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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- VIDEO LOTTERY TERMINAL

Introduced By: Representative Raymond E. Gallison

Date Introduced: May 08, 2014

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. The general assembly hereby finds that:

2 (1) The state of Rhode Island operates table games at the Twin River facility ("Twin  
3 River") located in the town of Lincoln pursuant to § 42-61.2-2.1 and electoral approval in  
4 accordance with Article VI, Section 22 of the Rhode Island Constitution. The state of Rhode  
5 Island also operates video lottery games at Twin River pursuant to § 42-61.2-2.2.

6 (2) It is imperative that legislative action be taken to preserve and protect the state's  
7 ability to maximize revenues at Twin River in an increasingly competitive gaming market by  
8 expanding critical revenue-driving programs.

9 (3) The extension of credit to table game and video lottery players (collectively, "players"  
10 or "patrons") is a vital customer service function that facilitates a gaming program's long-term  
11 success.

12 (4) It is the intent of the general assembly to authorize the establishment of a program for  
13 the extension of credit to players at Twin River pursuant to the terms and conditions hereof and  
14 the rules and regulations submitted by Twin River and approved and promulgated by the division  
15 of lotteries.

16 SECTION 2. Section 42-61.2-1 of the General Laws in Chapter 42-61.2 entitled "Video  
17 Lottery Terminal" is hereby amended to read as follows:

18 **42-61.2-1. Definitions. [Effective June 30, 2009.]** -- For the purpose of this chapter, the  
19 following words shall mean:

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

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

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

12 (4) "Pari-mutuel licensee" means an entity licensed and authorized to conduct:

13 (i) Dog racing, pursuant to chapter 3.1 of title 41; and/or

14 (ii) Jai-alai games, pursuant to chapter 7 of title 41.

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

18 (6) "Video lottery games" means lottery games played on video lottery terminals  
19 controlled by the lottery division.

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

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

32 (9) "Net Table Game Revenue" means win from Table Games minus counterfeit  
33 currency.

34 (10) "Rake" means a set fee or percentage of cash and chips representing cash wagered

1 in the playing of a nonbanking Table Game assessed by a Table Game Retailer for providing the  
2 services of a dealer, gaming table or location, to allow the play of any nonbanking Table Game.

3 (11) "Table Game" or "Table Gaming" means that type of Casino Gaming in which table  
4 games are played for cash or chips representing cash or any other representation of value that has  
5 been approved by the division of lotteries, using cards, dice or equipment and conducted by one  
6 or more live persons.

7 (12) "Table Game Retailer" means a retailer authorized to conduct Table Gaming  
8 pursuant to sections 42-61.2-2.1 and 42-61.2-2.2 of the Rhode Island General Laws.

9 (13) "Credit facilitator" means any employee of Twin River approved in writing by the  
10 division whose responsibility is to, among other things, review applications for credit by players,  
11 verify information on credit applications, grant, deny and suspend credit, establish credit limits,  
12 increase and decrease credit limits, and maintain credit files, all in accordance with this chapter  
13 and rules and regulations approved by the division.

14 SECTION 3. Chapter 42-61.2 of the General Laws entitled "Video Lottery Terminal" is  
15 hereby amended by adding thereto the following section:

16 **42-61.2-3.2. Gaming credit authorized.** – (a) Authority. In addition to the powers and  
17 duties of the state lottery director under §§ 42-61-4, 42-61.2-3, 42-61.2-3.1 and 42-61.2-4, the  
18 division shall authorize Twin River to extend credit to players pursuant to the terms and  
19 conditions of this chapter.

20 (b) Credit. Notwithstanding any provision of the general laws to the contrary, including  
21 without limitation §11-19-17, except for applicable licensing laws and regulations, Twin River  
22 may extend interest-free, unsecured credit to its patrons for the sole purpose of such patrons  
23 making wagers at table games and/or video lottery terminals at the Twin River facility, subject to  
24 the terms and conditions of this chapter.

25 (c) Regulations. Within ninety (90) days of the effective date of this section, Twin River  
26 shall submit to the division of lotteries for review and approval proposed rules and regulations  
27 regarding to the establishment of procedures governing a program for the extension of credit, and  
28 requirements with respect to a credit applicant's financial fitness, including, without limitation,  
29 annual income, debt-to-income ratio, prior credit history, average monthly bank balance and/or  
30 level of play. The division of lotteries may approve, approve with modification or disapprove any  
31 portion of the policies and procedures submitted for review and approval.

32 (d) Credit applications. Each applicant for credit shall submit a written application to  
33 Twin River, which shall be maintained by Twin River for three (3) years in a confidential credit  
34 file. The application shall include the patron's name, address, telephone number, social security

1 number and comprehensive bank account information, the requested credit limit, the patron's  
2 approximate amount of current indebtedness, the amount and source of income in support of the  
3 application, the patron's signature on the application, a certification of truthfulness and any other  
4 information deemed relevant by Twin River or the division of lotteries.

5 (e) Credit application verification. As part of the review of a credit application and before  
6 an application for credit is approved, Twin River shall verify:

7 (1) The identity, creditworthiness and indebtedness information of the applicant by  
8 conducting a comprehensive review of:

9 (i) The information submitted with the application;

10 (ii) Indebtedness information regarding the applicant received from a credit bureau;  
11 and/or

12 (iii) Information regarding the applicant's credit activity at other licensed facilities which  
13 Twin River may obtain through a casino credit bureau and, if appropriate, through direct contact  
14 with other casinos.

15 (2) That the applicant's name is not included on an exclusion or self-exclusion list  
16 maintained by Twin River and/or the division of lotteries.

17 (3) As part of the credit application, Twin River shall notify each applicant in advance  
18 that Twin River will verify the information in subsections (1) and (2) of this section and may  
19 verify any other information provided by the applicant as part of the credit application. The  
20 applicant is required to acknowledge in writing that he or she understands that the verification  
21 process will be conducted as part of the application process and that he or she consents to having  
22 said verification process conducted.

23 (f) Establishment of credit. After a review of the credit application and upon completion  
24 of the verification required under subsection (e) of this section, and subject to the rules and  
25 regulations approved by the division of lotteries, a credit facilitator may approve or deny an  
26 application for credit to a player. The credit facilitator shall establish a credit limit for each patron  
27 to whom credit is granted. The approval or denial of credit shall be recorded in the applicant's  
28 credit file which shall also include the information that was verified as part of the review process,  
29 and the reasons and information relied on by the credit facilitator in approving or denying the  
30 extension of credit and determining the credit limit. Subject to the rules and regulations approved  
31 by the division of lotteries, increases to an individual's credit limit may be approved by a credit  
32 facilitator upon receipt of written request from the player after a review of updated financial  
33 information requested by the credit facilitator and re-verification of the player's credit  
34 information.

1           (g) Recordkeeping. Detailed information pertaining to all transactions affecting an  
2 individual's outstanding indebtedness to Twin River shall be recorded in chronological order in  
3 the individual's credit file. The financial information in an application for credit and documents  
4 related thereto shall be confidential. All credit application files shall be maintained by Twin River  
5 in a secure manner and shall not be accessible to anyone that is not a credit facilitator or a Twin  
6 River manager or officer responsible for the oversight of the extension of credit program.

7           (h) Reduction or suspension of credit. A credit facilitator may reduce a player's credit  
8 limit or suspend his or her credit to the extent permitted by the rules and regulations approved by  
9 the division of lotteries, and shall reduce a player's credit limit or suspend a player's credit limit as  
10 required by said rules and regulations.

11           (i) Voluntary credit suspension. A player may request that Twin River suspend or reduce  
12 his or her credit. Upon receipt of a written request to do so, the player's credit shall be reduced or  
13 suspended as requested. A copy of the request and the action taken by the credit facilitator shall  
14 be placed in the player's credit application file.

15           (j) Liability. In the event that a player fails to repay a debt owed to Twin River resulting  
16 from the extension of credit by Twin River, neither the state of Rhode Island nor the division of  
17 lotteries shall be responsible for the loss and said loss shall not affect Net Table Game Revenue  
18 or Net Terminal Income. Twin River, the state of Rhode Island, the division of lotteries, and/or  
19 any employee of Twin River, shall not be liable in any judicial or administrative proceeding to  
20 any player, any individual or any other party, including table game patrons or individuals on the  
21 voluntary suspension list, for any harm, monetary or otherwise, which may arise as a result of:

- 22           (1) Granting or denial of credit to play table games;
- 23           (2) Increasing the credit limit of a table game player;
- 24           (3) Allowing a player to exercise his or her right to use credit as otherwise authorized;
- 25           (4) Failure of Twin River to increase a credit limit;
- 26           (5) Failure of Twin River to restore credit privileges that have been suspended whether  
27 involuntarily or at the request of the table game patron; or
- 28           (6) Permitting or prohibiting an individual whose credit privileges have been suspended  
29 whether involuntarily or at the request of the player to engage in gaming activity in a licensed  
30 facility while on the voluntary credit suspension list.

31           (k) Limitations. Notwithstanding any other provision of this chapter, for any extensions  
32 of credit, the maximum amount of outstanding credit per player shall be seventy-five thousand  
33 dollars (\$75,000).

1 SECTION 4. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- VIDEO LOTTERY TERMINAL

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1           This act would authorize the extension of credit to players at the Twin River gaming  
2 facility, and would establish the statutory guidelines governing such extension of credit.

3           This act would take effect upon passage.

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