

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

4 (2) The people should be able to make this determination in a manner that is consistent
5 with the Rhode Island Constitution;

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

8 (4) A potential casino licensee should be provided with clear and objective criteria;

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

11 (6) To ensure the integrity of the commercial casino gaming industry and its reputation in
12 Rhode Island commercial casino gaming needs the strictest possible regulation with law
13 enforcement oversight;

14 (7) There are socio-economic costs that expanded gaming may impose on communities
15 and the state;

16 (8) Problem gambling already exists in Rhode Island and may increase with the
17 introduction of casino gaming;

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

21 **41-9.1-3. Definitions.** - As used in this chapter, the following terms are defined as
22 follows:

23 (1) "Adjusted gross receipts" means the gross receipts less winnings paid to wagerers.

24 (2) "Affiliate" means a person who, directly or indirectly, through one (1) or more
25 intermediaries, controls, is controlled by, or is under common control with; is in a partnership
26 (general or limited) or joint venture relationship with; or is a co-shareholder of a corporation, a
27 co-member of a limited liability company, or co-partner in a limited liability partnership with a
28 person who holds or applies for a casino license under this chapter.

29 (3) "Affiliated company" means any form of business organization which controls, is
30 controlled by or is under common control with, is in a partnership (general or limited) or joint
31 venture relationship with, or is a co-shareholder of a corporation, a co-member of a limited
32 liability company, or co-partner in a limited liability partnership with a person who holds or
33 applies for a casino license under this chapter.

34 (4) "Agent" means any person who is employed by any agency of the state other than the

1 Commission, the state police, or attorney general who is assigned to perform full-time services on
2 behalf of or for the benefit of the Commission regardless of the title or position held by that
3 person.

4 (5) "Applicant" means any person who applies for any right, license or registration under
5 this chapter:

6 (6) "Casino" means a building in which gaming is conducted.

7 (7) "Casino licensee" or "casino operator" means any person licensed to conduct gaming
8 operations according to the provisions of this chapter.

9 (8) "Chairperson" means the chairperson of the Commission.

10 (9) "Commission" means the state lottery commission as created by chapter 61 of title
11 42.

12 (10) "Company" means a sole proprietorship, corporation partnership (general or
13 limited), limited liability partnership, limited liability company, trust, association, joint stock
14 company, joint venture tribal corporation or other form of business organization.

15 (11) "Compensation" means any money, thing of value or financial benefit conferred on
16 or received by a person in return for services rendered or to be rendered, whether by that person
17 or another.

18 (12) "Conflict of interest" means a situation in which the private interest of a member,
19 employee, or agent of the Commission may influence the judgment of the member, employee, or
20 agent in the performance of his or her public duty under this chapter. A conflict of interest
21 includes, but is not limited to, the following:

22 (i) Any conduct that would lead a reasonable person knowing all of the circumstances, to
23 conclude that the member, employee, or agent of the Commission is biased against or in favor of
24 an applicant.

25 (ii) Acceptance of any form of compensation other than from the Commission, for any
26 services rendered as part of or related to the official duties of the member, employee, or agent for
27 the Commission.

28 (iii) Participation in any business being transacted with or before the Commission, in
29 which the member, employee, or agent of the Commission, or his or her parent, spouse or child,
30 has a financial interest.

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

33 (v) Demonstration through work or other action in the performance of the official duties
34 of the member, employee, or agent of the Commission of any preferential attitude or treatment of

1 any person.

2 (13) "Control" means having a greater than fifteen percent (15%) direct or indirect
3 pecuniary interest in the gaming operation with respect to which the license is sought.

4 (14) "Development agreement" means a written agreement between an applicant for a
5 casino license and the Town of West Warwick pertaining to the casino including, but not limited
6 to, approval of the location of the site and the process for addressing and approving zoning, land
7 use, utility and other essential services, on-site and off-site improvements, local impacts and
8 construction and operational issues.

9 (15) "Disciplinary action" is an action by the Commission suspending or revoking a
10 license, fining,, excluding reprimanding or otherwise penalizing a person for violating this
11 chapter or rules promulgated by the Commission.

12 (16) "Financial interest" or "financially interested" means any interest in investments,
13 awarding of contracts, grants, loans, purchases, leases, sales, or similar matters under
14 consideration or consummated by the Commission. A member, employee, or agent of the
15 Commission will be considered to have a financial interest in a matter under consideration if any
16 of the following circumstances exist:

17 (i) He or she owns a five percent (5%) or greater direct or indirect pecuniary interest in
18 any party to the matter under consideration or consummated by the Commission; or

19 (ii) He or she is employed by or is an independent contractor for a party to the matter
20 under consideration or consummated by the Commission.

21 (17) "Gambling game" means any game played with cards, dice, equipment or a machine,
22 including any mechanical, electromechanical or electronic device which shall include computers
23 and cashless wagering systems, for money, credit, or any representative of value; including, but
24 not limited to faro, monte, roulette, keno, bingo fan tan, twenty-one, blackjack, seven and a half,
25 klondike, craps, poker, chuck a luck, Chinese chuck a luck (dai shu), wheel of fortune, chemin de
26 fer, baccarat, pai gow, beat the banker, panguingui, slot machine, any banking or percentage
27 game, or any other game or device approved by the Commission, but does not include games
28 played with cards in private homes or residences in which no person makes money for operating
29 the game.

30 (18) "Game" means any banking or percentage game located exclusively within a
31 licensed casino which is played with cards, dice, or any electronic, electric al, or mechanical
32 device or machine for money, property, or any thing of value.

33 (19) "Gaming" means to deal, operate, carry on, conduct, maintain or expose or offer for
34 play any gambling game or gaming operation.

1 (20) "Gaming device" means any equipment or mechanical, electromechanical, or
2 electronic contrivance component or machine used directly or indirectly in connection with
3 gaming or any game which affects the result of a wager by determining win or loss. The term
4 includes a system for processing information which can alter the normal criteria of random
5 selection which affects the operation of any game or which determines the outcome of a game.
6 The term does not include a system or device which affects a game solely by stopping its
7 operation so that the outcome remains undetermined.

8 (21) "Gaming operation" means the conduct of authorized gambling games in a casino
9 pursuant to this chapter but does not include those operations governed by chapters 61 and 61.2
10 of Title 42.

11 (22) "Gaming supplier" means any person who supplies, sells or leases or contracts to sell
12 or lease gaming devices, equipment, or supplies to a holder of a license or a casino gaming
13 operator.

14 (23) "Gaming supplier permit" means the permit of a gaming supplier.

15 (24) "Gaming supplies" means all materials and supplies other than gaming devices
16 which the Commission finds or determines to be used or expended in gaming operations or
17 activities and that can impact the outcome of game.

18 (25) "Gross receipts" means the total of all sums including valid or invalid checks,
19 currency, tokens, coupons, vouchers, or instruments of monetary value whether collected or
20 uncollected, received by a casino licensee from gaming, including all entry fees assessed for
21 tournaments or other contests less a deduction for uncollectible gaming receivables not to exceed
22 the uncollectible amounts owed as a result of wagers placed at or through a gambling game or
23 four percent (4%) of the total gross receipts; whichever is less. The licensee shall not receive the
24 deduction unless the licensee provides written proof to the state treasurer of the uncollected
25 gaming receivable and has complied with all rules promulgated by the Commission regarding the
26 issuance of credit and the collection of amounts due under a credit extension.

27 (26) "Institutional investor" means a person that is:

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

30 (b) An investment company that is registered under the Investment Company Act of
31 1940.

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

34 (d) A closed end investment trust registered with the United States Securities and

1 Exchange Board.

2 (e) A mutual fund.

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

4 (g) A federal or state bank.

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

6 (i) Such other similar regulated entities as may be approved by the Commission for good
7 cause.

8 (27) "Institutional lender" means a person that is:

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

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

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

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

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

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

18 (g) Any dealer registered pursuant to section 15 of the Securities and Exchange Act of
19 1934.

20 (h) Any qualified institutional buyer, as defined in Rule 144A under the Securities Act of
21 1933 and any entity, all of the equity owners of which are qualified institutional buyers, as
22 defined in rule 144A under the Securities Act of 1933, acting for its own account or the accounts
23 of other qualified institutional buyers.

24 (i) Any bank as defined in section 3(a)(2) of the Securities Act of 1933, any savings and
25 loan association or other institution as referenced in section 3(a)(5)(A) of the Securities Act of
26 1933, or any foreign bank or savings and loan association or equivalent institution or any
27 investment fund that participates in a bank syndication, and any purchaser that takes an
28 assignment or other participation interest in the bank syndication.

29 (j) Any investor or group of investors purchasing debt securities of a licensee, permittee,
30 or casino gaming operator, or a subsidiary of a licensee, permittee or casino gaming operator, in
31 any public offering registered pursuant to the Securities Act of 1933 or through any private
32 placement, and any investor purchasing such securities in a subsequent sale; however, such
33 securities are widely held and freely traded, and the investor holds no more than twenty percent
34 (20%) of a licensee, permittee or casino gaming operator's total debt or fifty percent of a material

1 debt issue unless otherwise approved by the Commission, so as not to give such investor the
2 ability to control a licensee, permittee, or casino gaming operator.

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

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

7 (m) Any other regulated lender as the Commission may determine in its sole discretion
8 consistent with the provisions of this chapter.

9 (n) Such other similar regulated entities as may be approved by the Commission for good
10 cause.

11 (28) "Key gaming employee" means any natural person employed in the operation of a
12 licensed casino facility in a supervisory managerial capacity or empowered to make discretionary
13 decisions which regulate casino facility operations, as determined by the Commission.

14 (29) "Key gaming employee permit" means the permit of a key gaming employee.

15 (30) "License" means an authorization issued to a person or entity by or in the name of
16 the Commission to engage in or assist gaming operations or activities regulated by this chapter.

17 (31) "Licensee" means any employee, agent, person or entity that is required to be issued
18 a license under this chapter or under the rules and regulations of the Commission.

19 (32) "Managerial employee" means a person who by virtue of the level of their
20 remuneration or otherwise holds a management supervisory, or policy-making position with any
21 authorized licensee pursuant to this chapter, vendor, or the Commission.

22 (33) "Manufacturer" means any person or entity who manufactures or assembles
23 programs or slot machines or other gaming devices for sale or use in this state.

24 (34) "Member" means a member appointed to the Commission's board.

25 (35) "Municipality" means any city or town within the state.

26 (36) "Non-gaming supplier" means any person or entity who sells, leases, or otherwise
27 distributes directly or indirectly, goods or services other than gaming devices and supplies to the
28 holder of a license.

29 (37) "Permit" means any permit or authorization, or application therefore, issued pursuant
30 to the provisions of this chapter.

31 (38) "Permittee" means any person or entity who is issued or applying for a permit
32 pursuant to the provisions of this chapter.

33 (39) "Person" means an individual, corporation, limited liability company, association,
34 partnership (general or limited), limited liability partnership, trust, entity, or other legal entity.

1 (40) "Security" means the protection of information that would or could provide an unfair
2 advantage to any individual involved in the operation of the casino gaming; protection and
3 preservation of the integrity of casino gaming games and operations; as well as measures taken to
4 prevent crimes against a gaming operator or the Commission.

5 (41) "Slot machine" means any mechanical, electrical, or other device, contrivance, or
6 machine which, upon insertion of a coin, token, card or similar object therein or upon payment of
7 any consideration whatsoever, is available to play or, operate the play or operation of which,
8 whether by reason of the skill of the operator or application of the element of chance, or both,
9 may deliver or entitle the person playing or operating the machine to receive cash, premiums,
10 merchandise, tokens, or any thing of value, whether the payoff is made automatically from the
11 machine or in any other manner.

12 (42) "Suitable" "suitability" or "suitability requirements" means the criteria provided for
13 in section 22.

14 (43) "Vendor" means a person who supplies any goods or services to a casino licensee.

15 (44) "Wagerer" means a person who plays a gambling game authorized under this
16 chapter.

17 (45) "Winnings" means the total cash value of all property or sums including currency,
18 tokens, or instruments of monetary value paid to wagerers as a direct result of wagers placed at or
19 through a gambling game.

20 **41-9.1-4. Rhode Island Lottery Commission – Members, Employees, Agents; Powers**
21 **and Duties.** -- (1) In addition to its powers and duties set fourth in chapter 61 of title 42, the
22 Commission shall have the powers and duties specified within this chapter and all other powers
23 necessary and proper to fully and effectively execute and administer the provisions of this chapter
24 for its purpose of licensing, regulating and enforcing the system of casino gaming.

25 (2) By January 31st of each year, each member of the Commission shall prepare and file
26 with the office of the Commission, a member disclosure form in which the member does all of the
27 following:

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

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

33 (c) Discloses any other information as may be required to ensure that the integrity of the
34 Commission and its work is maintained.

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

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

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

7 (c) Discloses whether the employee or the employee's spouse, parent, child, or child's
8 spouse is financially interested in or employed by licensee or applicant.

9 (d) Discloses such other matters as may be required to ensure that the integrity of the
10 Commission and its work is maintained.

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

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

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

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

30 (8) Any member, employee, or agent of the Commission who receives an invitation,
31 written or oral, to initiate a discussion concerning employment or the possibility of employment
32 with a person or affiliate of a person who is a licensee or an applicant shall immediately report
33 that he or she received the invitation to the chairperson. The member, employee, or agent of the
34 Commission shall not take action on behalf of the Commission with respect to the person.

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

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

11 (11) A member, employee or agent of the Commission shall not engage in any conduct
12 that constitutes a conflict of interest and shall immediately advise the chairperson in writing of
13 the details of any incident or circumstances that would present the existence of a conflict of
14 interest with respect to the performance of the Commission-related work or duty of the member,
15 employee, or agent of the Commission.

16 (12) A member, employee, or agent of the Commission who is approached and offered a
17 bribe shall immediately provide written account of the details of the incident to the chairperson
18 and to a law enforcement officer of a law enforcement agency having jurisdiction.

19 (13) A member, employee, or agent of the Commission shall disclose his or her past
20 involvement with any casino interest in the past five (5) years.

21 (14) A former member, employee or agent of the Commission may appear before the
22 Commission as a fact witness about matters or actions handled by the member, employee, or
23 agent during his or her tenure as a member, employee, or agent of the Commission. The member,
24 employee, or agent of the Commission shall not receive compensation for such an appearance
25 other than standard witness fee for reimbursement for travel expenses as established by statute or
26 court rule.

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

33 (16) An employee or agent of the Commission granted permission for outside
34 employment shall not conduct any business or perform any activities, including solicitation,

1 related to outside employment on premises used by the Commission or during the employee's
2 working hours for the Commission.

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

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

10 (19) Violation of this section by a licensee or applicant, or affiliate of a licensee or
11 applicant, may result in denial of the application of licensure or revocation or suspension or
12 license or other disciplinary action by the Commission.

13 (20) Violation of this section by a member of the Commission may result in
14 disqualification or constitute cause for removal pursuant to the provisions of this chapter or other
15 disciplinary action as determined by the Commission.

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

19 (i) If, after being offered employment or beginning employment with the Commission,
20 the employee or agent intentionally acquires a financial interest in a licensee or an applicant, or
21 affiliate of a licensee or applicant, employment with the Commission shall be terminated.

22 (ii) If a financial interest in a licensee or an applicant, or affiliate of a licensee or
23 applicant, is acquired by an employee or agent that has been offered employment with the
24 Commission, an employee of the Commission, or the employee's or agent's spouse, parent, or
25 child, through no intentional action of the employee or agent, the individual shall have up to thirty
26 (30) days to divest or terminate the financial interest. Employment may be terminated if the
27 interest has not been divested after thirty (30) days.

28 (iii) Employment shall be terminated if the employee or agent is a spouse, parent, child,
29 or spouse of a child of a Commission member.

30 (22) Violation of this section does not create a civil cause of action.

31 (23) As used in this section, "Outside employment" includes, but is not limited to, the
32 following:

33 (A) Operation of a proprietorship.

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

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

3 **41-9.1-5. Rhode Island Lottery Commission - Jurisdiction - Powers.** -- (a) In addition
4 to its jurisdiction and powers set forth in chapter 61 of title 42, the Commission shall also have
5 such jurisdiction and powers as provided for in this chapter 9.1 of title 41. The Commission shall
6 have jurisdiction over and shall supervise all gaming operations governed by this chapter. The
7 Commission shall have all powers necessary and proper to fully and effectively execute this
8 chapter; including, but not limited to, the authority to do all of the following:

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

12 (2) Have jurisdiction over and supervise casino gaming authorized by this chapter and all
13 persons in casinos where gaming is conducted under this chapter.

14 (3) Enter, to the extent permissible under the Constitutions of the State of Rhode Island
15 and of the United States of America, through its investigators agents, auditors, and the state police
16 at any time without a warrant and without notice to the licensee, the premises, offices, casinos,
17 facilities or other places of business of a casino licensee or gaming supplier permittee where
18 evidence of the compliance or noncompliance with this chapter or the rules promulgated by the
19 Commission is likely to be found, for the following purposes:

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

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

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

31 (iv) To investigate and deter alleged violations of this chapter or the rules promulgated by
32 the Commission.

33 (4) Investigate alleged violations of this chapter or rules promulgated by the Commission
34 and to take appropriate disciplinary action against a licensee, permittee or any other person or

1 holder of an occupational license or permit for a violation, or institute appropriate legal action for
2 enforcement, or both.

3 (5) Adopt standards for the licensing or permitting of all persons pursuant to this chapter,
4 as well as for electronic or mechanical gambling games, and to establish fees for such licenses
5 and permits.

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

7 (7) Require that all records of casino licensees and gaming supplier permittees, including
8 financial or other statements, be kept on the premises of the casino licensee or gaming supplier
9 permittee in the manner prescribed by the Commission.

10 (8) Require that the casino licensee submit to the Commission an annual balance sheet,
11 profit and loss statement, and any other information the Commission considers necessary in order
12 to effectively administer this chapter, all rules promulgated by the Commission, and orders and
13 final decisions made under this chapter.

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

16 (10) Revoke or suspend licenses or permits, impose fines and penalties as the
17 Commission considers necessary and in compliance with this chapter and applicable laws of the
18 state regarding administrative procedures.

19 (11) In addition to a disassociated person, eject or exclude or authorize the ejection or
20 exclusion of a person from a casino if the person violates the provisions of this chapter, rules
21 promulgated by the Commission or final orders of the Commission or when the Commission
22 determines that the person's conduct or reputation is such that his or her presence within the
23 casino gaming facilities may compromise the honesty and integrity of the gambling operations or
24 interfere with the orderly conduct of the gaming operations. However, the propriety of the
25 ejection or exclusion is subject to a subsequent hearing by the Commission.

26 (12) Suspend, revoke or restrict licenses and permits, and require the removal of a
27 licensee or permittee or an employee of a licensee or permittee, for a violation of this chapter or a
28 rule promulgated by the Commission or for engaging in a fraudulent practice, and impose civil
29 penalties pursuant to the provisions of this chapter.

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

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

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

1 (ii) At any time the licensee no longer meets the eligibility requirements or suitability
2 determination by the Commission for a casino license under this chapter.

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

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

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

10 (17) Perform a background check, at the vendor's expense, of any vendor using the same
11 standards that the Commission uses in determining whether to grant a gaming or non-gaming
12 supplier's permit.

13 (18) Review the business practices of a casino licensee including, but not limited to, the
14 price and quality of goods and services offered to patrons, and take disciplinary action as the
15 Commission considers appropriate to prevent practices that undermine the public's confidence in
16 the Rhode Island gaming industry.

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

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

22 (b) The Commission may seek and shall receive the cooperation and assistance of the
23 department of state police and department of attorney general in conducting background
24 investigations of applicants and in fulfilling its responsibilities under this chapter.

25 (c) The Commission shall establish, issue and promulgate rules and regulations pertaining
26 to any or all matters within the Commission's jurisdiction, in accordance with the provisions of
27 the state administrative procedures act, Chapter 35 of Title 42, including, but not limited to:

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

30 (ii) The methods and procedures for making an application for a license, registration, or
31 permit to be considered by the Commission.

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

34 (iv) Enforcement of this chapter, gaming laws administered by the Commission, and rules

1 of the Commission including imposition and collection of fines, penalties, and other sanctions
2 which may be imposed by the Commission against a casino operator or any other licensee or
3 permittee of the Commission.

4 (v) The operation and management of the facility, the hiring of employees thereof, the
5 establishment of compulsive gambling treatment programs, the conduct of gaming, electronic
6 funds transfer terminals, audits, annual reports, prohibited conduct, and such other matters as the
7 Commission shall determine.

8 (d) The Commission may conduct hearings or may designate a hearing officer or hearing
9 panel to conduct hearings and in connection therewith may:

10 (1) Issue subpoenas and compel the attendance of witnesses or the production of
11 documents.

12 (2) Administer oath.

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

15 (4) Issue written interrogatories.

16 **41-9.1-6. Division of state police- Jurisdiction – Powers.** – The division of state police
17 shall:

18 (a) Conduct investigations and audits regarding the qualifications of applicants for
19 licenses, permits or registrations requiring suitability determinations as required by law or rule or
20 determined necessary by the Commission.

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

23 (c) Conduct audits to assist the Commission in determining compliance with all gaming
24 laws, rules and regulations on gaming activities and operations under the Commission's
25 jurisdiction.

26 (d) Perform all other duties and functions necessary for the efficient, efficacious, and
27 thorough regulation and control of gaming activities and operations under the Commission's
28 jurisdiction.

29 **41-9.1-7. Appropriation - Reimbursement.** – There shall be appropriated for the fiscal
30 year 2005 a sum sufficient to fund the operations of the Commission. This appropriation shall be
31 reimbursed through payment by the casino licensee of the five hundred thousand (\$500,000.00)
32 dollar fee referenced in section 41-9.1-11. The amount owing from such licensee shall be paid to
33 the state treasurer and deposited into the general fund no later than the first (1st) day on which
34 such casino opens for operation. Operations of the Commission during subsequent fiscal years

1 shall be funded by the fees paid by licensees and suppliers pursuant to the provisions of this
2 chapter.

3 **41-9.1-8. Casino gaming authorized.** -- (a) Notwithstanding any other section of Rhode
4 Island General Laws, gaming is authorized at a single casino in the state of Rhode Island to the
5 extent that it is conducted in accordance with this chapter.

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

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

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

11 (3) Bingo.

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

14 **41-9.1-9. State and local referendum election.** -- (a) Pursuant to the terms of Article 6,
15 section 22 of the Rhode Island Constitution and section 17-5-1.1, the General Assembly hereby
16 authorizes submission to all of the electors of the state, at the general election to take place on
17 November 2, 2004, the following single question and explanation: "Shall there be a casino in the
18 Town of West Warwick operated by an Affiliate of Harrah's Entertainment in association with the
19 Narragansett Indian Tribe?"

20 (b) Prior to the general election question being submitted to the electors of the state and
21 prior to any casino being established in the Town of West Warwick, and in order for such town to
22 be eligible as the host community for such casino, the casino license applicant shall, within sixty
23 (60) days of the passage of this act, file a statement of intent with the Commission that
24 demonstrates the following:

25 (i) evidence that the West Warwick Town Council has agreed to pose, by adopting a
26 resolution to be placed on the ballot at the next general election to be submitted to the qualified
27 electors of the Town of West Warwick and to the qualified electors of the state, the question
28 referenced in section 41-9.1-9(a);

29 (ii) adequate description of real estate designated and available for the development of
30 the casino, which real estate shall constitute at least thirty (30) acres;

31 (iii) evidence of a fully executed development agreement; and

32 (iv) a complete proposal as referred to in section 41-9.1-10.

33 (c) In the event of certification by the Commission of the statement of intent, the question
34 referenced in subsection (a) above shall then be submitted by the secretary of state to the qualified

1 electors of the state at a general election to take place on November 2, 2004. The secretary of
2 state shall certify the election results. The question shall also be submitted at the same general
3 election by the local board of canvassers to the qualified electors of the Town of West Warwick,
4 and the local board of canvassers shall certify the election results to the secretary of state.

5 (d) In the event of the affirmative vote of the qualified electors of the Town of West
6 Warwick and the qualified electors of the state, the Commission shall, in accordance with the
7 provisions of sections 41-9.1-9 and 41-9.1-11, award the casino license to the applicant that is a
8 party with the Town of West Warwick to the development agreement no later than December 1,
9 2004.

10 (e) In the event that the affirmative vote of both the Town of West Warwick and the
11 electors of the state does not occur, or in the event that the casino license applicant is not able to
12 timely file a statement of intent with the Commission in accordance with the provisions of
13 subsection (b) above, then this chapter shall cease to have effect, and shall become null and void.

14 (f) Notwithstanding any provision of the General Laws to the contrary, with respect to the
15 matters contemplated in this chapter, the application and license issuance process described in
16 this chapter shall govern and control and shall be in lieu of any other public bidding, request for
17 proposal rights or requirements contained in the General Laws. Any decision or act by the
18 general assembly, the secretary of state or the Commission in (i) phrasing or submitting the
19 statewide question, (ii) determining whether a statement of intent is in compliance with the filing
20 and other provisions of this chapter, or (iii) 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 any of the foregoing shall
24 immediately and exclusively vest in the Supreme Court; provided, however, that no such suit,
25 action or proceeding shall serve to enjoin (i) the question referenced in subsection (a) from being
26 submitted by the Secretary of State to the qualified electors of the state at a general election to
27 take place on November 2, 2004, and submitted at the same general election by the local board of
28 canvassers to the qualified electors of the Town of West Warwick, (ii) the awarding and issuance
29 of the single casino license, or (iii) any recipient of a casino license from proceeding with
30 development or operational matters, until a final, non-appealable decision has been rendered by a
31 court.

32 **41-9.1-10. Content of Proposal.** -- (a) The proposal shall be made under oath, and shall
33 include without limitation all of the following, subject to the provisions of section 41-9.1-24:

34 (1) The identity of every person in accordance with the provisions of this subsection

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

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

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

29 (4) Whether an applicant or any other person or entity identified in subsection (1) above
30 has ever applied for or has been granted any gaming license or certificate issued by a licensing
31 authority within this state or any other jurisdiction that has been denied, restricted, suspended,
32 revoked, or not renewed, and a statement describing the facts and circumstances concerning the
33 application, denial restriction, suspension, revocation or nonrenewal, including the licensing
34 authority, the date each action was taken, and the reason for each action.

1 (5) Such information, documentation and assurances as may be required to establish by
2 clear and convincing evidence:

3 a. the financial stability, integrity and responsibility of the applicant, including but not
4 limited to bank references, financial statements, tax returns and other reports filed with
5 governmental agencies;

6 b. the adequacy of financial resources both as to the completion of the casino proposal
7 and the operation of the casino; and

8 c. that the applicant has sufficient business ability and casino experience as to establish
9 the likelihood of creation and maintenance of a successful, efficient and competitive casino
10 operation

11 (6) Such information, documentation and assurances to establish to the satisfaction of the
12 Commission the applicant's good character, honesty and integrity, and the applicant's suitability
13 qualification pursuant to section 41-9.1-22.

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

23 (8) The name and business telephone number of any attorney, counsel, lobbyist, agent, or
24 any other person representing an applicant in matters before the general assembly or Commission.

25 (9) Financial information in the manner and form prescribed by the general assembly or
26 Commission.

27 (b) The proposal shall also contain:

28 (1) A fully executed development agreement between the applicant and the Town of
29 West Warwick.

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

34 (3) A description of the physical location of the proposed gaming operation and related

1 amenities, and evidence that applicant has the real estate site control (i.e. real estate purchase and
2 sale agreements or option agreements) necessary to support such development.

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

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

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

11 (c) Information provided on the application shall be used as a basis for a thorough
12 background investigation which the general assembly and Commission shall conduct on each
13 applicant. A false or incomplete application may be cause for denial of a license. Each of the
14 general assembly and Commission in its sole discretion may provide the applicant a reasonable
15 opportunity to correct any deficiency in the application.

16 (d) Applicants shall consent in writing to being subject to the inspections, searches, and
17 seizures provided for in this chapter and to disclosure to each of the general assembly and
18 Commission and its agents of otherwise confidential records including tax records held by any
19 federal, state, or local agency, or credit bureau or financial institution, while applying for or
20 holding a license under this chapter.

21 (e) The general assembly and Commission may contract for, at the expense of the
22 applicants, any technical or investigative services that it shall require to conduct such research
23 and/or investigation as it deems appropriate with respect to its evaluation of the applications. A
24 nonrefundable application fee of fifty thousand dollars (\$50,000) shall be paid at the time of filing
25 to defray the costs associated with such research and investigation conducted by the general
26 assembly and Commission. If the costs of the research and investigation exceed fifty thousand
27 dollars (\$50,000), the applicant shall pay the additional amount.

28 **41-9.1-11. Issuance of Single Casino License. --** (a) The casino license issued pursuant
29 to this chapter shall be valid for a period of five (5) years from the date that the casino licensee
30 opens the casino for business. The license shall be renewed for periods of five (5) years upon the
31 payment of a renewal fee in the amount of five hundred thousand (\$500,000.00) dollars. The
32 renewal fee shall be paid to the Commission and used to fund the operations of the Commission.

33 (b) Any casino license issued pursuant to this chapter shall be subject to the continuing
34 duty of the licensee to maintain the suitability requirements of section 22 and all requirements of

1 the Commission.

2 **41-9.1-12. Wagering tax - Casino tax and rates.** -- (a) A wagering tax of twenty-five
3 percent (25%) shall be imposed on the adjusted gross receipts received by the casino licensee
4 from gaming authorized under this chapter.

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

7 **41-9.1-13. Commission and other approvals necessary for construction of casino.** –

8 (a) No casino licensed under this chapter shall open for operation until the Commission and all
9 appropriate state agencies have received and approved certification from the Town of West
10 Warwick that all casino construction has complied with all applicable provisions of this chapter,
11 any regulations promulgated thereunder, and applicable state and local law, as well as with all
12 provisions of the development agreement.

13 (b) Notwithstanding the provisions of chapter 22.2 of title 45 and any other laws, rules or
14 regulations to the contrary, the Town of West Warwick is authorized to amend its comprehensive
15 plan to include a casino development without further review by the Director of Administration or
16 by the State Comprehensive Plan Appeals Board.

17 **41-9.1-14. Promulgation of operational rules and regulations.** – Upon the licensing of

18 a casino under the provisions of this chapter, the Commission shall have authority to issue such
19 regulations as it deems appropriate pertaining to the operation and management of the facility, the
20 hiring of employees thereof, the establishment of compulsive gambling treatment programs the
21 conduct of gaming, electronic funds transfer terminals, audits, annual reports, prohibited conduct
22 and such other matters as the Commission shall determine.

23 **41-9.1-15. Gaming and Non-Gaming Supplier Permits and Gaming Employee**

24 **Permits required; Terms.** – (a) The securing of a permit under the provisions of this chapter
25 shall be a prerequisite for performing any activity which requires a permit pursuant to this
26 chapter.

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

28 (c) Any permit applied for, granted, or issued under the provisions of this chapter is an
29 absolute revocable privilege, the awarding, denial or withdrawal of which is solely within the
30 discretion of the Commission where applicable except as provided in this chapter. Any permit
31 used or renewed under the provisions of this chapter is not a property right or a protected interest
32 under the constitutions of either the United States or the state of Rhode Island.

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

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

10 (f) The term of a permit shall be for five (5) years; however, the Commission may issue
11 temporary permits.

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

16 **41-9.1-16. Gaming supplier permits.** – (a) The Commission shall issue a gaming
17 supplier permit to suitable persons who supply, sell, lease or repair, or contract to supply, sell
18 lease or repair gaming devices, equipment, and supplies to the holder of a license. A person shall
19 not supply, sell, lease, or repair, or contract to supply, sell, lease or repair, gaming devices,
20 equipment and supplies unless then possess a valid gaming supplier permit.

21 (b) Gaming devices or supplies may not be distributed to the holder of a license unless
22 such devices or supplies conform to rules adopted by the Commission.

23 (c) A gaming supplier shall furnish to the Commission a list of any gaming devices and
24 supplies offered by the gaming supplier for sale or lease in connection with games authorized
25 under this chapter. A gaming supplier shall keep books and records for the furnishing of gaming
26 devices and supplies to gaming operations separate and distinct from any other business that the
27 gaming supplier might operate. A gaming supplier shall file an annual return with the
28 Commission listing all sales and leases. A gaming supplier shall permanently affix its name to all
29 its gaming devices and supplies for gaming operations unless otherwise authorized by the
30 Commission. Any gaming supplier's gaming devices or supplies which are used by any person in
31 unauthorized gaming operations shall be forfeited to the Commission. The holder of a license
32 may own its own gaming devices and supplies. Each gaming supplier and the holder of a license
33 shall file an annual report with the Commission listing its inventories of gaming devices,
34 equipment, and supplies.

1 (d) The initial fee for a gaming supplier permit issued under the provisions of this section
2 is three thousand dollars (\$3,000), and the renewal fee shall be one thousand dollars (\$1,000).
3 This fee is required to be submitted at the time of application and on the anniversary date of the
4 issuance of the permit thereafter. The Commission may assess the gaming supplier any costs
5 incurred in testing and approving any devices or supplies.

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

10 **41-9.1-17. Non-gaming supplier permits.** – (a) The Commission shall issue a
11 non-gaming supplier permit to suitable persons who supply, sell, lease or repair, or contract to
12 supply, sell, lease or repair, non-gaming devices and supplies, in amounts that in the aggregate
13 exceed two hundred thousand dollars (\$200,000) per calendar year, to the holder of a license. A
14 person shall not be entitled to compensation for the supply, sale, lease or repair of, or a contract to
15 supply, sell, lease, or repair, non-gaming devices and supplies in amounts that in the aggregate
16 exceed two hundred thousand dollars (\$200,000) per calendar year, unless they possess a valid
17 non-gaming supplier permit.

18 (b) A person requiring a non-gaming supplier permit shall furnish to the Commission a
19 list of the non-gaming devices and supplies offered by the non-gaming supplier for sale or lease
20 to the holder of a license. Such a non-gaming supplier shall also keep books and records for the
21 furnishing of non-gaming devices and supplies to gaming operations separate and distinct from
22 any other business that the non-gaming supplier might operate. Such non-gaming supplier shall
23 also file an annual return with the Commission listing all sales and leases.

24 (c) The initial fee for a non-gaming supplier permit issued under the provisions of this
25 section is one hundred dollars (\$100.00) and the renewal fee shall be one hundred dollars
26 (\$100.00). This fee is required to be submitted at the time of application and on the anniversary
27 date of the issuance of the permit thereafter. The Commission may assess the non-gaming
28 supplier any costs incurred in testing and approving any devices or supplies.

29 **41-9.1-18. Key gaming employee and key gaming employee permit.** – (a) The
30 Commission shall issue a key gaming employee permit to suitable persons pursuant to this
31 chapter. No key gaming employee required by this chapter to be permitted may commence
32 employment or be employed as a key gaming employee unless that person is the holder of a valid
33 key gaming employee permit, provided, however, the Commission may issue temporary permits.

34 (b) The Commission shall issue a key gaming employee permit to suitable persons

1 pursuant to this chapter.

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

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

8 **41-9.1-19. License, Permit and Registration as revocable privilege - Rights,**
9 **limitations and prohibitions - Revocation and suspension - Penalties for violation. – (a) A**

10 license, permit or registration issued under this chapter is a revocable privilege granted by the
11 state dependent upon the holder's compliance with this chapter and rules promulgated hereunder
12 and is not a property right. Granting a license, permit or registration under this chapter does not
13 create or vest any right, title, franchise or other property interest. Such license, permit or
14 registration is exclusive to the holder, and a holder or any other person shall apply for and receive
15 the Commission's approval before a license, permit or registration is transferred, sold or
16 purchased, or before a voting trust agreement or other similar agreement is established with
17 respect to the license, permit or registration. A holder of a license, permit or registration, or any
18 other person, shall not lease, pledge, or borrow, or loan money against a license, permit or
19 registration. The attempted transfer, sale or other conveyance of an interest in a license, permit or
20 registration without prior Commission approval is grounds for suspension or revocation of the
21 license, permit or registration, or other sanctions considered appropriate by the Commission. In
22 the event of any transfer, sale or other conveyance of a license, permit or registration, including
23 those ordered by a court of competent jurisdiction in connection with a bankruptcy, receivership
24 or other like proceeding, the Commission shall have the right to approve any proposed transferee
25 pursuant to the requirements of this chapter. Any costs associated with a transfer, sale or other
26 conveyance of a license, permit or registration shall be borne by the transferee.

27 (b) The Commission may upon its own motion, and shall upon the verified complaint, in
28 writing, of any person initiating a cause under this chapter, ascertain the facts and, if warranted,
29 hold a hearing for the nonrenewal, suspension or revocation of a license, permit or registration.
30 The Commission shall have the power to suspend or revoke a license, permit or registration or
31 place a holder on probation where the license permit or registration has been obtained by false
32 representation or by fraudulent act or conduct or where a holder violates any of the provisions of
33 this chapter.

34 (c) In addition to the nonrenewal, revocation or suspension of a license, permit or

1 registration, the Commission is authorized to levy an administrative penalty not exceeding the
2 greater of:

3 (1) five hundred thousand dollars (\$500,000) or (2) two hundred percent (200%) of the
4 amount unreported or underreported for any violation of the reporting requirements of this
5 chapter and/or the rules and regulations promulgated by the Commission. For violations of the
6 chapter and/or the rules promulgated by the Commission other than reporting requirements, the
7 Commission may levy administrative penalties of up to five thousand dollars (\$5,000) against
8 individuals and up to ten thousand dollars (\$10,000) or an amount equal to the daily gross
9 receipts on the date of the violation, whichever is greater, against casino licensees for each such
10 violation.

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

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

23 (3) The Commission shall transmit a copy of the answer to the complainant or
24 complainants with the scheduled date, time and place for hearing at least twenty (20) days prior to
25 the hearing date.

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

30 (5) Hearings are subject to chapter 46 of title 42, entitled "open meetings", and the holder
31 has an opportunity to be heard in person or by counsel. The Commission shall render a decision
32 on any application or complaint within sixty (60) days after the final hearing on the matter and
33 shall immediately notify the parties to the proceedings, in writing, of its ruling, order or decision.
34 In the event the matter contained in the complaint has been filed or made part of a case pending in

1 any court of this state, the Commission may then withhold its decision until the court action has
2 been concluded. Hearings are held in accordance with rules promulgated by the Commission in
3 conformity with state and federal law.

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

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

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

27 (g) The procedures of the administrative procedures act, chapter 35 of title 42, and all
28 amendments and modifications to that act and the rules adopted pursuant to the act, apply to and
29 govern all proceedings for the judicial review of final administrative decisions of the
30 Commission. Any party aggrieved by a final administrative decision of the Commission may
31 seek review of that decision in the superior court of the county of his or her residence if a natural
32 person, or the county in which the aggrieved party maintains a place of business, if other than a
33 natural person.

34 (h) Any person aggrieved has the right of appeal from any adverse ruling, order or

1 decision of the Commission to a court of competent jurisdiction in the county where the hearing
2 was held within thirty (30) days from the service of notice of the action of the Commission upon
3 the parties to the hearing.

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

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

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

17 **41-9.1-20. Records of Rhode Island Lottery Commission deemed open -- Exceptions.**

18 – (a) Except as otherwise provided in this chapter or other chapters, records of the Commission
19 shall be public records. A record of the Commission shall be confidential when the record:

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

22 (2) Relates to security measures of the Commission, an applicant, or a licensee or
23 permittee.

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

26 (4) Relates to surveillance and security techniques, procedures, or practices of the
27 Commission, an applicant, or a licensee or permittee.

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

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

33 (7) Relates to an ongoing investigation of the Commission into a possible violation by a
34 licensee or permittee, until the Commission initiates proposed enforcement action against the

1 licensee or the permittee and makes the record public in the course thereof.

2 (8) Results from or is part of a Commission background investigation of an applicant.

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

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

14 (c) No Commission member, employee, agent, or authorized representative shall disclose,
15 divulge, disseminate, or otherwise transmit or communicate any confidential Commission record,
16 reports, or any confidential information therein, except as permitted in this section and then only
17 with the approval of the Commission. Disclosure of any confidential Commission record, report,
18 or any information therein other than as provided in this section shall be grounds for removal of a
19 Commission member or termination of any employee.

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

25 (e) The Commission shall maintain a file of all applications for licenses, permits or
26 registrations, and requests for all other Commission actions or approvals received by the
27 Commission, together with a record of all action taken with respect to those applications and
28 requests. The file and record shall be open to public inspection.

29 (f) The Commission shall maintain a file of all bids or proposals for any contract let or
30 entered into by the Commission together with a record of all action taken with respect to those
31 bids. The file and record shall be open to public inspection.

32 **41-9.1-21. Restricted use agreements: confidentiality of records.** – (a) The
33 Commission may enter into intelligence sharing, reciprocal use, or restricted use agreements with
34 a department or agency of the federal government, law enforcement agencies, and gaming

1 enforcement and regulatory agencies of other jurisdictions which provide for and regulate the use
2 of information provided and received pursuant to the agreement.

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

10 **41-9.1-22. Standards for License, Permit and Registration Issuance Suitability**

11 **Qualifications.** – (a) No person shall be eligible to obtain a license to conduct gaming operations,
12 a permit or registration unless the Commission is satisfied that the applicant is suitable.

13 (b) For purposes of this chapter, "suitable" means that the proposed casino licensee, or
14 other applicant or permittee has demonstrated to the Commission by clear and convincing
15 evidence that he or she:

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

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

23 (3) Is capable of and likely to conduct the activities for which the applicant or casino
24 gaming operator is licensed or approved in accordance with the provisions of this chapter and any
25 rules of the Commission.

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

28 (1) He/she or the entity has adequate business competence and experience in the
29 operation of gaming operations.

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

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

32 (b) From a suitable source, subject to provisions of section 23 hereof.

33 (d) All licensees, all permittees, and any other persons who have been found suitable or
34 approved by the Commission shall maintain suitability throughout the term of the license, permit

1 or approval. In the event of a current prosecution of an offense, the Commission shall have the
2 discretion to defer a determination on a person's continuing suitability pending the outcome of the
3 proceedings, provided that if a decision is deferred pending such outcome, the Commission,
4 where applicable, may take such action as is necessary to protect the public trust, including the
5 suspension of any license, permit or registration.

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

13 (f) The Commission shall have the power to call forward for a finding of suitability any
14 person that is affiliated with a licensee, permittee or registrant if necessary to protect the public
15 interest. Subject to section 24, any person who has or controls directly or indirectly five percent
16 (5%) or greater voting interest shall meet all suitability requirements and qualifications pursuant
17 to the provisions of this chapter, unless otherwise determined by the Commission.

18 (g) If the Commission finds that an individual owner or holder of a security of a licensee,
19 permittee, or registrant, or of a holding or intermediary company of a licensee or permittee, or
20 registrant, or any person or persons with an economic interest in a licensee, permittee, or
21 registrant, or a director, partner, officer, or managerial employee is not suitable, and if as a result,
22 the licensee, permittee, or registrant is no longer qualified to continue as a licensee, permittee, or
23 registrant, the Commission shall propose action necessary to protect the public interest, including
24 the suspension of the license, permit or registration. The Commission may also issue under
25 penalty of revocation or suspension of a license, permit, or registration, impose a condition of
26 disqualification naming the person or persons and declaring that such person or persons may not:

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

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

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

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

4 (5) Continue owning or holding a security of a person, or a holding or intermediary
5 company of a person, holding a license, permit, or other approval of the Commission issued
6 pursuant to the provisions of this chapter or remain as a manager, officer, director, or partner of a
7 licensee or permittee.

8 **41-9.1-23. Casino license; disqualification criteria.** – The Commission shall not award
9 a casino or other license, permit or registration to any person who is disqualified on the basis of
10 any of the following criteria:

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

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

16 (3) The conviction of, or a plea of guilty or nolo contendere by, the applicant, or of any
17 person required to be qualified under this chapter for an offense punishable by imprisonment of
18 more than one year or a fine up to one thousand dollars (\$1,000); provided however, a conviction
19 or plea of guilty or nolo contendere by the applicant shall not constitute an automatic
20 disqualification as otherwise required if:

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

23 (b) Five (5) or more years has elapsed between the date of application and the successful
24 completion of any sentence, deferred adjudication, or period of probation or parole and the
25 conviction for an offense which was a misdemeanor offense.

26 (4) Notwithstanding any provision of law to the contrary, the Commission may consider
27 the seriousness and circumstances of any offense, any arrest, or any conviction in determining
28 suitability.

29 **41-9.1-24. Institutional investors or institutional lenders.** – (a) Requirements of
30 disclosure or of being suitable or qualified with respect to an institutional investor or institutional
31 lender, pursuant to the provisions of this chapter and the rules adopted pursuant thereto, shall be
32 deemed to have been complied with upon submission of documentation by the casino licensee
33 applicant, casino licensee, permittee or the institution, as appropriate, sufficient to establish
34 qualifications as an institutional investor or institutional lender as defined herein and it is

1 determined that:

2 (1) It owns, holds, or controls publicly traded securities issued by a casino licensee
3 applicant, casino licensee, permittee or holding, intermediate or parent company of a casino
4 licensee applicant, casino licensee or permittee in the ordinary course of business for investment
5 purposes.

6 (2) It does not intend to exercise influence over the affairs of the issuer of such securities,
7 nor over any licensed or permitted subsidiary of the issuer of such securities, in the future, and
8 that it agrees to notify the Commission in writing within thirty days if such intent should change.

9 (b) The exercise of voting privileges with regard to publicly traded securities shall not be
10 deemed to constitute the exercise of influence over the affairs of the issuer of such securities.

11 (c) The Commission may rescind the presumption of suitability for an institutional lender
12 or institutional investor at any time if the institutional lender or investor exercises or intends to
13 exercise influence or control over the affairs of the casino licensee applicant, the casino licensee,
14 permittee, or a holding, intermediate, or parent company of the casino licensee applicant, the
15 casino licensee or permittee.

16 (d) This section shall not be construed to preclude the Commission from investigating the
17 suitability or qualifications of an institutional investor or institutional lender should the
18 Commission become aware of facts or information which may result in such institutional investor
19 or institutional lender being found unsuitable or disqualified.

20 **41-9.1-25. Uniform compulsive and problem gambling program.** – (a) The gaming
21 industry through the American Gaming Association in the Responsible Gaming Resource Guide
22 has stated that the industry recognizes that gaming entertainment companies must stand up and
23 take responsible actions to address social problems and costs that are created when some
24 individuals have problems handling the product or services they provide. The industry has also
25 stated that they know that the vast majority of the men and women who are their customers can
26 enjoy their games responsibly, but that they also know the customers expect them to act
27 responsibly toward those who cannot. It is imperative for the health, safety, and welfare of the
28 citizens of the state of Rhode Island that all casino licensees develop and implement
29 comprehensive compulsive and problem gambling programs to be approved by the Commission.

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

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

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

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

6 (4) Provide procedures for the training of all employees that interact with gaming patrons
7 in gaming areas to be observant for the nature and symptoms of compulsive and problem
8 gambling behavior. The training shall, at a minimum, consist of information concerning the
9 nature and symptoms of compulsive and problem gambling behavior and assisting patrons in
10 obtaining information about compulsive and problem gambling and available options for seeking
11 assistance with such behavior.

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

14 (6) Provide procedures for removing self-excluded person from the licensed
15 establishment or facility, including, if necessary, procedures that include obtaining the assistance
16 of local law enforcement.

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

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

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

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

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

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

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

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

11 (4) The rules shall provide that the Commission's list of self-excluded persons shall not
12 be open to public inspection. The Commission, any licensee, permittee and any employee or
13 agent thereof shall not be liable to any self-excluded person or to any other party in any judicial
14 proceeding for any monetary damages or to other remedy which may arise as a result of
15 disclosure or publication in any manner other than a willfully unlawful disclosure to a third party
16 that is not an employee, affiliated company, or employee or agent of the Commission of the
17 identity of any self-excluded person.

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

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

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

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

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

1 (2) The Commission may seek the suspension of a licenser permit, if the licensee or
2 permittee engages in a pattern of willful failure to exclude from the licensed gaming
3 establishment persons placed on the self-exclusion list.

4 (i) A licensee conducting gaming pursuant to the provisions of this chapter can
5 demonstrate to the Commission compliance with the education and training provisions of this
6 section by providing proof of attendance by all employees when they are hired and annually
7 thereafter at one of the following education programs:

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

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

12 **41-9.1-26. Commission designated excluded persons.** – (a) The Commission shall
13 adopt rules to provide for the establishment of a list of persons who are to be excluded from any
14 room, premises, or designated gaming area of any establishment where gaming is conducted
15 pursuant to a license or contract issued pursuant to the provisions of this chapter. The rules must
16 define the standards for exclusion and include standards relating to the following persons:

17 (1) Those who are career or professional offenders as defined by the rules of the
18 Commission.

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

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

22 (b) The Commission shall have the authority to place persons on the excluded list. The
23 Commission may not place a person on such a list due to the person's race, color, creed, national
24 origin, sex, or disability.

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

28 (1) By personal service.

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

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

33 (e) Any person who has been placed on the list of persons to be excluded or ejected from
34 any gaming establishment pursuant to this chapter may be imprisoned for up to six (6) months or

1 fined not more than five hundred dollars (\$500.00), or both, if he or she thereafter enters or
2 attempts to enter the premises of a gaming establishment without first having obtained a
3 determination by the Commission that he or she should not have been placed on the list of
4 persons to be excluded or ejected.

5 (f) The Commission may impose sanctions on a licensee under this chapter if the licensee
6 willfully fails to exclude from the licensed gaming establishment a person placed on the exclusion
7 list.

8 (g) The Commission may seek suspension of a license if the licensee engages in a pattern
9 of willful failure to exclude from the licensed gaming establishment persons placed on the
10 exclusion list.

11 (h) A person who is placed on the list is entitled to a hearing for review of the listing.
12 Unless otherwise agreed by the Commission and the named person, the hearing shall be held not
13 later than thirty days after the receipt of the petition.

14 **41-9.1-27. Advertising; compulsive gambling information.** – In any advertisement of
15 gaming activities or of a gaming establishment that is offered to the general public in print by any
16 casino licensee pursuant to the provisions of this chapter, the toll-free telephone number of the
17 National Council on Problem Gambling or a similar toll-free number approved by the
18 Commission shall be placed on such advertisement.

19 **41-9.1-28. Exclusion or ejection of persons.** – (a) Any casino licensee may exclude or
20 eject any person for any reason, except race, color, creed, national origin, sex, or disability.

21 (b) Any casino licensee and any employee of a casino licensee shall not be liable for any
22 monetary damages or any other remedy in any judicial proceeding as a result of the exclusion or
23 removal of any person for any reason, except race, color, creed, national origin, sex, or disability.

24 **41-9.1-29. Making false statements relating to gaming.** – (a) No person shall
25 knowingly or intentionally make a material false statement in any application for a license,
26 permit, suitability determination, or in support of a proposal for a development agreement
27 pursuant to the provisions of this chapter. No person shall intentionally make a material false
28 statement in any book, record, form, or any other document which is required, compiled, or
29 maintained pursuant to the provisions of this chapter.

30 (b) Any person who violates any of the provisions of this section shall be imprisoned for
31 not more than five (5) years and may be fined an amount not to exceed ten thousand dollars
32 (\$10,000).

33 **41-9.1-30. Use of device to obtain advantage at casino game; forfeiture; notice.** – If,
34 in playing a game in a licensed casino, the person uses, or assists another in the use of, an

1 electronic, electrical or mechanical device which is designed, constructed, or programmed
2 specifically for use in obtaining an advantage at playing any game in a licensed casino, such
3 action is prohibited and is punishable by imprisonment for a period of one (1) year and/or a fine
4 up to one thousand dollars (\$1,000). In addition, any device used by any person in violation of
5 this section shall be subject to forfeiture. Each casino licensee shall post notice of this prohibition
6 and the penalties of this section in a manner determined by the Commission.

7 **41-9.1-31. Unlawful use of bogus chips or gaming billets, marked cards, dice,**
8 **cheating devices, unlawful coins; penalty.** – (a) It shall be unlawful for any person to play any
9 game and:

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

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

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

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

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

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

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

1 (e) Any person who violates any of the provisions of this section shall be imprisoned for
2 no more than five years and may be fined an amount not to exceed ten thousand dollars
3 (\$10,000).

4 **41-9.1-32. Cheating games and devices in a licensed casino; penalty.** – (a) It shall be
5 unlawful:

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

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

14 (3) It shall be unlawful knowingly to use or possess any marked cards, loaded dice,
15 plugged or tampered with machines or devices.

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

19 **41-9.1-33. Skimming of gaming proceeds.** – (a) The crime of skimming of gaming
20 proceeds is the intentional excluding or the taking of any action in an attempt to exclude any
21 thing or its value from the deposit, counting, collection, or computation of:

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

23 (2) Net gaming proceeds.

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

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

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

32 **41-9.1-34. Conduct subject to civil penalty.** – In addition to other penalties provided for
33 under this chapter, a person who conducts a gaming operation without first obtaining a license to
34 do so, or a licensee who continues to conduct gambling games after revocation of the licensee's

1 license, or any licensee who conducts or allows to be conducted any unauthorized gambling
2 games in a casino in which the licensee is authorized to conduct its gaming operation, is subject
3 to a civil penalty equal to the amount of gross receipts derived from wagering on the gambling
4 games whether unauthorized or authorized, conducted on that day as well as confiscation and
5 forfeiture of all gambling game equipment used in the conduct of unauthorized gambling games.

6 **41-9.1-35. Property subject to seizure, confiscation, destruction, or forfeiture.** – Any
7 equipment, gaming device, money, apparatus, material of gaming, proceeds, substituted proceeds,
8 or real or personal property used, obtained, or received in violation of this chapter shall be subject
9 to seizure, confiscation, destruction, or forfeiture.

10 **41-9.1-36. Prohibited conduct – Violation as felony – Violation as misdemeanor –**
11 **Penalties – Presumption – Venue.** – (1) A person is guilty of a felony punishable by
12 imprisonment for not more than ten (10) years or a fine of not more than one hundred thousand
13 dollars (\$100,000) or both, and shall be barred from receiving or maintaining a license, for doing
14 any of the following:

15 (a) Conducting a gaming operation where wagering is used or to be used without a
16 license issued by the Commission.

17 (b) Conducting a gaming operation where wagering is permitted other than in the manner
18 specified pursuant to the provisions of this chapter.

19 (c) Knowingly providing false testimony to the Commission or its authorized
20 representative while under oath.

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

25 (a) Offers, promises, or gives anything of value or benefit to a person who is connected
26 with a licensee or affiliated company, including, but not limited to, an officer or employee of a
27 casino licensee or holder of an occupational license pursuant to an agreement or arrangement or
28 with the intent that the offer, promise, or thing of value or benefit will influence the actions of the
29 person to whom the offer, promise, or gift was made in order to affect or attempt to affect the
30 outcome of a gambling game.

31 (b) Solicits or knowingly accepts or receives a promise of anything of value or benefit
32 while the person is employed by or connected with a licensee, including, but not limited to, an
33 officer or employee of a casino licensee or holder of an occupational license, pursuant to an
34 understanding or arrangement or with the intent that the promise or thing of value or benefit will

1 influence the actions of the person to affect or attempt to affect the outcome of a gambling game.

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

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

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

17 **41-9.1-37. Sale of alcoholic beverages.** – Alcoholic beverages shall only be sold or
18 distributed in a casino pursuant to chapter 2 of title 3.

19 **41-9.1-38. Legal shipments of gaming devices into the state.** – All shipments of
20 gaming devices, including slot machines, into any town or city of this state within which gaming
21 is authorized, the registering, recording, and labeling of which have been duly done by the
22 manufacturer or dealer thereof in accordance with sections 3 and 4 of that certain chapter of the
23 Congress of the United States entitled, "An act to prohibit transportation of gaming devices in
24 interstate and foreign commerce", approved January 2, 1951, being c. 1194, 64 Stat. 1134, and
25 also designated as 15 U.S.C. 1171-1177, shall be deemed legal shipments thereof into the State of
26 Rhode Island.

27 **41-9.1-39. Declaration of state's exemption from operation of provisions of 15 U.S.C.**
28 **1172.** – Pursuant to section 2 of that certain chapter of the Congress of the United States entitled
29 "An act to prohibit transportation of gaming devices in interstate and foreign commerce",
30 approved January 2, 1951, being c. 1194, 64 Stat. 1134, and also designated as 15 U.S.C.
31 1171-1177, the state of Rhode Island, acting by and through its duly elected and qualified
32 members of its legislature, does hereby in this section, and in accordance with and in compliance
33 with the provisions of section 2 of such chapter of Congress, declare and proclaim that any town
34 or city of the State of Rhode Island, within which gaming is authorized is exempt from the

1 [provisions of section 2 of that certain chapter of the Congress of the United States entitled "An](#)
2 [act to prohibit transportation of gaming devices in interstate and foreign commerce"](#), designated
3 [15 U.S.C. 1171-1177, approved January 2, 1951.](#)

4 SECTION 3. Effective Date. This act shall take effect upon passage.

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