State of Rhode Island and Providence Plantations
State House
Providence, Rhode Island 02903-1196
401-222-2080

Donald L. Carcieri
Governor

June 22, 2010

TO THE HONORABLE, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES:

Current law allows the Town of Lincoln and the City of Newport to continue receive an increased percentage of net terminal income for those weeks that the facilities operate on a 24-hour basis as allowed by law.

Under current law, the Town of Lincoln receives 1.26 percent of the net terminal income generated at Twin River while the City of Newport receives 1.01 percent of the net terminal income generated at Newport Grand. However, the shares increase to 1.45 percent and 1.20 percent respectively for those weeks in which Twin River and/or Newport Grand operate on a 24-hour a day basis as allowed by law. To date, Twin River has been operating on a 24-hour a day, seven days a week basis since November 2009, while Newport Grand has never operated on a 24-hour basis.

Consequently, enactment of this legislation would result in a decrease in state general revenues in the amount of about $800,000 in Fiscal Year ("FY") 2011, based on estimated net terminal income at Twin River. There was no allowance made in the State Budget to accommodate this reduction in revenue to the State's general fund. Thus, passage would put the FY 2011 budget out of balance by $795,000.

The State induced the community to permit additional gaming hours with the promise of additional revenue. It would be unfair for the State to now withdraw the additional funds. However, the General Assembly will have to address this shortfall when they return.

Sincerely,

Donald L. Carcieri
Governor