



State of Rhode Island
DIVISION OF STATE POLICE
State Police Headquarters, 311 Danielson Pike, North Scituate, Rhode Island 02857
OFFICE OF THE SUPERINTENDENT AND DIRECTOR OF PUBLIC SAFETY

Colonel Darnell S. Weaver
Superintendent

March 28, 2024

The Honorable Robert E. Craven, Sr., Chair
House Committee on Judiciary
Rhode Island House of Representatives
82 Smith Street
Providence, RI 02903

RE: 2024-H 7571– An Act Relating to Criminal Offenses – Gambling and Lotteries

Dear Chairman Craven:

On March 21, 2024, the Rhode Island State Police provided testimony before the House Committee on Judiciary in support of H-7571 entitled, “Gambling and Lotteries.” To recap, H-7571 seeks to amend the law to account for iGaming and codify certain investigatory practices currently in use and consistent with comparable Gaming Enforcement Units in outside jurisdictions. Indeed, H-7571 is labeled as a Department of Public Safety agency proposal and the RISPP strongly urges the committee to consider the proposal.

With that said, the Rhode Island State Police is requesting a minor modification to H-7571. Specifically, the Rhode Island State Police requests the proposed language “...or the premises of any facility owned in whole or in part by such gaming facility...” be changed to “...or the premises of any facility leased or owned in whole or in part by such gaming facility...[.]” The requested modification is located on page 2, lines 16-17 and lines 27-28 of the proposal.

Upon information and belief, the current trend among gaming operators all over the United States, including Bally’s Corporation, is for the gaming operator to sell the land and buildings to real-estate investment trust companies (REIT). Then, the gaming operator enters into a long-term lease with the REIT for the exact land and buildings it just sold. It allows the operator to take a significant sum of cash from the sale and leverage their debt and/or invest in other operations through acquisition or expansion.

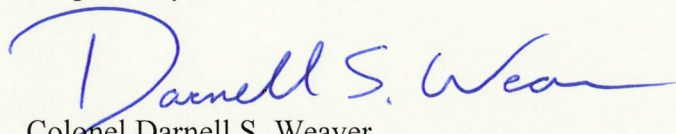
This scenario is playing out in Rhode Island. In 2022, the Rhode Island State Police Gaming Enforcement Unit performed an extensive background at the request of Rhode Island Lottery when a REIT called Gaming Leisure Properties Inc (GLPI), located in Pennsylvania, paid several hundred million dollars cash for the land and buildings for Bally’s Tiverton. Bally’s then entered into a long-term lease with GLPI. GLPI also purchased another Bally’s property in Biloxi, Mississippi in the same transaction and under the same conditions. The total cash price was around \$600 million. Using past business practice as a guide, we must anticipate GLPI may seek to purchase the land and

The Honorable Robert E. Craven, Sr., Chair
March 28, 2024
Page 2

buildings of Bally's Lincoln. Based on this trend the Rhode Island State Police requests the minor modification of H-7571 to include the word "leased" to ensure there will be no future legal dispute or litigation regarding investigations involving property that is part of a sale/leaseback scenario.

I thank you for the opportunity to express the position of the Rhode Island State Police on legislation currently before the House Committee on Judiciary, H -7571 entitled, "An Act Relating to Criminal Offenses – Gambling and Lotteries."

Respectfully,



Colonel Darnell S. Weaver
Superintendent, Rhode Island State Police
Director of Public Safety

cc: House Committee on Judiciary Members
Nicole McCarty, Chief Legal Counsel to the Speaker of the House
Major Ronald Longolucco
Adam Sholes, Esq. – DPS Chief Legal Counsel
Governor's Office