

**2020
LEGISLATIVE COUNCIL**

COMPARISON OF S-2337 TO S-2337 SUB A/3

It is enacted by the General Assembly as follows:

1 SECTION 1. Purpose. The purpose of this [Act](#) is, among other things: (a) To authorize
2 the State Lottery Division of the Department of Revenue (the "Division") to agree to an extension
3 of the Division's partnership with IGT Global Solutions Corporation, a Delaware corporation
4 ("IGT"), including ~~the continuance of a significant presence in the State~~[maintaining a regional](#)
5 [headquarters in the City of Providence, Rhode Island](#); and (b) To authorize the Division to agree to
6 an extension of the Division's partnership with the Rhode Island Affiliates of Twin River
7 Worldwide Holdings, Inc., a Delaware corporation ("TRWH"), including an expansion of ~~Twin~~
8 ~~River's facility in the~~ Lincoln [Gaming Facility](#). This [Act](#) shall be liberally construed to effectuate
9 its purposes.

10 SECTION 2. Definitions.

11 (a) In this [Act](#), capitalized terms not otherwise defined shall have the meanings given
12 them in [§Section](#) 42-61.2-1 [of the General Laws](#) as of the effective date of this act [after giving](#)
13 [effect to the amendments thereto pursuant to Section 5 of this act](#).

14 (b) In this act:

15 (1) "Affiliate" means a ~~person~~[Person](#) that directly, or indirectly through one or more
16 intermediaries, controls, is controlled by or is under common control with a ~~person~~[Person](#);

17 (2) "Control" means the possession, directly or indirectly, of the power to direct or cause
18 the direction of the management and policies of a ~~person~~[Person](#), whether through the ownership of
19 voting securities, by contract or otherwise;

1 (3) "Eligible Third Party" means any ~~person~~Person which (acting jointly with IGT or
2 TRWH or at the direction of IGT) or TRWH (as applicable)) owns, leases or finances any of the
3 ~~investment obligation~~IGT Investment Obligation Assets (as defined in Section 3(a)(ix)(A) of this
4 act) or the assets; associated with the Twin River Investment Obligation (as defined in Section 10
5 of this act);

6 (4) "FTE" means a full time equivalent employee, which, for the purposes of this
7 Agreement, shall mean 2,080 hours of employment of one or more individuals in a year by IGT or
8 an Affiliate employed in the State, which hours of employment shall include vacation time, sick
9 time, disability time, personal time or other time for which an employer in the State must pay the
10 employee. For purposes of this Agreement, "FTE" shall include, without limitation, employees of
11 outsourcing and consulting service providers and temporary employees retained through an
12 employment agency in the State. For employees who are not paid on an hourly basis, each full-time
13 salaried employee employed for a full year shall be deemed to work 2,080 hours per year, and each
14 salaried part-time employee shall be deemed to work a proportionate share of the 2,080 hours based
15 on the hourly commitment set forth in such employee's job description. The hours attributed to
16 salaried employees shall be prorated for any employees who are employed for less than a full year.

17 (5) "IGT Master Contract" means the Master Contract dated as of May 12, 2003 by and
18 between the Division and IGT, as amended (authorized pursuant to Chapter 33 of the 2003 Public
19 Laws);

20 (6) "Joint Venture" means a Delaware limited liability company to be owned by IGT or
21 affiliatesAffiliates of IGT and TRWH or affiliatesAffiliates of TRWH and controlled by IGT or an
22 affiliate of IGTAffiliate of IGT, which Joint Venture shall be regulated by the Division as a
23 Technology Provider; and

24 (7) "Person" means a natural person, corporation, limited liability company, partnership
25 (general or limited), joint venture, estate, trust or unincorporated association, any federal, state,
26 county, or municipal government or any bureau, department or agency thereof, any fiduciary acting
27 in such capacity, on behalf of any of the foregoing, or any other legal or business entity or
28 organization.

29 SECTION 3. Authorization and empowerment of State Lottery Division with respect to
30 IGT. Notwithstanding any provisions of the ~~general laws~~General Laws of the state or regulations
31 adopted thereunder to the contrary, including, without limitation, the provisions of Chapter 2 of
32 Title 37, Chapter 61 of Title 42, and Chapter 64 of Title 42 ~~and Chapter 148 of Title 42~~, the Division
33 is hereby authorized, and empowered ~~and directed~~:

34 (a) To enter into an amendment (the "IGT Master Contract Amendment") to the ~~master~~

1 ~~contract dated as of May 12, 2003 by and between the Division and IGT, as amended (authorized~~
2 ~~pursuant to Chapter 33 of the 2003 Public Laws) (the "IGT Master Contract"),~~ which ~~would~~shall
3 extend the term of the IGT ~~master contract by twenty (20) years to~~Master Contract under the terms
4 and conditions set forth therein, as amended pursuant to Section 3 and Section 4 of this act and as
5 may be otherwise amended in accordance with its terms, through June 30, 2043 (the "Extended
6 Expiration Date"~~"),~~ and ~~would~~shall, among other matters:

7 (i) Extend the term of the On-Line Gaming Agreement dated as of January 29, 1997 by and
8 between IGT and the Division, as amended (including, without limitation, by Section 11 of the IGT
9 Master Contract) (the "On-Line Lottery Agreement"), ~~for an additional twenty (20) years to~~under
10 the terms and conditions set forth therein, as amended pursuant to Section 3 and Section 4 of this
11 act and as may be otherwise amended in accordance with its terms, through the Extended Expiration
12 Date;

13 (ii) Extend the term of the Video Lottery Central Computer System Agreement dated as of
14 December 20, 2001 by and between IGT and the Division, as amended (including, without
15 limitation, by Section 12 of the IGT Master Contract) (the "Video Lottery Agreement"), ~~for an~~
16 ~~additional twenty (20) years to~~under the terms and conditions set forth therein, as amended pursuant
17 to Section 4 of this act and as may be otherwise amended in accordance with its terms, through the
18 Extended Expiration Date;

19 (iii) Extend the term of the Video Lottery Terminal Technology Provider License
20 Agreement dated as of September 28, 2000 by and between IGT and the Division, as amended
21 (including, without limitation, by Section 13 of the IGT Master Contract) (the "VLT Agreement"),
22 ~~for an additional twenty (20) years to~~under the terms and conditions set forth therein, as amended
23 pursuant to Section 4 of this act and as may be otherwise amended in accordance with its terms,
24 through the Extended Expiration Date;

25 (iv) Extend the term of the Instant Ticket Vending Machine Agreement dated October 21,
26 1999 between IGT and the Division ~~and IGT~~ (the "Instant Ticket Vending Machine Agreement"),
27 as amended (including, without limitation, pursuant to Section 8.2 of the IGT Master Contract), ~~for~~
28 ~~an additional twenty (20) years to~~under the terms and conditions set forth therein, as may be
29 otherwise amended in accordance with its terms, through the Extended Expiration Date;

30 (v) Extend the term of the Instant Ticket Agreement dated as of June 30, 2016 by and
31 between the Division and IGT (the "Instant Ticket Agreement"), as amended, ~~for twenty (20) years~~
32 ~~to~~under the terms and conditions set forth therein, as may be otherwise amended in accordance
33 with its terms, through the Extended Expiration Date;

34 (vi) Extend the term of the Website Services Agreement dated as of January 9, 2019 by

1 and between the Division and IGT (the "Website Services Agreement") ~~for twenty (20) years~~
2 ~~under the terms and conditions set forth therein, as may be otherwise amended in accordance~~
3 ~~with its terms, through~~ the Extended Expiration Date;

4 (vii) Provide for the purchase by IGT from the Division for the price of twenty-five million
5 dollars (\$25,000,000) (the "Second Intangible Asset Purchase Price"), twelve million five hundred
6 thousand dollars (\$12,500,000) of which shall be paid on or before June 30, 2022 and twelve
7 million five hundred ~~thousand~~ dollars (\$12,500,000) of which shall be paid on or before June 30,
8 2023, of the right of IGT to be the exclusive provider to the Division of products and services
9 ~~pertaining to:(except with respect to Online sports wagering as otherwise provided by the First~~
10 ~~Amendment to the Sports Betting Agreement effective on or about July 5, 2019 between the~~
11 ~~Division and IGT, a Nevada corporation, as amended from time to time) pertaining to:~~

12 (A) Online lottery systems, online lottery terminals and related equipment;

13 (B) Central communication systems;

14 (C) Video ~~lottery terminals~~Lottery Terminals for the period commencing on January 1,
15 2022 (the "JV Effective Date") and expiring on the Extended Expiration Date (with such exclusive
16 rights to be exercised solely through the ~~joint venture~~Joint Venture pursuant to the assignment
17 effected by the Assignment and Assumption Agreement (as defined in Section 3(b)(ii) of this act)
18 for the period commencing on the JV Effective Date and expiring on the Extended Expiration
19 Date);

20 (D) Instant ticket vending machines;

21 (E) Instant tickets; ~~and~~

22 (F) The processing of on line, instant ticket and video lottery transactions; ~~and~~

23 ~~(G) "iLottery" games (traditional online lottery and instant ticket lottery games made~~
24 ~~available to players through the use of the internet through computers, mobile applications on~~
25 ~~mobile devices or other interactive devices approved by the Division);~~

26 ~~Notwithstanding subparagraphs (A) through (G) above, the payment of the Second~~
27 ~~Intangible Asset Purchase Price shall not entitle IGT to the right to be the exclusive provider of~~
28 ~~games (other than traditional online lottery and instant ticket lottery games) through the use of the~~
29 ~~internet through computers, mobile applications on mobile devices or other interactive devices~~
30 ~~approved by the Division;~~

31 (viii) Provide that:

32 (A) The ~~compensation~~-rates ~~payable by~~pursuant to which the Division ~~is obligated to~~
33 ~~compensate IGT~~ pursuant to the On-Line Lottery Agreement shall be as follows:

34 Annual Sales _____

	Rate
Sales to \$275 million	5.00%
Sales from above \$275 million to \$400 million	4.00%
Sales above \$400 million	5.00%;

and%

(B) The ~~compensation~~ rates ~~payable by~~ pursuant to which the Division is obligated to ~~compensate IGT~~ pursuant to the Video Lottery ~~Agreement, the VLT~~ Agreement, the Instant Ticket Vending Machine Agreement, the Instant Ticket Agreement and the Website Services Agreement shall remain unchanged;

(C) The rates pursuant to which the Division is obligated to compensate IGT prior to the JV Effective Date and the Joint Venture from and after the JV Effective Date pursuant to the VLT Agreement shall remain unchanged;

(ix) Obligate IGT to, among other matters:

(A) Invest or cause to be invested by an ~~affiliate~~ Affiliate or an ~~eligible third party~~ Eligible Third Party in the aggregate at least one hundred fifty million dollars (\$150,000,000) in the state (the "Second IGT Investment Obligation") in connection with acquiring interests in real property, leasehold improvements of real property and assets acquired in connection with the performance of obligations under the IGT Master Contract, as amended by the IGT Master Contract Amendment (the "IGT Amended Master Contract"), including, without limitation: (1) The second intangible asset purchase price; (2) Video ~~lottery terminals~~ Lottery Terminals purchased by IGT and ~~affiliates~~ Affiliates of IGT during the period commencing on July 1, 2019 and expiring on December 31, 2021; (3) Video ~~lottery terminals~~ Lottery Terminals purchased by the ~~joint venture~~ Joint Venture during the period commencing on the JV Effective Date and expiring on the Extended Expiration Date (including, without limitation, ~~video lottery terminals~~ Video Lottery Terminals sold by IGT and other ~~affiliates~~ Affiliates of IGT); and (4) Goods acquired in connection with the business operations of IGT or any ~~affiliate~~ Affiliate of IGT in the state ~~interests in real property, improving real property and performing its obligations under including, without limitation, (the provision of goods in connection with the business operations of IGT or any affiliate in the state (the "IGT Investment Obligation Assets"))~~; provided, however, in no event shall IGT receive credit toward

1 performance of the Second IGT Investment Obligation more than once in connection with any
2 acquisition;

3 (B) Employ, cause to be employed by an affiliateAffiliate or a Person providing
4 outsourcing, technology consulting or temporary employment services to IGT or an Affiliate, or
5 cause to be self-employed in the state during each calendar year commencing with 20202021 at
6 least one thousand one hundred (1,100) full-time equivalent employees (the "Minimum Number of
7 FTEs") calculated in accordance with the methodology as defined in Section 2(b)(4) of this act
8 established for the purposes of the Development Agreement between IGT and the Rhode Island
9 Commerce Corporation in effect as of June 1, 2020, at compensation rates not less than one hundred
10 fifty percent (150%) of the minimum wage in effect from time to time pursuant to §Section 28-12-
11 3 of the General Laws(the "Employment Obligation");

12 ~~(C) Expend an amount equal to~~(C) Pay, or cause to be paid by Affiliates or Persons
13 providing outsourcing, technology consulting or temporary employment services to IGT or an
14 Affiliate, to employees and independent contractors employed or caused to be self-employed in the
15 state during each calendar year commencing with 2021 aggregate compensation (which shall
16 include pre-tax deductions made on behalf of employees) (the "Annual Actual Compensation") not
17 less than the product of: (1) One thousand one hundred (1,100); (2) Two thousand eighty (2,080);
18 and (3) Two hundred fifty percent (250%) of the minimum wage in effect from time to time
19 pursuant to ~~§ 28-12-3 on taxable compensation for the full-time equivalent employees employed~~
20 ~~or cause to be employed with respect to the Employment Obligation during each calendar year~~
21 ~~commencing with 2020 (the "Taxable~~Section 28-12-3 of the General Laws (the "Annual
22 Compensation Obligation");

23 ~~(D) Assume responsibility for the lottery-related activities performed by lottery sales~~
24 ~~representatives currently employed by the Division from the Division and in connection therewith~~
25 ~~offer employment to such lottery sales representatives; and~~

26 (D) Provide to the Division an annual certification on or before May 1 of each year
27 certifying that IGT is in compliance with its Employment Obligation for the prior calendar year.
28 In addition, IGT shall provide to the Division an annual certification on or before May 1 of each
29 year certifying that IGT is in compliance with its Annual Compensation Obligation for the prior
30 calendar year; and

31 (E) GrantNot fewer than ninety (90) days prior, inform the Division ~~the option to make~~
32 ~~proposalseach time IGT plans to IGT that IGT locate in theanother state-certain, or relocate from~~
33 one state to another state thirty (30) or more full-time existing or new employees that IGT or an
34 Affiliate is not located incontractually obligated to locate in or relocate to another state to give the

1 Division the state opportunity to make a proposal to IGT that IGT locate in or relocate to the state
2 such employees (the "Employee Location Obligation");

3 (x) Grant the Division the right to terminate the IGT Amended Master Contract if: ~~(A)~~ IGT
4 fails to perform; the Second IGT Investment Obligation; ~~(B)~~ ~~IGT fails to perform~~ the Employment
5 Obligation; ~~(C)~~ ~~IGT fails to perform~~ the Taxable Annual Compensation Obligation; or ~~(D)~~ ~~IGT fails~~
6 ~~to perform~~ the Employee Location Obligation in addition to any rights the Division has to terminate
7 the On-Line Lottery Agreement, the Video Lottery Agreement, the VLT Agreement, the Instant
8 Ticket Vending Machine Agreement, the Instant Ticket Agreement and the Website Services
9 Agreement;

10 ~~(xi)~~ Notwithstanding the remedies provided in section 3(a)(x), the Division shall have
11 the right to:

12 (A) Grant the Division the right to assess liquidated damages against IGT if the average
13 number of full-time equivalent employees (the "LD FTE Average") for each period of two
14 consecutive calendar years commencing with the two-year period expiring on December 31, 2022,
15 and tested annually thereafter, is less than the Minimum Number of FTEs. Said liquidated damages
16 shall be equal to the product of: (1) the difference between the Minimum Number of FTEs and the
17 LD FTE Average and (2) six thousand four hundred dollars (\$6,400); and

18 (B) Grant the Division the right to assess liquidated damages against IGT if, for each period
19 of two consecutive calendar years commencing with the two-year period expiring on December 31,
20 2022, and tested annually thereafter, the average of the Annual Actual Compensation for such
21 period (the "LD Compensation Average") is less than the average of the Annual Compensation
22 Obligation for such period (the "LD Obligation Average"). Said liquidated damages shall be in an
23 amount equal to the product of: (1) twenty percent (20%) and (2) the difference between the LD
24 Obligation Average for such period and the LD Compensation Average for such period;

25 (xii) Provide that the provisions regarding the Video Lottery Terminal efficiency process
26 would be of no further force and effect for the period commencing on the JV Effective Date and
27 expiring on the Extended Expiration Date, subject to the provisions of Section 4 of this act; and

28 ~~(xii)~~ ~~(A)~~ xiii Contain such other terms and conditions as the Division and IGT may agree;
29 and ~~(B)~~

30 (b) To consent to: ~~(f)~~

31 (i) The irrevocable assignment by IGT to the Joint Venture of: ~~(aa)~~

32 (A) The right to be the exclusive Technology Provider for the period commencing on the
33 JV Effective Date and expiring on the Extended Expiration Date; and ~~(bb)~~

34 (B) The VLT Agreement, as modified solely by the IGT Master Contract Amendment (the

1 "Amended VLT Agreement"); and ~~(H~~

2 (ii) The assumption by the Joint Venture of the obligations of IGT under the Amended
3 VLT Agreement pursuant to an assignment and assumption agreement between IGT and the Joint
4 Venture (the "Assignment and Assumption Agreement"), the terms of which shall be subject to
5 the review and approval of the Division.

6 (c) Nothing in this act shall be deemed to affect the authority of the Division to regulate
7 the Joint Venture as a Technology Provider.

8 SECTION 4. Additional provisions regarding the IGT Master Contract Amendment. The
9 IGT Master Contract Amendment shall also include, but not be limited to, provisions that require
10 IGT ~~to~~ or the Joint Venture (as applicable) to:

11 (a) With respect to Video Lottery Terminals:

12 (1) Regularly update or replace hardware and software; (2) Annually replace a minimum
13 of six percent (6%) of the ~~video lottery terminals~~ Video Lottery Terminals; (3) Provide a minimum
14 of five percent (5%) of the ~~video lottery terminals~~ Video Lottery Terminals with premium or royalty
15 games with such ~~video lottery terminals~~ Video Lottery Terminals performing at less than one
16 hundred fifty percent (150%) of floor average for any calendar year subject to review by the
17 Division for replacement or modification; (4) For the period commencing on the JV Effective Date
18 and expiring on the Extended Expiration Date, (a) cause the Joint Venture to remove five percent
19 (5%) of the ~~video lottery terminals~~ Video Lottery Terminals provided as of December 31 of the
20 preceding year supplied by each supplier to the Joint Venture whose ratio of: (i) The ratio of: (A)
21 The aggregate ~~net terminal income~~ Net Terminal Income generated by the ~~video lottery~~
22 ~~terminals~~ Video Lottery Terminals supplied by such supplier and provided by the Joint Venture
23 during the first thirteen (13) weeks of each calendar year to (B) The aggregate ~~net terminal~~
24 ~~income~~ Net Terminal Income generated by the ~~video lottery terminals~~ Video Lottery Terminals
25 provided by the Joint Venture during such period to; (ii) The ratio of: (A) The number of ~~video~~
26 ~~lottery terminals~~ Video Lottery Terminals supplied by such supplier and provided by the Joint
27 Venture to (B) The total number of ~~video lottery terminals~~ Video Lottery Terminals provided by
28 the Joint Venture is less than ninety seven percent (97%); provided, however, that ~~video lottery~~
29 ~~terminals~~ (x) no more than 40% of the Video Lottery Terminals installed at the Lincoln Gaming
30 Facility and no more than 40% of the Video Lottery Terminals installed at the Tiverton Gaming
31 Facility on the JV Effective Date shall be Video Lottery Terminals manufactured by IGT or an
32 ~~affiliate~~ Affiliate of IGT and (y) Video Lottery Terminals manufactured by IGT or an Affiliate of
33 IGT shall not be subject to removal for calendar years 2022, 2023 and 2024 and (b) nothing in this
34 act shall limit the authority of the Division to approve the Video Lottery Terminals and Video

1 Lottery Games provided by the Joint Venture and which Video Lottery Terminals provided by the
2 Joint Venture are installed at which locations in the Lincoln Gaming Facility and the Tiverton
3 Gaming Facility; and (5) Require IGT to For each Marketing Year occurring during the period
4 commencing on July 1, 2020 and expiring on the Extended Expiration Date, waive its claims
5 against the Division arising from ~~the promotional points programs for the video lottery terminal~~
6 ~~facilities up to or in connection with the Consolidated Promotional Points Program,~~ provided that
7 the aggregate amount of Promotional Points issued in such Marketing Year does not exceed the
8 sum of: (a) twenty percent (20%) of the amounts of net terminal income aggregate Net Terminal
9 Income for the Lincoln Gaming Facility and the Tiverton Gaming Facility for the prior marketing
10 year for the period commencing on July 1, 2020 and expiring on the Extended Expiration Date. Prior
11 Marketing Year and (b) one million five hundred thousand dollars (\$1,500,000); and

12 (b) With respect to IGT's online lottery systems and central communication systems,
13 update and replace hardware and software on schedules agreed to by the Division and IGT in the
14 IGT Master Contract Amendment, as amended from time to time.

15 SECTION 5. ~~Sections~~

16 (a) Section 42-61.2-1 and 42-61.2-7 of the General Laws in Chapter 42-61.2 entitled
17 “Video-Lottery Games, Table Games and Sports Wagering” is hereby amended to read as follows:

18 **42-61.2-1. Definitions.**

19 For the purpose of this chapter, the following words shall mean:

20 ~~(1)~~ (1) "2017 Budget Act" means 2017 – H 5175 Substitute A, as amended, entitled "An Act
21 Relating to Making Appropriations for the Support of the State for the Fiscal Year ending June 30,
22 2018," which Act was signed into law by the Governor of Rhode Island on August 3, 2017.

23 ~~(2)~~ (2) "Casino gaming" means any and all table and casino-style games played with cards,
24 dice, or equipment, for money, credit, or any representative of value; including, but not limited to,
25 roulette, blackjack, big six, craps, poker, baccarat, paigow, any banking or percentage game, or any
26 other game or device included within the definition of Class III gaming as that term is defined
27 in Section 2703(8) of Title 25 of the United States Code and that is approved by the state through
28 the division of state lottery.

29 ~~(3)~~ (3) "Central communication system" means a system approved by the lottery division
30 Division, linking all video lottery machines terminals Video Lottery Terminals at a licensee
31 licensed video lottery retailer location to provide auditing program information and any other
32 information determined by the lottery division Division. In addition, the central communications
33 system must provide all computer hardware and related software necessary for the establishment
34 and implementation of a comprehensive system as required by the lottery division Division. The

1 ~~central communications licensee may provide a maximum of fifty percent (50%) of the video-~~
2 ~~lottery terminals.~~

3 ~~(3)~~⁽⁴⁾ "Collegiate sports or athletic event" shall not include a collegiate sports contest or
4 collegiate athletic event that takes place in Rhode Island or a sports contest or athletic event in
5 which any Rhode Island college team participates regardless of where the event takes place.

6 (5) "Consolidated promotional points program" means, collectively, the "Initial
7 Promotional Points Program" and the "Supplementary Promotional Points Program" applicable to
8 the Lincoln gaming facility and the "Initial Promotional Points Program" and the "Supplementary
9 Promotional Points Program" applicable to the Tiverton gaming facility, with each of the terms
10 "Initial Promotional Points Program" and "Supplementary Promotional Points Program" having the
11 meanings given such terms in the 2017 Budget Act.

12 ~~(4)~~⁽⁶⁾ "Credit facilitator" means any employee of a licensed ~~video lottery~~ video lottery
13 retailer approved in writing by the ~~division~~ Division whose responsibility is to, among other things,
14 review applications for credit by players, verify information on credit applications, grant, deny, and
15 suspend credit, establish credit limits, increase and decrease credit limits, and maintain credit files,
16 all in accordance with this chapter and rules and regulations approved by the ~~division~~ Division.

17 ~~(5)~~⁽⁷⁾ "DBR" means the department of business regulation, division of gaming and
18 athletics licensing, and/or any successor in interest thereto.

19 ~~(6)~~⁽⁸⁾ "Director" means the director of the ~~division~~ Division.

20 ~~(7)~~⁽⁹⁾ "Division," "division of lottery," "division of lotteries," or "lottery division" means
21 ~~the division of lotteries within~~ the state lottery division of the department of revenue and/or any
22 successor in interest thereto.

23 ~~(8)~~⁽¹⁰⁾ "Hosting facility" refers to ~~Twin River~~ the Lincoln gaming facility and the Tiverton
24 gaming facility.

25 (9)⁽¹¹⁾ "IGT" means IGT Global Solutions Corporation, a Delaware corporation.

26 ~~(9)~~⁽¹⁰⁾~~(12)~~ "Licensed ~~video lottery~~ video lottery retailer" means a pari-mutuel licensee
27 specifically licensed by the ~~director~~ Director subject to the approval of the ~~division~~ Division to
28 become a licensed ~~video lottery~~ video lottery retailer.

29 (13) "Lincoln gaming facility" means the gaming and entertainment facility located at 100
30 Twin River Road in the town of Lincoln, Rhode Island (sometimes referred to as "Twin River" or
31 the "Twin River gaming facility").

32 (14) "Marketing Year" means the fiscal year of the state.

33 ~~(10)~~⁽¹¹⁾~~(15)~~ "Net table-game revenue" means win from table games minus counterfeit
34 currency.

1 (11)(1216) "Net terminal income" means currency placed into a ~~video lottery terminal~~
2 [Video-Lottery Terminal](#) less credits redeemed for cash by players.

3 (12)(1317) "Newport Grand" means Newport Grand, LLC, a Rhode Island limited-liability
4 company, successor to Newport Grand Jai Alai, LLC, and each permitted successor to and assignee
5 of Newport Grand, LLC under the Newport Grand Master Contract, including, ~~but not limited to~~
6 ~~without limitation, Premier Entertainment II, LLC and/or Twin River-Tiverton, LLC, (as defined~~
7 ~~in subsection (3325) of this section,)~~ [and/or Twin River-Tiverton, LLC, \(as defined in subsection](#)
8 [\(40\) of this section\)](#) provided it is a pari-mutuel licensee (as defined in § [Section 42-61.2-1 et seq.](#));
9 provided, further, however, where the context indicates that the term is referring to the physical
10 facility, then it shall mean the gaming and entertainment facility located at 150 Admiral Kalbfus
11 Road, Newport, Rhode Island.

12 (13)(1418) "Newport Grand Marketing Year" means each fiscal year of the state or a
13 portion thereof between November 23, 2010, and the termination date of the Newport Grand Master
14 Contract.

15 (14)(1519) "Newport Grand Master Contract" means that certain master ~~video lottery~~
16 [video lottery](#) terminal contract made as of November 23, 2005, by and between the division of
17 lotteries of the Rhode Island department of administration and Newport Grand, as amended and
18 extended from time to time as authorized therein and/or as such Newport Grand Master Contract
19 may be assigned as permitted therein.

20 (15)(1620) "Online gaming account" means an account established at a hosting facility and
21 opened by a patron in person on the premises of a hosting facility that a patron shall use for the
22 deposit and withdrawal of funds used for online sports wagering.

23 (16)(1721) "Online sports wagering" means ~~enga-gingengaging~~ in the act of sports
24 wagering by the placing of wagers on sporting events or a combination of sporting events, or on
25 the individual performance statistics of athletes in a sporting event or a combination of sporting
26 events, over the internet through computers, mobile applications on mobile devices or other
27 interactive devices approved by the ~~division~~ [Division](#), which wagers are accepted by a server-based
28 gaming system located at the premises of a hosting facility authorized to accept sports wagers and
29 administer payoffs of winning sports wagers; all such wagers shall be deemed to be placed and
30 accepted at the premises of a hosting facility.

31 (17)(1822) "Online sports-wagering revenue" means:

32 (i) The total of cash or cash equivalents received from online sports wagering minus the
33 total of:

34 (I) Cash or cash equivalents paid to players as a result of online sports wagering;

1 (II) Marketing expenses related to online sports wagering as agreed to by the ~~division~~
2 Division, the sports-wagering vendor, and the host facilities, as approved by the ~~division of the~~
3 ~~lottery~~ Division; and

4 (III) Any federal excise taxes (if applicable).

5 (ii) The term does not include any of the following:

6 (I) Counterfeit cash.

7 (II) Coins or currency of other countries received as a result of online sports wagering,
8 except to the extent that the coins or currency are readily convertible to cash.

9 (III) Cash taken in a fraudulent act perpetrated against a hosting facility or sports-wagering
10 vendor for which the hosting facility or sports-wagering vendor is not reimbursed.

11 (IV) Free play provided by the hosting facility or sports-wagering vendor as authorized by
12 the ~~division of the~~ lottery Division to a player and subsequently "won back" by the hosting facility
13 or sports-wagering vendor, for which the hosting facility or sports-wagering vendor can
14 demonstrate that it or its affiliate has not been reimbursed in cash.

15 ~~(18)(1923)~~ "Pari-mutuel licensee" means:

16 (i) An entity licensed pursuant to § Section 41-3.1-3; and/or

17 (ii) An entity licensed pursuant to § Section 41-7-3.

18 ~~(19)(2024)~~ "Payoff," when used in connection with sports wagering, means cash or cash
19 equivalents paid to a player as a result of the player's winning a sports wager. A "payoff" is a type
20 of "prize," as the term "prize" is used in chapters 61, 61.2, and 61.3 of this title.

21 ~~(20)(2125)~~ "Premier" means Premier Entertainment II, LLC and/or its successor in interest
22 by reason of the acquisition of the stock, membership interests, or substantially all of the assets of
23 such entity.

24 (26) "Prior marketing year," means, with respect to a marketing year, the most recent
25 previous marketing year during which the Division operated a majority of the authorized video
26 lottery games at each of the Lincoln gaming facility and the Tiverton gaming facility for at least
27 360 days (or 361 days in the case there are 366 days in such marketing year). For the avoidance of
28 doubt, because the Division will not have operated a majority of the authorized video lottery games
29 at the Lincoln gaming facility and at the Tiverton gaming facility for at least 361 days during the
30 marketing year expiring on June 30, 2020, the prior marketing year with respect to the marketing
31 year expiring on June 30, 2021 shall be the marketing year expiring on June 30, 2019.

32 (27) "Promotional points" has the meaning given such term in the 2017 Budget Act.

33 ~~(21)(2228)~~ "Rake" means a set fee or percentage of cash and chips representing cash
34 wagered in the playing of a nonbanking table game assessed by a table games retailer for providing

1 the services of a dealer, gaming table, or location, to allow the play of any nonbanking table game.

2 ~~(22)~~[\(2329\)](#) "Server-based gaming system" means all hardware, software, and
3 communications devices that comprise a system utilized for the purpose of offering an electronic
4 platform used in connection with the process of placing and accepting sports wagers.

5 ~~(23)~~[\(2430\)](#) "Sporting event" means any professional sport or athletic event, any Olympic
6 or international sports competition event, and any collegiate sport or athletic event, or any portion
7 thereof, including, but not limited to, the individual performance statistics of athletes in a sports
8 event or combination of sports events, except "sports event" shall not include a prohibited sports
9 event.

10 ~~(24)~~[\(2531\)](#) "Sports wagering" means the business of accepting wagers on sporting events
11 or a combination of sporting events, or on the individual performance statistics of athletes in a
12 sporting event or combination of sporting events, by any system or method of wagering. The term
13 includes, but is not limited to, exchange wagering, parlays, over-under, moneyline, pools, and
14 straight bets, and the term includes the placement of such bets and wagers. However, the term does
15 not include, without limitation, the following:

16 (i) Lotteries, including ~~video lottery~~ [video lottery](#) games and other types of casino gaming
17 operated by the state, through the ~~division~~ [Division](#), ~~on the date this act is enacted~~ [\[as of June 22,](#)
18 [2018\]](#).

19 (ii) Pari-mutuel betting on the outcome of thoroughbred or harness horse racing, or
20 greyhound dog racing, including but not limited to, pari-mutuel wagering on a race that is
21 "simulcast" (as defined in § [Section 41-11-1](#)), as regulated elsewhere pursuant to the ~~general laws~~
22 [General Laws](#), including in chapters 3, 3.1, 4, and 11 of title 41.

23 (iii) Off-track betting on racing events, as regulated elsewhere pursuant to the ~~general laws~~
24 [General Laws](#), including in chapter 10 of title 41.

25 (iv) Wagering on the respective scores or points of the game of jai alai or pelota and the
26 sale of pari-mutuel pools related to such games, as regulated elsewhere pursuant to the ~~general laws~~
27 [General Laws](#), including in chapter 7 of title 41.

28 (v) Lotteries, charitable gaming, games of chance, bingo games, raffles, and pull-tab lottery
29 tickets, to the extent permitted and regulated pursuant to chapter 19 of title 11.

30 ~~(25)~~[\(2632\)](#) "Sports-wagering device" means any mechanical, electrical, or computerized
31 contrivance, terminal, machine, or other device, apparatus, equipment, or supplies approved by the
32 ~~division~~ [Division](#) and used to conduct sports wagering.

33 ~~(26)~~[\(2733\)](#) "Sports-wagering revenue" means:

34 (i) The total of cash or cash equivalents received from sports wagering minus the total of:

1 (I) Cash or cash equivalents paid to players as a result of sports wagering;
2 (II) The annual flat fee to the host communities as defined by § [Section 42-61.2-5\(c\)](#);
3 (III) Marketing expenses related to sports wagering as agreed to by the ~~division~~ [Division](#),
4 the sports-wagering vendor, ~~and~~ the host facilities, as approved by the ~~division of the lottery~~
5 [Division](#); and

6 (IV) Any federal excise taxes (if applicable).

7 (ii) The term does not include any of the following:

8 (I) Counterfeit cash.

9 (II) Coins or currency of other countries received as a result of sports wagering, except to
10 the extent that the coins or currency are readily convertible to cash.

11 (III) Cash taken in a fraudulent act perpetrated against a hosting facility or sports-wagering
12 vendor for which the hosting facility or sports-wagering vendor is not reimbursed.

13 (IV) Free play provided by the hosting facility or sports-wagering vendor as authorized by
14 the ~~division of lottery~~ [Division](#) to a patron and subsequently "won back" by the hosting facility or
15 sports-wagering vendor, for which the hosting facility or sports-wagering vendor can demonstrate
16 that it or its affiliate has not been reimbursed in cash.

17 ~~(27)(2834)~~ "Sports-wagering vendor" means any entity authorized by the ~~division of lottery~~
18 [Division](#) to operate sports betting on the ~~division's~~ [Division's](#) behalf in accordance with this chapter.

19 ~~(28)(2935)~~ "Table game" or "Table gaming" means that type of casino gaming in which
20 table games are played for cash or chips representing cash, or any other representation of value that
21 has been approved by the ~~division of lotteries~~ [Division](#), using cards, dice, or equipment and
22 conducted by one or more live persons.

23 ~~(29)(3036)~~ "Table-game retailer" means a retailer authorized to conduct table gaming
24 pursuant to § [Section 42-61.2-2.1](#) or § [Section 42-61.2-2.3](#).

25 ~~(30)(3137)~~ "Technology provider" means any individual, partnership, corporation, or
26 association that designs, manufactures, installs, maintains, distributes, or supplies ~~video lottery~~
27 ~~machines~~ [terminals](#) [Video-Lottery Terminals](#) or associated equipment for the sale or use in this
28 state.

29 ~~(31)(3238)~~ "Tiverton gaming facility" (~~sometimes referred to as "Twin River Tiverton"~~)
30 means the gaming and entertainment facility located ~~in the town of Tiverton~~ at the intersection of
31 William S. Canning Boulevard and Stafford Road. [in the town of Tiverton, Rhode Island](#)
32 [\(sometimes referred to as "Twin River-Tiverton"\)](#).

33 ~~(32)(3339)~~ "Twin River" (sometimes referred to as "UTGR") means UTGR, Inc., a
34 Delaware corporation, and each permitted successor to and assignee of UTGR, Inc.; provided

1 further, however, where the context indicates that the term is referring to a physical facility, then
2 "Twin River" or "~~Twin River gaming facility~~" shall mean the ~~gaming and entertainment facility~~
3 ~~located at 100 Twin River Road in Lincoln, Rhode Island~~ Lincoln gaming facility.

4 ~~(33)(3440)~~ "Twin River-Tiverton" means Twin River-Tiverton, LLC and/or its successor
5 in interest by reason of the acquisition of the stock, membership interests, or substantially all of the
6 assets of such entity; provided, however, where the context indicates that the term is referring to a
7 physical facility, then "Twin River-Tiverton" shall mean the Tiverton gaming facility.

8 ~~(35) "41)~~ "Twin River-Tiverton Marketing Year²²" has the same meaning as ~~"Newport~~
9 ~~Grand Marketing Year²² (as defined in subsection (14) of this section-).~~

10 ~~(36) "42)~~ "Twin River-Tiverton Master Contract²²" has the same meaning as ~~"Newport~~
11 ~~Grand Master Contract²² (as defined in subsection (1519) of this section-).~~

12 ~~(37) "43)~~ "UTGR Master Contract²²" means that certain master video- lottery terminal
13 ~~contract made as of July 1, 2005, by and between the division of lotteries of the Rhode Island~~
14 ~~department of administration (now the division of lotteries of the Rhode Island department of~~
15 ~~revenue) and Twin River, as amended and extended from time to time as authorized therein and/or~~
16 ~~as such UTGR Master Contract may be assigned as permitted therein.~~

17 ~~(38) "44)~~ "Video Lottery Agreement²²" means that certain Video Lottery Central Computer
18 ~~System Agreement dated as of December 20, 2001 by and between IGT and the~~ ~~division~~ Division,
19 ~~as amended, extended, assigned and assumed from time to time.~~

20 ~~(34)(3945)~~ "Video-lottery games" means lottery games played on ~~video-lottery terminals~~
21 Video Lottery Terminals controlled by the ~~lottery division~~ Division.

22 ~~(35)(4046)~~ "~~Video-lottery terminal~~" "Video lottery terminal" means any electronic
23 computerized video game machine that, upon the insertion of cash or any other representation of
24 value that has been approved by the ~~division of lotteries~~ Division, is available to play a video game
25 authorized by the ~~lottery division~~ Division, and that uses a video display and microprocessors in
26 which, by chance, the player may receive free games or credits that can be redeemed for cash. The
27 term does not include a machine that directly dispenses coins, cash, or tokens.

28 ~~(41) "47)~~ "VLT Agreement²²" means that certain Video Lottery Terminal Technology
29 ~~Provider License Agreement dated as of September 28, 2000 by and between IGT and the~~
30 ~~division~~ Division, as amended, extended, assigned and assumed from time to time.

31 (b) Section 42-61.2-7 of the General Laws in Chapter 42-61.2 entitled "Video-Lottery
32 Games, Table Games and Sports Wagering" is hereby amended to read as follows:

33 **42-61.2-7. Division of revenue.**

34 (a) Notwithstanding the provisions of § Section 42-61-15, the allocation of net, terminal

1 income derived from ~~video lottery~~ [video lottery](#) games is as follows:

2 (1) For deposit in the general fund and to the ~~state lottery division~~ [Division](#) fund for
3 administrative purposes: Net, terminal income not otherwise disbursed in accordance with
4 subdivisions (a)(2) ~~---~~ (a)(6) inclusive, or otherwise disbursed in accordance with subsections
5 (g)(2) and (h)(2);

6 (i) Except for the fiscal year ending June 30, 2008, nineteen one hundredths of one percent
7 (0.19%), up to a maximum of twenty million dollars (\$20,000,000), shall be equally allocated to
8 the distressed communities (as defined in § [Section](#) 45-13-12) provided that no eligible community
9 shall receive more than twenty-five percent (25%) of that community's currently enacted municipal
10 budget as its share under this specific subsection. Distributions made under this specific subsection
11 are supplemental to all other distributions made under any portion of ~~general laws~~ § [General Laws](#)
12 [Section](#) 45-13-12. For the fiscal year ending June 30, 2008, distributions by community shall be
13 identical to the distributions made in the fiscal year ending June 30, 2007, and shall be made from
14 general appropriations. For the fiscal year ending June 30, 2009, the total state distribution shall be
15 the same total amount distributed in the fiscal year ending June 30, 2008, and shall be made from
16 general appropriations. For the fiscal year ending June 30, 2010, the total state distribution shall be
17 the same total amount distributed in the fiscal year ending June 30, 2009, and shall be made from
18 general appropriations, provided, however, that seven hundred eighty-four thousand four hundred
19 fifty-eight dollars (\$784,458) of the total appropriation shall be distributed equally to each
20 qualifying distressed community. For each of the fiscal years ending June 30, 2011, June 30, 2012,
21 and June 30, 2013, seven hundred eighty-four thousand four hundred fifty-eight dollars (\$784,458)
22 of the total appropriation shall be distributed equally to each qualifying distressed community.

23 (ii) Five one hundredths of one percent (0.05%), up to a maximum of five million dollars
24 (\$5,000,000), shall be appropriated to property tax relief to fully fund the provisions of § [Section](#)
25 44-33-2.1 [repealed]. The maximum credit defined in subdivision 44-33-9(2) shall increase to the
26 maximum amount to the nearest five dollar (\$5.00) increment within the allocation until a
27 maximum credit of five hundred dollars (\$500) is obtained. In no event shall the exemption in any
28 fiscal year be less than the prior fiscal year.

29 (iii) One and twenty-two one hundredths of one percent (1.22%) to fund § [Section](#) 44-34.1-
30 1, entitled "Motor Vehicle and Trailer Excise Tax Elimination Act of 1998", to the maximum
31 amount to the nearest two hundred fifty dollar (\$250) increment within the allocation. In no event
32 shall the exemption in any fiscal year be less than the prior fiscal year.

33 (iv) Except for the fiscal year ending June 30, 2008, ten one hundredths of one percent
34 (0.10%), to a maximum of ten million dollars (\$10,000,000), for supplemental distribution to

1 communities not included in subsection (a)(1)(i) distributed proportionately on the basis of general
2 revenue sharing distributed for that fiscal year. For the fiscal year ending June 30, 2008,
3 distributions by community shall be identical to the distributions made in the fiscal year ending
4 June 30, 2007, and shall be made from general appropriations. For the fiscal year ending June 30,
5 2009, no funding shall be disbursed. For the fiscal year ending June 30, 2010, and thereafter,
6 funding shall be determined by appropriation.

7 (2) To the licensed, ~~video lottery~~ [video lottery](#) retailer:

8 (a)(i) Prior to the effective date of the Newport Grand Master Contract, Newport Grand
9 twenty-six percent (26%), minus three hundred eighty-four thousand nine hundred ninety-six
10 dollars (\$384,996);

11 (ii) On and after the effective date of the Newport Grand Master Contract, to the licensed,
12 ~~video lottery~~ [video lottery](#) retailer who is a party to the Newport Grand Master Contract, all sums
13 due and payable under said Master Contract, minus three hundred eighty-four thousand nine
14 hundred ninety-six dollars (\$384,996).

15 (iii) Effective July 1, 2013, the rate of net, terminal income payable to the licensed, ~~video-~~
16 ~~lottery~~ [video lottery](#) retailer who is a party to the Newport Grand Master Contract shall increase by
17 two and one quarter percent (2.25%) points. The increase herein shall sunset and expire on June
18 30, 2015, and the rate in effect as of June 30, 2013, shall be reinstated.

19 (iv)(A) Effective July 1, 2015, the rate of net terminal income payable to the licensed ~~video-~~
20 ~~lottery~~ [video lottery](#) retailer who is a party to the Newport Grand Master Contract shall increase
21 over the rate in effect as of June 30, 2013, by one and nine-tenths (1.9) percentage points. (i.e., x%
22 plus 1.9 percentage points equals (x + 1.9)%, where "x%" is the current rate of net terminal income
23 payable to the licensed, ~~video lottery~~ [video lottery](#) retailer who is a party to the Newport Grand
24 Master Contract). The dollar amount of additional net terminal income paid to the licensed ~~video-~~
25 ~~lottery~~ [video lottery](#) retailer who is a party to the Newport Grand Master Contract with respect to
26 any Newport Grand Marketing Year as a result of such increase in rate shall be referred to as
27 "Additional Newport Grand Marketing NTL."

28 (B) The excess, if any, of marketing expenditures incurred by the licensed, ~~video lottery~~
29 [video lottery](#) retailer who is a party to the Newport Grand Master Contract with respect to a
30 Newport Grand Marketing Year over one million four hundred thousand dollars (\$1,400,000) shall
31 be referred to as the "Newport Grand Marketing Incremental Spend." Beginning with the Newport
32 Grand Marketing Year that starts on July 1, 2015, after the end of each Newport Grand Marketing
33 Year, the licensed, ~~video lottery~~ [video lottery](#) retailer who is a party to the Newport Grand Master
34 Contract shall pay to the Division the amount, if any, by which the Additional Newport Grand

1 Marketing NTI for such Newport Grand Marketing Year exceeds the Newport Grand Marketing
2 Incremental Spend for such Newport Grand Marketing Year; provided however, that such ~~video-~~
3 ~~lottery~~ [video lottery](#) retailer's liability to the Division hereunder with respect to any Newport Grand
4 Marketing Year shall never exceed the Additional Newport Grand Marketing NTI paid to such
5 ~~video-lottery~~ [video lottery](#) retailer with respect to such Newport Grand Marketing Year.

6 The increase in subsection 2(a)(iv) shall sunset and expire upon the commencement of the
7 operation of casino gaming at Twin River-Tiverton's facility located in the town of Tiverton, and
8 the rate in effect as of June 30, 2013, shall be reinstated.

9 (b)(i) Prior to the effective date of the UTGR master contract, to the present, licensed,
10 ~~video-lottery~~ [video lottery](#) retailer at Lincoln Park, which is not a party to the UTGR master
11 contract, twenty-eight and eighty-five one hundredths percent (28.85%), minus seven hundred
12 sixty-seven thousand six hundred eighty-seven dollars (\$767,687);

13 (ii) On and after the effective date of the UTGR master contract, to the licensed, ~~video-~~
14 ~~lottery~~ [video lottery](#) retailer that is a party to the UTGR master contract, all sums due and payable
15 under said master contract minus seven hundred sixty-seven thousand six hundred eighty-seven
16 dollars (\$767,687).

17 ~~(3)~~(3) [Except for the period commencing on January 1, 2022 and expiring on June 30,](#)
18 [2043,](#)

19 (i) To the technology providers that are not a party to the GTECH Master Contract as set
20 forth and referenced in P.L. 2003, ch. 32, seven percent (7%) of the net, terminal income of the
21 provider's terminals; in addition thereto, technology providers that provide premium or licensed
22 proprietary content or those games that have unique characteristics, such as 3D graphics; unique
23 math/game play features; or merchandising elements to ~~video-lottery~~ [video lottery](#) terminals may
24 receive incremental compensation, either in the form of a daily fee or as an increased percentage,
25 if all of the following criteria are met:

26 (A) A licensed, ~~video-lottery~~ [video lottery](#) retailer has requested the placement of premium
27 or licensed proprietary content at its licensed, ~~video-lottery~~ [video lottery](#) facility;

28 (B) The division of lottery has determined in its sole discretion that the request is likely to
29 increase net, terminal income or is otherwise important to preserve or enhance the competitiveness
30 of the licensed, ~~video-lottery~~ [video lottery](#) retailer;

31 (C) After approval of the request by the division of lottery, the total number of premium or
32 licensed, proprietary-content ~~video-lottery~~ [video lottery](#) terminals does not exceed ten percent
33 (10%) of the total number of ~~video-lottery~~ [video lottery](#) terminals authorized at the respective
34 licensed, ~~video-lottery~~ [video lottery](#) retailer; and

1 (D) All incremental costs are shared between the division and the respective licensed,
2 ~~video lottery~~ [video lottery](#) retailer based upon their proportionate allocation of net terminal income.
3 The division of lottery is hereby authorized to amend agreements with the licensed, ~~video lottery~~
4 [video lottery](#) retailers, or the technology providers, as applicable, to effect the intent herein.

5 (ii) To contractors that are a party to the master contract as set forth and referenced in P.L.
6 2003, ch. 32, all sums due and payable under said master contract; and

7 (iii) Notwithstanding paragraphs (i) and (ii), there shall be subtracted proportionately from
8 the payments to technology providers the sum of six hundred twenty-eight thousand seven hundred
9 thirty-seven dollars (\$628,737-) [which shall be distributed pursuant to Section 42-61.2-7\(b\)\(3\)\(iii\).](#)
10 [With respect to the period commencing on January 1, 2022 and expiring on June 30, 2043.](#)

11 ~~(3)(i)~~ To the exclusive technology provider, all sums due and payable under the VLT
12 Agreement;

13 ~~(ii) Notwithstanding subsection (3)(paragraph (i) of this section,)~~, there shall be subtracted
14 from the payments to the exclusive technology provider the sum of six hundred twenty-eight
15 thousand seven hundred thirty-seven dollars (\$628,737-; and) which shall be distributed pursuant
16 to Section 42-61.2-7(b)(3)(iii); and

17 (iii) To IGT, all sums due and payable under the Video Lottery Agreement.

18 (4)(A) Until ~~video lottery~~ [video lottery](#) games are no longer operated at the Newport Grand
19 gaming facility located in Newport, to the city of Newport one and one hundredth percent (1.01%)
20 of net terminal income of authorized ~~machines~~ [Video Lottery Terminals](#) at Newport Grand, except
21 that effective November 9, 2009, until June 30, 2013, the allocation shall be one and two tenths
22 percent (1.2%) of net terminal income of authorized ~~machines~~ [Video Lottery Terminals](#) at Newport
23 Grand for each week the facility operates ~~video lottery~~ [video lottery](#) games on a twenty-four-hour
24 (24) basis for all eligible hours authorized; and

25 (B) Upon commencement of the operation of ~~video lottery~~ [video lottery](#) games at ~~Twin~~
26 ~~River Tiverton's facility~~ [the Tiverton gaming facility](#), located in the town of Tiverton, to the town
27 of Tiverton one and forty-five hundredths percent (1.45%) of net terminal income of authorized
28 ~~machines~~ [Video Lottery Terminals](#) at the licensed, ~~video lottery retailer's facility located in the~~
29 ~~town of Tiverton~~ [Tiverton gaming facility](#), subject to subsection (g)(2); and

30 (C) To the town of Lincoln, one and twenty-six hundredths percent (1.26%) of net terminal
31 income of authorized ~~machines~~ [Video Lottery Terminals](#) at ~~Twin River~~ [the Lincoln gaming facility](#)
32 except that:

33 (i) Effective November 9, 2009, until June 30, 2013, the allocation shall be one and forty-
34 five hundredths percent (1.45%) of net terminal income of authorized ~~machines~~ [Video Lottery](#)

1 Terminals at ~~Twin River~~ the Lincoln gaming facility for each week ~~video-lottery~~ video lottery
2 games are offered on a twenty-four-hour (24) basis for all eligible hours authorized; and

3 (ii) Effective July 1, 2013, provided that the referendum measure authorized by P.L. 2011,
4 ch. 151, article 25 as amended, section 4, is approved statewide and in the Town of Lincoln, the
5 allocation shall be one and forty-five hundredths percent (1.45%) of net terminal income of
6 authorized ~~video-lottery terminals~~ Video Lottery Terminals at ~~Twin River~~ the Lincoln gaming
7 facility, subject to subsection (h)(2); and

8 (5) To the Narragansett Indian Tribe, seventeen hundredths of one percent (0.17%) of net
9 terminal income of authorized ~~machines~~ Video Lottery Terminals at the Lincoln gaming facility
10 ~~Park~~, up to a maximum of ten million dollars (\$10,000,000) per year, that shall be paid to the
11 Narragansett Indian Tribe for the account of a Tribal Development Fund to be used for the purpose
12 of encouraging and promoting: home ownership and improvement; elderly housing; adult
13 vocational training; health and social services; childcare; natural resource protection; and economic
14 development consistent with state law. Provided, however, such distribution shall terminate upon
15 the opening of any gaming facility in which the Narragansett Indians are entitled to any payments
16 or other incentives; and provided, further, any monies distributed hereunder shall not be used for,
17 or spent on, previously contracted debts; and

18 (6) Unclaimed prizes and credits shall remit to the general fund of the state; and

19 (7) Payments into the state's general fund specified in subsections (a)(1) and (a)(6) shall be
20 made on an estimated monthly basis. Payment shall be made on the tenth day following the close
21 of the month except for the last month when payment shall be on the last business day.

22 (b) Notwithstanding the above, the amounts payable by the ~~division~~ Division to UTGR
23 related to the marketing program described in the UTGR master contract (as such may be amended
24 from time to time) shall be paid on a frequency agreed by the ~~division~~ Division, but no less
25 frequently than annually.

26 (c) Notwithstanding anything in this chapter 61.2 of this title to the contrary, the director
27 is authorized to fund the marketing program as described in the UTGR master contract.

28 (d) Notwithstanding the above, the amounts payable by the ~~division~~ Division to the
29 licensed, ~~video-lottery~~ video lottery retailer who is a party to the Newport Grand Master Contract
30 related to the marketing program described in the Newport Grand Master Contract (as such may be
31 amended from time to time) shall be paid on a frequency agreed by the ~~division~~ Division, but no
32 less frequently than annually.

33 (e) Notwithstanding anything in this chapter 61.2 of this title to the contrary, the director
34 is authorized to fund the marketing program as described in the Newport Grand Master Contract.

1 (f) Notwithstanding the provisions of § [Section 42-61-15](#), but subject to § [Section 42-61.2-](#)
2 7(h), the allocation of net, table-game revenue derived from table games at ~~Twin River~~ [the Lincoln](#)
3 [gaming facility](#) is as follows:

4 (1) For deposit into the state lottery fund for administrative purposes and then the balance
5 remaining into the general fund:

6 (i) Sixteen percent (16%) of net, table-game revenue, except as provided in § [Section 42-](#)
7 61.2-7(f)(1)(ii);

8 (ii) An additional two percent (2%) of net, table-game revenue generated at ~~Twin River~~ [the](#)
9 [Lincoln gaming facility](#) shall be allocated starting from the commencement of table games activities
10 by such table-game retailer and ending, with respect to such table-game retailer, on the first date
11 that such table-game retailer's net terminal income for a full state fiscal year is less than such table-
12 game retailer's net terminal income for the prior state fiscal year, at which point this additional
13 allocation to the state shall no longer apply to such table-game retailer.

14 (2) To UTGR, net, table-game revenue not otherwise disbursed pursuant to subsection
15 (f)(1); provided, however, on the first date that such table-game retailer's net terminal income for a
16 full state fiscal year is less than such table-game retailer's net terminal income for the prior state
17 fiscal year, as set forth in subsection (f)(1)(ii), one percent (1%) of this net, table-game revenue
18 shall be allocated to the town of Lincoln for four (4), consecutive state fiscal years.

19 (g) Notwithstanding the provisions of § [Section 42-61-15](#), the allocation of net, table-game
20 revenue derived from table games at the Tiverton [gaming](#) facility ~~owned by Twin River Tiverton~~
21 is as follows:

22 (1) Subject to subsection (g)(2) of this section, one percent (1%) of net, table-game revenue
23 shall be allocated to the town of Tiverton;

24 (2) Fifteen and one-half percent (15.5%) of net, table-game revenue shall be allocated to
25 the state first for deposit into the state lottery fund for administrative purposes and then the balance
26 remaining into the general fund; provided however, that beginning with the first state fiscal year
27 that a facility in the town of Tiverton [gaming facility](#) ~~owned by Twin River Tiverton~~ offers patrons
28 ~~video lottery~~ [video lottery](#) games and table games for all of such state fiscal year, for that state
29 fiscal year and each subsequent state fiscal year that such Tiverton [gaming](#) facility offers patrons
30 ~~video lottery~~ [video lottery](#) games and table games for all of such state fiscal year, if the town of
31 Tiverton has not received an aggregate of three million dollars (\$3,000,000) in the state fiscal year
32 from net, table-game revenues and net terminal income, combined, generated by such [the](#) Tiverton
33 [gaming](#) facility, then the state shall make up such shortfall to the town of Tiverton out of the state's
34 percentage of net, table-game revenue set forth in this subsection (g)(2) and net terminal income

1 set forth in subsections (a)(1) and (a)(6); provided further however, if in any state fiscal year either
2 ~~video lottery~~ **video lottery** games or table games are no longer offered at a facility in the town of
3 Tiverton **gaming facility**, owned by Twin River-Tiverton, LLC, then the state shall not be obligated
4 to make up the shortfall referenced in this subsection (g)(2); and

5 (3) Net, table-game revenue not otherwise disbursed pursuant to subsections (g)(1) and
6 (g)(2) shall be allocated to Twin River-Tiverton.

7 (h) Notwithstanding the foregoing § **Section** 42-61.2-7(f) and superseding that section
8 effective upon the first date that a facility in the town of Tiverton **gaming facility** owned by Twin
9 River-Tiverton offers patrons ~~video lottery~~ **video lottery** games and table games, the allocation of
10 net, table-game revenue derived from table games at ~~the Twin River in Lincoln~~ **gaming facility**
11 shall be as follows:

12 (1) Subject to subsection (h)(2), one percent (1%) of net, table-game revenue shall be
13 allocated to the town of Lincoln;

14 (2) Fifteen and one-half percent (15.5%) of net, table-game revenue shall be allocated to
15 the state first for deposit into the state lottery fund for administrative purposes and then the balance
16 remaining into the general fund; provided however, that beginning with the first state fiscal year
17 that a facility in the town of Tiverton owned by Twin River-Tiverton **the Tiverton gaming facility**
18 offers patrons ~~video lottery~~ **video lottery** games and table games for all of such state fiscal year, for
19 that state fiscal year and each subsequent state fiscal year that ~~such~~ **the** Tiverton **gaming facility**
20 offers patrons ~~video lottery~~ **video lottery** games and table games for all of such state fiscal year, if
21 the town of Lincoln has not received an aggregate of three million dollars (\$3,000,000) in the state
22 fiscal year from net, table-game revenues and net terminal income, combined, generated by the
23 ~~Twin River facility in Lincoln~~ **gaming facility**, then the state shall make up such shortfall to the
24 town of Lincoln out of the state's percentage of net, table-game revenue set forth in this subsection
25 (h)(2) and net terminal income set forth in subsections (a)(1) and (a)(6); provided further however,
26 if in any state fiscal year either ~~video lottery~~ **video lottery** games or table games are no longer
27 offered at a facility in the town of Tiverton **gaming facility**, owned by Twin River-Tiverton, LLC,
28 then the state shall not be obligated to make up the shortfall referenced in this subsection (h)(2);
29 and

30 (3) Net, table-game revenue not otherwise disbursed pursuant to subsections (h)(1) and
31 (h)(2) shall be allocated to UTGR.

32 SECTION 6. Authorization and Empowerment of State Lottery Division with respect to
33 Twin River. Notwithstanding any provisions of the ~~general laws~~ **General Laws** of the state or
34 regulations adopted thereunder to the contrary, including, without limitation, the provisions of

1 chapter 2 of title 37, chapter 61 of title 42, ~~and~~ chapter 64 of title 42 ~~and chapter 148 of title 42~~, the
2 Division is hereby authorized, ~~and~~ empowered ~~and directed~~ to enter into an amendment to the
3 UTGR Master Contract, or an amended and restated UTGR Master Contract (the "UTGR Master
4 Contract Amendment"), which ~~would extend~~ shall:

5 (1) Extend the term of the UTGR Master Contract through the Extended Expiration Date
6 under the terms and conditions set forth therein, ~~as of the effective date of this act,~~ amended
7 pursuant to this Section 6 and as follows: may be otherwise amended in accordance with its terms;

8 ~~(2)~~ To obligate Twin River to build a fifty thousand (50,000) square foot expansion of ~~its~~
9 ~~gaming, entertainment and hotel facility located at 100 Twin River Road in the~~ Lincoln, Rhode
10 ~~Island~~ Gaming Facility, which expansion shall be reviewed and approved by the Division;

11 ~~(23)~~ To obligate Twin River (directly or through another affiliate of TRWH) to lease at
12 least twelve thousand (12,000) square feet of commercial space in Providence through at least the
13 Extended Expiration Date (the "Twin River Providence Lease Obligation");

14 ~~(34)~~ To grant the Division the right to terminate the UTGR Master Contract if:

15 (i) TRWH (directly or through another Affiliates of TRWH) fails to perform the Twin
16 River Investment Obligation ~~(as defined in Section 11 of this act);~~; or (ii) Twin River fails to
17 perform the Twin River Providence Lease Obligation, in addition to any rights the Division has to
18 terminate the UTGR Master Contract; and

19 ~~(45)~~ With the prior approval of the Division, consolidate the Initial Promotional Points
20 Program and the Supplementary Promotional Points Program applicable to the Lincoln Gaming
21 Facility and the Initial Promotional Points Program and the Supplementary Promotional Points
22 Program applicable to the Tiverton Gaming Facility into the Consolidated Promotional Points
23 Program, and further provide that Twin River and Twin River-Tiverton, collectively, and not each
24 individually, may issue to customers and prospective customers of the Lincoln Gaming Facility
25 and/or the Tiverton Gaming Facility Promotional Points in an aggregate amount up to the sum of
26 (a) twenty percent (20%) of the aggregate Net Terminal Income for the Lincoln Gaming Facility
27 and the Tiverton Gaming Facility for the Prior Marketing Year and (b) one million five hundred
28 thousand dollars (\$1,500,000), the foregoing superseding and replacing any law applicable to the
29 Lincoln Gaming Facility relating to Promotional Points that Twin River may issue to customers
30 and prospective customers of the Lincoln Gaming Facility; and

31 ~~(6)~~ Contain such other or such revised terms and conditions as the Division and Twin River
32 may agree.

33 SECTION 7. Authorization and Empowerment of State Lottery Division with respect to
34 Twin River Tiverton. Notwithstanding any provisions of the ~~general laws~~ General Laws of the state

1 or regulations adopted thereunder to the contrary, including, without limitation, the provisions of
2 chapter 2 of title 37, chapter 61 of title 42, ~~and~~ chapter 64 of title 42 ~~and chapter 148 of title 42~~, the
3 Division is hereby authorized, ~~and~~ empowered ~~and directed~~ to enter into an amendment to the Twin
4 River-Tiverton Master Contract, or an amended and restated Twin River-Tiverton Master Contract
5 (the "Twin River-Tiverton Master Contract Amendment"), which ~~would extend~~ shall:

6 (1) Extend the term of the Twin River-Tiverton Master Contract through the Extended
7 Expiration Date under the terms and conditions set forth therein, ~~as of the effective date of this act,~~
8 amended pursuant to ~~contain~~ this Section 7 and as may be otherwise amended in accordance with
9 its terms;

10 (2) With the prior approval of the Division, consolidate the Initial Promotional Points
11 Program and the Supplementary Promotional Points Program applicable to the Lincoln Gaming
12 Facility and the Initial Promotional Points Program and the Supplementary Promotional Points
13 Program applicable to the Tiverton Gaming Facility into the Consolidated Promotional Points
14 Program, and further provide that Twin River and Twin River-Tiverton, collectively, and not each
15 individually, may issue to customers and prospective customers of the Lincoln Gaming Facility
16 and/or the Tiverton Gaming Facility Promotional Points in an aggregate amount up to the sum of
17 (a) twenty percent (20%) of the aggregate Net Terminal Income for the Lincoln Gaming Facility
18 and the Tiverton Gaming Facility for the Prior Marketing Year and (b) one million five hundred
19 thousand dollars (\$1,500,000), the foregoing superseding and replacing any law applicable to the
20 Tiverton Gaming Facility relating to Promotional Points that Twin River-Tiverton may issue to
21 customers and prospective customers of the Tiverton Gaming Facility; and

22 (3) Contain such other or such revised terms and conditions as the Division and Twin
23 River-Tiverton may agree.

24 SECTION 8. Further authorization and empowerment of State Lottery Division with
25 respect to affiliates of TRWH. Notwithstanding any provisions of the ~~general laws~~ General
26 Laws of the state or regulations adopted thereunder to the contrary, including, without limitation,
27 the provisions of chapter 2 of title 37, chapter 61 of title 42, ~~and~~ chapter 64 of title 42 ~~and chapter~~
28 ~~148 of title 42~~, the Division is hereby authorized, ~~and~~ empowered ~~and directed~~ to enter into a
29 contract with Twin River, Twin River-Tiverton or another ~~affiliate~~ Affiliate of TRWH (the "TRWH
30 Technology Provider License Agreement") whereunder such ~~affiliate~~ Affiliate of TRWH would be
31 a Technology Provider ~~from July on or before October~~ 1, 2020 through December 31, 2021, and
32 have the right to provide, and shall provide, all ~~video lottery terminals~~ Video Lottery Terminals
33 provided to the Division other than those that IGT and its ~~affiliates~~ Affiliates have a right to provide
34 ~~on July 1, 2020~~ pursuant to applicable law and efficiency formulas existing as of the effective date

1 of this act. ~~Such for the term of the~~ TRWH Technology Provider License Agreement ~~would;~~
2 ~~provided, however, nothing in this act shall limit the authority of the Division to approve the Video~~
3 ~~Lottery Terminals and Video Lottery Games provided pursuant to the TRWH Technology Provider~~
4 ~~License Agreement. The TRWH Technology Provider License Agreement shall~~ contain such other
5 terms and conditions as the Division ~~and the applicable affiliate of TRWH may agree~~ may require.

6 SECTION 9. Naming rights agreement. Notwithstanding any provisions of the ~~general~~
7 ~~laws~~ General Laws of the state or regulations adopted thereunder to the contrary, the I-195
8 Redevelopment District Commission (the "195 Commission") is hereby authorized ~~and empowered~~
9 to enter into a contract with an ~~affiliate~~ Affiliate of TRWH whereunder such ~~affiliate~~ Affiliate of
10 TRWH would agree to pay one hundred thousand dollars (\$100,000) per year for the period from
11 July 1, 2020 ~~through and expiring on~~ the Extended Expiration Date ~~, or some portion thereof at the~~
12 ~~election of the 195 Commission,~~ for the right during such period to name a park ~~or a portion thereof~~
13 within the I-195 Redevelopment District, the naming rights for which are controlled by the 195
14 Commission, and containing such other terms and conditions as the 195 Commission and the
15 ~~affiliate~~ Affiliate of TRWH may agree (the "Naming Rights Agreement"). ~~If the 195 Commission~~
16 ~~declines to enter into a Naming Rights Agreement with an Affiliate of TRWH, there shall be no~~
17 ~~adverse effect to TRWH or its Affiliates under this act or any of the agreements referenced in this~~
18 ~~act.~~

19 SECTION 10. Amendments to regulatory agreement involving TRWH and affiliates of
20 TRWH. Notwithstanding any provisions of the ~~general~~ Laws General Laws of the state or regulations
21 adopted thereunder to the contrary, the Division and the state of Rhode Island department of
22 business regulation (the "DBR") are hereby authorized, ~~and~~ empowered ~~and directed~~ to enter into
23 an amendment to the Amended and Restated Regulatory Agreement dated November 13, 2019
24 among the Division, the DBR, TRWH, Twin River Management Group, Inc., UTGR, Inc. and Twin
25 River-Tiverton, LLC (the "Amended and Restated Regulatory Agreement"), which amendment
26 (the "Regulatory Agreement Amendment"), among other things, shall:

27 (1) Authorize and permit an ~~affiliate~~ Affiliate of TRWH to invest in the Joint Venture;

28 (2) Authorize and permit TRWH or an ~~affiliate~~ Affiliate of TRWH to pay six million five
29 hundred thousand dollars (\$6,500,000) to IGT or the Division (at IGT's election) in connection with
30 the payment of the Second Intangible Asset Purchase Price; ~~(3) Eliminate the prohibition of~~

31 ~~(3) Exclude from financial tests and other covenants in the Amended and Restated~~
32 ~~Regulatory Agreement~~ sale-leaseback transactions relating to Rhode Island assets and permitting
33 such transactions subject to the review and approval of the Division and the DBR; ~~(4) Increase the~~
34 ~~"Maximum Leverage Ratio" (as defined in the Amended and Restated Regulatory Agreement) to~~

1 ~~the lesser of 5.5:1 or the ratio set forth in TRWH's then current senior credit agreement (e.g.,~~
2 ~~TRWH's Credit Agreement dated May 10, 2019, as such agreement may be amended, amended and~~
3 ~~restated, or replaced); (5) Authorize and permit an affiliate subject to the requirement that the net~~
4 ~~proceeds received from the sale-leaseback transaction be used to repay debt unless otherwise~~
5 ~~approved or agreed by the Division or the DBR and that the buyer-lessor of the relevant Rhode~~
6 ~~Island assets be licensed by the Division to assure that the assets continue to meet all of the~~
7 ~~regulatory requirements imposed to protect the State's financial interests and the integrity of the~~
8 ~~gaming experience;~~

9 (4) Increase the "Maximum Leverage Ratio" to the lesser of 5.5:1 (or such greater ratio as
10 the Division and the DBR decide is appropriate to adjust for periods the Lincoln Gaming Facility,
11 the Tiverton Gaming Facility and other gaming facilities owned by Affiliates of TRWH are closed
12 due to the COVID-19 pandemic) and the consolidated total net leverage ratio specified in the
13 TRWH Credit Agreement (as amended from time to time), but using the methodology set forth in
14 the Amended and Restated Regulatory Agreement (as amended from time to time) to calculate the
15 "Leverage Ratio," through the Extended Expiration Date, and, for purposes of calculating the
16 "Leverage Ratio," for the period beginning on the JV Effective Date and continuing through the
17 Extended Expiration Date, modify the definition of (a) "Consolidated EBITDA" to include any
18 income TRWH earns from the Joint Venture or records as income under generally accepted
19 accounting principles as EBITDA and reduce the "VLT Addback" for TRWH's proportionate
20 ownership share of the Joint Venture and (b) "Indebtedness" to exclude "Capital Lease Obligations"
21 entered into in connection with a sale-leaseback transaction provided that both the transaction and
22 the use of proceeds occur in accordance with the provisions of subsection (3) of this section (all
23 terms in quotations in this subsection (4) are as defined in the Amended and Restated Regulatory
24 Agreement);

25 (5) Authorize and permit an Affiliate of TRWH to make capital expenditures to design,
26 develop and construct the fifty thousand (50,000) square foot expansion ~~to Twin River's gaming,~~
27 ~~entertainment of the Lincoln Gaming Facility;~~

28 (6) Require TRWH and hotel facility located at 100 Twin River Road in Lincoln, Rhode
29 Island; (6) Grant the Division the option Management Group, Inc. ("TRMG") to use their best
30 efforts to make proposals to TRWH that TRWH locate additional senior management level
31 employees in the state certain employees of affiliates; and further require that TRWH and/or TRMG
32 add no fewer than thirty (30) members of the senior management employees of TRWH not
33 located and/or TRMG in the state (within twenty-four (24) months from the "TRWH passage of this
34 act (the "Senior Management Employee Location Obligation");-"). Said thirty employees shall be

1 paid, in each calendar year, aggregate compensation (which shall include pre-tax deductions made
2 on behalf of employees) not less than the product of: (1) Thirty (30); (2) Two thousand eighty
3 (2,080); and (3) Two hundred fifty percent (250%) of the minimum wage in effect from time to
4 time pursuant to Section 28-12-3 of the General Laws (the "Senior Management Compensation
5 Obligation"). The Senior Management Employee Location Obligation and the Senior Management
6 Compensation Obligation shall be in addition to any other employment requirements in the
7 Amended and Restated Regulatory Agreement (as amended from time to time) and the General
8 Laws of the state. The Division shall have the right to access liquidated damages against TRWH or
9 TRMG if there is a failure to satisfy the Senior Management Compensation Obligation for any
10 calendar year, commencing with the calendar year ending on December 31, 2023. Said liquidated
11 damages shall be equal to the product of (A) the difference between the actual number of employees
12 less than the thirty employees required under the Senior Management Employee Location
13 Obligation and (B) six thousand four hundred dollars (\$6,400). TRWH and/or TRMG shall provide
14 to the Division an annual certification on or before May 1 of each year certifying that TRWH and/or
15 TRMG is in compliance with the employment obligations under this subsection for the prior
16 calendar year.

17 (7) ~~Authorize and permit~~In addition to TRWH's obligations under Section 7.5(d) of the
18 Amended and Restated Regulatory Agreement, authorize and obligate TRWH (directly or through
19 affiliates~~Affiliates~~ of TRWH) to invest or cause to be invested by TRWH, an Affiliate of TRWH
20 or an Eligible Third Party in the state during the period between the effective date of the Regulatory
21 Agreement Amendment and the Extended Expiration Date, in the aggregate at least one hundred
22 million dollars (\$100,000,000) (the "Twin River Investment Obligation"), which, with the
23 Division's prior approval, shall be expended in connection with: (i) Expanding and improving ~~Twin~~
24 ~~River's gaming, entertainment and hotel facility located at 100 Twin River Road in the~~ Lincoln,
25 ~~Rhode Island~~ Gaming Facility and the Tiverton Gaming Facility and developing or improving real
26 property surrounding the facilities; (ii) Performing under the UTGR Master Contract, as amended
27 by the UTGR Master Contract Amendment; (iii) Performing under the Twin River-Tiverton Master
28 Contract, as amended by the Twin River-Tiverton Master Contract Amendment; (iv) Performing
29 under the TRWH Technology Provider License Agreement (including, without limitation, all
30 Video Lottery Terminals purchased by Affiliates of TRWH through December 31, 2021); (v)
31 Performing under the Naming Rights Agreement; ~~and~~ (vi) Performing under the Amended and
32 Restated Regulatory Agreement, as amended by the Regulatory Agreement Amendment; and (vii)
33 performing the Twin River Providence Lease Obligation; provided, however, in no event shall
34 TRWH receive credit toward performance of the Twin River Investment Obligation more than once

1 in connection with any expenditure; and

2 (8) Authorize and permit TRWH and ~~affiliates~~Affiliates of TRWH to take such other
3 actions as are necessary to fulfil the purposes and intention of this act with the agreement or
4 approval of the Division and the DBR.

5 SECTION 11. Effective dates of amendments and agreements contemplated by this act.

6 Notwithstanding any provisions of this act or any provision of the ~~general laws~~General Laws of the
7 state or regulations adopted thereunder to the contrary: (1) The IGT Master Contract Amendment
8 (which, among other matters, will extend the term of the VLT Agreement ~~to~~through the Extended
9 Expiration Date), the ~~Assignment and Assumption Agreement, the~~ UTGR Master Contract
10 Amendment, the Twin River-Tiverton Master Contract Amendment, ~~the TRWH Technology~~
11 ~~Provider License Agreement, the Naming Rights Agreement,~~and the Regulatory Agreement
12 Amendment, ~~the limited liability company operating agreement between IGT or its affiliate and an~~
13 ~~affiliate of TRWH relating to the Joint Venture and the associated contribution agreements between~~
14 ~~IGT and the Joint Venture and between an affiliate of TRWH and the Joint Venture~~ shall take effect
15 on the same date, ~~and; and~~ ~~(2) No such agreements shall take effect until all such agreements take~~
16 ~~effect.~~

17 (2) ~~No such agreements shall take effect until all such agreements take effect.~~ SECTION
18 ~~12.~~

19 SECTION 12. Credit for acquisitions and expenditures. With respect to the performance
20 of the Second IGT Investment Obligation and the Twin River Investment Obligation under this act,
21 no acquisition and/or expenditure shall be permitted to be credited to both IGT and TRWH. In the
22 event of a disagreement between IGT and TRWH with respect to the allocation of a credit for an
23 acquisition and/or expenditure, the determination of whether IGT or TRWH is allocated said credit
24 shall be solely determined by the Division.

25 SECTION 13. Reporting and Compliance.

26 (a) Amendments – The Division shall provide notice of any further amendment(s) or
27 letter(s) of agreement which alter any of the obligations of IGT, TRWH, or the Joint Venture as set
28 forth in the IGT Master Contract, the IGT Master Contract Amendment, the UTGR Master
29 Contract, the UTGR Master Contract Amendment, the Twin River-Tiverton Master Contract, or
30 the Twin River-Tiverton Master Contract Amendment to the Permanent Joint Committee on State
31 Lottery, the Speaker of the House, and the President of the Senate no later than ten days (10) from
32 the effective date of such amendment or agreement, along with a summary explanation of what the
33 amendment or agreement provides and both the fiscal and economic impact of those changes;
34 provided, however, that no amendment or letter of agreement shall alter or modify, in any way, any

1 provision of this authorizing legislation.

2 (b) Not less than every two years, the Division shall request the Commerce Corporation to
3 perform audits to ensure IGT's compliance with its employment and compensation obligations
4 under the terms and conditions set forth in the IGT Master Contract, the IGT Master Contract
5 Amendment, and this act, as each may otherwise be amended from time to time. The Commerce
6 Corporation shall perform said audits and shall forward the completed audit reports to the Division
7 within thirty (30) days of the end of the measuring period. Within ten (10) days of the date the
8 Division receives the audit reports from the Commerce Corporation, the Division shall forward a
9 copy to the Permanent Joint Committee on State Lottery, the Speaker of the House, and the
10 President of the Senate.

11 (c) Not less than every two years, the Division shall request the Commerce Corporation to
12 perform audits to ensure TRWH's compliance with its employment and compensation obligations
13 under the terms and conditions set forth in the UTGR Master Contract, the UTGR Master Contract
14 Amendment, the Twin River-Tiverton Master Contract, the Twin River-Tiverton Master Contract
15 Amendment, the Amended and Restated Regulatory Agreement, and this act, as each may
16 otherwise be amended from time to time. The Commerce Corporation shall perform said audits and
17 shall forward the completed audit reports to the Division within thirty (30) days of the end of the
18 measuring period. Within ten (10) days of the date the Division receives the audit reports from the
19 Commerce Corporation, the Division shall forward a copy to the Permanent Joint Committee on
20 State Lottery, the Speaker of the House, and the President of the Senate.

21 (d) Reports of any and all audits performed relating to IGT's, the Joint Venture's, UTGR's,
22 Twin River's, Twin River-Tiverton's, or another Affiliate of TRWH's service as a Technology
23 Provider's services in the State of Rhode Island shall be forwarded to the Permanent Joint
24 Committee on State Lottery, the Speaker of the House, and the President of the Senate, within seven
25 (7) days of the completion of any audit report; provided, however, summaries of IT security, cyber
26 and penetration audits shall be provided to the General Assembly.

27 (e) Efficiency Reporting – The Division shall prepare an annual efficiency report which
28 reflects the measure of Video Lottery Terminal performance during the first thirteen (13) weeks of
29 each calendar year and shall forward said report to the Permanent Joint Committee on State Lottery,
30 the Speaker of the House, and the President of the Senate on or before May 15th of each calendar
31 year. Said report shall include an explanation/rationale for any decision by the Division regarding
32 the allocation or reallocation of Video Lottery Terminals as well as an impact assessment of the
33 reallocation of Video Lottery Terminals, if any, or of any determination to not make any
34 reallocation of VLTs.

1 (f) Contract Compliance – The Division shall prepare an annual report summarizing any
2 findings by the Division of noncompliance with any terms and conditions set forth in the IGT
3 Master Contract, the IGT Master Contract Amendment, the UTGR Master Contract, the UTGR
4 Master Contract Amendment, the Twin River-Tiverton Master Contract, or the Twin River-
5 Tiverton Master Contract Amendment as each may otherwise be amended from time to time and
6 any penalties assessed and any remedial actions taken by the Division in response to such
7 noncompliance through the Extended Expiration Date. Said report shall be forwarded to the
8 Permanent Joint Committee on State Lottery, the Speaker of the House, and the President of the
9 Senate.

10 SECTION 14. Inconsistencies. Insofar as the provisions of this act are inconsistent with
11 the provisions of any other general or special law of the state, the provisions of this act shall control.

12 SECTION 1315. Agreement. The state and IGT agree that the provisions of this act are not
13 intended to modify in any way the relative rights and obligations of the Division and IGT under the
14 IGT Master Contract Amendment.

15 SECTION 1416. This act shall take effect upon passage.

=====
4440 Sub A-3
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

ENABLING THE STATE LOTTERY DIVISION OF THE DEPARTMENT OF REVENUE TO
CONTRACT WITH IGT GLOBAL SOLUTIONS CORPORATION AND TWIN RIVER

1 This act would enable the state lottery division of the department of revenue to enter into
2 a contract extension with IGT Global Solutions Corporation and contract extensions with Twin
3 River and affiliates of Twin River.

4 This act would take effect upon passage.

=====
| 4440 [Sub A-3](#)
=====