of a person, or a holding or intermediary
16 company of a person, holding a license, permit, or other approval of the board issued pursuant to
17 the provisions of this chapter or remain as a manager, officer, director, or partner of a licensee or
18 permittee.

19 **41-9.1-25. Casino license; disqualification criteria.** - - The board shall not award a
20 casino or other license, permit or registration to any person who is disqualified not he basis of any
21 of the following criteria:

22 (1) Failure of the applicant to prove by clear and convincing evidence that he/she is
23 suitable in accordance with the provisions of this chapter.

24 (2) Failure of the applicant to provide information and documentation to reveal any fact
25 material to a suitability determination, or the supplying of information which is untrue or
26 misleading as to a material fact pertaining to the qualification criteria.

27 (3) The conviction of, or a pleas or guilty or nolo contendere by, the applicant, or of any
28 person required to be qualified under this chapter for an offence punishable by imprisonment or
29 more than one year or a fine up to one thousand dollars (\$1,000); provided however, a conviction
30 or plea of guilty or nolo contendere by the applicant shall not constitute an automatic
31 disqualification as other wise required if:

32 (a) Ten (10) or more years has elapsed between the date of application and the successful
33 completion or service of any sentence, deferred adjudication, or period of probation or parole; or

34 (b) Five (5) or more years has elapsed between the date of application and the successful

1 completion of any sentence, deferred adjudication, or period of probation or parole and the
2 conviction for an offense which was a misdemeanor offense.

3 (4) Notwithstanding any provision of law to the contrary, the board and division may
4 consider the seriousness and circumstances of any offense, any arrest, or any conviction in
5 determining suitability.

6 **41-9.1-26. Institutional investors or institutional lenders. - -**

7 (a) An institutional investor or institutional lender otherwise required to make certain
8 disclosures, or to be found suitable or qualified, pursuant to the provisions of this chapter and the
9 rules adopted pursuant thereto shall be presumed in compliance with such disclosure
10 requirements, or suitable or qualified, upon submission of documentation by the institution or the
11 casino licensee sufficient to establish qualifications as an institutional investor as defined herein
12 and it is determined that:

13 (1) It owns, holds, or controls publicly traded securities issued by a licensee, permittee or
14 holding, intermediate or parent company of a licensee or permittee in the ordinary course of
15 business for investment purposes.

16 (2) If does not intend to exercise influence over the affairs of the issuer of such securities,
17 nor over any licensed or permitted subsidiary of the issuer of such securities, in the future, and
18 that it agrees to notify the board in writing within thirty days if such intent should change.

19 (b) The exercise of voting privileges with regard to publicly traded securities shall not be
20 deemed to constitute the exercise of influence over the affairs of a licensee.

21 (c) The board may rescind the presumption of suitability for an institutional lender or
22 institutional investor at any time if the institutional lender or investor exercises or intends to
23 exercise influence or control over the affairs of licensee, permittee, or a holding, intermediate, or
24 parent company of the licensee, permittee, or casino gaming operator.

25 (d) This section shall not be construed to preclude the board from investigating the
26 suitability or qualifications of an institutional investor or institutional lender should the board or
27 division become aware of facts or information which may result in such institutional investor or
28 institutional lender being found unsuitable or disqualified.

29 **41-9.1-27. Bond – Posting – Cancellation – Limitation. - -** Before a casino license is
30 issued, the licensee shall post a bond in the sum of one million dollars (\$1,000,000) to the state.
31 The bond shall be used to guarantee that the licensee faithfully makes the payments, keeps his or
32 her books and records, makes reports, and conducts his or her casino gaming in conformity with
33 this chapter and the rules promulgated by the board. The bond shall not be canceled by a surety
34 on less than thirty (30) days' notice in writing to the board. If a bond is canceled and the licensee

1 fails to file a new bond with the board in the required amount on or before the effective date of
2 cancellation, the licensee's license shall be revoked. The total and aggregate liability of the surety
3 on the bond is limited to the amount specified in the bond.

4 **41-9.1-28. Uniform compulsive and problem gambling program. --**

5 (a) The gaming industry through the American Gaming Association in the Responsible
6 Gaming Resource Guide has stated that the industry recognizes that gaming entertainment
7 companies must stand up and take responsible actions to address social problems and costs that
8 arte created when some individuals have problems handling the product or services they provide.
9 The industry has also stated that they know that the vast majority of the men and women who are
10 their customers can enjoy their games responsibly, but that they also know the customers expect
11 them to act responsibly toward those who cannot. It is imperative for the health, safety, and
12 welfare of the citizens of the state of Rhode Island that all gaming licensees develop and
13 implement comprehensive compulsive and problem gambling programs to be approved by the
14 board.

15 (b) Any casino licensee shall adopt a comprehensive program that provides policies and
16 procedures that, at a minimum, shall cover the following areas of concern and are designed to:

17 (1) Provide procedures designed to prevent employees from willfully permitting a person
18 identified on a self-exclusion list from engaging in gaming activities at the licensed establishment
19 or facility.

20 (2) Provide procedures to offer employee assistance programs or equivalent coverage.
21 The procedures shall be designed to provide confidential assessment and treatment referral for
22 gaming employees and, if covered, their dependents who may have a gambling problem.

23 (3) Provide procedures for the development of programs to address issues of underage
24 gambling and unattended minors at gaming facilities.

25 (4) Provide procedures for the training of all employees that interact with gaming patrons
26 in gaming areas to be observant for the nature and symptoms of compulsive and problem
27 gambling behavior. The training shall, at a minimum, consist of information concerning the
28 nature and symptoms of compulsive and problem gambling behavior and assisting patrons in
29 obtaining information about compulsive and problem gambling and available options for seeking
30 assistance with such behavior.

31 (5) Provide procedures designed to prevent serving alcohol to individuals who appear to
32 be intoxicated consistent with the provisions of Rhode Island law.

33 (6) Provide procedures for removing self-excluded persons from the licensed
34 establishment or facility, including, if necessary, procedures that include obtaining the assistance

1 of the division or local law enforcement.

2 (7) Provide procedures preventing any person identified on the self-exclusion list from
3 receiving any advertisement, promotion, or other targeted mailing after ninety days of receiving
4 notice from the board that the person has been placed on the self-exclusion list.

5 (8) Provide procedures for the distribution or posting within the gaming establishment of
6 information that promotes public awareness about problem gambling and provides information on
7 available services and resources to those who have a gambling problem.

8 (9) Provide procedures for the distribution of responsible gaming materials to employees.

9 (10) Provide procedures for the posting of local curfews or laws and prohibitions, if any,
10 regarding underage gambling and unattended minors.

11 (11) Provide procedures to prevent any person placed on the self-exclusion list from
12 having access to credit or from receiving complimentary services, check-cashing service, and
13 other club benefits

14 (c) (1) The board shall provide by rule for the establishment of a list of self-excluded
15 persons from gaming activities at all gaming establishments, Any person may request placement
16 on the list of self-excluded persons by acknowledging in a manner to be established by the board
17 that the person wishes to be excluded and by agreeing that, during any period of voluntary
18 exclusion, the person may not collect any winnings or recover any losses resulting from any
19 gaming activity at such gaming establishments.

20 (2) The rules of the board shall establish procedures for placements on, and removals
21 from, the list of self-excluded persons, provided that notwithstanding any law to the contrary,
22 prior to the removal from such list, the board or a hearing officer shall conduct a hearing not open
23 to the general public at which it shall be established by the person seeking removal that there is
24 no longer a basis to be maintained on the self- exclusion list.

25 (3) The rules shall establish procedures for the transmittal to the gaming establishment of
26 identifying information concerning self-excluded persons, and shall require all the gaming
27 establishment to establish procedures designed, at a minimum, to remove self-excluded persons
28 from targeted mailings or other forms of advertising or promotions and deny self-excluded
29 persons access to credit, complimentaries, check-cashing privileges and other club benefits.

30 (4) The rules shall provide that the board's list of self-excluded persons shall not be open
31 to public inspection. The board, any licensee, permittee and any employee or agent thereof shall
32 not be liable to any self-excluded person or to any other party in any judicial proceeding for any
33 monetary damages or to other remedy which may arise as a result of disclosure or publication in
34 any manner other than a willfully unlawful disclosure to a third party that is not an employee,

1 affiliated company, or employee or agent of the board, of the identity of any self-excluded person.

2 (d) A person who is prohibited from any gaming establishment by any provision of this
3 chapter or pursuant to any self-exclusion rules adopted by the board shall not collect in any
4 manner or proceeding any winnings or recover any losses arising as a result of any prohibited
5 gaming activity.

6 (e) In any proceeding brought against any licensee, permittee any employee thereof for a
7 willful violation of the self-exclusion rules of the board, the board may order the forfeiture of any
8 money or thing of value obtained by the licensee from any self-excluded person.

9 (f) Nothing herein shall prevent any licensee or permittee, from adopting and maintaining
10 a self-exclusion policy that may impose different or greater standards so long as such policy is in
11 addition to the boards' self-exclusion rules and any actions taken pursuant to such a policy of a
12 licensee or permittee, shall be subject to the limitations of liability set forth in this section.

13 (g) The provisions of this section shall not require the board, licensees, permittees, and
14 the employees thereof to identify problem or compulsive gamblers which is an activity that
15 requires medical and clinical expertise.

16 (h) (1) The board may impose sanctions on a licensee, permittee, under this chapter, if the
17 licensee, permittee, or casino gaming operator willfully fails to exclude from the licensed gaming
18 establishment a person placed on the self-exclusion list.

19 (2) The board may seek the suspension of a license, permit, if the licensee, permittee, or
20 casino gaming operator engages in a pattern of willful failure to exclude from the licensed
21 gaming establishment persons placed on the self-exclusion list.

22 (i) A licensee or casino gaming operator conducting gaming pursuant to the provisions of
23 this chapter can demonstrate to the board compliance with the education and training provisions
24 of this section by providing proof of attendance by all employees when they are hired and
25 annually thereafter at one of the following education programs:

26 (1) Training programs conducted by the Rhode Island Department of Mental Health,
27 Retardation and Hospitals.

28 (2) Any other course on problem and compulsive gaming training approved by the board,
29 including any courses offered by a casino licensee.

30 **41-9.1-29. Board designated excluded persons. --**

31 (a) The board shall adopt rules to provide for the establishment of a list of persons who
32 are to be excluded from any room, premises, or designated gaming area of any establishment
33 where gaming is conducted pursuant to a license or contract issued pursuant to the provisions of
34 this chapter. The rules must define the standards for exclusion and include standards relating to

1 the following persons:

2 (1) Those who are career or professional offenders as defined by the rules of the board.

3 (2) Those who have been convicted of a criminal offense specified by the board.

4 (3) Those whose presence in a gaming establishment operated by a licensee or the casino
5 operator would be adverse to the interests of Rhode Island or gaming operations.

6 (b) The board shall have the authority to place persons on the excluded list. The board
7 may not place a person not on the list required by this section due to the person's race, color, creed,
8 national origin, sex, or disability.

9 (c) Whenever the name and description of any person is placed on an excluded person's
10 list pursuant to this chapter, except at that person's request, the division shall serve notice of such
11 fact to such person by either of the following:

12 (1) By personal service.

13 (2) By certified mail to the last known address of such person.

14 (d) A person may petition the board for removal of his or her name from the list. The
15 petitioner has the burden of proving he or she does not meet the criteria of paragraph (a)(1), (2),
16 or (3) of this section.

17 (e) Any person who has been placed on the list of persons to be excluded or ejected from
18 any gaming establishment pursuant to this chapter may be imprisoned for up to six (6) months or
19 fined not more than five hundred dollars, (\$500.00) or both if he or she thereafter enters or
20 attempts to enter the premises of a gaming establishment without first having obtained a
21 determination by the board that he or she should not have been placed on the list of persons to be
22 excluded or ejected.

23 (f) (1) The board may impose sanctions on a licensee under this chapter, if the licensee
24 willfully fails to exclude from the licensed gaming establishment a person placed on the exclusion
25 list.

26 (2) The board may seek or suspension of a license of the licensee engages in a pattern of
27 willful failure to exclude from the licensed gaming establishment persons placed on the exclusion
28 list.

29 (g) A person who is placed on the list is entitled to a hearing for review of the listing,
30 unless otherwise agreed by the board and the named person, the hearing shall be held not later
31 than thirty days after the receipt of the petition.

32 **41-9.1-30. Advertising; compulsive gambling information. --** In any advertisement of
33 gaming activities or of a gaming establishment that is offered to the general public in print by any
34 casino licensee pursuant to the provisions of this chapter, the toll-free telephone number of the

1 National Council n Problem Gambling or a similar toll-free number approved by the board shall
2 be places on such advertisement.

3 **41-9.1-31. Exclusion or ejection of persons. --**

4 (a) Any casino licensee may exclude or eject any person for any reason, except race,
5 color, creed, national origin, sex, or disability.

6 (b) Any casino licensee or casino gaming operator licensed pursuant to the provisions of
7 this chapter, and any employee of a licensee or casino gaming operator shall not be liable for any
8 monetary damages or any other remedy in any judicial proceeding as a result of the exclusion or
9 removal of any person for any reason, except race, color, creed, national origin, sex, or disability.

10 **41-9.1-32. Making false statements relating to gaming. --**

11 (a) No person shall knowingly or intentionally make a material false statement in any
12 application for a license to conduct gaming activities, permit, suitability determination, or in
13 support of a proposal for a development agreement pursuant to the provisions of this chapter. No
14 person shall intentionally make a material false statement in any book, record, form, or any other
15 document which is required, compiled, or maintained pursuant to the provisions of this chapter.

16 (b) Any person who violates any of the provisions of this section shall be imprisoned for
17 not more than five (5) years and may be fined an amount not to exceed ten thousand dollars
18 (\$10,000).

19 **41-9.1-33. Use of device to obtain advantage at casino game; forfeiture; notice. –**

20 If, in playing a game in a licensed casino or, the person uses, or assists another in the use
21 of, an electronic, electrical or mechanical device which is designed, constructed, or programmed
22 specifically for use in obtaining an advantage at playing any game in a licensed casino is
23 prohibited and is punishable by imprisonment for a period of one (1) year and/or a fine up to one
24 thousand dollars (\$1,000). In addition, any device used by any person in violation of this section
25 shall be subject to forfeiture. Each casino licensee shall post notice of this prohibition and the
26 penalties of this section in a manner determined by the board.

27 **41-9.1-34. Unlawful use of bogus chips or gaming billets, marked cards, dice,**
28 **cheating devices, unlawful coins; penalty. - -**

29 (a) It shall be unlawful for any person to play any game and:

30 (1) Knowingly to use bogus or counterfeit chips or gaming billets, or knowingly to
31 substitute and use in any such game cards or dice that have been marked, loaded or tampered
32 with; or

33 (2) Knowingly to use or possess any cheating device with intent to cheat or defraud.

34 (b) It shall be unlawful for any person, playing or using any slot machine to:

1 (1) Knowingly to use other than a lawful coin or legal tender of the United States of
2 America, or to use coin not of the same denomination as the coin intended to be used in such slot
3 machine, except that in the playing of any slot machine or similar gaming device, it shall be
4 lawful for any person to use gaming billets, tokens or similar objects therein which are approved
5 by the board; or

6 (2) To use any cheating or thieving device, including, but not limited to tools, drills,
7 wires, coins or tokens attached to strings or wires, or electronic or magnetic devices, to facilitate
8 the alignment of any winning combination or removing from any slot machine any money or
9 other contents thereof.

10 (c) It shall be unlawful for any person knowingly to possess or use while on the premises
11 of a licensed casino, any cheating or thieving device, including, but not limited to tolls, wires,
12 drills, coins attached to strings or wires or electronic or magnetic devices to facilitate removing
13 from any slot machine any money or contents thereof, except that a duly authorized employee of
14 a licensed casino may possess and use any of the foregoing only in furtherance of his employment
15 in the casino.

16 (d) It shall be unlawful for any person knowingly to possess or use while on the premises
17 of any licensed casino any key or device designed for the purpose of or suitable for opening or
18 entering any slot machine or similar gaming device or drop box, except that a duly authorized
19 employee of a licensed casino, or of the board may possess and use any of the foregoing only in
20 furtherance of his employment.

21 (e) Any person who violates any of the provisions of this section shall be imprisoned for
22 no more than five years and may be fined an amount not to exceed ten thousand dollars
23 (\$10,000).

24 **41-9.1-35. Cheating games and devices in a licensed casino; penalty. - -**

25 (a) It shall be unlawful:

26 (1) Knowingly to conduct, carry on, operate, deal or allow to be conducted, carried on,
27 operated or dealt any cheating or thieving game or device; or

28 (2) Knowingly to deal, conduct, carry on, operate or expose for play any game or games
29 played with cards, dice or any mechanical device, or any combination of games or devices, which
30 have in any manner been marked or tampered with, or placed in a condition, or operated in a
31 manner, the result of which tends to deceive the public or tends to alter the normal random
32 selection of characteristics or the normal chance of the game which could determine or alter the
33 result of the game.

34 (3) It shall be unlawful knowingly to use or possess any marked cards, loaded dice,

1 plugged or tampered with machines or devices.

2 (b) Any person who violates any of the provisions of this section shall be imprisoned for
3 not more than five years and may be fined an amount not to exceed ten thousand dollars
4 (\$10,000).

5 **41-9.1-36. Skimming of gaming proceeds. - -**

6 (a) The crime of skimming of gaming proceeds is the intentional excluding or the taking
7 of any action in an attempt to exclude any thing or its value from the deposit, counting, collection,
8 or computation of:

9 (1) Gross revenues from gaming operations or activities.

10 (2) Net gaming proceeds.

11 (3) Amounts due the state pursuant to the provisions of this chapter.

12 (b) Whoever commits the crime of skimming of gaming proceeds when the amount
13 skimmed, or to be skimmed, is less than one thousand dollars (\$1,000) may be imprisoned for not
14 more than five years or may be fined not more than five thousand dollars (\$5,000), or both.

15 (c) Whoever commits the crime of skimming of gaming proceeds when the amount
16 skimmed, or to be skimmed, is one thousand dollars (\$1,000) or more shall be imprisoned for not
17 less than one year and not more than twenty (20) years or may be fined not more than ten
18 thousand dollars (\$10,000) or the amount skimmed or to be skimmed, whichever is greater, or
19 both.

20 **41-9.1-37. Conduct subject to civil penalty. - -** In addition to other penalties provided
21 for under this chapter, a person who conducts a gambling operation without first obtaining a
22 license to do so, or a licensee who continues to conduct gambling games after revocation of the
23 licensee's license, or any licensee who conducts or allows to be conducted any unauthorized
24 gambling games in a casino in which the licensee is authorized to conduct its gambling operation,
25 is subject to a civil penalty equal to the amount of gross receipts derived from wagering on the
26 gambling games, whether unauthorized or authorized, conducted on that day as well as
27 confiscation and forfeiture of all gambling game equipment used in the conduct of unauthorized
28 gambling games.

29 **41-9.1-38. Property subject to seizure, confiscation, destruction, or forfeiture. - Any**
30 equipment, gambling device, money, apparatus, material of gaming, proceeds, substituted
31 proceeds, or real or personal property used, obtained, or received in violation of this chapter shall
32 be subject to seizure, confiscation, destruction, or forfeiture.

33 **41-9.1-39. Prohibited conduct - Violation as felony - Violation as misdemeanor -**
34 **Penalties - Presumption - Venue. - (1) A person is guilty of a felony punishable by**

1 imprisonment for not more than ten (10) years or a fine of not more than one hundred thousand
2 dollars (\$100,000), or both, and shall be barred from receiving or maintaining a license for doing
3 any of the following:

4 (a) Conducting a gambling operation where wagering is used or to be used without a
5 license issued by the board.

6 (b) Conducting a gambling operation where wagering is permitted other than in the
7 manner specified pursuant to the provisions of this chapter.

8 (c) Knowingly providing false testimony to the board or its authorized representative
9 while under oath.

10 (2) A person commits a felony punishable by imprisonment for not more than ten (10)
11 years or a fine of not more than one hundred thousand dollars (\$100,000) or both, and, in
12 addition, shall be barred for life from a gambling operation under the jurisdiction of the board if
13 the person does any of the following:

14 (a) Offers, promises, or gives anything of value or benefit to a person who is connected
15 with a licensee or affiliated company; including, but not limited to, an officer or employee of a
16 casino licensee or holder of an occupational license pursuant to an agreement or arrangement or
17 with the intent that the offer, promise, or thing of value or benefit will influence the actions of the
18 person to whom the offer, promise, or gift was made in order to affect or attempt to affect the
19 outcome of a gambling game, or to influence official action of a member of the board.

20 (b) Solicits or knowingly accepts or receives a promise of anything of value or benefit
21 while the person is employed by or connected with a licensee; including, but not limited to, an
22 officer or employee of a casino licensee or holder of an occupational license, pursuant to an
23 understanding or arrangement or with the intent that the promise or thing of value or benefit will
24 influence the actions of the person to affect or attempt to affect the outcome of a gambling game.

25 (c) Offers, promises, or gives anything of value or benefit to a member, employee, or
26 agent of the board or an official of any state or local agency or governmental body with the intent
27 that the offer, promise, or thing of value or benefit will influence the official action of the person
28 to whom the offer, promise, or gift was made pertaining to a city development agreement, or
29 administrating, licensing, regulating, or enforcing this chapter.

30 (d) Solicits or knowingly accepts or receives a promise of anything of value or benefit
31 while the person is a member, employee, or agent of the board, or an official of any state or local
32 agency or governmental body, pursuant to an understanding or arrangement or with the intent that
33 the promise or thing of value or benefit will influence the official action of the member,
34 employee, or agent of the board or official of the state or municipality pertaining to a municipal

1 development agreement, or enforcing this act.

2 (3) A person, or an affiliate of a person, is guilty of a misdemeanor punishable by
3 imprisonment for not more than one (1) year or a ten thousand dollar (\$10,000) fine, or both, for
4 doing any of the following:

5 (a) Knowingly making a wager if the person is under twenty-one (21) years of age or
6 permitting a person under twenty-one (21) years to make a wager.

7 (b) Willfully failing to appear before or provide an item to the board at the time and place
8 specified in a subpoena or summons issued by the board or executive director.

9 (c) Willfully refusing, without just cause, to testify or provide items in answer to a
10 subpoena, subpoena duces tecum or summons issued by the board or executive director.

11 (d) Conducting or permitting a person who is not licensed pursuant to this chapter to
12 conduct activities required to be licensed under the casino, occupational, and suppliers licensee
13 provisions in this chapter or in rules promulgated by the board.

14 (e) Leasing, pledging, borrowing, or loaning money against a casino, supplier, or
15 occupational license.

16 **41-9.1-40. Sale of alcoholic beverages.** – Alcoholic beverages shall only be sold or
17 distributed in a casino pursuant to chapter 2 of title 3.

18 **41-9.1-41. Legal shipments of gaming devices into the state.** - - All shipments of
19 gaming devices, including slot machines, into any town or city of this state within which gaming
20 is authorized, the registering, recording, and labeling of which have been duly done by the
21 manufacturer or dealer thereof in accordance with sections 3 and 4 of that certain chapter of the
22 Congress of the United States entitled, “An act to prohibit transportation of gaming devices in
23 interstate and foreign commerce”, approved January 2, 1951, being c. 1194, 64 Stat. 1134, and
24 also designated as 15 U.S.C. 1171-1177, shall be deemed legal shipments thereof into the State of
25 Rhode Island.

26 **41-9.1-42. Declaration of state’s exemption from operation of provisions of 15**
27 **U.S.C. 1172.** - - Pursuant to section 2 of that certain chapter of the Congress of the United States
28 entitled “An act to prohibit transportation of gaming devices in interstate and foreign commerce”,
29 approved January 2, 1951, being c. 1194, 64 Stat. 1134, and also designated as 15 U.S.C. 1171-
30 1177, the state of Rhode Island, acting by and through its duly elected and qualified members of
31 its legislature, does hereby in this section, and in accordance with and in compliance with the
32 provisions of section 2 of such chapter of Congress, declare and proclaim that any town or city of
33 the State of Rhode Island, within which gaming is authorized is exempt from the provisions of
34 section 2 of that certain chapter of the Congress of the United States entitled “An act to prohibit

- 1 transportation of gaming devices in interstate and foreign commerce”, designated 15 U.S.C.
2 1171-1177, approved January 2, 1951.
3 SECTION 3. Effective Date. This act shall take effect upon passage.

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LC00576/SUB A
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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO SPORTS, RACING, AND ATHLETICS -- AND EXTENSION OF
GAMBLING ACTIVITIES AND OTHER FACILITIES

1 This act would establish, pursuant to voter referendum, casino gambling within the state
2 of Rhode Island, and would provide the mechanism for licensing, regulating, and enforcing this
3 enterprise.

4 This act would take effect upon passage.

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LC00576/SUB A
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