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H.293

Introduced by Representative Fagan of Rutland City

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 Board of Liquor and Lottery to issue licenses for the operation of up to two casinos in Vermont.

An act relating to casino gaming

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

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

Subchapter 3. Casino Gaming

§ 681. CASINO GAMING AUTHORIZED

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

(b) The Board of Liquor and Lottery may adopt rules as necessary to implement this subchapter.

§ 682. DEFINITIONS

As used in this subchapter:

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

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

5 (3) “Board” means the Board of Liquor and Lottery.

6 (4) “Casino” means a building in which gaming is conducted.

7 (5) “Casino enterprise” means the buildings, facilities, or rooms
8 functionally or physically connected to a casino, including any bar, restaurant,
9 hotel, cocktail lounge, retail establishment, or any other facility under the
10 control of a licensee.

11 (6) “Casino gaming license” means the license that permits the holder to
12 conduct a gambling operation pursuant to the provisions of this subchapter.

13 (7) “Gambling game” means any game played with cards, dice,
14 equipment, or a machine, including any mechanical, electromechanical, or
15 electronic device, which shall include computers and cashless wagering
16 systems, for money, credit, or any representation of value, including faro,
17 monte, roulette, keno, bingo, fan-tan, twenty-one, blackjack, seven and a half,
18 Klondike, craps, poker, chuck-a-luck, Chinese chuck-a-luck (dai shu), wheel of
19 fortune, chemin de fer, baccarat, pai gow, beat the banker, panguingui, slot
20 machine, any banking or percentage game, or any other game or device
21 approved by the Board. The term “gambling game” does not include games

1 played with cards in private homes or residences in which no person makes
2 money for operating the game except as a player.

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

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

7 (10) “Gross receipts” means the total of all sums, including valid or
8 invalid checks, currency, tokens, coupons, vouchers, or instruments of
9 monetary value, whether collected or due, received by a casino licensee from
10 gaming, including all entry fees assessed for tournaments or other contests, less
11 a deduction for uncollectable gaming receivables not to exceed the
12 uncollectable amounts owed as a result of wagers placed at or through a
13 gambling game or four percent of the total gross receipts, whichever is less.
14 The licensee shall not receive the deduction unless the licensee provides
15 written proof to the State Treasurer of the uncollected gaming receivables and
16 has complied with all the rules adopted by the Board regarding the issuance of
17 credit and the collection of amounts due under a credit extension.

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

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

4 § 683. BOARD OF LIQUOR AND LOTTERY; JURISDICTION; POWERS

5 The Board shall have jurisdiction over and shall supervise all gambling
6 operations governed by this subchapter. The Board shall have all powers
7 necessary and proper to carry out the provisions of this subchapter, including
8 the power:

9 (1) to investigate applicants and determine the eligibility of applicants
10 for licenses;

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

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

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

17 (5) to investigate and deter violations of this subchapter or rules adopted
18 by the Board;

19 (6) to hire appropriate administrative staff and investigators as necessary
20 to carry out and enforce the provisions of this subchapter; and

1 (7) to suspend, revoke, or restrict licenses for violations of this
2 subchapter or rules adopted by the Board.

3 § 684. CASINO GAMING LICENSE; APPLICATION

4 (a) A person may apply to the Board for a Casino Gaming License to
5 conduct a casino gambling operation as provided in this subchapter. The
6 application shall be made on oath on forms provided by the Board and shall
7 contain information as prescribed by the Board.

8 (b)(1) The Board of Liquor and Lottery may issue up to two Casino
9 Gaming Licenses to qualified applicants.

10 (2) The term of each license shall be for five years from the date of issue
11 and may be renewed for an additional five years.

12 (3) The license fee shall be \$5,000,000.00, which shall be paid to the
13 Board of Liquor and Lottery either in full upon issuance of the license or in
14 five annual installments of \$1,000,000.00.

15 (c) A nonrefundable application fee of \$100,000.00 shall be paid to the
16 Board at the time the application is filed.

17 § 685. CASINO GAMING FUND

18 (a) There is hereby created in the State Treasury a separate fund to be
19 known as the Casino Gaming Fund. The Fund shall consist of all revenues
20 received from the casino wagering tax pursuant to section 686 of this

1 subchapter and from license and application fees established pursuant to this
2 subchapter, and all other monies transferred or appropriated to the Fund.

3 (b) The monies in the Casino Gaming Fund shall be disbursed by the
4 Treasurer on warrants issued by the Commissioner of Finance and
5 Management, when authorized by the Commissioner of Liquor and Lottery and
6 approved by the Commissioner of Finance and Management.

7 (c) The total revenues accruing to the Casino Gaming Fund shall be used
8 for:

9 (1) the costs related to the administration of this subchapter by the
10 Board of Liquor and Lottery and the Department of Liquor and Lottery, which
11 shall be paid from an appropriation from the Fund authorized for that purpose;
12 and

13 (2) the transfer of monies to the Department of Mental Health to provide
14 funding to Mental Health Designated Agencies.

15 § 686. CASINO WAGERING TAX

16 A wagering tax is imposed on the adjusted gross receipts received annually
17 by a licensee from gaming authorized under this subchapter at the rate of
18 10 percent. The Commissioner of Taxes is authorized to collect and administer
19 the wagering tax under 32 V.S.A. chapter 103, and the tax shall be paid and
20 collected in the same manner as an income tax under 32 V.S.A. chapter 151. A
21 licensee liable for the tax imposed by this section shall remit to the

1 Commissioner of Taxes a return and any other information required by the
2 Commissioner along with the tax due on or before January 15 of each year.

3 Sec. 2. 7 V.S.A. § 101 is amended to read:

4 § 101. COMPOSITION OF DEPARTMENT; COMMISSIONER OF
5 LIQUOR AND LOTTERY; BOARD OF LIQUOR AND LOTTERY

6 (a)(1) The Department of Liquor and Lottery, created by 3 V.S.A. § 212,
7 shall administer the laws relating to alcoholic beverages, tobacco, ~~and~~ the State
8 Lottery, and casino gaming. It shall include the Commissioner of Liquor and
9 Lottery and the Board of Liquor and Lottery.

10 (2) The Board of Liquor and Lottery shall supervise and manage the
11 sales of spirits and fortified wines pursuant to this title ~~and~~, the establishment
12 and management of the State Lottery pursuant to 31 V.S.A. chapter 14, and the
13 laws related to casino gaming pursuant to 31 V.S.A. chapter 14, subchapter 3.

14 (3)(A) The Department of Liquor and Lottery shall be under the
15 immediate supervision and direction of the Commissioner of Liquor and
16 Lottery.

17 * * *

18 (C) The Division of Lottery is created within the Department to
19 administer and carry out the laws relating to the State Lottery set forth in
20 31 V.S.A. chapter 14, and the laws relating to casino gaming in 31 V.S.A.
21 chapter 14, subchapter 3.

1 * * *

2 Sec. 3. 24 V.S.A. § 138 is amended to read:

3 § 138. LOCAL OPTION TAXES

4 * * *

5 (b) If the legislative body of a municipality by a majority vote
6 recommends, the voters of a municipality may, at an annual or special meeting
7 warned for that purpose, by a majority vote of those present and voting, assess
8 any or all of the following:

9 (1) a one percent sales tax;

10 (2) a one percent meals and alcoholic beverages tax;

11 (3) a one percent rooms tax;

12 (4) a one percent casino gaming tax.

13 * * *

14 Sec. 4. REPEAL

15 31 V.S.A. chapter 14, subchapter 3 is repealed.

16 Sec. 5. 7 V.S.A. § 101 is amended to read:

17 § 101. COMPOSITION OF DEPARTMENT; COMMISSIONER OF

18 LIQUOR AND LOTTERY; BOARD OF LIQUOR AND LOTTERY

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1 Lottery, ~~and casino gaming~~. It shall include the Commissioner of Liquor and
2 Lottery and the Board of Liquor and Lottery.

3 (2) The Board of Liquor and Lottery shall supervise and manage the
4 sales of spirits and fortified wines pursuant to this title; and the establishment
5 and management of the State Lottery pursuant to 31 V.S.A. chapter 14, ~~and the~~
6 ~~laws related to casino gaming pursuant to 31 V.S.A. chapter 14, subchapter 3.~~

7 (3)(A) The Department of Liquor and Lottery shall be under the
8 immediate supervision and direction of the Commissioner of Liquor and
9 Lottery.

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12 administer and carry out the laws relating to the State Lottery set forth in
13 31 V.S.A. chapter 14, ~~and the laws relating to casino gaming in 31 V.S.A.~~
14 ~~chapter 14, subchapter 3.~~

15 * * *

16 Sec. 6. 24 V.S.A. § 138 is amended to read:

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20 recommends, the voters of a municipality may, at an annual or special meeting

1 warned for that purpose, by a majority vote of those present and voting, assess
2 any or all of the following:

- 3 (1) a one percent sales tax;
- 4 (2) a one percent meals and alcoholic beverages tax;
- 5 (3) a one percent rooms tax;
- 6 (4) ~~a one percent casino gaming tax.~~ [Repealed.]

7 * * *

8 Sec. 7. EFFECTIVE DATES

- 9 (a) This section and sections 1, 2, and 3 shall take effect on July 1, 2019.
- 10 (b) Sections 4, 5, and 6 shall take effect on July 1, 2029.