

Rhode Island Department of Revenue Lottery Division

March 25, 2025

The Honorable Robert E. Craven, Sr., Chair
House Committee on Judiciary
State House
Providence, RI 02903

RE: 2025 H 5656 (An Act Relating to Criminal Offenses – Gambling and Lotteries)

Dear Chair Craven:

I am writing on behalf of the Rhode Island Lottery to express concerns with the above-captioned legislation, which would allow social gambling under certain specified conditions in private residences, private clubs, and in public taverns.

It is the Lottery's position that, if enacted, the law may be unconstitutional for two (2) reasons. First, the activities proposed under the legislation would constitute an expansion of gambling in the State. Such an expansion is explicitly prohibited under Section 22 of Article VI of the Rhode Island Constitution absent voter approval for such an expansion via both local and statewide referenda. Likewise, Section 15 of Article VI of the Rhode Island Constitution requires the State to operate all lotteries. To the extent that this proposed legislation authorizes private parties to operate a lottery—albeit a friendly, small scale one—that conduct is nonetheless prohibited by the Rhode Island Constitution. This prohibition against private lotteries ensures that the proceeds of all such gaming are collected by and used for the public.

Second, the act does not actually define the permitted activity and it is unlikely that any form of social gaming contemplated in the proposed legislation would, in practice, constitute a game “other than a lottery.” While the proposed statutory language authorizes “social games” that are not lotteries, such as “office pools” on sporting events, this activity of wagering on sporting events would encroach upon the Rhode Island Lottery's jurisdiction over sports betting. Similarly, the legislation appears to permit games both where chance would predominate and games where skill would predominate. Under the Rhode Island Constitution as referenced above, the State is required to operate all games where chance predominates. Since the bill authorizes games where chance predominates and the State would not be operating those games, the law is likely unconstitutional.

The Rhode Island Lottery also has concerns that the legislation, if enacted, would create the potential for abuse due to the lack of oversight and control over individuals and/or organizations that would be allowed to conduct “social gaming.” For example, there is no mechanism for

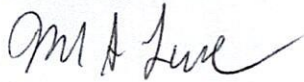


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determining whether there is a "bona fide social relationship" between participants or to ensure that there is no monetary benefit derived by the "host." These shortcomings appear rife with issues that could in turn lead to increased criminal activity because there is no mechanism to monitor the activities contemplated by the legislation.

The Lottery stands ready to answer any questions you may have with respect to the concerns laid out above.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mark A. Furcolo".

Mark A. Furcolo
Director

cc: The Honorable Members of the House Committee on Judiciary
The Honorable William W. O'Brien
Nicole McCarty, Esq., Chief Legal Counsel to the Speaker
Thomas A. Verdi, Director, Department of Revenue