

LC03187

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2005

A N A C T

RELATING TO SPORTS, RACING AND ATHLETICS -- AND EXTENSION OF GAMBLING ACTIVITIES TO INCLUDE A STATE-OPERATED CASINO

Introduced By: Representative Timothy A. Williamson

Date Introduced: April 28, 2005

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 41-9-1 and 41-9-6 of Chapter 41-9 entitled "Establishment and
2 Extension of Gambling Activities and Other Facilities" are hereby amended as follows:

3 **41-9-1. "Gambling" and "gambling facilities" defined.** -- As used in this chapter, the
4 term "gambling" shall include but not be limited to horseracing, dog racing, and jai alai; however,
5 none of the provisions of this chapter shall apply to casino gaming or to the establishment of a
6 state-operated casino resort and gaming facility, which shall in all respects be governed by the
7 provisions of chapter 9.2 of title 41. ~~casino gaming shall be governed by the provisions of chapter~~
8 ~~9.1 of title 41.~~ The term "gambling facility" as used in this chapter means a building or enclosure
9 in which any gambling activity including but not limited to the foregoing is played or conducted.
10 The term "gambling facility" shall also include any building, enclosure or other improvement
11 designed, constructed, or used in connection with an overall plan or project involving the
12 establishment of any gambling activity; provided, however, that this sentence shall not apply to
13 any gambling facility licensed prior to [July 3, 1998_.

14 **41-9-6. Applicability.** -- The provisions of this chapter shall specifically apply to any
15 facility licensed pursuant to chapter 7 of title 41 ~~prior to any casino gambling activity being~~
16 ~~licensed on the premises of the facility-~~ but shall not apply to the establishment of casino
17 gambling, which shall in all respects be controlled by the provisions of chapter 9.2 of title 41.

18 SECTION 2. The provisions of chapter 41-9.1. of the general laws entitled "The Rhode

1 Island Gaming Control and Revenue Act" are hereby repealed in their entirety.:

2 ~~CHAPTER 41-9.1~~

3 ~~The Rhode Island Gaming Control and Revenue Act~~

4 ~~**41-9.1-1. Title.** — This chapter shall be known as the "Rhode Island Gaming Control and~~
5 ~~Revenue Act."~~

6 ~~**41-9.1-2. Legislative findings.** — The general assembly makes the following findings:~~

7 ~~(1) In accord with R.I. Const. Art. VI, section 22, only the people of the State of Rhode~~
8 ~~Island can determine whether the state should pursue casino gaming as a source of revenue;~~

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

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

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

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

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

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

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

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

26 ~~**41-9.1-3. Definitions.** — As used in this chapter, the following terms are defined as~~
27 ~~follows:~~

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

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

34 ~~(3) "Affiliated company" means any form of business organization which controls, is~~

1 ~~controlled by or is under common control with, is in a partnership (general or limited) or joint~~
2 ~~venture relationship with, or is a co shareholder of a corporation, a co member of a limited~~
3 ~~liability company, or co partner in a limited liability partnership with a person who holds or~~
4 ~~applies for a casino license under this chapter.~~

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

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

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

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

14 ~~(8) "Chairperson" means the chairperson of the Commission.~~

15 ~~(9) "Commission" means the state lottery commission as created by chapter 61 of title~~
16 ~~42.~~

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

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

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

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

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

33 ~~(iii) Participation in any business being transacted with or before the Commission, in~~
34 ~~which the member, employee, or agent of the Commission, or his or her parent, spouse or child,~~

1 ~~has a financial interest.~~

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

4 ~~-(v) Demonstration through work or other action in the performance of the official duties~~
5 ~~of the member, employee, or agent of the Commission of any preferential attitude or treatment of~~
6 ~~any person.~~

7 ~~-(13) "Control" means having a greater than twenty percent (20%) direct or indirect~~
8 ~~pecuniary interest in the gaming operation with respect to which the license is sought.~~

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

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

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

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

24 ~~-(ii) He or she is employed by or is an independent contractor for a party to the matter~~
25 ~~under consideration or consummated by the Commission.~~

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

1 ~~-(18) "Game" means any banking or percentage game located exclusively within a~~
2 ~~licensed casino which is played with cards, dice, or any electronic, electrical, or mechanical~~
3 ~~device or machine for money, property, or any thing of value.~~

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

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

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

16 ~~-(22) "Gaming supplier" means any person who supplies, sells or leases or contracts to~~
17 ~~sell or lease gaming devices, equipment, or supplies to a holder of a license or a casino gaming~~
18 ~~operator.~~

19 ~~-(23) "Gaming supplier permit" means the permit of a gaming supplier.~~

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

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

32 ~~-(26) "Institutional investor" means a person that is:~~

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

- 1 ~~-(b) An investment company that is registered under the Investment Company Act of~~
2 ~~1940.~~
- 3 ~~-(c) A Collective Investment Trust organized by a bank under Part Nine of the rules of the~~
4 ~~Comptroller of the Currency.~~
- 5 ~~-(d) A closed end investment trust registered with the United States Securities and~~
6 ~~Exchange Board.~~
- 7 ~~-(e) A mutual fund.~~
- 8 ~~-(f) A life insurance company or property and casualty insurance company.~~
- 9 ~~-(g) A federal or state bank.~~
- 10 ~~-(h) An investment advisor registered under the Investment Advisors Act of 1940.~~
- 11 ~~-(i) Such other similar regulated entities as may be approved by the Commission for good~~
12 ~~cause.~~
- 13 ~~-(27) "Institutional lender" means a person that is:~~
- 14 ~~-(a) An insurance company regulated by any state of the United States.~~
- 15 ~~-(b) Any investment company registered under the Investment Company Act of 1940.~~
- 16 ~~-(c) Any plan established and maintained by a state, its political subdivision or any~~
17 ~~agency or instrumentality of a state or its political subdivisions for the benefit of its employees.~~
- 18 ~~-(d) Any trust fund the trustee of which is a bank or trust.~~
- 19 ~~-(e) Any investment adviser registered with the United States Securities and Exchange~~
20 ~~Board.~~
- 21 ~~-(f) Any real estate investment trust registered with the United States Securities and~~
22 ~~Exchange Board.~~
- 23 ~~-(g) Any dealer registered pursuant to section 15 of the Securities and Exchange Act of~~
24 ~~1934.~~
- 25 ~~-(h) Any qualified institutional buyer, as defined in Rule 144A under the Securities Act of~~
26 ~~1933 and any entity, all of the equity owners of which are qualified institutional buyers, as~~
27 ~~defined in rule 144A under the Securities Act of 1933, acting for its own account or the accounts~~
28 ~~of other qualified institutional buyers.~~
- 29 ~~-(i) Any bank as defined in section 3(a)(2) of the Securities Act of 1933, any savings and~~
30 ~~loan association or other institution as referenced in section 3(a)(5)(A) of the Securities Act of~~
31 ~~1933, or any foreign bank or savings and loan association or equivalent institution or any~~
32 ~~investment fund that participates in a bank syndication, and any purchaser that takes an~~
33 ~~assignment or other participation interest in the bank syndication.~~
- 34 ~~-(j) Any investor or group of investors purchasing debt securities of a licensee, permittee,~~

1 ~~or casino gaming operator, or a subsidiary of a licensee, permittee or casino gaming operator, in~~
2 ~~any public offering registered pursuant to the Securities Act of 1933 or through any private~~
3 ~~placement, and any investor purchasing such securities in a subsequent sale; however, such~~
4 ~~securities are widely held and freely traded, and the investor holds no more than twenty percent~~
5 ~~(20%) of a licensee, permittee or casino gaming operator's total debt or fifty percent of a material~~
6 ~~debt issue unless otherwise approved by the Commission, so as not to give such investor the~~
7 ~~ability to control a licensee, permittee, or casino gaming operator.~~

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

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

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

14 ~~(n) Such other similar regulated entities as may be approved by the Commission for~~
15 ~~good cause.~~

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

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

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

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

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

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

29 ~~(34) "Master contract" means that contract entered into among the Narragansett Indian~~
30 ~~Tribe, Harrah's Entertainment, Inc. or an Affiliate thereof ("Harrah's") and the Commission,~~
31 ~~which contract would have a term commencing on the date of execution and expiring ten (10)~~
32 ~~years from the date that Harrah's opens the casino for business.~~

33 ~~(35) "Member" means a member appointed to the Commission's board.~~

34 ~~(36) "Municipality" means any city or town within the state.~~

1 ~~-(37) "Non-gaming supplier" means any person or entity who sells, leases, or otherwise~~
2 ~~distributes directly or indirectly, goods or services other than gaming devices and supplies to the~~
3 ~~holder of a license.~~

4 ~~-(38) "Permit" means any permit or authorization, or application therefore, issued~~
5 ~~pursuant to the provisions of this chapter.~~

6 ~~-(39) "Permittee" means any person or entity who is issued or applying for a permit~~
7 ~~pursuant to the provisions of this chapter.~~

8 ~~-(40) "Person" means an individual, corporation, limited liability company, association,~~
9 ~~partnership (general or limited), limited liability partnership, trust, entity, or other legal entity.~~

10 ~~-(41) "Security" means the protection of information that would or could provide an~~
11 ~~unfair advantage to any individual involved in the operation of the casino gaming; protection and~~
12 ~~preservation of the integrity of casino gaming games and operations; as well as measures taken to~~
13 ~~prevent crimes against a gaming operator or the Commission.~~

14 ~~-(42) "Slot machine" means any mechanical, electrical, or other device, contrivance, or~~
15 ~~machine which, upon insertion of a coin, token, card or similar object therein or upon payment of~~
16 ~~any consideration whatsoever, is available to play or, operate the play or operation of which,~~
17 ~~whether by reason of the skill of the operator or application of the element of chance, or both,~~
18 ~~may deliver or entitle the person playing or operating the machine to receive cash, premiums,~~
19 ~~merchandise, tokens, or any thing of value, whether the payoff is made automatically from the~~
20 ~~machine or in any other manner.~~

21 ~~-(43) "Suitable" "suitability" or "suitability requirements" means the criteria provided for~~
22 ~~in section 41-9.1-22.~~

23 ~~-(44) "Vendor" means a person who supplies any goods or services to a casino licensee.~~

24 ~~-(45) "Video Lottery Terminal revenue" means net terminal income derived from video~~
25 ~~lottery games and deposited in the general fund and to the state lottery commission for~~
26 ~~administrative purposes pursuant to section 42-61.2-7(a)(1).~~

27 ~~-(46) "Wagerer" means a person who plays a gambling game authorized under this~~
28 ~~chapter.~~

29 ~~-(47) "Wagering tax revenue" means the tax revenue to the state derived from the taxes~~
30 ~~imposed on the adjusted gross receipts of the casino licensee in accordance with section 41-9.1-~~
31 ~~12(b).~~

32 ~~-(48) "Winnings" means the total cash value of all property or sums including currency,~~
33 ~~tokens, or instruments of monetary value paid to wagerers as a direct result of wagers placed at or~~
34 ~~through a gambling game.~~

1 ~~**41-9.1-4. Rhode Island lottery commission -- Members, employees, agents -- Powers**~~
2 ~~**and duties.**~~ (a) ~~In addition to its powers and duties set forth in chapter 61 of title 42, the~~
3 ~~Commission shall have the powers and duties specified within this chapter and all other powers~~
4 ~~necessary and proper to fully and effectively execute and administer the provisions of this chapter~~
5 ~~for its purpose of licensing, regulating and enforcing the system of casino gaming.~~

6 ~~(b) By January 31st of each year, each member of the Commission shall prepare and file~~
7 ~~with the office of the Commission, a member disclosure form in which the member does all of the~~
8 ~~following:~~

9 ~~(1) Affirms that the member or the member's spouse, parent, child, or child's spouse is~~
10 ~~not a member of the board of directors, or financially interested in, or employed by a licensee or~~
11 ~~applicant.~~

12 ~~(2) Affirms that the member continues to meet any other criteria for Commission~~
13 ~~membership under this chapter or the rules promulgated by the Commission.~~

14 ~~(3) Discloses any other information as may be required to ensure that the integrity of the~~
15 ~~Commission and its work is maintained.~~

16 ~~(c) By January 31st of each year, each employee of the Commission shall prepare and~~
17 ~~file with the office of the Commission an employee disclosure form in which the employee does~~
18 ~~all of the following:~~

19 ~~(1) Affirms the absence of financial interests prohibited by this chapter.~~

20 ~~(2) Discloses any legal or beneficial interests in any real property that is or that may be~~
21 ~~directly or indirectly involved with gaming or gaming operations authorized by this chapter.~~

22 ~~(3) Discloses whether the employee or the employee's spouse, parent, child, or child's~~
23 ~~spouse is financially interested in or employed by licensee or applicant.~~

24 ~~(4) Discloses such other matters as may be required to ensure that the integrity of the~~
25 ~~Commission and its work is maintained.~~

26 ~~(d) A member, employee, or agent of the Commission who becomes aware that the~~
27 ~~member, employee or agent of the Commission or his or her spouse, parent, or child is a member~~
28 ~~of the board of directors; or financially interested in, or employed by, a licensee or an applicant~~
29 ~~shall immediately provide detailed written notice thereon to the chairperson.~~

30 ~~(e) A member, employee or agent of the Commission who has been indicted, charged~~
31 ~~with, convicted of pled guilty or nolo contendere to or forfeited bail concerning a misdemeanor or~~
32 ~~felony involving gaming, dishonesty, theft, or fraud in this state or any state or of the United~~
33 ~~States shall immediately provide detailed written notice of the conviction or charge to the~~
34 ~~chairperson.~~

1 ~~-(f) Any member, employee, or agent of the Commission who is negotiating for, or~~
2 ~~acquires by any means any interest in any person who is a licensee or an applicant, or any person~~
3 ~~affiliated with such a person, shall immediately provide written notice of the details of the interest~~
4 ~~to the chairperson. The member, employee, or agent of the Commission shall not act on behalf of~~
5 ~~the Commission with respect to that person.~~

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

11 ~~-(h) Any member, employee, or agent of the Commission who receives an invitation,~~
12 ~~written or oral, to initiate a discussion concerning employment or the possibility of employment~~
13 ~~with a person or affiliate of a person who is a licensee or an applicant shall immediately report~~
14 ~~that he or she received the invitation to the chairperson. The member, employee, or agent of the~~
15 ~~Commission shall not take action on behalf of the Commission with respect to the person.~~

16 ~~-(i) A licensee or applicant shall not knowingly initiate a negotiation for or discussion of~~
17 ~~employment with a member, employee, or agent of the Commission. A licensee or applicant who~~
18 ~~initiates a negotiation or discussion about employment shall immediately provide written notice~~
19 ~~of the details of the negotiation or discussion to the chairperson as soon as he or she becomes~~
20 ~~aware that the negotiation or discussion has been initiated with a member, employee, or agent of~~
21 ~~the Commission.~~

22 ~~-(j) A member, employee, or agent of the Commission, or former member, employee, or~~
23 ~~agent of the Commission, shall not disseminate or otherwise disclose any material or information~~
24 ~~in the possession of the Commission that the Commission considers confidential unless~~
25 ~~specifically authorized to do so by the chairperson of the Commission.~~

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

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

34 ~~-(m) A member, employee, or agent of the Commission shall disclose his or her past~~

1 ~~involvement with any casino interest in the past five (5) years.~~

2 ~~-(n) A member, employee, or agent of the Commission or a parent, spouse, sibling,~~
3 ~~spouse of a sibling, child, or spouse of a child of a member, employee, or agent of the~~
4 ~~Commission may not accept, other than that which they may be able to receive as a legislator in~~
5 ~~compliance with campaign contribution, disclosure and other rules, regulations and general laws~~
6 ~~in existence, any gift, gratuity, compensation, travel, lodging, or anything of value, directly or~~
7 ~~indirectly, from any licensee or any applicant or affiliate or representative of an applicant or~~
8 ~~licensee. Any member, employee, or agent of the Commission who is offered or receives any gift,~~
9 ~~gratuity, compensation, travel, lodging, or anything of value, directly or indirectly, from any~~
10 ~~licensee or any applicant or affiliate or representative of an applicant or licensee shall~~
11 ~~immediately provide written notification of the details to the chairperson.~~

12 ~~-(o) A licensee or applicant, or affiliate or representative of an applicant or licensee, may~~
13 ~~not, directly or indirectly, give or offer to give any gift, gratuity, compensation, travel, lodging, or~~
14 ~~anything of value to any member, employee, or agent of the Commission which the member,~~
15 ~~employee, or agent of the Commission is prohibited from accepting under subsection (j).~~

16 ~~-(p) Except as follows, no member, employee, or agent of the Commission may~~
17 ~~participate in or wager on any gambling game conducted by any licensee or applicant or any~~
18 ~~affiliate of an applicant or licensee in Rhode Island or in any other jurisdiction. A member,~~
19 ~~employee, or agent of the Commission may participate in and wager on a gambling game~~
20 ~~conducted by a licensee under this chapter, to the extent authorized by the chairperson or board of~~
21 ~~the Commission as part of the person's surveillance, security, or other official duties for the~~
22 ~~Commission.~~

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

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

1 ~~-(s) An employee or agent of the Commission granted permission for outside employment~~
2 ~~shall not conduct any business or perform any activities, including solicitation, related to outside~~
3 ~~employment on premises used by the Commission or during the employee's working hours for the~~
4 ~~Commission.~~

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

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

12 ~~-(v) Violation of this section by a licensee or applicant, or affiliate of a licensee or~~
13 ~~applicant, may result in denial of the application of licensure or revocation or suspension of~~
14 ~~license or other disciplinary action by the Commission.~~

15 ~~-(w) Violation of this section by a member of the Commission may result in~~
16 ~~disqualification or constitute cause for removal pursuant to the provisions of this chapter or other~~
17 ~~disciplinary action as determined by the Commission.~~

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

21 ~~-(1) If, after being offered employment or beginning employment with the Commission,~~
22 ~~the employee or agent intentionally acquires a financial interest in a licensee or an applicant, or~~
23 ~~affiliate of a licensee or applicant, employment with the Commission shall be terminated.~~

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

30 ~~-(3) Employment shall be terminated if the employee or agent is a spouse, parent, child,~~
31 ~~or spouse of a child of a Commission member.~~

32 ~~-(y) Violation of this section does not create a civil cause of action.~~

33 ~~-(z) As used in this section, "Outside employment" includes, but is not limited to, the~~
34 ~~following:~~

- 1 ~~(1) Operation of a proprietorship.~~
- 2 ~~(2) Participation in a partnership or group business enterprise.~~
- 3 ~~(3) Performance as a director or corporate officer of any for profit corporation or~~
- 4 ~~banking or credit institution.~~

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

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

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

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

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

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

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

33 ~~(iv) To investigate and deter alleged violations of this chapter or the rules promulgated~~
34 ~~by the Commission.~~

1 ~~(4) Investigate alleged violations of this chapter or rules promulgated by the Commission~~
2 ~~and to take appropriate disciplinary action against a licensee, permittee or any other person or~~
3 ~~holder of an occupational license or permit for a violation, or institute appropriate legal action for~~
4 ~~enforcement, or both.~~

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

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

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

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

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

19 ~~(10) Revoke or suspend licenses or permits, impose fines and penalties as the~~
20 ~~Commission considers necessary and in compliance with this chapter and applicable laws of the~~
21 ~~state regarding administrative procedure, and review and decide the renewal of licenses.~~

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

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

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

34 ~~(14) In addition to the authority provided under subsection (12), revoke or suspend a~~

1 ~~casino license or impose any other disciplinary action for any of the following reasons:~~

2 ~~(i) The casino licensee has violated the provisions of chapter 2 of title 3 or rules~~

3 ~~promulgated pursuant to this chapter.~~

4 ~~(ii) At any time the licensee no longer meets the eligibility requirements or suitability~~

5 ~~determination by the Commission for a casino license under this chapter.~~

6 ~~(iii) The failure to revoke or suspend the license would undermine the public's~~

7 ~~confidence in the Rhode Island gaming industry.~~

8 ~~(15) Conduct periodic compliance or special or focused audits of casinos authorized~~

9 ~~under this chapter. Said audits may be conducted by state agency personnel or private sector audit~~

10 ~~firms and shall be in addition to annual financial audits conducted by certified public accountant~~

11 ~~firms.~~

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

13 ~~(17) Perform a background check, at the vendor's expense, of any vendor using the same~~

14 ~~standards that the Commission uses in determining whether to grant a gaming or non gaming~~

15 ~~supplier's permit.~~

16 ~~(18) Review the business practices of a casino licensee including, but not limited to, the~~

17 ~~price and quality of goods and services offered to patrons, and take disciplinary action as the~~

18 ~~Commission considers appropriate to prevent practices that undermine the public's confidence in~~

19 ~~the Rhode Island gaming industry.~~

20 ~~(19) Review a holder of a license, permit or registration if that holder is under review or~~

21 ~~is otherwise subject to discipline by a regulatory body in any other jurisdiction for a violation of a~~

22 ~~gaming law or regulation in that jurisdiction.~~

23 ~~(20) Take any other action as may be reasonable or appropriate to enforce this chapter~~

24 ~~and rules promulgated by the Commission.~~

25 ~~(b) The Commission may seek and shall receive the cooperation and assistance of the~~

26 ~~department of state police and department of attorney general in conducting background~~

27 ~~investigations of applicants and in fulfilling its responsibilities under this chapter.~~

28 ~~(c) The Commission shall establish, issue and promulgate rules and regulations~~

29 ~~pertaining to any or all matters within the Commission's jurisdiction, in accordance with the~~

30 ~~provisions of the state administrative procedures act, chapter 35 of title 42, including, but not~~

31 ~~limited to:~~

32 ~~(1) The issuance of any license, registration, or permit authorized by this chapter or other~~

33 ~~law providing for gaming operations and activities subject to regulation of the Commission.~~

34 ~~(2) The methods and procedures for making an application for a license, registration, or~~

1 ~~permit to be considered by the Commission.~~

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

4 ~~-(4) Enforcement of this chapter, gaming laws administered by the Commission, and rules~~
5 ~~of the Commission including imposition and collection of fines, penalties, and other sanctions~~
6 ~~which may be imposed by the Commission against a casino operator or any other licensee or~~
7 ~~permittee of the Commission.~~

8 ~~-(5) The operation and management of the facility, the hiring of employees thereof, the~~
9 ~~establishment of prevention, education and other services related to pathological gambling, the~~
10 ~~conduct of gaming, electronic funds transfer terminals, audits, annual reports, prohibited conduct,~~
11 ~~and such other matters as the Commission shall determine.~~

12 ~~-(d) The Commission may conduct hearings or may designate a hearing officer or hearing~~
13 ~~panel to conduct hearings and in connection therewith may:~~

14 ~~-(1) Issue subpoenas and compel the attendance of witnesses or the production of~~
15 ~~documents.~~

16 ~~-(2) Administer oath.~~

17 ~~-(3) Require testimony under oath before the hearing officer or hearing panel in the~~
18 ~~course of a hearing being held for any reason.~~

19 ~~-(4) Issue written interrogatories.~~

20 ~~-(e) Notwithstanding any other provisions of the general laws or regulations adopted~~
21 ~~thereunder to the contrary, including, but not limited to, the provisions of chapter 2 of title 37,~~
22 ~~and chapter 61 of title 42, the Commission is hereby authorized, empowered and directed to enter~~
23 ~~into a Master Contract with the Narragansett Indian Tribe and Harrah's Entertainment, Inc. or an~~
24 ~~Affiliate thereof ("Harrah's") which contract will have a term commencing on the date of~~
25 ~~execution and expiring ten (10) years from the date that the casino opens for business, and to fix~~
26 ~~in the Master Contract for the duration of such term the following: the casino license fee; the rate~~
27 ~~of taxation on the adjusted gross receipts from gaming authorized under this chapter; the two (2)~~
28 ~~year tax revenue insurance policy; the hotel occupancy tax which shall be in lieu of all other~~
29 ~~parking, admission and other related patron taxes and fees; the project investment requirement of~~
30 ~~the casino licensee; the annual funding covenant of the casino licensee in favor of the Rhode~~
31 ~~Island Council on Problem Gambling; and the annual funding covenant of the casino licensee in~~
32 ~~connection with a joint marketing budget in favor of the Rhode Island Hospitality and Tourism~~
33 ~~Association and Rhode Island Convention Center and Visitors Bureau, all as set forth and~~
34 ~~described in section 41-9.1-12. Insofar as the provisions of this act are inconsistent with the~~

1 ~~provisions of any other general or special law, the provisions of this act shall be controlling. The~~
2 ~~state does hereby pledge and agree under this act that the state will not limit, alter, diminish, or~~
3 ~~adversely impact the rights or economic benefits which vest in the casino licensee under the terms~~
4 ~~of the Master Contract authorized hereby, unless authorized by this act, and the Lottery~~
5 ~~Commission is hereby authorized, empowered and directed to memorialize this pledge and~~
6 ~~agreement on behalf of the state in the Master Contract.~~

7 ~~-(f) After the expiration of the ten (10) year period of the Master Contract described~~
8 ~~above, the parties thereto shall renegotiate the wagering tax rates set forth in section 41-9.1-12(b)~~
9 ~~and the casino license renewal fee set forth in section 41-9.1-11.~~

10 ~~**41-9.1-6. Division of state police -- Jurisdiction -- Powers.** -- The division of state~~
11 ~~police shall:~~

12 ~~-(a) Conduct investigations and audits regarding the qualifications of applicants for~~
13 ~~licenses, permits or registrations requiring suitability determinations as required by law or rule or~~
14 ~~determined necessary by the Commission.~~

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

17 ~~-(c) Conduct audits to assist the Commission in determining compliance with all gaming~~
18 ~~laws, rules and regulations on gaming activities and operations under the Commission's~~
19 ~~jurisdiction.~~

20 ~~-(d) Perform all other duties and functions necessary for the efficient, efficacious, and~~
21 ~~thorough regulation and control of gaming activities and operations under the Commission's~~
22 ~~jurisdiction.~~

23 ~~**41-9.1-7. Appropriation -- Reimbursement.** -- Operations of the Commission during~~
24 ~~fiscal years shall be funded by the fees paid by licensees and suppliers pursuant to the provisions~~
25 ~~of this chapter, including without limitation section 41-9.1-11.~~

26 ~~**41-9.1-8. Casino gaming authorized.** -- (a) Notwithstanding any other section of Rhode~~
27 ~~Island General Laws, gaming is authorized at a single casino in the state of Rhode Island to the~~
28 ~~extent that it is conducted in accordance with this chapter.~~

29 ~~-(b) This chapter does not apply to any of the following:~~

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

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

34 ~~-(3) Bingo.~~

1 ~~-(4) The pari-mutuel system of wagering used or intended to be used in connection with~~
2 ~~jai-alai as authorized under chapter 7 of this title.~~

3 ~~-(5) The pari-mutuel system of wagering used or intended to be used in connection with~~
4 ~~Simulcast programs from licensed betting facilities as authorized under chapter 11 of this title.~~

5 ~~**41-9.1-9. State and local referendum election.** -- (a) Pursuant to the terms of R.I.~~
6 ~~Const., Art. VI, section 22 and chapter 5 of title 17, the General Assembly hereby authorizes~~
7 ~~submission to all of the electors of the state, at the general election to take place on November 2,~~
8 ~~2004, the following question: "Shall there be a casino in the Town of West Warwick operated by~~
9 ~~an Affiliate of Harrah's Entertainment in association with the Narragansett Indian Tribe?"~~

10 ~~-(b) Prior to the general election question being submitted to the electors of the state and~~
11 ~~prior to any casino being established in the Town of West Warwick, and in order for such town to~~
12 ~~be eligible as the host community for such casino, the casino license applicant shall, within~~
13 ~~seventy five (75) days of the passage of this act, file a statement of intent with the Commission~~
14 ~~that demonstrates the following:~~

15 ~~-(1) Evidence that the West Warwick Town Council has agreed to pose, by adopting~~
16 ~~subsequent to July 1, 2004, a resolution to be placed on the ballot at the next general election to~~
17 ~~be submitted to the qualified electors of the Town of West Warwick and to the qualified electors~~
18 ~~of the state, the question referenced in subsection (a) of this section;~~

19 ~~-(2) Adequate description of real estate designated and available for the development of~~
20 ~~the casino, which real estate shall constitute at least thirty (30) acres;~~

21 ~~-(3) Evidence of a fully executed development agreement; and~~

22 ~~-(4) A complete proposal as referred to in section 41-9.1-10.~~

23 ~~-(c) In the event of certification by the Commission of the statement of intent, the~~
24 ~~question referenced in subsection (a) above shall then be submitted by the secretary of state to the~~
25 ~~qualified electors of the state at a general election to take place on November 2, 2004. The~~
26 ~~secretary of state shall certify the election results. The question shall also be submitted at the~~
27 ~~same general election by the local board of canvassers to the qualified electors of the Town of~~
28 ~~West Warwick, and the local board of canvassers shall certify the election results to the secretary~~
29 ~~of state. Notwithstanding any provisions of this section, in the event that certification by the~~
30 ~~Commission of the statement of intent does not occur, then any vote by the qualified electors of~~
31 ~~the state and the Town of West Warwick on the question referenced in subsection (a) above shall~~
32 ~~be deemed non-binding.~~

33 ~~-(d) In the event of the affirmative vote of the qualified electors of the Town of West~~
34 ~~Warwick and the qualified electors of the state, the Commission shall, in accordance with the~~

1 ~~provisions of this section and section 41-9.1-11, award the casino license to the applicant that is a~~
2 ~~party with the Town of West Warwick to the development agreement no later than March 1,~~
3 ~~2005.~~

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

8 ~~-(f) Notwithstanding any provision of the General Laws to the contrary, with respect to~~
9 ~~the matters contemplated in this chapter, the application and license issuance process described in~~
10 ~~this chapter shall govern and control and shall be in lieu of any other public bidding, request for~~
11 ~~proposal rights or requirements contained in the General Laws. Any decision or act by the general~~
12 ~~assembly, the secretary of state or the Commission in (i) phrasing or submitting the statewide~~
13 ~~question, (ii) determining whether a statement of intent is in compliance with the filing and other~~
14 ~~provisions of this chapter, or (iii) awarding the single casino license, shall be final and binding~~
15 ~~and shall not be reviewable in any court on any grounds except corruption or fraud, so as to~~
16 ~~promote and not hinder the economic development initiatives and matters contemplated in this~~
17 ~~chapter. Jurisdiction of any suit, action or proceeding with respect to any of the foregoing shall~~
18 ~~immediately and exclusively vest in the Superior Court, and any appeal to the Rhode Island~~
19 ~~Supreme Court shall be heard on an expedited basis; provided, however, that no such suit, action~~
20 ~~or proceeding shall serve to enjoin (i) the question referenced in subsection (a) from being~~
21 ~~submitted by the Secretary of State to the qualified electors of the state at a general election to~~
22 ~~take place on November 2, 2004, and submitted at the same general election by the local board of~~
23 ~~canvassers to the qualified electors of the Town of West Warwick, (ii) the awarding and issuance~~
24 ~~of the single casino license, or (iii) any recipient of a casino license from proceeding with~~
25 ~~development or operational matters, until a final, non appealable decision has been rendered by a~~
26 ~~court.~~

27 ~~**41-9.1-10. Content of proposal.** -- The proposal filed with the Commission shall be~~
28 ~~made under oath, and shall include without limitation all of the following:~~

29 ~~-(a) The name and business address of the applicant, and the names and business~~
30 ~~addresses of the board of directors and the key officers thereof. In the event that a person or entity~~
31 ~~directly owns or controls a five percent (5%) or greater voting interest in the applicant, then the~~
32 ~~applicant shall also disclose the names and business addresses of such person or entity and the~~
33 ~~officers and directors thereof unless such entity is an institutional investor in which case the name~~
34 ~~and address of the institutional investor need only be disclosed. The applicant shall also disclose~~

1 ~~whether it has knowledge that any disclosed person or entity has been convicted of any felony~~
2 ~~crime.~~

3 ~~-(b) A fully executed development agreement between the applicant and the Town of~~
4 ~~West Warwick.~~

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

9 ~~-(d) A description of the physical location of the proposed gaming operation and related~~
10 ~~amenities, and evidence that applicant has the real estate site control (i.e., real estate purchase and~~
11 ~~sale agreements or option agreements) necessary to support such development.~~

12 ~~-(e) A description of the anticipated or actual number of employees, and related wages~~
13 ~~and benefits.~~

14 ~~-(f) A description of the marketing and operating experience of the applicant, and a~~
15 ~~description of how such experience and other assets of the applicant would enable it and the state~~
16 ~~to secure and maintain a strategic and competitive position within New England's casino gaming~~
17 ~~industry.~~

18 ~~-(g) A statement regarding compliance with federal and state affirmative action~~
19 ~~guidelines.~~

20 ~~**41-9.1-11. Issuance of single casino license.** -- (a) The casino license issued shall remain~~
21 ~~in effect so long as the licensee complies with the provisions below. The initial issuance of the~~
22 ~~casino license shall be valid for a period of five (5) years and shall be renewable for periods of~~
23 ~~five (5) years each upon the payment of a fee in the amount of five hundred thousand (\$500,000)~~
24 ~~dollars and determination by the Commission that the casino licensee is in compliance with the~~
25 ~~suitability requirements of section 41-9.1-22. The fee shall be paid to the state.~~

26 ~~-(b) Any casino license issued pursuant to this chapter shall be subject to the continuing~~
27 ~~duty of the licensee to maintain the suitability requirements of section 41-9.1-22 and all~~
28 ~~requirements of the Commission.~~

29 ~~**41-9.1-12. Wagering and other related taxes and fees.** -- Subject to the provisions of~~
30 ~~section 41-9.1-5(e), the wagering and other related taxes and fees set forth below in this section~~
31 ~~shall be paid by the casino licensee, shall be fixed and memorialized in the Master Contract, and~~
32 ~~shall constitute the total remuneration owed from the casino licensee to the state during the term~~
33 ~~of the Master Contract other than as provided for in this act as of the date of its passage [July 30,~~
34 ~~2004] and other than general business and corporate taxes that all businesses of this state are~~

1 ~~subject to under the laws of this state.~~

2 ~~(a) Casino License Fee.—Subject to the terms and conditions of the Master Contract, a~~
3 ~~casino license fee in the amount of one hundred million dollars (\$100,000,000) shall be payable~~
4 ~~by the casino licensee to the state in three installments of \$33,333,333.33 each on the following~~
5 ~~dates: (i) the date of issuance of the casino license; (ii) the one year anniversary date of the~~
6 ~~issuance of the casino license; and (iii) the two year anniversary date of the issuance of the casino~~
7 ~~license.~~

8 ~~(b) Wagering Tax.—The annual rate of taxation on the adjusted gross receipts ("AGR")~~
9 ~~received by the casino licensee from gaming authorized under this chapter shall be as follows for~~
10 ~~the period of time commencing on the first (1st) day on which the casino opens for business (the~~
11 ~~"Commencement Date") and expiring at the end of five (5) years from the Commencement Date~~
12 ~~(the "Expiration Date").~~

13 ~~—AGR up to and including \$400 million 25.00%~~

14 ~~—AGR greater than \$400 million and up to and including \$500 million 27.00%~~

15 ~~—AGR greater than \$500 million and up to and including \$600 million 29.00%~~

16 ~~—AGR greater than \$600 million and up to and including \$750 million 31.00%~~

17 ~~—AGR greater than \$750 million and up to and including \$900 million 33.00%~~

18 ~~—AGR greater than \$900 million and up to and including \$1 billion 35.00%~~

19 ~~—AGR greater than \$1 billion 40.00%~~

20 ~~The annual rate of taxation on AGR received by the casino licensee from gaming~~
21 ~~authorized under this chapter shall be as follows subsequent to the Expiration Date and going~~
22 ~~forward:~~

23 ~~—AGR up to and including \$400 million 25.00%~~

24 ~~—AGR greater than \$400 million and up to and including \$500 million 28.00%~~

25 ~~—AGR greater than \$500 million and up to and including \$600 million 30.00%~~

26 ~~—AGR greater than \$600 million and up to and including \$750 million 32.00%~~

27 ~~—AGR greater than \$750 million and up to and including \$900 million 35.00%~~

28 ~~—AGR greater than \$900 million 40.00%~~

29 ~~(c) Tax Revenue Insurance Policy.—For purposes of this subsection (c), the term~~
30 ~~"Effective Period" shall mean that period of time commencing on the first (1st) day on which the~~
31 ~~casino opens for business and expiring two (2) years from such date, and the term "Base Year"~~
32 ~~shall mean the one year period immediately preceding the date on which the casino opens for~~
33 ~~business. Subject to the terms and conditions of the Master Contract, the casino licensee shall~~
34 ~~covenant therein that in the event that the aggregate amount of video lottery terminal revenue and~~

1 ~~wagering tax revenue, minus any amounts refunded to GTECH Corporation under the Master~~
2 ~~Contract between GTECH Corporation and the Commission effective July 1, 2003 and due to~~
3 ~~passage of this act, received by the state each year during the Effective Period is not at least equal~~
4 ~~to that amount which is one hundred ten percent (110%) of the video lottery terminal revenue~~
5 ~~received by the state during the Base Year, then the casino licensee shall reimburse to the state~~
6 ~~dollar for dollar the amount of such shortfall.~~

7 ~~(d) Hotel Occupancy Tax.—With respect to each hotel room that is occupied by a guest,~~
8 ~~the casino licensee shall pay to the state, in addition to other state and local hotel taxes that apply~~
9 ~~to all hotels in the state, a one dollar (\$1.00) hotel occupancy tax, which tax shall be in lieu of all~~
10 ~~other parking, admission, complimentary and other related patron taxes and fees.~~

11 ~~(e) Project Investment Requirement.—The casino licensee shall demonstrate to the~~
12 ~~satisfaction of the commission prior to the opening of the casino for business that it has invested~~
13 ~~in the aggregate at least five hundred million dollars (\$500,000,000) of hard and soft costs in~~
14 ~~connection with acquiring interests in land, making improvements to real property and otherwise~~
15 ~~developing and constructing the casino and related facilities.~~

16 ~~(f) Funding Covenant of Casino Licensee in favor of the Rhode Island Hospitality and~~
17 ~~Tourism Association and the Rhode Island Convention Center and Visitors Bureau.—Fifty~~
18 ~~thousand dollars (\$50,000) per year to each entity throughout the term of the casino license shall~~
19 ~~be provided by casino licensee for the marketing of state convention and tourism business.~~

20 ~~(g) Funding Covenant of Casino Licensee in favor of the Rhode Island Council on~~
21 ~~Problem Gambling.—One hundred fifty thousand dollars (\$150,000) per year throughout the term~~
22 ~~of the casino license shall be provided by casino licensee to the Rhode Island Council on Problem~~
23 ~~Gambling or such other department, agency or entity that the legislature shall designate.~~

24 ~~**41-9.1-13. Commission and other approvals necessary for construction of casino.—**~~

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

30 ~~(b) So long as the Town of West Warwick is actively seeking authorization to amend its~~
31 ~~comprehensive plan to include a casino development, authority is hereby granted to the casino~~
32 ~~licensee to proceed with the construction of the casino development approved by the voters in the~~
33 ~~state and local referendum election pursuant to section 41-9.1-9; subject to the receipt of any and~~
34 ~~all municipal approvals.~~

1 ~~**41-9.1-14. Promulgation of operational rules and regulations.** -- Upon the licensing of~~
2 ~~a casino under the provisions of this chapter, the Commission shall have authority to issue such~~
3 ~~regulations as it deems appropriate pertaining to the operation and management of the facility, the~~
4 ~~hiring of employees thereof, the establishment of compulsive gambling treatment programs, the~~
5 ~~conduct of gaming, electronic funds transfer terminals, audits, annual reports, prohibited conduct~~
6 ~~and such other matters as the Commission shall determine.~~

7 ~~**41-9.1-15. Gaming and non-gaming supplier permits and gaming employee permits**~~
8 ~~**required -- Terms.** -- (a) The securing of a permit under the provisions of this chapter shall be a~~

9 ~~prerequisite for performing any activity which requires a permit pursuant to this chapter.~~

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

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

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

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

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

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

33 ~~**41-9.1-16. Gaming supplier permits.** -- (a) The Commission shall issue a gaming~~
34 ~~supplier permit to suitable persons who supply, sell, lease or repair, or contract to supply, sell~~

1 ~~lease or repair gaming devices, equipment, and supplies to the holder of a license. A person shall~~
2 ~~not supply, sell, lease, or repair, or contract to supply, sell, lease or repair, gaming devices,~~
3 ~~equipment and supplies unless then possess a valid gaming supplier permit.~~

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

6 ~~(c) A gaming supplier shall furnish to the Commission a list of any gaming devices and~~
7 ~~supplies offered by the gaming supplier for sale or lease in connection with games authorized~~
8 ~~under this chapter. A gaming supplier shall keep books and records for the furnishing of gaming~~
9 ~~devices and supplies to gaming operations separate and distinct from any other business that the~~
10 ~~gaming supplier might operate. A gaming supplier shall file an annual return with the~~
11 ~~Commission listing all sales and leases. A gaming supplier shall permanently affix its name to all~~
12 ~~its gaming devices and supplies for gaming operations unless otherwise authorized by the~~
13 ~~Commission. Any gaming supplier's gaming devices or supplies which are used by any person in~~
14 ~~unauthorized gaming operations shall be forfeited to the Commission. The holder of a license~~
15 ~~may own its own gaming devices and supplies. Each gaming supplier and the holder of a license~~
16 ~~shall file an annual report with the Commission listing its inventories of gaming devices,~~
17 ~~equipment, and supplies.~~

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

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

27 ~~**41-9.1-17. Non-gaming supplier permits.** (a) The Commission shall issue a non-~~
28 ~~gaming supplier permit to suitable persons who supply, sell, lease or repair, or contract to supply,~~
29 ~~sell, lease or repair, non-gaming devices and supplies, in amounts that in the aggregate exceed~~
30 ~~two hundred thousand dollars (\$200,000) per calendar year, to the holder of a license. A person~~
31 ~~shall not be entitled to compensation for the supply, sale, lease or repair of, or a contract to~~
32 ~~supply, sell, lease, or repair, non-gaming devices and supplies in amounts that in the aggregate~~
33 ~~exceed two hundred thousand dollars (\$200,000) per calendar year, unless they possess a valid~~
34 ~~non-gaming supplier permit.~~

1 ~~(b) The initial fee for a non-gaming supplier permit issued under the provisions of this~~
2 ~~section is one hundred dollars (\$100) and the renewal fee shall be one hundred dollars (\$100).~~
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 non-gaming supplier any costs~~
5 ~~incurred in testing and approving any devices or supplies.~~

6 ~~**41-9.1-18. Key gaming employee and key gaming employee permit.**~~ (a) ~~The~~
7 ~~Commission shall issue a key gaming employee permit to suitable persons pursuant to this~~
8 ~~chapter. No key gaming employee required by this chapter to be permitted may commence~~
9 ~~employment or be employed as a key gaming employee unless that person is the holder of a valid~~
10 ~~key gaming employee permit, provided, however, the Commission may issue temporary permits.~~

11 ~~(b) The Commission shall issue a key gaming employee permit to suitable persons~~
12 ~~pursuant to this chapter.~~

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

15 ~~(d) The fee for the initial application for a key gaming employee permit issued under the~~
16 ~~provisions of this section is two hundred dollars (\$200). This fee is required to be submitted at the~~
17 ~~time of application. The renewal fee for the key gaming employee permit is one hundred dollars~~
18 ~~(\$100).~~

19 ~~**41-9.1-19. License, permit and registration as revocable privilege --- Rights,**~~
20 ~~**limitations and prohibitions --- Revocation and suspension --- Penalties for violation.**~~ (a) ~~A~~
21 ~~license, permit or registration issued under this chapter is a revocable privilege granted by the~~
22 ~~state dependent upon the holder's compliance with this chapter and rules promulgated hereunder~~
23 ~~and is not a property right. Granting a license, permit or registration under this chapter does not~~
24 ~~create or vest any right, title, franchise or other property interest. Any casino license or gaming~~
25 ~~supplier permit is exclusive to the holder, and a holder or any other person shall apply for and~~
26 ~~receive the Commission's approval before a casino license or gaming supplier permit is~~
27 ~~transferred, sold or purchased, or before a voting trust agreement or other similar agreement is~~
28 ~~established with respect to such. A holder of a casino license or gaming supplier permit, or any~~
29 ~~other person, shall not lease, pledge, or borrow, or loan money against such license or permit. The~~
30 ~~attempted transfer, sale or other conveyance of an interest in a casino license or gaming supplier~~
31 ~~permit without prior Commission approval is grounds for suspension or revocation of the license~~
32 ~~or permit, or other sanctions considered appropriate by the Commission. In the event of any~~
33 ~~transfer, sale or other conveyance of a casino license or gaming supplier permit, including those~~
34 ~~ordered by a court of competent jurisdiction in connection with a bankruptcy, receivership or~~

1 ~~other like proceeding, the Commission shall have the right to approve any proposed transferee~~
2 ~~pursuant to the requirements of this chapter. Any costs associated with a transfer, sale or other~~
3 ~~conveyance of a casino license or gaming supplier permit shall be borne by the transferee.~~

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

11 ~~(c) In addition to the nonrenewal, revocation or suspension of a license, permit or~~
12 ~~registration, the Commission is authorized to levy an administrative penalty not exceeding the~~
13 ~~greater of:~~

14 ~~(1) Five hundred thousand dollars (\$500,000); or~~

15 ~~(2) Two hundred percent (200%) of the amount unreported or underreported for any~~
16 ~~violation of the reporting requirements of this chapter and/or the rules and regulations~~
17 ~~promulgated by the Commission. For violations of the chapter and/or the rules promulgated by~~
18 ~~the Commission other than reporting requirements, the Commission may levy administrative~~
19 ~~penalties of up to five thousand dollars (\$5,000) against individuals and up to ten thousand dollars~~
20 ~~(\$10,000) or an amount equal to the daily gross receipts on the date of the violation, whichever is~~
21 ~~greater, against casino licensees for each such violation.~~

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

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

34 ~~(3) The Commission shall transmit a copy of the answer to the complainant or~~

1 ~~complainants with the scheduled date, time and place for hearing at least twenty (20) days prior to~~
2 ~~the hearing date.~~

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

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

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

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

31 ~~-(2) Where, in any proceeding before the Commission, any witness fails or refuses to~~
32 ~~attend upon subpoena issued by the Commission, or refuses to testify, or refuses to produce any~~
33 ~~records or documents the production of which is called for by the subpoena, the attendance of the~~
34 ~~witness and the giving of his or her testimony and the production of the documents and records~~

1 shall be enforced by any court of competent jurisdiction of this state in the same manner as are
2 enforced the attendance, testimony of witnesses and production of records in civil cases in the
3 courts of this state.

4 ~~(g) The procedures of the administrative procedures act, chapter 35 of title 42, and all~~
5 ~~amendments and modifications to that act and the rules adopted pursuant to the act, apply to and~~
6 ~~govern all proceedings for the judicial review of final administrative decisions of the~~
7 ~~Commission. Any party aggrieved by a final administrative decision of the Commission may seek~~
8 ~~review of that decision in the superior court of the county of his or her residence if a natural~~
9 ~~person, or the county in which the aggrieved party maintains a place of business, if other than a~~
10 ~~natural person.~~

11 ~~(h) Any person aggrieved has the right of appeal from any adverse ruling, order or~~
12 ~~decision of the Commission to a court of competent jurisdiction in the county where the hearing~~
13 ~~was held within thirty (30) days from the service of notice of the action of the Commission upon~~
14 ~~the parties to the hearing.~~

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

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

23 ~~(k) In the event of a suspension or revocation of a license, permit or registration, the~~
24 ~~Commission may take such action as is necessary to continue the daily operation of the casino~~
25 ~~until the reinstatement of the license, permit or registration in the case of a suspension, or the~~
26 ~~approval of a replacement license, permit or registration in accordance with the approval process~~
27 ~~contained in this chapter in the case of a revocation.~~

28 **41-9.1-20. Records of Rhode Island lottery commission deemed open -- Exceptions.--**

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

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

33 ~~(2) Relates to security measures of the Commission, an applicant, or a licensee or~~
34 ~~permittee.~~

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

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

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

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

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

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

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

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

25 ~~(c) No Commission member, employee, agent, or authorized representative shall~~
26 ~~disclose, divulge, disseminate, or otherwise transmit or communicate any confidential~~
27 ~~Commission record, reports, or any confidential information therein, except as permitted in this~~
28 ~~section and then only with the approval of the Commission. Disclosure of any confidential~~
29 ~~Commission record, report, or any information therein other than as provided in this section shall~~
30 ~~be grounds for removal of a Commission member or termination of any employee.~~

31 ~~(d) All files, records, reports, and other information pertaining to gaming matters in the~~
32 ~~possession of the division of state police or any other state or municipal law enforcement~~
33 ~~authority, and otherwise not specifically provided for in this chapter shall be made available to~~
34 ~~the Commission as necessary for the regulation of gaming activities and operations as provided~~

1 by law.

2 ~~-(e) The Commission shall maintain a file of all applications for licenses, permits or~~
3 ~~registrations, and requests for all other Commission actions or approvals received by the~~
4 ~~Commission, together with a record of all action taken with respect to those applications and~~
5 ~~requests. The file and record shall be open to public inspection.~~

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

9 ~~**41-9.1-21. Restricted use agreements -- confidentiality of records.** -- (a) The~~
10 ~~Commission may enter into intelligence sharing, reciprocal use, or restricted use agreements with~~
11 ~~a department or agency of the federal government, law enforcement agencies, and gaming~~
12 ~~enforcement and regulatory agencies of other jurisdictions which provide for and regulate the use~~
13 ~~of information provided and received pursuant to the agreement.~~

14 ~~-(b) Records, documents and information in the possession of the Commission received~~
15 ~~pursuant to an intelligence sharing, reciprocal use or restricted use agreement entered into by the~~
16 ~~Commission with a federal department or agency, any law enforcement agency, or the gaming~~
17 ~~enforcement or regulatory agency of any jurisdiction shall be considered investigative records of~~
18 ~~a law enforcement agency and shall not be disseminated under any condition without the~~
19 ~~permission of the person or agency providing the record or information or by order of a court~~
20 ~~with competent jurisdiction over the matter.~~

21 ~~**41-9.1-22. Standards for license, permit and registration issuance suitability**~~
22 ~~**qualifications.** -- (a) No applicant shall be eligible to obtain a license to conduct gaming~~
23 ~~operations, a permit or registration unless the Commission (i) has, with respect to a casino license~~
24 ~~applicant, received a filing made under oath that includes without limitation the information set~~
25 ~~forth below, and (ii) is satisfied that the applicant is suitable. In determining whether a casino~~
26 ~~license applicant is suitable, the Commission may consider, in addition to the information set~~
27 ~~forth below, whether the applicant has been found suitable and/or has been issued a license to~~
28 ~~conduct casino gaming in other jurisdictions.~~

29 ~~-(1) The identity of every person in accordance with the provisions of this subdivision,~~
30 ~~who has or controls any ownership interest in the applicant with respect to which the license is~~
31 ~~sought. If the disclosed entity is a trust, the application shall disclose the names, addresses, birth~~
32 ~~dates and social security number of all such beneficiaries, if a corporation, the names, addresses,~~
33 ~~birth dates, and social security numbers of all such officers and directors; if a partnership, the~~
34 ~~names, addresses, birth dates, and social security numbers of all such partners, both general and~~

1 ~~limited, if a limited liability company, the names, addresses, birth dates, and social security~~
2 ~~numbers of all such members. The applicant shall also separately disclose in like manner any~~
3 ~~person or entity directly or indirectly owning or controlling a five percent (5%) or greater voting~~
4 ~~interest in such owners of the applicant. If any such person is an entity with one or more classes~~
5 ~~of securities registered pursuant to the securities exchange act of 1934, as amended, the applicant~~
6 ~~shall disclose names, addresses, birth dates and social security numbers of all officers and~~
7 ~~directors and provide public filings with the U.S. Securities and Exchange Commission for the~~
8 ~~past year. If any such persons or entities are institutional investors or institutional lenders owning~~
9 ~~or controlling a five percent (5%) or greater voting interest in such owners of the applicant, the~~
10 ~~applicant shall not be required to provide detailed information on such institutional investors or~~
11 ~~institutional lenders other than their respective identities unless otherwise requested by the~~
12 ~~commission. The applicant will forward any request for additional information to the institutional~~
13 ~~investors or institutional lenders.~~

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

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

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

1 ~~nonrenewal, including the licensing authority, the date each action was taken, and the reason for~~
2 ~~each action.~~

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

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

8 ~~b. the adequacy of financial resources both as to the completion of the casino proposal~~
9 ~~and the operation of the casino; and~~

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

13 ~~(6) Such information, documentation and assurances to establish to the satisfaction of the~~
14 ~~Commission the applicant's good character, honesty and integrity, and the applicant's suitability~~
15 ~~qualification pursuant to this section.~~

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

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

27 ~~(9) Whether an applicant or any other person or entity identified in subdivision (a)(1)~~
28 ~~above has ever filed or had filed against it a civil or administrative action or proceeding in~~
29 ~~bankruptcy or has ever been involved in any formal process to adjust, defer, suspend, or~~
30 ~~otherwise work out the payment of any debt including the date of filing, the name and location of~~
31 ~~the court, the case caption, the docket number, and the disposition.~~

32 ~~(10) Whether an applicant or any other person or entity identified in subdivision (a)(1)~~
33 ~~above has filed, or been served with, a complaint or other notice filed with any public body,~~
34 ~~regarding the delinquency in the payment of, or a dispute over the filings concerning the payment~~

1 ~~of any tax required under federal, state, or local law, including the amount, type of tax, the taxing~~
2 ~~agency, and the periods involved.~~

3 ~~(11) Financial and other information in the manner and form prescribed by the~~
4 ~~commission.~~

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

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

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

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

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

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

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

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

24 ~~(b) From a suitable source, subject to provisions of section 41-9.1-23 hereof.~~

25 ~~(d) Information provided by the applicant shall be used as a basis for a thorough~~
26 ~~background investigation which the Commission shall conduct. A false or incomplete filing may~~
27 ~~be cause for denial of a license. The Commission in its sole discretion may provide the applicant~~
28 ~~a reasonable opportunity to correct any deficiency in the filing.~~

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

33 ~~(f) The Commission may contract for, at the expense of the applicants, any technical or~~
34 ~~investigative services that it shall require to conduct such research and/or investigation as it~~

1 ~~deems appropriate with respect to its evaluation of the filing. A nonrefundable application fee of~~
2 ~~fifty thousand dollars (\$50,000) shall be paid at the time of filing to defray the costs associated~~
3 ~~with such research and investigation conducted by the Commission. If the costs of the research~~
4 ~~and investigation exceed fifty thousand dollars (\$50,000), the applicant shall pay the additional~~
5 ~~amount.~~

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

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

20 ~~(i) The Commission shall have the power to call forward for a finding of suitability any~~
21 ~~person that is affiliated with a licensee, permittee or registrant if necessary to protect the public~~
22 ~~interest. Subject to section 41-9.1-24, any person who has or controls directly or indirectly five~~
23 ~~percent (5%) or greater voting interest shall meet all suitability requirements and qualifications~~
24 ~~pursuant to the provisions of this chapter, unless otherwise determined by the Commission.~~

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

34 ~~(1) Receive dividends or interest on securities of a person, or a holding or intermediary~~

1 ~~company of a person, holding a license, permit, or other approval.~~

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

5 ~~-(3) Receive remuneration or other economic benefit from any person, or a holding or~~
6 ~~intermediary company of a person, holding a license, permit, or other approval issued pursuant to~~
7 ~~this chapter.~~

8 ~~-(4) Exercise significant influence over activities of a person, or a holding or intermediary~~
9 ~~company of a person, holding a license, permit, or other approval issued pursuant to the~~
10 ~~provisions of this chapter.~~

11 ~~-(5) Continue owning or holding a security of a person, or a holding or intermediary~~
12 ~~company of a person, holding a license, permit, or other approval of the Commission issued~~
13 ~~pursuant to the provisions of this chapter or remain as a manager, officer, director, or partner of a~~
14 ~~licensee or permittee.~~

15 ~~**41-9.1-23. Casino license -- Disqualification criteria.** -- The Commission shall not~~
16 ~~award a casino or other license, permit or registration to any person who is disqualified on the~~
17 ~~basis of any of the following criteria:~~

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

20 ~~-(2) Failure of the applicant to provide information and documentation to reveal any fact~~
21 ~~material to a suitability determination, or the supplying of information which is untrue or~~
22 ~~misleading as to a material fact pertaining to the qualification criteria.~~

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

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

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

33 ~~-(4) Notwithstanding any provision of law to the contrary, the Commission may consider~~
34 ~~the seriousness and circumstances of any offense, any arrest, or any conviction in determining~~

1 suitability.

2 ~~**41-9.1-24. Institutional investors or institutional lenders.**~~ (a) Requirements of
3 disclosure or of being suitable or qualified with respect to an institutional investor or institutional
4 lender, pursuant to the provisions of this chapter and the rules adopted pursuant thereto, shall be
5 deemed to have been complied with upon submission of documentation by the casino licensee
6 applicant, casino licensee, permittee or the institution, as appropriate, sufficient to establish
7 qualifications as an institutional investor or institutional lender as defined herein and it is
8 determined that:

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

13 (2) It does not intend to exercise influence over the affairs of the issuer of such
14 securities, nor over any licensed or permitted subsidiary of the issuer of such securities, in the
15 future, and that it agrees to notify the Commission in writing within thirty (30) days if such intent
16 should change.

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

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

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

28 ~~**41-9.1-25. Uniform compulsive and problem gambling program.**~~ (a) The gaming
29 industry through the American Gaming Association in the Responsible Gaming Resource Guide
30 has stated that the industry recognizes that gaming entertainment companies must stand up and
31 take responsible actions to address social problems and costs that are created when some
32 individuals have problems handling the product or services they provide. The industry has also
33 stated that they know that the vast majority of the men and women who are their customers can
34 enjoy their games responsibly, but that they also know the customers expect them to act

1 responsibly toward those who cannot. It is imperative for the health, safety, and welfare of the
2 citizens of the state of Rhode Island that all casino licensees develop and implement
3 comprehensive compulsive and problem gambling programs to be approved by the Commission.

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

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

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

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

14 ~~(4) Provide procedures for the training of all employees that interact with gaming patrons
15 in gaming areas.~~

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

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

21 ~~(7) Provide procedures preventing any person identified on the self-exclusion list from
22 receiving any advertisement, promotion, or other targeted mailing after ninety (90) days of
23 receiving notice from the Commission that the person has been placed on the self-exclusion list.~~

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

27 ~~(9) Provide procedures for the distribution of responsible gaming materials to
28 employees.~~

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

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

34 ~~(c) (1) The Commission shall provide by rule for the establishment of a list of self-~~

1 ~~excluded persons from gaming activities at all gaming establishments. Any person may request~~
2 ~~placement on the list of self-excluded persons by acknowledging in a manner to be established by~~
3 ~~the Commission that the person wishes to be excluded and by agreeing that, during any period of~~
4 ~~voluntary exclusion, the person may not collect any winnings or recover any losses resulting from~~
5 ~~any gaming activity at such gaming establishments.~~

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

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

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

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

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

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

34 ~~-(g) The provisions of this section shall not require the Commission, licensees, permittees~~

1 ~~and the employees thereof to identify problem or compulsive gamblers which is an activity that~~
2 ~~requires medical and clinical expertise.~~

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

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

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

13 ~~-(1) Training programs conducted by the Rhode Island Department of Mental Health,~~
14 ~~Retardation and Hospitals.~~

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

17 ~~**41-9.1-26. Commission designated excluded persons.**~~ ~~--- (a) The Commission shall~~
18 ~~adopt rules to provide for the establishment of a list of persons who are to be excluded from any~~
19 ~~room, premises, or designated gaming area of any establishment where gaming is conducted~~
20 ~~pursuant to a license or contract issued pursuant to the provisions of this chapter. The rules must~~
21 ~~define the standards for exclusion and include standards relating to the following persons:~~

22 ~~-(1) Those who are career or professional offenders as defined by the rules of the~~
23 ~~Commission.~~

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

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

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

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

33 ~~-(1) By personal service.~~

34 ~~-(2) By certified mail to the last known address of such person.~~

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

4 ~~(e) Any person who has been placed on the list of persons to be excluded or ejected from~~
5 ~~any gaming establishment pursuant to this chapter may be imprisoned for up to six (6) months or~~
6 ~~fined not more than five hundred dollars (\$500), or both, if he or she thereafter enters or attempts~~
7 ~~to enter the premises of a gaming establishment without first having obtained a determination by~~
8 ~~the Commission that he or she should not have been placed on the list of persons to be excluded~~
9 ~~or ejected.~~

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

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

16 ~~(h) A person who is placed on the list is entitled to a hearing for review of the listing.~~
17 ~~Unless otherwise agreed by the Commission and the named person, the hearing shall be held not~~
18 ~~later than thirty (30) days after the receipt of the petition.~~

19 **41-9.1-27. Advertising -- Compulsive gambling information.** ~~--- In any advertisement~~
20 ~~of gaming activities or of a gaming establishment that is offered to the general public in print by~~
21 ~~any casino licensee pursuant to the provisions of this chapter, the toll free telephone number of~~
22 ~~the National Council on Problem Gambling or a similar toll free number approved by the~~
23 ~~Commission shall be placed on such advertisement.~~

24 **41-9.1-28. Exclusion or ejection of persons.** ~~--- (a) Any casino licensee may exclude or~~
25 ~~eject any person for any reason, except race, color, creed, national origin, sex, or disability.~~

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

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

1 ~~(b) Any person who violates any of the provisions of this section shall be imprisoned for~~
2 ~~not more than five (5) years and may be fined an amount not to exceed ten thousand dollars~~
3 ~~(\$10,000).~~

4 ~~**41-9.1-30. Use of device to obtain advantage at casino game -- Forfeiture -- Notice. --**~~

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

12 ~~**41-9.1-31. Unlawful use of bogus chips or gaming billets, marked cards, dice,**~~
13 ~~**cheating devices, unlawful coins -- Penalty. --**~~

14 ~~(a) It shall be unlawful for any person to play any~~
15 ~~game and:~~

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

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

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

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

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

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

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

6 ~~(e) Any person who violates any of the provisions of this section shall be imprisoned for~~
7 ~~no more than (5) five years and may be fined an amount not to exceed ten thousand dollars~~
8 ~~(\$10,000).~~

9 ~~**41-9.1-32. Cheating games and devices in a licensed casino -- Penalty.**~~ (a) It shall be
10 ~~unlawful:~~

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

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

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

21 ~~(b) Any person who violates any of the provisions of this section shall be imprisoned for~~
22 ~~not more than five (5) years and may be fined an amount not to exceed ten thousand dollars~~
23 ~~(\$10,000).~~

24 ~~**41-9.1-33. Skimming of gaming proceeds.**~~ (a) The crime of skimming of gaming
25 ~~proceeds is the intentional excluding or the taking of any action in an attempt to exclude any~~
26 ~~thing or its value from the deposit, counting, collection, or computation of:~~

27 ~~(1) Gross revenues from gaming operations or activities.~~

28 ~~(2) Net gaming proceeds.~~

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

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

33 ~~(c) Whoever commits the crime of skimming of gaming proceeds when the amount~~
34 ~~skimmed, or to be skimmed, is one thousand dollars (\$1,000) or more shall be imprisoned for not~~

1 ~~less than one (1) year and not more than twenty (20) years or may be fined not more than ten~~
2 ~~thousand dollars (\$10,000) or the amount skimmed or to be skimmed, whichever is greater, or~~
3 ~~both.~~

4 ~~**41-9.1-34. Conduct subject to civil penalty.** --- In addition to other penalties provided~~
5 ~~for under this chapter, a person who conducts a gaming operation without first obtaining a license~~
6 ~~to do so, or a licensee who continues to conduct gambling games after revocation of the licensee's~~
7 ~~license, or any licensee who conducts or allows to be conducted any unauthorized gambling~~
8 ~~games in a casino in which the licensee is authorized to conduct its gaming operation, is subject~~
9 ~~to a civil penalty equal to the amount of gross receipts derived from wagering on the gambling~~
10 ~~games whether unauthorized or authorized, conducted on that day as well as confiscation and~~
11 ~~forfeiture of all gambling game equipment used in the conduct of unauthorized gambling games.~~

12 ~~**41-9.1-35. Property subject to seizure, confiscation, destruction, or forfeiture.** --- Any~~
13 ~~equipment, gaming device, money, apparatus, material of gaming, proceeds, substituted proceeds,~~
14 ~~or real or personal property used, obtained, or received in violation of this chapter shall be subject~~
15 ~~to seizure, confiscation, destruction, or forfeiture.~~

16 ~~**41-9.1-36. Prohibited conduct --- Violation as felony --- Violation as misdemeanor ---**~~
17 ~~**Penalties --- Presumption --- Venue.** --- (a) A person is guilty of a felony punishable by~~
18 ~~imprisonment for not more than ten (10) years or a fine of not more than one hundred thousand~~
19 ~~dollars (\$100,000) or both, and shall be barred from receiving or maintaining a license, for doing~~
20 ~~any of the following:~~

21 ~~-(1) Conducting a gaming operation where wagering is used or to be used without a~~
22 ~~license issued by the Commission.~~

23 ~~-(2) Conducting a gaming operation where wagering is permitted other than in the manner~~
24 ~~specified pursuant to the provisions of this chapter.~~

25 ~~-(3) Knowingly providing false testimony to the Commission or its authorized~~
26 ~~representative while under oath.~~

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

31 ~~-(1) Offers, promises, or gives anything of value or benefit to a person who is connected~~
32 ~~with a licensee or affiliated company, including, but not limited to, an officer or employee of a~~
33 ~~casino licensee or holder of an occupational license pursuant to an agreement or arrangement or~~
34 ~~with the intent that the offer, promise, or thing of value or benefit will influence the actions of the~~

1 ~~person to whom the offer, promise, or gift was made in order to affect or attempt to affect the~~
2 ~~outcome of a gambling game.~~

3 ~~-(2) Solicits or knowingly accepts or receives a promise of anything of value or benefit~~
4 ~~while the person is employed by or connected with a licensee, including, but not limited to, an~~
5 ~~officer or employee of a casino licensee or holder of an occupational license, pursuant to an~~
6 ~~understanding or arrangement or with the intent that the promise or thing of value or benefit will~~
7 ~~influence the actions of the person to affect or attempt to affect the outcome of a gambling game.~~

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

11 ~~-(1) Knowingly making a wager if the person is under twenty one (21) years of age or~~
12 ~~permitting a person under twenty one (21) years of age to make a wager.~~

13 ~~-(2) Willfully failing to appear before or provide an item to the Commission at the time~~
14 ~~and place specified in a subpoena or summons issued by the Commission or executive director.~~

15 ~~-(3) Willfully refusing, without just cause, to testify or provide items in answer to a~~
16 ~~subpoena, subpoena duces tecum or summons issued by the Commission or executive director.~~

17 ~~-(4) Conducting or permitting a person who is not licensed or permitted pursuant to this~~
18 ~~chapter to conduct activities required to be licensed or permitted under the casino, occupational,~~
19 ~~and suppliers licensee and permittee provisions in this chapter or in rules promulgated by the~~
20 ~~Commission.~~

21 ~~-(5) Leasing, pledging, borrowing, or loaning money against a casino, supplier, or~~
22 ~~occupational license or permit.~~

23 ~~**41-9.1-37. Sale of alcoholic beverages.** -- Alcoholic beverages shall only be sold or~~
24 ~~distributed in a casino pursuant to state law.~~

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

33 ~~**41-9.1-39. Declaration of state's exemption from operation of provisions of 15 U.S.C.**~~
34 ~~**section 1172.** -- Pursuant to section 2 of that certain chapter of the Congress of the United States~~

1 entitled "An act to prohibit transportation of gaming devices in interstate and foreign commerce";
2 approved January 2, 1951, being c. 1194, 64 Stat. 1134, and also designated as 15 U.S.C. sections
3 1171-1177, the state of Rhode Island, acting by and through its duly elected and qualified
4 members of its legislature, does hereby in this section, and in accordance with and in compliance
5 with the provisions of section 2 of such chapter of Congress, declare and proclaim that any town
6 or city of the State of Rhode Island, within which gaming is authorized is exempt from the
7 provisions of section 2 of that certain chapter of the Congress of the United States entitled "An
8 act to prohibit transportation of gaming devices in interstate and foreign commerce", designated
9 15 U.S.C. sections 1171-1177, approved January 2, 1951.

10 **41-9.1-40. Smoking.**— (a) Notwithstanding any other provisions of the general laws or
11 regulations adopted thereunder to the contrary, including, but not limited to, the provisions of
12 chapter 20.10 of title 23, the provisions of this section shall govern and control with respect to
13 any and all smoking prohibitions as such relate to a casino licensed under this chapter.

14 (b) Any casino licensed under this chapter shall provide designated smoking and
15 nonsmoking gaming areas in its facility.

16 (c) The designated nonsmoking gaming area shall be physically separated from any
17 smoking area and shall be required to have separate and distinct ventilation systems so as to
18 prohibit the migration of smoke into the nonsmoking area.

19 (d) Except with respect to bars located in a designated smoking area within the gaming
20 area, any bar or restaurant located in a casino shall be nonsmoking and be physically separate
21 from any smoking area and shall have a separate ventilation system so as to prohibit the migration
22 of smoke into the restaurant.

23 (e) Any casino licensee shall promulgate rules and regulations to allow its employees the
24 right to work in a smoke free environment. These rules shall include, but not be limited to,
25 provisions on the right to opt out of working in a smoking area and a provision that no adverse
26 impact or action could take place against the employee if they request to opt out of a smoking
27 area. The rules promulgated by the casino licensee shall be filed with the Commission with copies
28 to the general assembly and the department of health prior to the opening of the casino for
29 business.

30 (f) A casino licensee shall file an annual report with the Commission with copies to the
31 general assembly and department of health detailing smoke mitigation efforts undertaken by the
32 licensee during the previous year and plans for the upcoming year. The licensee shall be required
33 to monitor air quality with current appropriate technology. A professional HVAC engineer (or
34 other appropriate professional) shall certify the monitoring process and results. The results of the

1 ~~monitoring process shall be included in the annual report.~~

2 ~~(g) Any enactment relating to the provisions of this section on a casino licensed under~~
3 ~~this chapter or the casino licensee shall be by statute as enacted by the general assembly,~~
4 ~~provided, however, that the general assembly may by statute delegate such authority to the cities~~
5 ~~and towns.~~

6 ~~**41-9.1-41. Severability.** -- If any provision of this chapter or the application thereof shall~~
7 ~~for any reason be judged invalid, that judgment shall not affect, impair, or invalidate the~~
8 ~~remainder of the law, but shall be confined in its effect to the provision or application directly~~
9 ~~involved in the controversy giving rise to the judgment.~~

10 SECTION 3. Title 41 of the general laws entitled "Sports, Racing and athletics" is hereby
11 amended by adding thereto the following chapter:

12 CHAPTER 9.2

13 THE RHODE ISLAND CASINO GAMING CONTROL AND REVENUE ACT

14 **41-9.2-1. Title.** – This chapter shall be known as the "Rhode Island Casino Gaming
15 Control and Revenue Act."

16 **41-9.2-2. Purpose and findings.** – The general assembly finds and declares:

17 1. The purpose of this act is to present to the people of the State of Rhode Island a
18 proposal to allow the state to operate a casino resort and gaming facility in West Warwick, Rhode
19 Island. The proposed casino gaming facility is to be operated by the Lottery Commission,
20 through a master contract with the casino service provider, an entity composed of the
21 Narragansett Indian Tribe and its chosen partner. The Lottery Commission will operate the
22 casino gaming facility as provided in this act and by regulations adopted pursuant to this act, and
23 shall determine the types of games, the number and type of gambling devices, and other features
24 of casino gaming at the casino gaming facility. The casino service provider will provide casino
25 services to the state under the strict regulation of the Lottery Commission. All casino gaming
26 revenues will be held on behalf of the State.

27 2. It is the intent of the Legislature in this statute to create a state-operated casino gaming
28 facility as a lottery authorized by Article VI, Section 15 of the Rhode Island Constitution, as that
29 provision was interpreted by the Rhode Island Supreme Court in In re Advisory Opinion to the
30 Governor, 856 A.2d 320 (2004). This statute should be construed to accomplish and effectuate
31 that purpose. The state-operated casino gaming facility will complement the State's current
32 lottery activities, including the lottery games conducted statewide and the operation of video
33 lottery terminals in two locations.

34 3. The Legislature has concluded that it is in the best interests of the state to operate a
35

1 single casino gaming facility under an exclusive contract. The purpose of such an arrangement is
2 to ensure that the casino gaming facility will be supported by sufficient investment to enable it to
3 compete effectively with casino-resorts in nearby jurisdictions. Because of the sophistication and
4 size of those competing facilities, it is essential that the state contract with a casino service
5 provider that will make available state-of-the-art technology, design, and marketing expertise, and
6 also will provide the financial strength needed to support the substantial capital investment that
7 will be required.

8 4. The Legislature also has considered the extended history of relations between the state
9 and the Narragansett Indian Tribe, and that the Narragansett Indian Tribe is the only federally
10 recognized tribe involuntarily denied rights under the Indian Gaming Regulatory Act, 25 U.S.C.
11 §2701 et. seq. The Legislature intends to afford the Narragansett Indian Tribe economic
12 development opportunities through gaming and thereby allow the tribe to promote the general
13 welfare of its members, realize the objective of economic self-sufficiency, and provide
14 governmental services for the benefit of the tribal community.

15 5. The Legislature also has concluded that when the state operates a casino gaming
16 facility under its powers to operate a lottery, it must apply a fair share of the revenues of such
17 facility for the benefit of all citizens

18 6. To further these compelling interests of the state, the Legislature has concluded that it
19 is necessary to enter into the master casino service contract with the Tribe and its selected partner,
20 a major casino gaming company with nationwide resources and expertise. Accordingly, this Act
21 provides that the Lottery Commission shall enter into a master casino service contract with a
22 casino service provider that includes the Narragansett Indian Tribe and its selected partner, a
23 National Gaming Company or its affiliate.

24 7. The arrangements described in this statute will be undertaken to serve the best interests
25 of the citizens of the state. To ensure the integrity and reputation of the state-operated Rhode
26 Island casino gaming facility, the Lottery Commission shall implement strict regulation with law
27 enforcement oversight over the casino service provider and all other persons and entities required
28 to be licensed or permitted as provided in this Act.

29 8. In this legislation, the Legislature also intends to address pathological gambling
30 problems, which already exist in Rhode Island to some extent, by providing for support of public
31 education and treatment for those who are unable to gamble responsibly. The Act requires the
32 casino service provider to fund annually a program, to be designated by the Lottery Commission,
33 that will achieve these goals.

34 **41-9.2-3. Definitions.** -- As used in this chapter, the following terms are defined as

1 follows:

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

7 (2) "Affiliated company" means any form of business organization which controls, is
8 controlled by or is under common control with; is in a partnership (general or limited) or joint
9 venture relationship with; or is a co-shareholder of a corporation, a co-member of a limited
10 liability company, or co-partner in a limited liability partnership, with a person who holds or
11 applies for a license under this chapter.

12 (3) "Agent" means any person, other than the Commission, the state police, or the
13 attorney general, who is employed by any agency of the state and who is assigned to perform full-
14 time services on behalf of or for the benefit of the Commission regardless of the title or position
15 held by that person. Except as otherwise indicated, "agent" does not include the casino service
16 provider.

17 (4) "Applicant" means any person who applies for any license, permit, or registration
18 under this chapter.

19 (5) "Cash advance" means funds to be used by a casino patron for gaming activity that
20 the casino service provider advances in return for a negotiable instrument of the same value from
21 the patron.

22 (6) "Casino game" means any game, gambling game, gaming device, or gaming
23 operation which the Lottery Commission has allowed or approved to be conducted at the casino
24 gaming facility. Casino games that may be approved by the Commission shall include any game,
25 gambling game, gaming device, or gaming operation that is regularly conducted at any other
26 resort casino gaming facility.

27 (7) "Casino gaming" means to deal, operate, carry on, conduct, maintain, or expose or
28 offer for play at the casino gaming facility any casino game, including any gambling game, game,
29 gaming device, or gaming operation.

30 (8) "Casino gaming facility" means that portion of the casino resort and gaming facility
31 where casino gaming shall be permitted and shall be conducted.

32 (9) "Casino gaming operation" means the conduct of authorized casino games in the
33 casino gaming facility pursuant to this chapter, but does not include those operations governed by
34 chapters 61 and 61.2 of Title 42.

1 (10) "Casino gaming supplier" means any person who provides casino gaming supplies to
2 the state, the Commission, or the casino service provider.

3 (11) "Casino gaming supplier permit" means the permit of a casino gaming supplier.

4 (12) "Casino gaming supplies" means gaming devices and all other materials, equipment,
5 and supplies which the Commission determines to be necessary for casino gaming operations or
6 activities and that can impact the outcome of game.

7 (13) "Casino resort and gaming facility" means the entire facility to be constructed by the
8 casino service provider, a portion of which shall be the casino gaming facility in which the state-
9 operated casino is to be located and in which casino gaming shall be permitted, as provided in this
10 Act.

11 (14) "Casino service provider" means the entity established by the Narragansett Indian
12 Tribe in conjunction with an affiliate of a National Gaming Company, which entity will enter into
13 the master casino service agreement with the Commission.

14 (15) "Chairperson" means the chairperson of the Commission.

15 (16) "Commission" or "lottery commission" means the state Lottery Commission as
16 created by chapter 61 of title 42, or any board, commission, or agency that is created by the
17 General Assembly as a successor to the state Lottery Commission as created by chapter 61 of title
18 42, or any other board, commission, or agency established by the General Assembly to operate
19 the casino gaming facility as provided by this act.

20 (17) "Company" means a sole proprietorship, corporation, partnership (general or
21 limited), limited liability partnership, limited liability company, trust, association, joint stock
22 company, joint venture tribal corporation, or any other form of business organization.

23 (18) "Compensation" means any money, thing of value, or financial benefit conferred on
24 or received by a person in return for services rendered or to be rendered, whether by that person
25 or another.

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

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

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

1 the Commission.

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

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

7 (v) Demonstration through work or other action in the performance of the official duties
8 of the member, employee, or agent of the Commission of any preferential attitude or treatment of
9 any person.

10 (20) "Control" means having a greater than twenty percent (20%) direct or indirect
11 pecuniary interest in the casino service provider or any other licensee or permittee authorized by
12 this Act.

13 (21) "Development agreement" means a written agreement between the casino service
14 provider and the Town of West Warwick pertaining to the casino resort and gaming facility,
15 which agreement shall cover, at least, approval of the location of the site and the process for
16 addressing and approving zoning; land use, utility and other essential services; on-site and off-site
17 improvements; local impacts; and construction and operational issues.

18 (22) "Disciplinary action" is any action by the Commission suspending or revoking a
19 license, or fining, excluding, reprimanding, or otherwise penalizing a person for violating this
20 chapter or rules promulgated by the Commission.

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

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

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

30 (24) "Gambling game" means any lottery game, as defined by Rhode Island law, which is
31 played with cards, dice, equipment, or a machine, including any mechanical, electromechanical or
32 electronic device which shall include computers and cashless wagering systems, for money,
33 credit, or any representative of value, including, but not limited to faro, monte, roulette, keno,
34 bingo fan tan, twenty-one, blackjack, seven and a half, klondike, craps, poker, chuck a luck,

1 Chinese chuck a luck (dai shu), wheel of fortune, chemin de fer, baccarat, pai gow, beat the
2 banker, panguingui, slot machine, any banking or percentage game, or any other game or device
3 approved by the Commission, but does not include games played with cards in private homes or
4 residences in which no person makes money for operating the game.

5 (25) "Game" means any banking or percentage lottery game which is played with cards,
6 dice, or any electronic, electrical, or mechanical device or machine for money, property, or any
7 thing of value.

8 (26) "Gaming device" means any equipment or mechanical, electromechanical, or
9 electronic contrivance, component or machine used directly or indirectly in connection with
10 casino gaming or any game that affects the result of a wager by determining win or loss. The
11 term includes a system for processing information which can alter the normal criteria of random
12 selection which affects the operation of any casino game or which determines the outcome of a
13 casino game. The term does not include a system or device which affects a casino game solely by
14 stopping its operation so that the outcome remains undetermined.

15 (27) "Gross receipts" means the total of all sums received on behalf of the state by the
16 casino service provider from casino gaming, including valid checks, currency, tokens, coupons,
17 vouchers, or instruments of monetary value, whether collected or uncollected, and including all
18 entry fees assessed for tournaments or other contests, less a deduction for uncollectible casino
19 gaming receivables.

20 (28) "Institutional investor" means a person that is:

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

23 (b) An investment company that is registered under the Investment Company Act of
24 1940.

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

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

29 (e) A mutual fund.

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

31 (g) A federal or state bank.

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

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

- 1 (29) "Institutional lender" means a person that is:
- 2 (a) An insurance company regulated by any state of the United States.
- 3 (b) Any investment company registered under the Investment Company Act of 1940.
- 4 (c) Any plan established and maintained by a state, its political subdivision or any agency
5 or instrumentality of a state or its political subdivisions for the benefit of its employees.
- 6 (d) Any trust fund the trustee of which is a bank or trust.
- 7 (e) Any investment adviser registered with the United States Securities and Exchange
8 Board.
- 9 (f) Any real estate investment trust registered with the United States Securities and
10 Exchange Board.
- 11 (g) Any dealer registered pursuant to section 15 of the Securities and Exchange Act of
12 1934.
- 13 (h) Any qualified institutional buyer, as defined in Rule 144A under the Securities Act of
14 1933 and any entity, all of the equity owners of which are qualified institutional buyers, as
15 defined in rule 144A under the Securities Act of 1933, acting for its own account or the accounts
16 of other qualified institutional buyers.
- 17 (i) Any bank as defined in section 3(a)(2) of the Securities Act of 1933, any savings and
18 loan association or other institution as referenced in section 3(a)(5)(A) of the Securities Act of
19 1933, or any foreign bank or savings and loan association or equivalent institution or any
20 investment fund that participates in a bank syndication, and any purchaser that takes an
21 assignment or other participation interest in the bank syndication.
- 22 (j) Any investor or group of investors, including institutional investors, purchasing debt
23 securities of the casino service provider, permittee, or a subsidiary of a casino service provider, in
24 any public offering registered pursuant to the Securities Act of 1933 or through any private
25 placement, and any investor purchasing such securities in a subsequent sale, so long as such
26 securities are widely held and freely traded, and the investor holds no more than twenty percent
27 (20%) of the casino service provider, or permittees total debt of fifty percent (50%) of a material
28 debt issue unless otherwise approved by the Commission, so as not to give such investor the
29 ability to control the casino service provider or permittee.
- 30 (k) Any business development company as defined in section 2(a)(48) of the Investment
31 Company Act of 1940.
- 32 (l) Any business development company as defined in section 202(a)(22) of the
33 Investment Advisers Act of 1940.
- 34 (m) Any other regulated lender as the Commission may determine in its sole discretion

1 consistent with the provisions of this chapter.

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

4 (30) "Key casino gaming employee" means any natural person employed by the casino
5 service provider who is involved in the operation of the casino gaming facility on behalf of the
6 state in a supervisory or managerial capacity.

7 (31) "Key casino gaming employee permit" means the permit of a key casino gaming
8 employee.

9 (32) "License" means the authorization issued to a person or entity by or in the name of
10 the Commission to engage in or to assist in the casino gaming and the casino gaming facility
11 established by this Chapter.

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

14 (34) "Managerial employee" means a person who by virtue of the level of his or her
15 remuneration or who otherwise holds a management, supervisory, or policy-making position with
16 the casino service provider, or any licensee pursuant to this Act.

17 (35) "Manufacturer" means any person or entity who manufactures or assembles
18 programs or slot machines or other gaming devices for sale or use in a casino gaming facility.

19 (36) "Master casino service contract" means that contract entered into among the
20 Commission and an entity controlled by the Narragansett Indian Tribe and an affiliate of a
21 National Gaming Company and, if deemed necessary, any parties affiliated with the Narragansett
22 Indian Tribe and such company, which contract would have a term commencing on the date of
23 execution and expiring twenty (20) years from the date that the casino gaming facility opens for
24 business.

25 (37) "Member" means a member appointed to the Commission's board.

26 (38) "Municipality" means any city or town within the state.

27 (39) "National Gaming Company" means a private gaming business operating in at least
28 four jurisdictions within the United States, with more than eighty percent of its total assets in the
29 United States, that has the financial resources to comply with the provisions of the Act and
30 experience in the design, construction, and operation of a casino gaming facility as described in
31 the Act.

32 (40) "Net casino gaming income" means gross receipts less the total of all sums paid out
33 as winnings to patrons, including the cash equivalent of any merchandise or thing of value
34 included in a jackpot or payout.

1 (41) "Non-gaming supplier" means any person or entity who sells, leases, or otherwise
2 distributes goods or services other than gaming devices and supplies for use at the casino gaming
3 facility.

4 (42) "Permit" means any permit or authorization, or application therefore, issued pursuant
5 to the provisions of this chapter.

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

8 (44) "Person" means an individual, corporation, limited liability company, association,
9 partnership (general or limited), limited liability partnership, trust, entity, or other legal entity.

10 (45) "Security" means the protection of information that would or could provide an unfair
11 advantage to any individual involved in casino gaming at the casino gaming facility, protection
12 and preservation of the integrity of casino games and the casino gaming facility, as well as
13 measures taken to prevent crimes against the state and its operation of the casino gaming facility
14 under this Act.

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

22 (47) "Suitable," "suitability," or "suitability requirements" means the criteria provided for
23 in section 21.

24 (48) "Theoretical pay out percentage" means a mathematically demonstrable percentage
25 of all amounts that may be paid out as the result of slot machine wagers as customarily calculated
26 by manufacturers.

27 (49) "Video lottery terminal revenue" means net terminal income derived from video
28 lottery games and deposited in the general fund and to the state lottery Commission for
29 administrative purposes pursuant to section 42-61.2-7(a)(1) at video lottery facilities in operation
30 prior to the enactment of this Act.

31 (50) "Winnings" means the total cash value of all property or sums, including currency,
32 tokens, or instruments of monetary value, paid to patrons as a result of wagers placed at or
33 through a casino game at the casino gaming facility and includes any prizes, premiums, drawings,
34 benefits or tickets that are redeemable for money or merchandise or other promotional allowance.

1 **41-9.2-4. State Lottery Commission Authorized to Operate Casino Gaming and**
2 **Casino Gaming Facility.** -- (a) Subject to an affirmative vote of the qualified electors of the state
3 of Rhode Island and of the qualified electors in the Town of West Warwick, and notwithstanding
4 any other section of Rhode Island General Laws, the state lottery Commission is authorized and
5 directed to operate a single casino gaming facility in the state of Rhode Island. Casino gaming
6 shall be operated at the casino gaming facility supplied by the casino service provider, subject to
7 the approval of the Commission and the terms of the master casino service contract, as provided
8 in this act. The state shall operate the casino gaming facility according to rules and regulations
9 set forth by the Commission and the terms of the master casino service contract.

10 (b) This chapter does not apply to any of the following occurring outside of the casino
11 gaming facility:

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

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

16 (3) Bingo.

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

19 (5) The pari-mutuel system of wagering used or intended to be used in connection with
20 Simulcast programs from licensed betting facilities as authorized under chapter 11 of title 41.

21 (6) Casino games played with cards played in private homes or residences in which no
22 person makes money for operating the game.

23 **41-9.2-5. State and local election on expansion of lottery.** -- (a) Pursuant to the terms
24 of Article 6, section 22 of the Rhode Island Constitution and chapter 5 of title 17, the General
25 Assembly hereby authorizes and directs the submission to all of the electors of the state, at a
26 special election to take place on November 8, 2005, the following question: "Shall the state
27 operate a casino gaming facility in the Town of West Warwick?"

28 (b) Prior to the question being submitted to the electors of the state, and in order for the
29 Town of West Warwick to be eligible as the host community for the casino gaming facility, the
30 proposed casino service provider shall, within sixty (60) days of the passage of this act, file a
31 statement of intent with the Commission that demonstrates the following:

32 (i) evidence that the West Warwick Town Council has agreed to pose, by adopting a
33 resolution to be placed on the ballot at the special election to be submitted to the qualified
34 electors of the Town of West Warwick and to the qualified electors of the state, the question set

1 forth in section 41-9.2-4(a); and

2 (ii) an adequate description of real estate designated and available to the casino service
3 provider for the development of the casino gaming facility, which real estate shall constitute at
4 least thirty (30) acres.

5 In the event the statement of intent has been timely filed, the Commission shall, within 10
6 days, certify compliance to the Secretary of State.

7 (c) In the event of certification by the Commission of the statement of intent, the question
8 set forth in subsection (a) above shall then be submitted by the Secretary of State to the qualified
9 electors of the state at a special election to take place on November 8, 2005. The Secretary of
10 State shall certify the election results. The question shall also be submitted at the same special
11 election by the local board of canvassers to the qualified electors of the Town of West Warwick,
12 and the local board of canvassers shall certify the election results to the Secretary of State.

13 (d) In the event of the approval of the qualified electors of the Town of West Warwick
14 and the qualified electors of the state, and subject to compliance with the suitability provisions of
15 this chapter, the Commission shall, in accordance with the provisions of section 41-9.2-9, award
16 the master casino service contract to the casino service provider contemporaneous with the
17 issuance of the initial license, to occur on or before March 1, 2006.

18 (e) In the event that the affirmative vote of both the Town of West Warwick and the
19 electors of the state does not occur, or in the event that the casino service provider applicant is not
20 able to timely file a statement of intent with the Commission in accordance with the provisions of
21 subsection (b) above, or in the event the casino service provider is unable to meet the suitability
22 provisions of this chapter, then this chapter shall cease to have effect, and shall become null and
23 void.

24 (f) Notwithstanding any provision of the General Laws to the contrary, including but not
25 limited to the provisions of chapter 9 of title 41, with respect to the matters contemplated in this
26 chapter, including the timing of the referendum vote, financial disclosure requirements, and the
27 award of the master casino service contract in accordance with section 41-9.2-9, the provisions of
28 this chapter shall govern and control and shall be in lieu of any other provision of the General
29 Laws, including but not limited to any public bidding law, request for proposal rights, or
30 requirements contained in the General Laws.

31 **41-9.2-6. Referendum vote -- Disclosure to public of casino service provider proposal.--**
32 In order to assist the voters in connection with the special election on whether or not to expand
33 lottery gambling in the state to include the casino gaming facility, on or before August 1, 2005,
34 the casino service provider shall file a proposal with the Commission. The proposal shall be

1 made under oath, and shall include without limitation all of the following:

2 (a) The name and business address of the proposed casino service provider, and the
3 names and business addresses of the board of directors and the key officers thereof. In the event
4 that a person or entity directly owns or controls a five percent (5%) or greater voting interest in
5 the proposed casino service provider, then the proposed casino service provider shall also disclose
6 the names and business addresses of such person or entity and the officers and directors thereof
7 unless such entity is an institutional investor in which case the name and address of the
8 institutional investor need only be disclosed. The proposed casino service provider shall also
9 disclose whether it has knowledge that any disclosed person or entity has been convicted of any
10 felony.

11 (b) A fully executed development agreement between the casino service provider and the
12 Town of West Warwick.

13 (c) A description of the proposed casino resort and gaming facility and the casino gaming
14 facility, including the projected economic benefits to the host community and the state (i.e. the
15 proposed amount of investment in construction and development; square footage of the casino
16 gaming facility; the number and types of games to be proposed to the Commission for use at the
17 facility; the presence of hotels, restaurants, and other non-gaming amenities; parking spaces; etc.)
18 in the event the voters approve the casino gaming facility and the master casino service
19 agreement is entered into between the casino service provider and the Commission.

20 (d) A description of the physical location of the proposed casino resort and gaming
21 facility, and evidence that the casino service provider has the real estate site control (i.e. real
22 estate purchase and sale agreements or option agreements) necessary to support such
23 development.

24 (e) A description of the anticipated or actual number of employees, and related wages and
25 benefits, at the casino resort and gaming facility.

26 (f) A description of the marketing and operating experience of the casino service
27 provider, and a description of how such experience and other assets of the applicant would enable
28 the state to secure and maintain a strategic and competitive position within New England's casino
29 gaming industry through the state's operation of the casino gaming facility.

30 **41-9.2-7. Rhode Island Lottery Commission -- Members, employees, agents; Powers**
31 **and duties. -- (1) In addition to its powers and duties set forth in chapter 61 of title 42, the**
32 **Commission shall have the powers and duties specified within this chapter and all other powers**
33 **necessary and proper to fully and effectively execute and administer the provisions of this chapter**
34 **for its purpose of allowing the state to operate a casino gaming facility.**

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

4 (a) Affirms that neither the member nor the member's spouse, nor a parent, child, or
5 spouse of a child is a member of the board of directors, or financially interested in, or employed
6 by a licensee, permittee, or applicant.

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

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

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

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

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

18 (c) Discloses whether the employee or the employee's spouse, parent, child, or child's
19 spouse is financially interested in or employed by the casino service provider or any permittee or
20 applicant.

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

23 (4) A member, employee, or agent of the Commission who becomes aware that a
24 member, employee, or agent of the Commission or his or her spouse, parent, or child is a member
25 of the board of directors, or financially interested in, or employed by the casino service provider,
26 a permittee, or an applicant shall immediately provide detailed written notice thereof to the
27 chairperson.

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

33 (6) Any member, employee, or agent of the Commission who is negotiating for, or
34 acquires by any means, any interest in any person who is the casino service provider, a licensee, a

1 permittee, or an applicant, or any person affiliated with such a person, shall immediately provide
2 written notice of the details of the interest to the chairperson. The member, employee, or agent of
3 the Commission shall not act on behalf of the Commission with respect to that person.

4 (7) A member, employee, or agent of the Commission may not enter into any
5 negotiations for employment with any person or affiliate of any person who is the casino service
6 provider, a licensee, a permittee, or an applicant, and shall immediately provide written notice of
7 the details of any such negotiations or discussions to the chairperson. The member, employee, or
8 agent of the Commission shall not take any action on behalf of the Commission with respect to
9 that person.

10 (8) Any member, employee, or agent of the Commission who receives an invitation,
11 written or oral, to initiate a discussion concerning employment or the possibility of employment
12 with a person or affiliate of a person who is the casino service provider, a licensee, a permittee, or
13 an applicant shall immediately report to the chairperson that he or she received the invitation.
14 The member, employee, or agent of the Commission shall not take action on behalf of the
15 Commission with respect to the person.

16 (9) The casino service provider, a licensee, a permittee, or applicant shall not knowingly
17 initiate a negotiation for or discussion of employment with a member, employee, or agent of the
18 Commission. The casino service provider, licensee, permittee, or applicant who initiates a
19 negotiation or discussion about employment shall immediately provide written notice of the
20 details of the negotiation or discussion to the chairperson as soon as he or she becomes aware that
21 the negotiation or discussion has been initiated with a member, employee, or agent of the
22 Commission.

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

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

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

1 (13) A member, employee, or agent of the Commission shall disclose his or her past
2 involvement with any interest related to the lottery or casino industry in the past five (5) years.

3 (14) A member, employee, or agent of the Commission or a parent, spouse, sibling,
4 spouse of a sibling, child, or spouse of a child of a member, employee, or agent of the
5 Commission may not accept, other than that which he or she may be able to receive in
6 compliance with campaign contribution, disclosure, and other rules, regulations, and general laws
7 in existence, any gift, gratuity, compensation, travel, lodging, or anything of value, directly or
8 indirectly, from the casino service provider, any licensee or permittee, or any applicant, or any
9 affiliate or representative of the casino service provider, licensee, permittee, or applicant. Any
10 member, employee, or agent of the Commission who is offered or receives any gift, gratuity,
11 compensation, travel, lodging, or anything of value, directly or indirectly, from the casino service
12 provider, any licensee or permittee, or any applicant, or any affiliate or representative of the
13 casino service provider, licensee or permittee, or an applicant, shall immediately provide written
14 notification of the details to the chairperson.

15 (15) The casino service provider, licensee, permittee, or applicant, or affiliate or
16 representative of the casino service provider, licensee, permittee, or applicant, may not, directly
17 or indirectly, give or offer to give any gift, gratuity, compensation, travel, lodging, or anything of
18 value to any member, employee, or agent of the Commission which the member, employee, or
19 agent of the Commission is prohibited from accepting under subsection (14).

20 (16) Except as follows, no member, employee, or agent of the Commission may
21 participate in or wager on any casino game conducted at the casino gaming facility in Rhode
22 Island or at any facility in any other facility in any other jurisdiction in which the casino service
23 provider or any of its affiliates participates in the ownership, operation, or management. A
24 member, employee, or agent of the Commission may participate in and wager on a casino game
25 conducted at the casino gaming facility, to the extent authorized by the chairperson or the
26 Commission, as part of the person's surveillance, security, or other official duties for the
27 Commission.

28 (17) A former member, employee, or agent of the Commission may appear before the
29 Commission as a fact witness about matters or actions handled by the member, employee, or
30 agent during his or her tenure as a member, employee, or agent of the Commission. The member,
31 employee, or agent of the Commission shall not receive compensation for such an appearance
32 other than standard witness fee for reimbursement for travel expenses as established by statute or
33 court rule.

34 (18) A new or current employee or agent of the Commission shall obtain written

1 permission from the executive director before continuing outside employment held at the time the
2 employee begins to work for the Commission. Permission shall be denied, or permission
3 previously granted will be revoked, if the nature of the work is considered to or does create a
4 possible conflict of interest or otherwise interferes with the duties of the employee or agent for
5 the Commission.

6 (19) An employee or agent of the Commission granted permission for outside
7 employment shall not conduct any business or perform any activities, including solicitation,
8 related to outside employment on premises used by the Commission or during the employee's
9 working hours for the Commission.

10 (20) Whenever the chairperson, as an employee of the Commission, is required to file
11 disclosure forms or report in writing the details of any incident or circumstance pursuant to this
12 section, he or she shall make such filings or written reports to the Commission and to the
13 Commission's executive director.

14 (21) The chairperson shall report any action he or she has taken or contemplates taking
15 under this section with respect to an employee or agent or former employee or former agent to the
16 Commission at the next meeting of the Commission. The Commission may direct the executive
17 director to take additional or different action.

18 (22) Violation of this section by the casino service provider, licensee, permittee, or
19 applicant, or affiliate of the casino service provider, licensee, permittee, or applicant, may result
20 in denial of the application of license or permit, revocation or suspension of the license or permit,
21 or other disciplinary action by the Commission.

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

25 (24) A violation of this section by an employee or agent of the Commission will not
26 result in termination of employment if the Commission determines that the conduct involved does
27 not violate the purpose of this chapter. The following restrictions also will apply:

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

32 (ii) If an employee or agent who has been offered employment with the Commission, an
33 employee of the Commission, or the employee's or agent's spouse, parent, or child, acquires,
34 through no intentional action of the employee or agent, a financial interest in the casino service

1 provider, licensee, permittee, or applicant, or affiliate of the casino service provider, licensee,
2 permittee, or applicant, the employee or agent shall have up to thirty (30) days to divest or
3 terminate the financial interest. Employment shall be terminated if the interest has not been
4 divested after thirty (30) days or if, within that time, the employee or agent has not taken
5 reasonable steps to divest the interest, as determined by the Commission.

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

8 (25) Violation of this section does not create a civil cause of action.

9 (26) As used in this section, "Outside employment" includes, but is not limited to, the
10 following:

11 (A) Operation of a proprietorship.

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

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

15 **41-9.2-8. Rhode Island Lottery Commission - Jurisdiction - Powers.** -- (a) In addition
16 to its jurisdiction and powers set forth in chapter 61 of title 42, the Commission shall also have
17 the jurisdiction and powers provided for in this chapter. The Commission shall operate and shall
18 have jurisdiction over and shall supervise all activities and have control of the casino gaming
19 facility authorized by this chapter. The Commission shall have all powers necessary and proper to
20 fully and effectively execute this chapter, including, but not limited to, the authority to do all of
21 the following:

22 (1) To investigate and determine the suitability of the casino service provider, and the
23 eligibility of all applicants for licenses or permits, and to grant licenses and permits to applicants
24 in accordance with this chapter and the rules promulgated under this chapter, including without
25 limitation the granting of licenses to persons associated with the casino service provider, in
26 accordance with the suitability standards set forth in section 41-9.2-21.

27 (2) To have jurisdiction over and supervise casino gaming authorized by this chapter and
28 have jurisdiction over all persons in the casino gaming facility.

29 (3) To enter, to the extent permissible under the Constitutions of the State of Rhode
30 Island and of the United States of America, through its investigators, agents, auditors, and the
31 state police at any time without a warrant and without notice to the casino service provider or any
32 licensee, the premises, offices, and casino gaming facilities operated on behalf of the state or
33 other places of business of a casino service provider or casino gaming supplier, or permittee,
34 where evidence of the compliance or noncompliance with this chapter or the rules promulgated

1 by the Commission is likely to be found, for the following purposes:

2 (i) To inspect and examine all premises within the casino gaming facility or facilities
3 containing records of casino gaming or in which the business of a casino gaming supplier is
4 conducted, or where any records of any activities related to casino gaming are prepared.

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

11 (iii) To inspect the person, and inspect, examine, and seize personal effects present in the
12 casino gaming facility, of any holder of a license, permit, or registration issued pursuant to this
13 chapter, while that person is present in the casino gaming facility.

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

16 (4) To investigate alleged violations of this chapter or rules promulgated by the
17 Commission and to take appropriate disciplinary action against the casino service provider, a
18 licensee, permittee, or any other person or holder of an occupational license or permit, for a
19 violation, or institute appropriate legal action for enforcement, or both.

20 (5) To adopt standards for the licensing or permitting of all persons required to be
21 licensed or permitted pursuant to this chapter, as well as for all casino games, including electronic
22 or mechanical gambling games, and to establish fees for such licenses and permits that are
23 reasonably related to the actual costs of issuing such licenses and permits.

24 (6) To adopt appropriate standards for the casino gaming facility and equipment.

25 (7) To require that all records of the casino service provider and casino gaming suppliers,
26 including financial or other statements, be kept on the premises of the casino gaming facility or
27 accessible from the premises in the manner prescribed by the Commission.

28 (8) To require that the casino service provider maintain on behalf of the Commission an
29 annual balance sheet, profit and loss statement, and any other information the Commission
30 considers necessary in order to effectively administer this chapter, all rules promulgated by the
31 Commission, and orders and final decisions made under this chapter.

32 (9) To prescribe a form to be used as an application for licensing or permitting.

33 (10) To revoke or suspend licenses or permits, impose fines and penalties as the
34 Commission considers necessary and in compliance with this chapter and applicable laws of the

1 state regarding administrative procedure, and review and decide the renewal of licenses.

2 (11) In addition to a self-excluded person, to eject or exclude or authorize the ejection or
3 exclusion of a person from the casino resort and gaming facility if the person violates the
4 provisions of this chapter, rules promulgated by the Commission, or final orders of the
5 Commission, or when the Commission determines that the person's conduct or reputation is such
6 that his or her presence within the casino gaming facility may compromise the honesty and
7 integrity of the casino gaming or interfere with the orderly conduct of the casino gaming
8 operations. However, the propriety of the ejection or exclusion is subject to a subsequent hearing
9 by the Commission. The Commission shall adopt rules of procedure to provide for such hearing.

10 (12) To suspend, revoke, or restrict licenses and permits, and require the removal of a
11 licensee or permittee or an employee of a licensee or permittee, for a violation of this chapter or a
12 rule promulgated by the Commission or for engaging in a fraudulent practice, and impose civil
13 penalties pursuant to the provisions of this chapter.

14 (13) To disqualify a person in accordance with the applicable provisions of this chapter.

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

17 (i) The casino service provider has violated the provisions of chapter 2 of title 3 or rules
18 promulgated pursuant to this chapter.

19 (ii) The casino service provider no longer meets the eligibility requirements or suitability
20 determination by the Commission for a license under this chapter.

21 (iii) The failure to revoke or suspend the license would undermine the public's confidence
22 in the Rhode Island casino gaming facility.

23 (15) To conduct periodic compliance or special or focused audits of the casino gaming
24 facility. Such audits may be conducted by state agency personnel or private sector audit firms
25 and shall be in addition to annual financial audits conducted by certified public accountant firms.

26 (16) To establish minimum levels of insurance to be maintained by the casino service
27 provider.

28 (17) To perform a background check, at the non-gaming supplier's expense, of any non-
29 gaming supplier.

30 (18) To investigate and consult with the casino service provider regarding the business
31 practices of a casino gaming facility and casino gaming operated on behalf of the state.

32 (19) To operate the casino gaming facility by, among other things,

33 (i) Determining and approving the manner and type of gaming devices to be operated at
34 the casino gaming facility. No fewer than 2,500 and as many as 5,000 gaming devices shall be

1 operated at the facility.

2 (ii) Determining and approving the number and type of games and gambling games to be
3 conducted at the casino gaming facility, except that the Commission shall permit the casino
4 service provider to conduct at the casino gaming facility any game or gambling game that is
5 regularly conducted at any other casino gaming facility, and provided that no fewer than 100 and
6 as many as 300 games and gambling games shall be operated at the facility, unless the
7 Commission determines, upon recommendation of the casino service provider, that market
8 conditions in competing jurisdictions require a greater or lesser number of games and gambling
9 games.

10 (iii) Determining and approving the theoretical pay out percentages of gaming devices to
11 be conducted at the casino gaming facility that shall be competitive with other casino resorts in
12 the market, except that the theoretical pay out percentages shall not be less than 80%.

13 (iv) Defining and limiting the rules of play and odds of authorized games, and the method
14 of operation of such games, including the maximum and minimum wagers.

15 (20) To promulgate rules and regulations regarding the issuance of cash advances by the
16 casino service provider.

17 (21) To prevent practices that undermine the public's confidence in the Rhode Island
18 gaming industry.

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

22 (23) To take any other action as may be reasonable or appropriate to enforce this chapter
23 and rules promulgated by the Commission.

24 (b) The Commission may seek and shall receive the cooperation and assistance of the
25 division of state police and the department of the attorney general in conducting background
26 investigations of applicants and in fulfilling its responsibilities under this chapter. All
27 information provided to or received from the division of state police and the department of the
28 attorney general shall be subject to the confidentiality provisions of the Access to Public Records
29 law and this Act.

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

34 (i) The issuance of any license or permit authorized by this chapter or other law providing

1 for casino gaming operations and activities subject to regulation of the Commission.

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

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

6 (iv) Enforcement of this chapter, gaming laws administered by the Commission, and rules
7 of the Commission including imposition and collection of fines, penalties, and other sanctions
8 which may be imposed by the Commission against the casino service provider or any other
9 licensee or permittee of the Commission.

10 (v) The operation and management of the casino gaming facility, the establishment of
11 prevention, education, and other services related to pathological gambling, the conduct of casino
12 gaming, electronic funds transfer terminals, audits, annual reports, prohibited conduct, and such
13 other matters as the Commission shall determine are reasonably necessary to state operation of
14 the casino gaming facility.

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

17 (i) Issue subpoenas and compel the attendance of witnesses or the production of
18 documents.

19 (ii) Administer oaths.

20 (iii) Require testimony under oath before the hearing officer or hearing panel in the
21 course of a hearing being held for any reason.

22 (4) Issue written interrogatories.

23 (e) The Commission shall certify monthly to the budget officer, the auditor general, and
24 to the governor a full and complete statement of casino gaming revenues, disbursements, and
25 other expenses for the preceding month; ensure that monthly financial reports are prepared
26 providing gross monthly revenues, disbursements, other expenses, for all other casino gaming
27 operations at the casino gaming facility; the Commission shall submit this report to the state
28 budget officer, the auditor general, the legislative fiscal advisors, and the governor no later than
29 the twentieth business day following the close of the month. At the end of each fiscal year the
30 Commission shall submit an annual report, based upon an accrual system of accounting which
31 shall include a full and complete statement of revenues, disbursements, and expenses at the casino
32 gaming facility, to the governor and the general assembly, which report shall be a public
33 document and shall be filed with the Secretary of State.

34 **41-9.2-9 Master Casino Service Contract.** -- (a) Notwithstanding any provisions of the

1 general laws or regulations adopted thereunder to the contrary, including, but not limited to, the
2 provisions of Chapter 2 of Title 37, and Chapter 61 of Title 42, and subject to an affirmative vote
3 of the qualified electors of the state of Rhode Island and of the qualified electors in the Town of
4 West Warwick, the Commission is hereby authorized, empowered, and directed to enter into a
5 master casino service contract with the casino service provider, who, under the terms of the
6 contract, shall be the exclusive provider to the Commission, as more specifically set forth herein,
7 of the casino gaming facility, marketing expertise, information technology hardware, software,
8 and related services, and shall act under the control and direction of the Commission in
9 accordance with this Act. Under the terms of the master casino service contract authorized under
10 this act, the casino service provider shall agree that in consideration of a twenty (20) year
11 agreement with the Commission and the compensation provided below, the casino service
12 provider shall undertake, among others, the following obligations:

13 (i) to invest a minimum amount of \$500 million to purchase land and develop and
14 construct the casino resort and gaming facility, which shall consist at least of a casino gaming
15 facility with a minimum of 100,000 square feet and an adjacent hotel with a minimum 500 rooms,
16 to be constructed in the town of West Warwick on land adjacent to Route 95 that will be used by
17 the Commission for the operation of the casino resort and gaming facility authorized by this Act,
18 and to further make such capital expenditures on an annual basis as is necessary in its opinion to
19 make the Rhode Island casino gaming facility a first-class casino and destination resort (the
20 “Investment Requirement”) and to prepare an annual operations budget which is commercially
21 reasonable for the casino gaming facility;

22 (ii) to provide marketing expertise and recommendations to the state to make a casino
23 gaming facility that will be competitive with casino resorts in the relevant market and, subject to
24 the confidentiality provisions of this Act, employ for the benefit of the casino gaming facility the
25 patron database used by operating subsidiaries of the National Gaming Company and related
26 information technology, hardware, and software for marketing its casino gaming properties in
27 other states, while preserving at all times the proprietary interests in that database of those entities
28 related to the National Gaming Company;

29 (iii) to provide recommendations to the Commission on the number and types of gaming
30 devices to be operated by the state at the casino gaming facility and, after direction and approval
31 from the Commission on the number and types of gaming devices to be operated, to purchase,
32 install, and maintain such gaming devices on behalf of the state; provided that no fewer than 2500
33 and as many as 5,000 gaming devices shall be operated at the facility; and provided further that
34 any casino gaming supplier must be chosen by the casino service provider from among those

1 casino gaming suppliers who have been licensed by the commission, and any type of gaming
2 device purchased or otherwise obtained from any such casino gaming supplier must be approved
3 by an independent testing laboratory approved by the commission (“Gaming Device
4 Requirement”);

5 (iv) to provide recommendations to the Commission on the number and types of other
6 games and gambling games to be operated by the state at the casino gaming facility and, after
7 direction and approval from the Commission on the types of games and gambling games to be
8 operated on behalf of the state, to purchase, install, and maintain such games and gambling games
9 on behalf of the state; provided that no fewer than 100 and as many as 300 games and gambling
10 games shall be operated at the facility, unless the Commission determines, upon recommendation
11 of the casino service provider, that market conditions in competing jurisdictions require a greater
12 or lesser number of games and gambling games (“Game and Gambling Games Requirement”);

13 (v) to provide a slot data system that will link all gaming devices operated by the state
14 within the casino gaming facility, monitor all casino gaming activities occurring on the gaming
15 devices, and provide security for all such devices; and provided further that the casino service
16 provider shall provide a separate room at the casino gaming facility where the commission shall
17 have access to the slot data system, and shall have the ability to direct the casino service provider
18 to turn off any gaming device in the event of an integrity concern relating to a gaming device or
19 other threat to the public trust (“Slot Data System Requirement”);

20 (vi) to provide, pay wages, benefits and salary, and train all employees to work in the
21 casino gaming facility, hotel, and related non-gaming amenities, subject to all licensing and
22 permitting requirements of this act and the right of the Commission to veto any hiring decisions
23 with respect to the casino gaming facility to ensure that the state maintains ultimate control of the
24 casino gaming facility (“Human Resource Requirement”);

25 (vii) to collect, in accordance with the provisions of section 42-61-6, all net casino
26 gaming income from casino gaming operations at the casino gaming facility on behalf of the state
27 and Commission, to transfer the net casino gaming income to a bank account of the State and
28 Commission for distribution in accordance with the provisions of the Act less such monies as
29 necessary to maintain a casino bankroll for the operation of all games at the casino gaming
30 facility as determined by the Commission, and to further provide such accounting systems,
31 information technology, and related software to accurately track all transactions (“Accounting
32 Requirement”); and

33 (viii) to provide adequate insurance for the casino gaming facility on terms set forth in
34 the master casino service contract (“Insurance Requirement”).

1 (b) Casino service provider compensation - The master casino service contract shall set
2 forth the total remuneration owed to the casino service provider by the state during the term of the
3 master casino service contract as provided in section 41-9.2-10(b). -Such compensation shall be
4 subject to general business and corporate taxes that all businesses of this state are subject to under
5 the laws of this state, but such compensation shall not be subject to any special wagering or other
6 related taxes or fees, except as set forth in this chapter.

7 (c) Reduction of Compensation - The master casino service contract shall provide that in
8 the event net casino gaming income from the casino gaming facility exceeds \$400 million
9 annually, the compensation to the casino service provider as provided in section 41-9.2-10(b)
10 shall be adjusted and reduced for the incremental revenue above this amount as follows:

11 For the period from the first (1st) day on which the casino gaming facility opens for
12 business (the “Commencement Date”) and expiring at the end of five (5) years from the
13 Commencement Date (the “Expiration Date”), if the net casino gaming income is:

14 -greater than \$400 million and up to and including \$500 – the amount of net casino
15 gaming income deposited in the general fund shall be increased by 2% for this portion of the net
16 casino gaming income

17 -greater than \$500 million and up to and including \$600 million – the amount of net
18 casino gaming income deposited in the general fund shall be increased by 4% for this portion of
19 the net casino gaming income

20 -greater than \$600 million and up to and including \$750 million – the amount of net
21 casino gaming income deposited in the general fund shall be increased by 6% for this portion of
22 the net casino gaming income

23 -greater than \$750 million and up to and including \$900 million – the amount of net
24 casino gaming income deposited in the general fund shall be increased by 8% for this portion of
25 the net casino gaming income

26 -greater than \$900 million and up to and including \$1 billion – the amount of net casino
27 gaming income deposited in the general fund shall be increased by 10% for this portion of the net
28 casino gaming income

29 -greater than \$1 billion - the amount of net casino gaming income deposited in the
30 general fund shall be increased by 15% for this portion of the net casino gaming income

31 For the period from the Expiration Date until the end of the term of the master casino
32 service contract, if the net casino gaming income is:

33 -greater than \$400 million and up to and including \$500 million, the amount of net casino
34 gaming income deposited in the general fund shall be increased by 3% for this portion of the net

1 casino gaming income

2 -greater than \$500 million and up to and including \$600 million, the amount of net casino
3 gaming income deposited in the general fund shall be increased by 5% for this portion of the net

4 casino gaming income

5 -greater than \$600 million and up to and including \$750 million, the amount of net casino
6 gaming income deposited in the general fund shall be increased by 7% for this portion of the net

7 casino gaming income

8 -greater than \$750 million and up to and including \$900 million, the amount of net casino
9 gaming income deposited in the general fund shall be increased by 10% for this portion of the net

10 casino gaming income

11 -greater than \$900 million, the amount of net casino gaming income deposited in the
12 general fund shall be increased by 15% for this portion of the net casino gaming income

13 (d) Casino Service Provider License Fee. The master casino service contract shall
14 provide that, as partial consideration for the granting to the casino service provider of the
15 exclusive right to provide casino services to the state-operated casino gaming facility, the casino
16 service provider shall pay a license fee in the amount of one hundred million dollars
17 (\$100,000,000), which license fee shall be payable by the casino service provider to the state in
18 three installments of \$33,333,333.33, to be paid on the following dates: (i) the date of issuance of
19 the casino service provider license; (ii) the one-year anniversary date of the issuance of the casino
20 service provider license; and (iii) the two-year anniversary date of the issuance of the casino
21 service provider license.

22 (e) State Revenue Insurance Policy. For the purposes of this subsection, the term
23 “Effective Period” shall mean that period of time commencing on the first (1st) day on which the
24 casino gaming facility opens for business and expiring two (2) years from such date, and the term
25 “Base Year” shall mean the one-year period immediately preceding January 1, 2005. The master
26 casino service contract shall include a provision whereby the casino service provider shall
27 covenant that in the event that the aggregate reported amount of video lottery terminal revenue
28 and wagering revenue, minus any amounts refunded due to passage of this act to GTECH
29 Corporation under the Master Contract between GTECH Corporation and the Commission
30 effective July 1, 2003, received by the state each year during the Effective Period is not at least
31 equal to that amount which is one hundred ten percent (110%) of the video lottery terminal
32 revenue received by the state during the Base Year, then the casino service provider shall
33 reimburse to the state the amount of such shortfall from the compensation paid to the casino
34 service provider.

1 (f) Hotel Occupancy Fee. The master casino service contract shall provide that with
2 respect to each hotel room in the resort casino and gaming facility hotel owned or operated by the
3 casino service provider, the casino service provider shall pay to the state out of the compensation
4 paid under the master casino service contract, in addition to other state and local hotel taxes that
5 apply to all hotels in the state, a one dollar (\$1.00) hotel occupancy fee for each day such room is
6 occupied by a guest, which fee shall be in lieu of all other parking, admission, complimentary,
7 and other related patron taxes and fees that may be imposed during the term of the master casino
8 services contract.

9 (g) Project Investment Requirement. The master casino service contract shall provide
10 that the casino service provider shall demonstrate to the satisfaction of the Commission prior to
11 the opening of the casino gaming facility for business that the casino service provider has
12 invested in the aggregate at least five hundred million dollars (\$500,000,000) of hard and soft
13 costs in connection with acquiring interests in land, making improvements to real property, and
14 otherwise developing, constructing and preparing for the opening of the casino resort and gaming
15 facility, as customarily recorded by the casino hotel industry.

16 (h) Funding Covenant of Casino Service Provider in favor of the Rhode Island
17 Hospitality and Tourism Association and the Rhode Island Convention Center and Visitors
18 Bureau. The master casino service contract shall include a provision whereby the casino service
19 provider shall pay Fifty thousand dollars (\$50,000) per year to the each of the Rhode Island
20 Hospitality and Tourism Association and the Rhode Island Convention Center and Visitors
21 Bureau throughout the term of the master casino service contract, to be used by those entities for
22 the marketing of state convention and tourism business.

23 (i) Funding Covenant of Casino Service Provider in favor of the Rhode Island Council on
24 Problem Gambling. The master casino service contract shall include a provision whereby the
25 casino service provider shall pay One hundred fifty thousand dollars (\$150,000) per year
26 throughout the term of the master casino service contract to the Rhode Island Council on Problem
27 Gambling or such other department, agency, or entity that the legislature shall designate.

28 (j) After the expiration of the twenty (20) year period of the master casino service
29 contract described above, the parties thereto shall renegotiate the compensation payable to the
30 casino service provider for the services provided, and during the term of the master casino service
31 contract the casino service provider may not assign its rights under that contract without approval
32 of the Lottery Commission.

33 (k) The casino service provider shall be required to obtain and maintain a license
34 throughout the term of the master casino service contract in accordance with this Act. The

1 Commission shall conduct an investigation of the casino service provider and the initial issuance
2 of the casino service provider license shall occur no later than March 1, 2006. The license shall
3 be valid for a period of five (5) years and shall be renewable for periods of five (5) years each
4 upon the payment of a renewal fee in the amount of five hundred thousand (\$500,000.00) dollars
5 and determination by the Commission that the casino service provider is in compliance with the
6 suitability requirements of this Act. The fee shall be paid to the state. The casino service provider
7 license and the term of the master casino service contract shall be subject to the continuing duty
8 of the casino service provider to maintain the suitability requirements of this Act and all
9 requirements of the Commission.

10 Insofar as the provisions of this act are inconsistent with the provisions of any other
11 general or special law, the provisions of this act shall be controlling. The state does hereby
12 recognize that the casino service provider has property rights under the master casino service
13 contract that shall not be disturbed except without due process of law.

14 **41-9.2-10 Treatment and allocation of casino gaming revenue.** -- (a) All receipts from
15 casino gaming operations at the casino gaming facility shall be received on behalf of and in trust
16 for the state and Commission, in accordance with the provisions of section 42-61-6. The net
17 casino gaming income, less a sufficient amount for a casino bankroll as determined by the
18 commission, shall be deposited by the casino service provider on a daily basis to a bank account
19 of the state and commission, which procedure shall be subject to all regulations promulgated by
20 the Commission.

21 (b) Notwithstanding the provisions of section 42-61-15(a) net casino gaming income
22 shall be distributed by the State and Commission in the following order:

23 (i) Twenty-five percent (25%) of net casino gaming income plus any additional amounts
24 due to the State and Commission pursuant to subsection (c) of section 41-9.2-9 shall be deposited
25 in the general fund.

26 (ii) The remainder of the net casino gaming income shall be distributed by the State and
27 Commission to the casino service provider who shall distribute such proceeds in the following
28 order:

29 (a) Sufficient net casino gaming income shall be distributed to pay for the employees of
30 the facility and their benefits.

31 (b) Sufficient net casino gaming income shall be distributed to pay for reimbursable
32 expenses of the facility, including all charges incurred for the operation of the facility, as
33 permitted under generally accepted accounting principles .

34 (c) The remainder of net casino gaming income shall be compensation to the casino

1 service provider for meeting the Investment Requirement, Marketing Requirement, Human
2 Resources Requirement, Gaming Device Requirement, Games and Gambling Games
3 Requirement, Accounting Requirement, Slot Data System Requirement, and Insurance
4 Requirement.

5 (c) Payment to the State and Commission bank account shall be made by the casino
6 service provider as provided by the master casino services contract. Unless otherwise determined
7 by the Commission with the consent of the casino services provider, payments into the state's
8 general fund and to the casino service provider pursuant to this section shall be made on a daily
9 basis on an estimated basis, with a monthly accounting based on actual results.

10 **41-9.2-11. Division of state police - Jurisdiction – Powers.** – The division of state police
11 shall:

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

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

17 (c) Conduct audits as requested by the Commission for determining compliance with all
18 casino gaming laws, rules, and regulations on casino gaming activities and operations under the
19 Commission's jurisdiction.

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

23 **41-9.2-12. Appropriation - Reimbursement.** -- Fees paid by licensees and suppliers
24 pursuant to the provisions of this chapter shall be available to fund the operations of the
25 Commission.

26 **41-9.2-13. Commission and other local approvals necessary for operation.** -- (a) The
27 casino gaming facility shall not open for business until the Commission has received and
28 approved certification from the Town of West Warwick that all construction has complied with
29 applicable state and local law, as well as with all provisions of the development agreement.

30 (b) So long as the Town of West Warwick is actively moving to amend its
31 comprehensive plan to address the resort casino and gaming facility, authority is hereby granted
32 to the casino service provider to proceed with the construction of the casino resort and gaming
33 facility approved by the voters in the state and local referendum election, subject to the receipt of
34 any and all municipal approvals.

1 **41-9.2-14. Casino gaming and non-gaming supplier permits and key casino gaming**
2 **employee permits required -- Terms.** – (a) The securing of a permit under the provisions of this
3 chapter shall be a prerequisite for performing any activity which requires a permit pursuant to this
4 chapter.

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

6 (c) Any permit applied for, granted, or issued under the provisions of this chapter is a
7 revocable privilege granted by the state dependent upon the holder's compliance with this chapter
8 and rules promulgated hereunder and is not a property right. Being granted a permit under this
9 chapter does not create or vest any right, title, franchise, or other property interest, subject to any
10 contractual rights.

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

13 (e) Every person desiring to obtain a casino gaming supplier permit, a key casino gaming
14 employee permit, or a non-gaming supplier permit shall make application to the Commission
15 where applicable on a form and in a manner prescribed by the Commission. The application
16 forms shall be provided by the Commission and shall contain such information as the
17 Commission deems necessary pursuant to the provisions of this chapter and the rules and
18 regulations promulgated by the Commission. No application shall be accepted unless the
19 Commission determines that all relevant requirements of this chapter and any rules and
20 regulations adopted by the Commission have been met. Notwithstanding anything to the contrary
21 contained in this chapter, the Commission in its sole discretion may issue such permits on a
22 temporary basis prior to all relevant requirements of this chapter having been met, to such
23 applicants under the circumstances and on terms that it deems appropriate.

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

26 (g) The Commission shall establish by rule a procedure for issuing and renewing permits
27 that are issued so that a similar number of permits will come up for renewal in each subsequent
28 year. The rule may provide for a one-time renewal period of less than a five-year duration.

29 **41-9.2-15. Casino gaming supplier permits.** – (a) The Commission shall issue a casino
30 gaming supplier permit to suitable persons who supply, sell, lease, or repair, or contract to supply,
31 sell, lease, or repair gaming devices, equipment, and supplies to the Commission or the casino
32 service provider for use in the casino gaming facility. A person shall not supply, sell, lease, or
33 repair, or contract to supply, sell, lease, or casino gaming devices, equipment, and supplies to the
34 Commission or the casino service provider unless he or she possesses a valid gaming supplier

1 permit.

2 (b) Gaming devices or supplies may not be distributed to the holder of a casino gaming
3 license unless such devices or supplies conform to rules adopted by the Commission. An outside
4 independent testing laboratory may be utilized by the Commission at the expense of the casino
5 gaming supplier permittee.

6 (c) A casino gaming supplier shall furnish to the Commission a list of any gaming
7 devices and supplies offered by the casino gaming supplier for sale or lease in connection with
8 casino games authorized under this chapter. A casino gaming supplier shall keep books and
9 records for the furnishing of gaming devices and supplies to casino gaming operations separate
10 and distinct from any other business that the casino gaming supplier might operate. A casino
11 gaming supplier shall file an annual return with the Commission listing all sales and leases. A
12 casino gaming supplier shall permanently affix its name to all of its gaming devices and supplies
13 for casino gaming operations unless otherwise authorized by the Commission. Any casino
14 gaming supplier's gaming devices or supplies which are used by any person in unauthorized
15 gaming operations shall be forfeited to the Commission. The holder of a license may own its own
16 gaming devices and supplies. Each gaming supplier and the holder of a license shall file an
17 annual report with the Commission listing its inventories of gaming devices, equipment, and
18 supplies.

19 (d) The initial fee for a casino gaming supplier permit issued under the provisions of this
20 section is three thousand dollars (\$3,000), and the renewal fee shall be one thousand dollars
21 (\$1,000). This fee is required to be submitted at the time of application and on the anniversary
22 date of the issuance of the permit thereafter. The Commission may assess the casino gaming
23 supplier any costs incurred in testing and approving any gaming devices or supplies.

24 **41-9.2-16. Non-gaming supplier permits.** – (a) The Commission shall issue a non-
25 gaming supplier permit to suitable persons who supply, sell, lease, or repair, or contract to supply,
26 sell, lease, or repair, non-gaming devices and supplies for use at the casino gaming facility, in
27 amounts that in the aggregate exceed two hundred thousand dollars (\$200,000) per calendar year,
28 to the holder of a casino gaming license. A person shall not be entitled to compensation for the
29 supply, sale, lease, or repair of, or a contract to supply, sell, lease, or repair, non-gaming devices
30 and supplies in amounts that in the aggregate exceed two hundred thousand dollars (\$200,000)
31 per calendar year, unless he or she possesses a valid non-gaming supplier permit.
32 Notwithstanding the foregoing, the Commission in its discretion can require that any such non-
33 gaming supplier be subject to an investigation and determination of that non-gaming supplier's
34 suitability, if necessary to protect the public trust and confidence in casino gaming operations.

1 (b) The initial fee for a non-gaming supplier permit issued under the provisions of this
2 section is one hundred dollars (\$100.00) and the renewal fee shall be one hundred dollars
3 (\$100.00). This fee is required to be submitted at the time of application and on the anniversary
4 date of the issuance of the permit thereafter.

5 **41-9.2-17. Key casino gaming employee permit.** – (a) The Commission shall issue a
6 key casino gaming employee permit to suitable persons pursuant to this chapter. No key casino
7 gaming employee may commence employment or be employed as a key casino gaming employee
8 unless that person is the holder of a valid key casino gaming employee permit, provided,
9 however, the Commission may issue temporary permits.

10 (b) The holder of a key casino gaming employee permit or temporary permit issued under
11 this chapter shall be authorized to work in the capacity indicated in that permit or temporary
12 permit.

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

17 **41-9.2-18. License and permit as revocable privilege - Rights, limitations and**
18 **prohibitions - Revocation and suspension - Penalties for violation.** – (a) A license or permit
19 issued under this chapter is a revocable privilege granted by the state dependent upon the holder's
20 compliance with this chapter and rules promulgated hereunder and, subject to any contractual
21 rights, is not a property right. Any license or casino gaming supplier permit is exclusive to the
22 holder, and a holder or any other person shall apply for and receive the Commission's approval
23 before a license or casino gaming supplier permit is transferred, sold, or purchased, or before a
24 voting trust agreement or other similar agreement is established with respect to such. A holder of
25 the casino service provider license or a casino gaming supplier permit, or any other person, shall
26 not lease, pledge, borrow, or loan money against such license or permit. The attempted transfer,
27 sale, or other conveyance of an interest in the casino service provider license or casino gaming
28 supplier permit without prior Commission approval is grounds for suspension or revocation of
29 the license or permit, or other sanctions considered appropriate by the Commission. In the event
30 of any transfer, sale, or other conveyance of the casino service provider license or casino gaming
31 supplier permit, including those ordered by a court of competent jurisdiction in connection with a
32 bankruptcy, receivership, or other like proceeding, the Commission shall have the right to
33 approve any proposed transferee pursuant to the requirements of this chapter. Any costs
34 associated with a transfer, sale, or other conveyance of the casino service provider license or

1 casino gaming supplier permit shall be borne by the transferee.

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

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

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

24 (2) Before refusing to renew, suspending, or revoking an existing license or permit the
25 Commission shall, in writing, notify the holder of the license or permit of its receipt of the
26 complaint, enclosing a copy of the complaint. The holder shall, within twenty (20) days, file with
27 the Commission, in quadruplicate, his or her answer to the complaint.

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

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

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

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

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

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

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

1 Commission. Any party aggrieved by a final administrative decision, ruling, or order of the
2 Commission may seek review of that decision in the superior court of the county of Providence.

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

6 (i) In the event of a suspension or revocation of a license or permit, the Commission may
7 take such action as is necessary to continue the daily operation of the casino gaming facility until
8 the reinstatement of the license or permit in the case of a suspension, or the approval of a
9 replacement license or permit in accordance with the approval process contained in this chapter in
10 the case of a revocation; provided however, that the owner of the facility shall be entitled to fair
11 and just compensation for the rental or use of the facility.

12 **41-9.2-19. Records of Rhode Island Lottery Commission deemed open -- Exceptions.**

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

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

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

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

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

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

24 (6) Consists of proprietary architectural, construction, schematic, or engineering plans,
25 blueprints, specifications, computer programs, or software, or economic or financial calculations
26 which relate to authorized casino gaming activities.

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

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

31 (9) Relates to specific financial data concerning casino gaming operations and results of
32 the casino gaming facility, provided, however, the monthly gross receipts from casino gaming
33 operations shall be publicly disclosed.

34 (10) Consists of marketing and proprietary customer data, information technology and

1 other data, equipment and materials related thereto provided by the casino service provider for
2 use in connection with the casino gaming facility pursuant to the master casino service contract.

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

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

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

23 (e) The Commission shall maintain a file of all applications for licenses or permits, and
24 requests for all other Commission actions or approvals received by the Commission, an applicant,
25 or a licensee or permittee.

26 (f) The Commission shall maintain a file of all bids or proposals for any contract let or
27 entered into by the Commission in furtherance of this chapter together with a record of all action
28 taken with respect to those bids. The file and record shall be open to public inspection.

29 **41-9.2-20. Restricted use agreements: confidentiality of records.** – (a) The
30 Commission may enter into intelligence sharing, reciprocal use, or restricted use agreements with
31 a department or agency of the federal government, law enforcement agencies, and gaming
32 enforcement and regulatory agencies of other jurisdictions which provide for and regulate the use
33 of information provided and received pursuant to the agreement.

34 (b) Records, documents, and information in the possession of the Commission received

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

7 **41-9.2-21. Standards for license and permit issuance; suitability qualifications. – (a)**

8 No applicant shall be eligible to obtain a license or a permit, including the casino service
9 provider, unless the Commission (i) has, with respect thereto, received a filing made under oath
10 that includes without limitation the information set forth below, and (ii) is satisfied that the
11 applicant is suitable. Based upon the need to proceed forthwith if the people of the state and
12 West Warwick vote in the affirmative for a lottery casino gaming facility, in determining whether
13 the casino service provider applicant is suitable, the Commission may consider, in addition to the
14 information set forth below, whether the applicant, or any affiliates, has been found suitable
15 and/or has been issued a license to conduct gaming or casino gaming in other jurisdictions.

16 (1) An application shall provide the identity of every person who has or controls any
17 ownership interest in the applicant with respect to which the license or permit is sought. If the
18 disclosed entity is a trust, the application shall disclose the names, addresses, birth dates, and
19 social security numbers of all beneficiaries; if a corporation, the application shall disclose the
20 names, addresses, birth dates, and social security numbers of all such officers and directors; if a
21 partnership, the application shall disclose the names, addresses, birth dates, and social security
22 numbers of all partners, both general and limited; if a limited liability company, the application
23 shall disclose the names, addresses, birth dates, and social security numbers of all members. The
24 applicant shall also separately disclose in like manner any person or entity directly or indirectly
25 owning or controlling a five percent (5%) or greater voting interest in such owners of the
26 applicant. If any such person is an entity with one or more classes of securities registered
27 pursuant to the Securities Exchange Act of 1934, as amended, the applicant shall disclose names,
28 addresses, birth dates, and social security numbers of all officers and directors and provide copies
29 of public filings by such entity with the United States Securities and Exchange Commission for
30 the past year. If any such persons or entities are institutional investors or institutional lenders
31 owning or controlling a five percent (5%) or greater voting interest in such owners of the
32 applicant, the applicant shall not be required to provide detailed information on such institutional
33 investors or institutional lenders other than their respective identities. The applicant will forward
34 any request for additional information to the institutional investors or institutional lenders.

1 (2) An application shall provide an identification of any business, including, if applicable,
2 the state of incorporation or registration, in which an applicant or any other person or entity
3 identified in subsection (1) above has an equity interest of five percent (5%) or more. If an
4 applicant is a corporation, partnership, or other business entity, the applicant shall identify any
5 other corporation, partnership, or other business entity in which it has an equity interest of five
6 percent (5%) or more, including, if applicable, the state of incorporation or registration. An
7 applicant can comply with this subdivision by filing a copy of the applicant's registration with the
8 United States Securities and Exchange Commission if the registration contains the information
9 required by this subsection.

10 (3) An application shall state whether an applicant or any other person or entity identified
11 in subsection (1) above is known by applicant to have been indicted, charged, arrested, convicted,
12 pleaded guilty or nolo contendere, forfeited bail concerning, or has had expunged any criminal
13 offense under the laws of any jurisdiction, either felony or misdemeanor, not including traffic
14 violations, regardless of whether the offense has been expunged, pardoned, or reversed on appeal
15 or otherwise, including the date, the name and location of the court, arresting agency and
16 prosecuting agency, the case caption, the docket number, the offense, the disposition, and the
17 location and length of incarceration.

18 (4) An application shall state whether an applicant or any other person or entity identified
19 in subsection (1) above is known by applicant to have ever applied for or has been granted any
20 gaming license or certificate of any kind issued by a licensing authority within this state or any
21 other jurisdiction that has been denied, restricted, suspended, revoked, or not renewed, and a
22 statement describing the facts and circumstances concerning the application, denial, restriction,
23 suspension, revocation, or non-renewal, including the licensing authority, the date each action
24 was taken, and the reason for each action.

25 (5) An application shall provide such information, documentation, and assurances as may
26 be required to establish by clear and convincing evidence:

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

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

32 c. that the applicant has sufficient business ability and casino experience as to establish
33 the ability to fulfill the responsibilities of the casino service provider as required by this Act.

34 (6) An application shall provide such information, documentation and assurances to

1 establish to the satisfaction of the Commission the applicant's good character, honesty, and
2 integrity, and the applicant's suitability.

3 (7) An application shall provide a statement listing the names and titles of all Rhode
4 Island public officials or officers of any unit of state or local government, and the spouses,
5 parents, and children of those public officials or officers who are known to, directly or indirectly,
6 own any financial interest in, have any beneficial interest in, are the creditors of or hold any debt
7 instrument issued by, or hold or have any interest in any contractual or service relationship with
8 an applicant. As used in this subsection, the terms "public official" and "officer" do not include a
9 person who would have to be listed solely because of his or her state or federal military service.
10 This subsection shall not apply to public officials or officers or the spouses, parents, and children
11 thereof, whose sole financial interest amounts to less than a one percent (1%) ownership interest
12 in a publicly traded company.

13 (8) An application shall provide the name and business telephone number of any attorney,
14 counsel, lobbyist, agent, or any other person representing an applicant in matters before the
15 Commission.

16 (9) An application shall state whether an applicant or any other person or entity identified
17 in subsection (1) above has ever filed or had filed against it a civil or administrative action or
18 proceeding in bankruptcy or has ever been involved in any formal process to adjust, defer,
19 suspend, or otherwise work out the payment of any debt including the date of filing, the name and
20 location of the court, the case caption, the docket number, and the disposition.

21 (10) An application shall state whether an applicant or any other person or entity
22 identified in subsection (1) above has filed, or been served with, a complaint or other notice filed
23 with any public body, regarding the delinquency in the payment of, or a dispute over the filings
24 concerning the payment of any tax required under federal, state, or local law, including the
25 amount, type of tax, the taxing agency, and the periods involved

26 (11) An application shall provide financial and other information in the manner and form
27 prescribed by the Commission.

28 (b) For purposes of this chapter, "suitable" means that the proposed casino service
29 provider, or other applicant or permittee has demonstrated to the Commission by clear and
30 convincing evidence that he or she:

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

33 (2) Is a person whose prior activities, criminal record (if any), reputation, habits, and
34 associations do not pose a threat to the public interest of this state or to the effective regulation

1 and control of casino gaming, or create or enhance the dangers of unsuitable, unfair, or illegal
2 practices, methods, and activities in the conduct of casino gaming or the carrying on of the
3 business and financial arrangements incidental thereto.

4 (3) Is capable of and likely to conduct the activities for which the applicant seeks to be
5 licensed or permitted in accordance with the provisions of this chapter and any rules of the
6 Commission.

7 (c) With respect to the casino service provider, the applicant shall also demonstrate by
8 clear and convincing evidence that:

9 (1) The applicant has adequate business competence and experience in the operation of
10 casino gaming operations.

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

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

13 (b) From a suitable source.

14 (d) Information provided by the applicant shall be used as a basis for a thorough
15 background investigation which the Commission shall conduct. A false or incomplete filing may
16 be cause for denial of a license. The Commission in its sole discretion may provide the applicant
17 a reasonable opportunity to correct any deficiency in the filing.

18 (e) Applicants shall consent in writing to being subject to the inspections, searches, and
19 seizures provided for in this chapter and to disclosure to the Commission and its agents of
20 otherwise confidential records, including but not limited to tax records held by any federal, state,
21 or local agency, or credit bureau or financial institution, while applying for or holding a license
22 under this chapter.

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

30 (g) All licensees and permittees, and any other persons who have been found suitable or
31 approved by the Commission, shall maintain suitability throughout the term of the license, permit,
32 or approval. In the event of a current prosecution of an offense, the Commission shall have the
33 discretion to defer a determination of a person's continuing suitability pending the outcome of the
34 proceedings, provided that if a decision is deferred pending such outcome, the Commission,

1 where applicable, may take such action as is necessary to protect the public trust, including the
2 suspension of any license or permit.

3 (h) All holders of licenses and permits, and any other persons required to be found
4 suitable, shall have a continuing duty to inform the Commission of any violation of this chapter
5 and of any rules adopted by the Commission. No person who so informs the Commission or any
6 law enforcement authority within the state of a violation or possible violation shall be
7 discriminated against by the Commission, applicant, licensee, permittee, or casino service
8 provider because of supplying such information, and shall be afforded the protection of "The
9 Rhode Island Whistleblower's Protection Act", so called, Chapter 50 of Title 28.

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

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

25 (1) Receive dividends or interest on securities of a person, or a holding or intermediary
26 company of a person, holding a license or permit.

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

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

32 (4) Exercise significant influence over activities of a person, or a holding or intermediary
33 company of a person, holding a license or permit issued pursuant to the provisions of this chapter.

34 (5) Continue owning or holding a security of a person, or a holding or intermediary

1 company of a person, holding a license or permit of the Commission issued pursuant to the
2 provisions of this chapter or remain as a manager, officer, director, or partner of a licensee or
3 permittee.

4 **41-9.2-22. License disqualification criteria.** – The Commission shall not award the
5 casino service provider license or any permit to any person who is disqualified on the basis of any
6 of the following criteria:

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

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

12 (3) The conviction of, or a plea of guilty or nolo contendere by, the applicant, or of any
13 person required to be qualified under this chapter, for an offense punishable by imprisonment of
14 more than one year; provided however, a conviction or plea of guilty or nolo contendere by the
15 applicant shall not constitute an automatic disqualification as otherwise required if:

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

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

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

24 **41-9.2-23. Institutional investors or institutional lenders.** – (a) Requirements of
25 disclosure or of being suitable or qualified with respect to an institutional investor or institutional
26 lender, pursuant to the provisions of this chapter and the rules adopted pursuant thereto, shall be
27 deemed to have been complied with upon submission of documentation by the casino service
28 provider applicant, casino service provider, permittee, or the institution, as appropriate, sufficient
29 to establish qualifications as an institutional investor or institutional lender as defined herein, and
30 it is determined that:

31 (1) It owns, holds, or controls publicly traded securities issued by a casino service
32 provider applicant, casino service provider, permittee, or holding, intermediate or parent company
33 of an affiliate of a casino service provider applicant, casino service provider, or permittee in the
34 ordinary course of business for investment purposes.

1 (2) It does not intend to exercise influence over the affairs of the issuer of such securities,
2 nor over any licensed or permitted subsidiary of the issuer of such securities, in the future, and
3 that it agrees to notify the Commission in writing within thirty (30) days if such intent should
4 change.

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

7 (c) The Commission may rescind the presumption of suitability for an institutional lender
8 or institutional investor at any time if the institutional lender or investor exercises or intends to
9 exercise influence or control over the affairs of the casino service provider applicant, the casino
10 service provider, or permittee, or a holding, intermediate, or parent company of the casino service
11 provider or permittee, or affiliate thereof.

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

16 **41-9.2-24. Uniform compulsive gambling program.** – (a) The gaming and casino
17 gaming industry, through the American Gaming Association in the Responsible Gaming
18 Resource Guide, has stated that the industry recognizes that gaming entertainment companies
19 must address the situation of customers who do not gamble responsibly, though the great
20 majority of the men and women who are their customers can enjoy their games responsibly, but
21 that they also know the customers expect them to act responsibly toward those who cannot. To
22 support the health and welfare of the citizens of Rhode Island, the casino service provider will
23 develop and implement comprehensive compulsive gambling programs to be approved by the
24 Commission.

25 (b) The casino service provider shall adopt a comprehensive program that provides
26 policies and procedures that, at a minimum, cover the following areas of concern and are
27 designed to:

28 (1) Provide procedures designed to prevent employees from willfully permitting a person
29 identified on a self-exclusion list from entering the casino resort and gaming facility.

30 (2) Provide procedures to offer employee assistance programs or equivalent coverage.
31 The procedures shall be designed to provide confidential assessment and treatment referral for
32 employees and, if covered, their dependents, who do not gamble responsibly.

33 (3) Provide procedures for the development of programs to address issues of underage
34 gambling and unattended minors at the casino gaming facility.

1 (4) Provide procedures for the training on compulsive gambling for all employees who
2 interact with casino gaming patrons in casino gaming areas.

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

5 (6) Provide procedures for removing self-excluded persons from the casino resort and
6 gaming facility, including, if necessary, procedures for obtaining the assistance of local law
7 enforcement.

8 (7) Provide procedures preventing any person identified on the self-exclusion list from
9 receiving any advertisement, promotion, or other targeted mailing after ninety (90) days of
10 receiving notice from the Commission that the person has been placed on the self-exclusion list.

11 (8) Provide procedures for the distribution or posting within the casino gaming facility of
12 information that promotes public awareness about problem gambling and provides information on
13 available services and resources to those who have a gambling problem.

14 (9) Provide procedures for the distribution of responsible gambling materials to
15 employees.

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

18 (11) Provide procedures to prevent any person placed on the self-exclusion list from
19 having access to cash advances or from receiving complimentary services, check-cashing
20 services, and other benefits.

21 (c) (1) The Commission shall provide by rule for the establishment of a list of self-
22 excluded persons from casino gaming at the casino gaming facility. Any person may request
23 placement on the list of self-excluded persons by acknowledging in a manner to be established by
24 the Commission that the person wishes to be excluded and by agreeing that, during any period of
25 voluntary exclusion, the person may not enter the casino resort and gaming facility or collect any
26 winnings or recover any losses resulting from any casino gaming activity at the casino gaming
27 facility.

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

33 (3) The rules of the Commission shall establish procedures for the transmittal to the
34 casino gaming facility and to the casino service provider of identifying information concerning

1 self-excluded persons, and shall require the casino service provider to establish procedures
2 designed, at a minimum, to remove self-excluded persons from targeted mailings or other forms
3 of advertising or promotions and to deny self-excluded persons access to cash advances,
4 complimentaries, check-cashing privileges, and other benefits.

5 (4) The rules of the Commission shall provide that the list of self-excluded persons shall
6 not be open to public inspection but the casino service provider may share that list with affiliated
7 companies. The Commission, the casino service provider, any licensee or permittee, and any
8 employee or agent thereof shall not be liable to any self-excluded person or to any other party in
9 any judicial proceeding for any monetary damages or to other remedy which may arise as a result
10 of disclosure or publication in any manner other than a willfully unlawful disclosure to a third
11 party that is not an employee, affiliated company, or employee or agent of the Commission, of the
12 identity of any self-excluded person.

13 (d) A person who is excluded from the casino resort and gaming facility by any provision
14 of this chapter or pursuant to any self-exclusion rules adopted by the Commission shall not
15 collect in any manner or proceeding any winnings or recover any losses arising as a result of any
16 prohibited casino gaming activity.

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

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

26 (g) The provisions of this section shall not require the Commission, the casino service
27 provider, licensees, permittees, and the employees thereof to identify problem or compulsive
28 gamblers, which is an activity that requires medical and clinical expertise.

29 (h)(1) The Commission may impose sanctions on a licensee or permittee if the licensee or
30 permittee willfully fails to exclude from the casino gaming facility a person known to be on the
31 self-exclusion list.

32 (2) The Commission may seek the suspension of a license or permit if the licensee or
33 permittee engages in a pattern of willful failure to exclude from the casino gaming facility
34 persons known to be on the self-exclusion list.

1 (i) The casino service provider and any licensee can demonstrate to the Commission
2 compliance with the education and training provisions of this section by providing proof of
3 attendance by all employees when they are hired and annually thereafter at one of the following
4 education programs:

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

7 (2) Any other course on problem and compulsive gambling training approved by the
8 Commission, including any courses offered by a casino service provider.

9 (5) (a) If the casino service provider violates any provision of this section, it may be
10 subject to disciplinary action by the Commission.

11 (b) The provisions of this section are solely regulatory in nature and neither create a
12 minimum standard of care toward the public nor establish a private cause of action for non-
13 compliance against the state, the Commission, or the casino service provider.

14 **41-9.2-25. Commission designated excluded persons.** – (a) The Commission shall
15 adopt rules and regulations to provide for the establishment of a list of persons who are to be
16 excluded from any room, premises, or designated gaming area in the casino resort and gaming
17 facility where casino gaming is conducted pursuant to a license or contract issued pursuant to the
18 provisions of this chapter. The rules must define the standards for exclusion and include standards
19 relating to the following persons:

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

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

23 (3) Those whose presence in the casino resort and gaming facility would be adverse to
24 the interests of Rhode Island or Rhode Island's casino gaming operations.

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

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

31 (1) By personal service.

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

33 (d) A person may petition the Commission for removal of his or her name from the
34 excluded persons' list. The petitioner has the burden of proving he or she does not meet the

1 criteria of paragraph (a)(1), (2), or (3) of this section.

2 (e) Any person who has been placed on the list of persons to be excluded or ejected from
3 the casino resort and gaming facility may be imprisoned for up to six (6) months or fined not
4 more than five hundred dollars (\$500.00), or both, if he or she thereafter enters or attempts to
5 enter the casino resort and gaming facility without first having obtained a determination by the
6 Commission that he or she should not have been placed on the list of persons to be excluded or
7 ejected.

8 (f) A person who is placed on the exclusion list is entitled to a hearing for review of the
9 listing. Unless otherwise agreed by the Commission and the named person, the hearing shall be
10 held not later than thirty (30) days after the receipt of the petition.

11 (4) (a) If the casino service provider willfully violates any provision of this section, it
12 may be subject to disciplinary action by the Commission.

13 (b) The provisions of this section are solely regulatory in nature and neither create a
14 minimum standard of care toward the public nor establish a private cause of action for non-
15 compliance against the state, the Commission, or the casino service provider.

16 **41-9.2-26. Advertising; compulsive gambling information.** – In any advertisement of
17 the casino gaming facility that is offered to the general public in print by the state, the
18 Commission, or the casino service provider, the toll-free telephone number of the National
19 Council on Problem Gambling or a similar toll-free number approved by the Commission shall be
20 placed on such advertisement.

21 **41-9.2-27. Exclusion or ejection of persons.** – (a) Any agent of the Commission or
22 casino service provider may exclude or eject any person for any reason, except race, color, creed,
23 national origin, sex, or disability.

24 (b) Except as provided in this chapter or in the rules of the Commission, the Commission,
25 the casino service provider, and any employee of the Commission or casino service provider,
26 shall not be liable for any monetary damages or any other remedy in any judicial proceeding as a
27 result of the exclusion or removal of any person for any reason, except race, color, creed, national
28 origin, sex, or disability.

29 **41-9.2-28. Making false statements relating to casino gaming.** – (a) No person shall
30 knowingly or intentionally make a material false statement in any application for a license,
31 permit, suitability determination, or in support of a proposal for a development agreement
32 pursuant to the provisions of this chapter. No person shall intentionally make a material false
33 statement in any book, record, form, or any other document which is required, compiled, or
34 maintained pursuant to the provisions of this chapter.

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

3 **41-9.2-29. Use of device to obtain advantage at casino game -- Forfeiture -- Notice.--**

4 The use of any electronic, electrical, or mechanical device that is designed, constructed, or
5 programmed for use in obtaining an advantage at playing any casino game is prohibited. Any
6 person who uses, or assists another in the use of, an electronic, electrical, or mechanical device
7 which is designed, constructed, or programmed for use in obtaining an advantage at playing any
8 casino game, shall be guilty of a misdemeanor and shall be punished by imprisonment for a
9 period of up to one (1) year and fined up to one thousand dollars (\$1,000). In addition, any device
10 used by any person in violation of this section shall be subject to forfeiture. The casino service
11 provider shall post notice of this prohibition and the penalties of this section in a manner
12 determined by the Commission.

13 **41-9.2-30. Unlawful use of bogus chips or gaming billets, marked cards, dice,**
14 **cheating devices, unlawful coins -- Penalty. – (a) It shall be unlawful for any person to play**
15 **any casino game and:**

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

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

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

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

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

30 (c) It shall be unlawful for any person knowingly to possess or use while on the premises
31 of the casino resort and gaming facility, any cheating or thieving device, including, but not
32 limited to tools, wires, drills, coins attached to strings or wires, or electronic or magnetic devices,
33 to facilitate removing from any slot machine any money or contents thereof, except that a duly
34 authorized employee of the Commission or the casino service provider may possess and use any

1 of the foregoing only in furtherance of his employment in the casino gaming facility.

2 (d) It shall be unlawful for any person knowingly to possess or use while on the premises
3 of the casino resort and gaming facility any key or device designed for the purpose of or suitable
4 for opening or entering any slot machine or similar casino gaming device or drop box, except that
5 a duly authorized employee of the Commission or casino service provider may possess and use
6 any of the foregoing only in furtherance of his employment.

7 (e) Any person who violates any of the provisions of this section shall be guilty of a
8 felony and upon conviction shall be imprisoned for a period of up to five (5) years and fined an
9 amount not to exceed ten thousand dollars (\$10,000).

10 **41-9.2-31. Cheating games and devices in a licensed casino -- Penalty.** – (a) It shall be
11 unlawful:

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

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

20 (3) It shall be unlawful knowingly to use or possess any marked cards, loaded dice, or
21 machines or devices that have been plugged or tampered with.

22 (b) Any person who violates any of the provisions of this section shall be guilty of a
23 felony and upon conviction shall be imprisoned for a period up to five (5) years and fined an
24 amount not to exceed ten thousand dollars (\$10,000).

25 **41-9.2-32. Skimming of gaming proceeds.** – (a) The crime of skimming of casino
26 gaming proceeds is the intentional excluding, or the taking of any action in an attempt to exclude,
27 any thing or its value from the deposit, counting, collection, or computation of:

28 (1) Gross receipts from the casino gaming facility or casino gaming activities.

29 (2) Net casino gaming income from the casino gaming facility or casino gaming
30 activities.

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

32 (b) Whoever commits the crime of skimming of casino gaming proceeds when the
33 amount skimmed, or to be skimmed, is less than one thousand dollars (\$1,000) may be
34 imprisoned for not more than five years or may be fined not more than five thousand dollars

1 (\$5,000), or both.

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

7 **41-9.2-33. Authority of casino service provider and agents to detain or question**
8 **persons suspected of cheating -- Immunity from liability; posted notice required --** (a) The
9 Commission, casino service provider, or their officers, employees or agents may question any
10 person in the casino resort and gaming facility reasonably suspected of violating any of the
11 provisions of sections 41-9.2-29 through 41-9.2-32, inclusive, and 41-9.2-36. Neither the
12 Commission, casino service provider, or their officers, employees or agents shall be criminally or
13 civilly liable by reason of any such questioning.

14 (b) The casino service provider or their officers, employees or agents who shall have
15 reasonable cause for believing there has been a violation of sections 41-9.2-29 through 41-9.2-32,
16 inclusive and 41-9.2-36 in the casino resort and gaming facility by any person may refuse to
17 permit such person to continue gaming or wagering or may take such person into custody and
18 detain him in the casino resort and gaming facility in a reasonable manner for a reasonable length
19 of time, for the purpose of notifying law enforcement or Commission authorities. Such refusal or
20 taking into custody and detention shall not render the casino service provider, or its officers,
21 employees or agents criminally or civilly liable for false arrest, false imprisonment, slander, or
22 unlawful detention, unless it is established by clear and convincing evidence that such refusal or
23 such taking into custody or detention is unreasonable under all of the circumstances.

24 c. The casino service provider or its officers, employees or agents shall not be entitled to
25 any immunity from civil or criminal liability provided in this section unless there is displayed in a
26 conspicuous manner in the casino gaming facility a notice in bold face type clearly legible and in
27 substantially this form: "The Casino Service Provider or any of its officers, employees or agents
28 thereof who has reasonable cause for believing that any person is violating any of the provisions
29 of the Rhode Island Casino Gaming Control Act prohibiting cheating or swindling in gaming or
30 simulcast wagering may detain such person in the Casino Resort and Gaming Facility for the
31 purpose of notifying a police officer or the Rhode Island Lottery Commission authorities."

32 **41-9.2-34. Conduct subject to civil penalty.** – In addition to other penalties provided for
33 under this chapter, a person who conducts a casino gaming operation without first obtaining a
34 license to do so, or a licensee who continues to conduct casino games after revocation of the

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

6 **41-9.2-35. 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 **41-9.2-36. 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) Knowingly providing false testimony to the Commission or its authorized
18 representative while under oath.

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

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

29 (b) Solicits or knowingly accepts or receives a promise of anything of value or benefit
30 while the person is employed by or connected with a licensee or permittee, including, but not
31 limited to, an officer or employee of the casino service provider or holder of a license or permit,
32 pursuant to an understanding or arrangement or with the intent that the promise or thing of value
33 or benefit will influence the actions of the person to affect or attempt to affect the outcome of a
34 gambling game.

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

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

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

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

10 (d) Willfully permitting a person who is not licensed or permitted pursuant to this chapter
11 to conduct activities required to be licensed or permitted under the provisions in this chapter or in
12 rules promulgated by the Commission.

13 (e) Leasing, pledging, borrowing, or loaning money against a license or permit issued by
14 the Commission pursuant to this chapter, unless expressly authorized by the Commission.

15 **41-9.2-37. Sale of alcoholic beverages.** – Alcoholic beverages shall be sold or
16 distributed in the casino gaming facility pursuant to state law only.

17 **41-9.2-38. Legal shipments of gaming devices into the state.** – All shipments of casino
18 gaming devices, including slot machines, into any town or city of this state within which casino
19 gaming is authorized, the registering, recording, and labeling of which have been duly done by
20 the manufacturer or dealer thereof in accordance with sections 3 and 4 of that certain chapter of
21 the laws enacted by the Congress of the United States entitled, "An act to prohibit transportation
22 of gaming devices in interstate and foreign commerce," approved January 2, 1951, being c. 1194,
23 64 Stat. 1134, and also designated as 15 U.S.C. § 1171-1177, shall be deemed legal shipments
24 thereof into the State of Rhode Island.

25 **41-9.2-39. Declaration of state's exemption from operation of provisions of 15 U.S.C.**
26 **§ 1172.** – Pursuant to section 2 of that certain chapter of the laws enacted by the Congress of the
27 United States entitled "An act to prohibit transportation of gaming devices in interstate and
28 foreign commerce," approved January 2, 1951, being c. 1194, 64 Stat. 1134, and also designated
29 as 15 U.S.C. §§ 1171-1177, the state of Rhode Island, acting by and through its duly elected and
30 qualified members of its legislature, does hereby in this section, and in accordance with and in
31 compliance with the provisions of section 2 of such chapter of Congress, declare and proclaim
32 that any town or city of the State of Rhode Island, within which casino gaming is authorized, is
33 exempt from the provisions of section 2 of that certain chapter of the Congress of the United
34 States entitled "An act to prohibit transportation of gaming devices in interstate and foreign

1 commerce," designated 15 U.S.C. §§ 1171-1177, approved January 2, 1951.

2 **41-9.2-40. Smoking.** – (a) Notwithstanding any other provisions of the general laws or
3 regulations adopted thereunder to the contrary, including, but not limited to, the provisions of
4 Chapter 20.10 of Title 23, the provisions of this section shall govern and control with respect to
5 any and all smoking prohibitions as such relate to the casino gaming facility authorized under this
6 chapter.

7 (b) The casino gaming facility authorized under this chapter shall provide designated
8 smoking and nonsmoking casino gaming areas.

9 (c) The designated nonsmoking area shall be physically separated from any smoking area
10 and shall be required to have separate and distinct ventilation systems so as to prohibit the
11 migration of smoke into the nonsmoking area.

12 (d) Except with respect to bars located in a designated smoking area within the casino
13 gaming area, any bar or restaurant located in the resort casino and gaming facility shall be
14 nonsmoking and shall be physically separate from any smoking area and shall have a separate
15 ventilation system so as to prohibit the migration of smoke into the restaurant.

16 (e) The casino service provider shall promulgate rules and regulations to allow its
17 employees the right to work in a smoke-free environment. These rules shall include, but not be
18 limited to, provisions on the right to opt out of working in a smoking area and a provision that no
19 adverse impact or action could take place against the employee if he or she requests to opt out of
20 a smoking area. The rules promulgated by the casino service provider shall be filed with the
21 Commission, and a copy provided to the department of health, prior to the opening for business of
22 the resort casino and gaming facility.

23 (f) The casino service provider shall file an annual report with the Commission, and
24 provide a copy to the department of health, detailing smoke mitigation efforts undertaken by the
25 licensee during the previous year and plans for the upcoming year. The licensee shall be required
26 to monitor air quality with current appropriate technology. A professional HVAC engineer (or
27 other appropriate professional) shall certify the monitoring process and results. The results of the
28 monitoring process shall be included in the annual report.

29 (g) Any enactment relating to the provisions of this section on the casino gaming facility
30 authorized under this chapter or the casino service provider shall be by statute as enacted by the
31 general assembly, provided, however, that the general assembly may by statute delegate such
32 authority to the cities and towns.

33 **41-9.2-41. Severability.** – If any provision of this chapter or the application thereof shall
34 for any reason be judged invalid, that judgment shall not affect, impair, or invalidate the

1 remainder of the law, but shall be confined in its effect to the provision or application directly
2 involved in the controversy giving rise to the judgment.

3 SECTION 4. Sections 17-25.1-3 and 17-25.1-4 of the General Laws in chapter 17-25.1
4 entitled "Gambling Referenda" are hereby amended as follows:

5 **17-25.1-3. Registration of advocates.** – (a) Every "person," as defined in chapter 25 of
6 this title, advocating the approval or rejection of any gambling question, shall, in addition to any
7 applicable requirement of chapter 25 and 25.1 of this title, comply with sections 17-25.1-3, 17-
8 25.1-4 and 17-25.1-5. ~~register with the secretary of state and the board of elections by submitting~~
9 ~~upon the appropriate form its name, and the name and address of each member of its board or~~
10 ~~directors, partner(s), or officer(s), or, if an individual, such individual's name and address as well~~
11 ~~as any person providing funding of five hundred dollars (\$500) or more to the organization.~~ A
12 "gambling question" is defined as any referendum that relates to a proposal to institute a casino
13 within the state or to otherwise expand gambling in any form.

14 (b) Before spending a cumulative total of two thousand dollars (\$2,000) ~~making an~~
15 ~~expenditure~~ to advocate the approval or rejection of any gambling question, such a person must
16 register with the secretary of state and the board of elections by filing ~~and file~~ a registration
17 statement.

18 (c) A registration statement must contain the following information:

19 (1) The name and address of the person ~~or entity~~.

20 (2) The name and address of the designated treasurer and deputy treasurer, if a deputy
21 treasurer is appointed.

22 (3) The name, address and title of all other principle officers, directors, partners of the
23 person ~~entity or committee~~.

24 ~~(4) The name and address of a depository institution in the state of Rhode Island in which~~
25 ~~a single checking account has been established for the funds of the person or entity.~~

26 ~~(45)~~ (4) The name and address of any person or entity providing two thousand ~~five hundred~~
27 dollars (\$2000) (~~\$500~~) or more, directly or indirectly, to a person ~~or entity~~ registering and
28 reporting pursuant to this section.

29 ~~(56)~~ (5) Whether or not any ~~the~~ person or entity named in the registration statement has any
30 direct or indirect affiliation with any entity or person that operates or owns any type or kind of
31 gambling facility or entity in any jurisdiction within or outside of the state and, if so, the name of
32 such facility or entity.

33 (d) Every "person" as defined in chapter 25 of this title, shall supplement its registration
34 form if there is a change in the name or address of any member of its board of directors, partners

1 or officers, or if there is a change in an individual's name or address. Failure to notify the board of
2 elections of changes may be considered by the board of elections in assessing civil penalties for
3 late or incomplete reports filed by any person ~~or entity~~.

4 **17-25.1-4. Reports.** – Every "person" as defined in chapter 25 of this title, spending a
5 cumulative total of ~~two thousand five hundred~~ dollars (~~\$2000~~) (~~\$500~~) or more for the purpose of
6 advocating the approval or rejection of any gambling question, shall report each such expenditure
7 to the board of elections on a form prescribed by the board of elections not later than ten (10)
8 days after each expenditure is made. The report must include the name, address, principal
9 occupation, ~~and~~ employer of the person filing the report, the name and address of the person or
10 entity receiving the expenditure, the amount of each expenditure, and the total amount of
11 expenditures made, at that date, by that person ~~or entity~~ during the calendar year. "Expenditures"
12 shall include the furnishing of or payment for any media advertising services or products,
13 including, but not limited to, newspapers, radio stations, television stations or electronic mail,
14 general advertising, in brochures, pamphlets and the like, advertising agency services, accounting
15 services, billboards, printing, secretarial services, public opinion polls, or research and
16 professional campaign consultation or management, media production, or computer services,
17 which advocate a position on a gambling question.

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

=====
LC03187
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO SPORTS, RACING AND ATHLETICS -- AND EXTENSION OF
GAMBLING ACTIVITIES TO INCLUDE A STATE-OPERATED CASINO

1 This act would establish a new chapter of the general laws entitled "The Rhode Island
2 Casino Gaming Control and Revenue Act." This new chapter would govern the regulation and
3 control of gambling facilities in Rhode Island. The act would also repeal the previously
4 controlling provisions of "The Rhode Island Gaming Control and Revenue Act."

5 This act would take effect upon passage.

=====
LC03187
=====