

2018 -- H 7825

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LC005058
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2018

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A N A C T

RELATING TO SPORTS, RACING AND ATHLETICS

Introduced By: Representatives Nunes, and Marszalkowski

Date Introduced: February 28, 2018

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 41-1 of the General Laws entitled "Division of Racing and
2 Athletics" is hereby amended by adding thereto the following section:

3 **41-1-4. Online and fantasy sports - Authorization - Regulation.**

4 (a) The division of racing and athletics ("the division") is hereby authorized and directed
5 to implement online games of skill, including, but not limited to, fantasy sports, so-called,
6 including, but not limited to, fantasy football and baseball, and other games of skill, subject to the
7 provisions of, and preempted and superseded by, any applicable federal law.

8 (b) The division is authorized to sell prepaid play cards for fantasy sports, subject to
9 proof of age verification, and may be sold by any agent licensed to sell lottery tickets pursuant to
10 the provisions of chapter 61 of title 42. The cards may be recharged and resold by any authorized
11 agent; provided, the prepaid cards shall not be deemed to be gambling but are deemed games of
12 skill.

13 (c) Purchase of online products shall require a secure website to access any customer
14 account by entering a unique password for each online purchaser. Geo-location tools shall be
15 employed by any platform provider authorized under this section, to ensure that a player is a
16 resident of the state.

17 (d)(1) The division shall develop a request for proposals and use the competitive sealed
18 bidding procedures established pursuant to chapter 2 of title 37 to solicit competitive bids from
19 private vendors to develop any online platform, and such platform shall have maximum flexibility

1 to allow for changes in technology and changes in consumer behavior. All providers shall
2 implement and employ a responsible gaming policy that shall be approved by the division.

3 (2) Basic qualifications for consideration in selecting and maintaining both a provider and
4 an online platform shall include the following:

5 (i) Experience in platform development;

6 (ii) Experience in developing gaming platforms;

7 (iii) Experience in website security, including an ability to address all key security areas
8 such as fraud detection, hacking, and prevention of distributed denial of service;

9 (iv) Demonstration of good character, honesty, and integrity;

10 (v) Ability to maintain and grow the site, based on actual experience and demand growth;

11 and

12 (vi) A history of working cooperatively with clients to produce systems that provide the
13 maximum flexibility for and benefit to the client rather than the vendor.

14 (3) All vendors shall provide a "free-play site", so-called, developed concurrently with
15 the gaming site. Any successful bidder shall be compensated based on a percentage of sales
16 established by the division. The successful bidder shall directly or through a subcontracting
17 arrangement, develop a loyalty program that recognizes and rewards regular lottery customers
18 who play both online and traditional lottery games of chance.

19 (e) All revenues received from sales authorized by this section shall be deposited into the
20 general fund, and shall be distributed as aid to the cities and towns, subject to appropriation.

21 (f) Any private vendor wishing to operate or offer a similar service in the state shall be
22 required to apply to the division for issuance of a private vendor fantasy sports license. No private
23 vendor shall operate or offer a similar service in the state without first obtaining a license. The
24 division shall establish an appropriate fee schedule for each license.

25 (g) The director of the division is authorized to promulgate rules and regulations to
26 effectuate the provisions of this chapter.

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO SPORTS, RACING AND ATHLETICS

1 This act would authorize the division of racing and athletics within the department of
2 business regulation to implement online games of skill, including so-called fantasy sports. The
3 division would develop a request for proposals utilizing the competitive sealed bid process that
4 solicits competitive bids from private vendors to develop any such online platform and such
5 platform shall maximize flexibility to allow for changes in technology and changes in consumer
6 behavior.

7 This act would take effect upon passage.

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