



Rhode Island Department of Revenue

Lottery Division

May 26, 2026

The Honorable Louis P. DiPalma, Chair
Senate Committee on Finance
State House
Providence, RI 02903

RE: 2026 S 2677 – An Act Relating to the UTGR Master Contract and the Twin River-Tiverton Master Contract – Consolidated Marketing Program

Dear Chair DiPalma:

I am writing on behalf of the Rhode Island Lottery to express concern with the above-captioned legislation, which seeks to amend, restate, and consolidate the Rhode Island Lottery's two separate master contracts with UTGR and Twin River-Tiverton ("TRT"), amend and consolidate the marketing program applicable to each entity, and revise the promotional points program for the State's two casino facilities.

With respect to the Rhode Island Lottery's separate and distinct master contracts with UTGR and TRT, it is the Rhode Island Lottery's position that it is disadvantageous to the State to combine these two agreements. The State historically has addressed the two contracts individually because the two casino facilities are distinct physical locations and are controlled by separate corporate entities. The proposed consolidated master contract would complicate matters in the event there are future issues with one of the facilities, such as a sale or bankruptcy. Not only is the contractual background for each casino facility unique, but each casino facility also has legal obligations unique to it that would still need to remain. Consolidating these two master contracts would require amending and restating each contractual provision in these two distinct agreements, taking great care not to cause any unintended consequences which would adversely affect the State and its associated gaming revenue. This would be a significant and time-consuming legal undertaking that would require substantial negotiations surrounding obligations, rights, and remedies going forward. The bill further requires that such consolidation occur within 90 days of the bill being enacted, which is an unrealistically short period of time given the extensive nature of the two agreements. To avoid unintended negative consequences and an unnecessary diversion of resources away from revenue-generating activities, the more efficient manner would be to amend each master contract to address the proposed consolidated marketing program (described in further detail below), as was most recently done with the Consolidated Promotional Points Program in 2021 (as discussed in greater detail below) pursuant to P.L. 2021, ch. 41 and P.L. 2021, ch. 42.



With respect to the proposed marketing program consolidation, the Rhode Island Lottery does not oppose combining the two programs from an administrative standpoint. However, the Rhode Island Lottery does not support the proposed substantive changes which would increase the State's reimbursement requirement by millions of dollars. Currently, the Rhode Island Lottery's obligation to reimburse UTGR and TRT for their marketing programs is divided into several tranches pursuant to enacted legislation, summarized with respect to UTGR below:

UTGR Marketing Expenditure Amount	Current State Reimbursement Requirement
\$0 - \$4M	No requirement for the State
\$4M - \$10M	State is required to reimburse at approx. 60.7%
\$10M - \$14M	No requirement for the State
\$14M - \$17M	State is required to reimburse at approx. 60.7%
Over \$17M	No requirement for the State

Using UTGR as an example, the Rhode Island Lottery is not required to reimburse for marketing expenditures between \$0 and \$4 million. Then, the Rhode Island Lottery is obligated to reimburse UTGR for marketing expenditures between \$4 million and \$10 million at an approximate rate of 60.7%. After that, the Rhode Island Lottery is not required to reimburse UTGR for marketing expenditures between \$10 million and \$14 million. From \$14 million to \$17 million, the Rhode Island Lottery is again obligated to reimburse UTGR at an approximate rate of 60.7%. The State's responsibility to reimburse UTGR for marketing expenditures is capped at \$17 million, with any amounts above \$17 million being UTGR's sole responsibility. During the last three fiscal years Bally's has spent \$11.9 million, \$11.9 million, and \$10.8 million, respectively, on marketing expenses which qualify for the reimbursement program.

The proposed legislation would eliminate these tranches and require the State to reimburse UTGR and TRT at approximately 60.7% for marketing expenditures from \$0 up to \$27.25 million. This reimbursement obligation would increase annually based on inflation as reported by the consumer price index, which is not currently required. Should Bally's spending for VLT marketing stay similar to the amount spent during FY 2025, the Rhode Island Lottery estimates that the proposed changes to the marketing program would add approximately \$3 million to the State's reimbursement obligation for FY 2027. However, should Bally's spend up to the proposed amount in the bill at which the State's contribution is capped, there would be a much greater impact to the State of approximately \$11 million in FY 2027 and \$11.4 million in FY 2028.

Turning to the promotional points program addressed in the legislation, there appears to be some confusion. The separate Initial Promotional Points Programs and the Supplementary Points

Programs previously applicable to each facility have already been amended and consolidated into the Consolidated Promotional Points Program. This was accomplished by the enactment of P.L. 2021, ch. 41 and P.L. 2021, ch. 42. The current Consolidated Promotional Points Program provides that the aggregate amount of Promotional Points issued in a Marketing Year cannot exceed the sum of: (a) twenty percent (20%) of the aggregate Net Terminal Income (“NTI”) for the Lincoln Gaming Facility and the Tiverton Gaming Facility for the Prior Marketing Year and (b) one million five hundred thousand dollars (\$1,500,000). Accordingly, the portion of the bill related to the promotional points program needs to be revised.

To the extent this proposed legislation is attempting to increase the amount of available Promotional Points by infusing a three-year rolling average for NTI rather than looking back at the Prior Marketing Year as well as adding an adjustment for inflation annually (please note that the language is unclear on where in the calculation the inflation adjustment is applied), the Rhode Island Lottery estimates that these changes would add approximately \$1.1 million and \$2.6 million for FY 2027 and FY 2028, respectively, to the State’s obligations to Bally’s. Moreover, any such change would require the Rhode Island Lottery to negotiate a waiver of certain provisions in the master contract with Brightstar Global Solutions Corporation, formerly IGT Global Solutions Corporation, (“Brightstar”), as current law only requires Brightstar to waive its claims against the Rhode Island Lottery relating to the Consolidated Promotional Points Program if the aggregate amount of Promotional Points issued in a Marketing Year does not exceed the current program limits. Depending on the outcome of such negotiations, there may be an additional adverse fiscal impact on the State.

Based on the foregoing, the Rhode Island Lottery respectfully urges you not to pass the proposed legislation in its current form and stands ready to answer any questions you may have with respect to the concerns laid out above.

Sincerely,



Mark A. Furcolo
Director

cc: The Honorable Members of the Senate Committee on Finance
The Honorable John P. Burke
Kristen Silvia, Deputy Chief of Staff/Director of Legislation
Steven Hayes, Esq., Chief Legal Counsel to the President
Jane E. Cole, Interim Director, Department of Revenue