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H.351

Introduced by Representatives Hubert of Milton, Ainsworth of Royalton,
Batchelor of Derby, Beyor of Highgate, Condon of Colchester,
Cupoli of Rutland City, Devereux of Mount Holly, Graham of
Williamstown, Helm of Fair Haven, LaClair of Barre Town,
Lawrence of Lyndon, Morrissey of Bennington, Pearce of
Richford, Rosenquist of Georgia, Smith of Derby, Terenzini of
Rutland Town, and Wright of Burlington

Referred to Committee on

Date:

Subject: Recreation and sports; State lottery; casino gaming

Statement of purpose of bill as introduced: This bill proposes to require the
Vermont Lottery Commissioner to issue a license for the operation of one
casino in Vermont.

An act relating to casino gaming

1 It is hereby enacted by the General Assembly of the State of Vermont:

2 Sec. 1. 31 V.S.A. chapter 14, subchapter 3 is added to read:

3 Subchapter 3. Casino Gaming

4 § 681. CASINO GAMING AUTHORIZED

5 (a) Casino gaming is authorized to the extent that it is conducted in
6 accordance with this subchapter.

7 (b) The Vermont Lottery Commission shall issue one Casino Gaming
8 License to a qualified applicant. The term of the license shall be for six years
9 from the date of issue and subject to renewal. The license fee shall be
10 \$6,000,000.00, which shall be paid either in full upon issuance of the license or
11 in six annual installments of \$1,000,000.00.

12 (c) The Vermont Lottery Commission may adopt rules as necessary to
13 implement this subchapter.

14 § 682. DEFINITIONS

15 As used in this subchapter:

16 (1) “Adjusted gross receipts” means the gross receipts less winnings
17 paid to wagerers.

18 (2) “Applicant” means any person who applies for a license under
19 this subchapter.

20 (3) “Casino” means a building in which gaming is conducted.

1 (4) “Casino enterprise” means the buildings, facilities, or rooms
2 functionally or physically connected to a casino, including any bar, restaurant,
3 hotel, cocktail lounge, retail establishment, or any other facility under the
4 control of a licensee.

5 (5) “Casino Gaming License” means the license that permits the holder
6 to conduct a gambling operation pursuant to the provisions of this subchapter.

7 (6) “Commission” means the Vermont Lottery Commission.

8 (7) “Gambling game” means any game played with cards, dice,
9 equipment, or a machine, including any mechanical, electromechanical, or
10 electronic device, which shall include computers and cashless wagering
11 systems, for money, credit, or any representation of value, including faro,
12 monte, roulette, keno, bingo, fan tan, twenty-one, blackjack, seven and a half,
13 Klondike, craps, poker, chuck a luck, Chinese chuck a luck (dai shu), wheel of
14 fortune, chemin de fer, baccarat, pai gow, beat the banker, panguingui, slot
15 machine, any banking or percentage game, or any other game or device
16 approved by the Commission. The term “gambling game” does not include
17 games played with cards in private homes or residences in which no person
18 makes money for operating the game except as a player.

19 (8) “Gambling operation” means the conduct of authorized gambling
20 games in a casino.

1 (9) “Gaming” means to deal, operate, carry on, conduct, maintain, or
2 expose or offer for play any gambling game or gambling operation.

3 (10) “Gross receipts” means the total of all sums, including valid or
4 invalid checks, currency, tokens, coupons, vouchers, or instruments of
5 monetary value, whether collected or due, received by a casino licensee from
6 gaming, including all entry fees assessed for tournaments or other contests, less
7 a deduction for uncollectable gaming receivables not to exceed the
8 uncollectable amounts owed as a result of wagers placed at or through a
9 gambling game or four percent of the total gross receipts, whichever is less.

10 The licensee shall not receive the deduction unless the licensee provides
11 written proof to the State Treasurer of the uncollected gaming receivables and
12 has complied with all the rules adopted by the Commission regarding the
13 issuance of credit and the collection of amounts due under a credit extension.

14 (11) “Wagerer” means a person who plays a gambling game authorized
15 under this subchapter.

16 (12) “Winnings” means the total cash value of all property or sums,
17 including currency, tokens, or instruments of monetary value paid to wagerers
18 as a direct result of wagers placed at or through a gambling game.

19 § 683. VERMONT LOTTERY COMMISSION; JURISDICTION; POWERS

20 The Commission shall have jurisdiction over and shall supervise all
21 gambling operations governed by this subchapter. The Commission shall have

1 all powers necessary and proper to carry out the provisions of this subchapter,
2 including the power:

3 (1) to investigate applicants and determine the eligibility of applicants
4 for licenses;

5 (2) to supervise casino gambling operations and all persons in casinos or
6 casino enterprises where gambling operations are conducted;

7 (3) to inspect and examine all premises where casino gaming occurs;

8 (4) to inspect, examine, audit, impound, seize, or assume physical
9 control of all books, ledgers, documents, writings, photocopies, videotapes, or
10 other records related to casino gambling operations and gaming;

11 (5) to investigate and deter violations of this subchapter or rules adopted
12 by the Commission; and

13 (6) to suspend, revoke, or restrict licenses for violations of this
14 subchapter or rules adopted by the Commission.

15 § 684. APPLICATION FOR LICENSE

16 (a) A person may apply to the Commission for a Casino Gaming License to
17 conduct a casino gambling operation as provided in this subchapter. The
18 application shall be made on oath on forms provided by the Commission and
19 shall contain information as prescribed by the Commission.

20 (b) A nonrefundable application fee of \$100,000.00 shall be paid at the
21 time of filing.

1 § 685. WAGERING TAX

2 A wagering tax is imposed on the adjusted gross receipts received annually
3 by the licensee from gaming authorized under this subchapter at the rate of
4 10 percent to be paid into the Scholarship Fund for Vermont Residents
5 Attending Vermont Postsecondary Schools created pursuant to 16 V.S.A.
6 § 2881m. The Commissioner of Taxes is authorized to collect and administer
7 the wagering tax under 32 V.S.A. chapter 103, and the tax shall be paid and
8 collected in the same manner as an income tax under 32 V.S.A. chapter 151. A
9 licensee liable for the tax imposed by this section shall remit to the
10 Commissioner of Taxes a return and any other information required by the
11 Commissioner along with the tax due on or before January 15 of each year.

12 Sec. 2. 16 V.S.A. chapter 87, subchapter 9 is added to read:

13 Subchapter 9. Scholarship Fund for Vermont Residents Attending Vermont
14 Postsecondary Schools

15 § 2880m. SCHOLARSHIP FUND FOR VERMONT RESIDENTS

16 ATTENDING APPROVED POSTSECONDARY EDUCATIONAL
17 INSTITUTIONS LOCATED IN VERMONT

18 (a) A scholarship program is established to aid Vermont residents who
19 need financial assistance and are pursuing postsecondary education by
20 attending certain approved postsecondary educational institutions located in
21 Vermont. The Corporation shall administer the program in accordance with

1 this subchapter. The program shall be known as the “Scholarship Fund for
2 Vermont Residents Attending Vermont Postsecondary Schools.”

3 (b) The Corporation shall award incentive grants and make educational
4 loans under the program created by this subchapter. Incentive grants shall be
5 awarded as part of the incentive grants program established in subchapter 3 of
6 this chapter, and educational loans shall be made as part of the educational
7 loan program established in subchapter 4 of this chapter, provided that any
8 grant or loan under the scholarship program created by this subchapter shall
9 only be awarded or made to a qualified student as defined in subsection (c) of
10 this section. The Corporation shall determine, at its discretion, the allocation
11 of amounts in the program created by this subchapter between incentive grants
12 and educational loans.

13 (c) As used in this subchapter, a “qualified student” means a student who:

14 (1) if awarded an incentive grant, satisfies the eligibility criteria for
15 receiving an incentive grant under subchapter 3 of this chapter;

16 (2) if provided an educational loan, satisfies the eligibility criteria for
17 receiving an educational loan under subchapter 5 of this chapter;

18 (3) is a Vermont resident when the incentive grant is awarded or
19 educational loan is received;

20 (4) uses the incentive grant or educational loan to attend an approved
21 postsecondary education institution located in Vermont; and

1 (5) does not use the incentive grant or educational loan for
2 “postsecondary career technical education,” as defined in subdivision 1522(12)
3 of this title or for “adult career technical education,” as defined in subdivision
4 1522(11) of this title.

5 (d) The scholarship program created by this chapter shall be funded by the
6 wagering tax created under 31 V.S.A. § 685.

7 Sec. 3. EFFECTIVE DATE

8 This act shall take effect on July 1, 2017.