

Bill as Introduced

SB 489-FN-A-LOCAL - AS INTRODUCED

2010 SESSION

10-2880

08/09

SENATE BILL **489-FN-A-LOCAL**

AN ACT relative to table gaming and video lottery at certain locations throughout the state and relative to the recovery of horse racing.

SPONSORS: Sen. D'Allesandro, Dist 20; Sen. Gallus, Dist 1; Sen. Downing, Dist 22; Sen. Lasky, Dist 13; Sen. Gilmour, Dist 12; Sen. Sgambati, Dist 4; Sen. DeVries, Dist 18; Rep Gionet, Graf 3; Rep. Ingersoll, Coos 4; Rep. Clemons, Hills 24; Rep. Rausch, Rock 5; Rep. L. Ober, Hills 27

COMMITTEE: Finance

ANALYSIS

This bill:

I. Allows the construction of one destination golf resort and convention center in the southern tier of the state and 2 gaming facilities in the north country.

II. Allows table gaming and video lottery machines at a destination golf resort and convention center and at north country facilities.

III. Establishes a permit process for table gaming and video lottery machines.

IV. Establishes a gaming enforcement unit in the division of state police.

V. Distributes proceeds of video lottery machines to the general fund, municipalities where the facility is located, the alcohol and drug abuse treatment program, the fire standards and training and emergency medical services fund, the police standards and training council training fund, the department of transportation, and the gaming operator.

VI. Distributes a percentage of the proceeds from table gaming to the general fund and the gaming operation.

Explanation: Matter added to current law appears in **bold italics**.
Matter removed from current law appears [~~in brackets and struck through~~].
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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1 technology provider, director of operations, director of cage and/or credit operations, director of
2 surveillance, director of marketing, director of management information systems, director of security,
3 comptroller, and any employee who supervises the operations of these departments or to whom these
4 department directors or department heads report and such other positions which the lottery
5 commission shall determine based on detailed analyses of job descriptions as provided in the internal
6 controls of the licensee. All other gaming employees shall be considered as non-key employees.

7 VII. "Licensee" means any applicant licensed by the lottery commission under this chapter.

8 VIII. "Net machine income" means all cash or other consideration utilized to play a video
9 lottery machine at a facility licensee, less all cash or other consideration paid to players of video lottery
10 machines as winnings. Non cashable promotional credits shall be excluded from the calculation.

11 IX. "North country facility licensee" means one of no more than 2 facilities licensed by the
12 lottery commission pursuant to this chapter, one of which shall be located in Grafton county and one
13 of which shall be located in Coos county.

14 X. "Operator applicant" means the applicant applying for an operator's license to operate
15 video lottery machines in accordance with this chapter.

16 XI. "Operator's license" means the license issued by the lottery commission to an operator
17 licensee which allows the operator licensee to possess, conduct, and operate video lottery machines in
18 accordance with this chapter.

19 XII. "Operator licensee" means an operator applicant who is issued a license by the lottery
20 commission to procure and operate video lottery machines pursuant to this chapter.

21 XIII. "Pari-mutuel licensee" means an entity licensed and authorized to conduct racing,
22 whether live, simulcast, or both, as provided in RSA 284:16 or RSA 284:16-a at a pari-mutuel
23 licensee location.

24 XIV. "Pari-mutuel licensee location" means the facility at which a pari-mutuel licensee is
25 located and where a pari-mutuel licensee was authorized to conduct live horse racing or live dog
26 racing as of January 1, 2009 for at least the number of days as required in RSA 284:22-a, II(a)(3) or
27 made the election as provided in RSA 284:22-a and such election was approved by the racing and
28 charitable gaming commission, and any real estate in which a pari-mutuel licensee had an interest
29 as of January 1, 2009 which is adjacent to the real estate at which the pari-mutuel licensee was
30 authorized to conduct live horse racing or live dog racing as of January 1, 2009.

31 XV. "Progressive jackpot" means a prize that increases over time or as video lottery
32 machines that are linked to a progressive system are played. Upon conditions established by the
33 lottery commission, a progressive jackpot may be paid by annuity.

34 XVI. "Progressive system" means one or more video lottery machines linked to one or more
35 common progressive jackpots.

36 XVII. "Resort gaming facility license" means the license for full gaming issued by the lottery
37 commission to the destination golf resort and convention center.

1 XVIII. "Resort gaming facility licensee" means the holder of the destination golf resort and
2 convention center license issued by the lottery commission.

3 XIX. "Table game" means games authorized pursuant to RSA 287-H.

4 XX. "Technology provider" means any person or entity which designs, manufactures, installs,
5 distributes, or supplies video lottery machines for sale or lease to the operator licensees, and which are
6 for use by an operator licensee for conducting video lottery games in accordance with this chapter.

7 XXI. "Technology provider license" means the license issued by the lottery commission to a
8 technology provider licensee which allows the technology provider licensee to design, manufacture,
9 install, distribute, or supply video lottery machines for sale or lease to the operator licensees.

10 XXII. "Technology provider licensee" means a technology provider that is licensed by the
11 lottery commission.

12 XXIII. "Token" means the coin or coupon, which is not legal tender, sold by a cashier in a
13 face amount equal to the cash paid by a player for the sole purpose of playing a video lottery machine
14 at the facility licensee or paid to a player of a video lottery machine, which can be exchanged for cash
15 at the facility licensee.

16 XXIV. "Video lottery machine" means an electronic, mechanical, or computerized machine
17 which, upon the insertion of bills, coins, tokens, or any representative of value is available to be played
18 where, by chance or skill, or both, the player may receive cash, cash equivalents, or tokens. Video
19 lottery machines include, but are not limited to, slot machines, video poker machines, and other lottery
20 machines. A machine shall be considered a video lottery machine notwithstanding the use of an
21 electronic credit system making the deposit of bills, coins, or tokens unnecessary. Video lottery
22 machines do not include any redemption slot machines and redemption poker machines as defined in
23 RSA 647 or video poker machines or other similar machines used for amusement purposes only.

24 XXV. "Video lottery" means any lottery conducted with a video lottery machine or linked
25 video lottery machines with an aggregate progression prize or prizes. Video lottery conducted
26 pursuant to this chapter shall not be considered a state-run lottery.

27 284-A:2 Video Lottery Oversight and Facility Location Licensure.

28 I. No license shall be issued to any person under this chapter without prior approval of the
29 lottery commission pursuant to this chapter and RSA 284:21-w. The lottery commission shall only
30 issue licenses to persons who operate video lottery machines at a facility licensee after meeting the
31 requirements of RSA 284-A:6. The lottery commission shall have the authority to license and
32 regulate the installation, operation, and conduct of video lottery machines at a facility licensee.

33 II. The lottery commission shall have general responsibility for the implementation of this
34 chapter and shall adopt rules under RSA 541-A relative to:

35 (a) Hearing and deciding all license applications or recommendations for the suspension
36 or revocation of any license issued under this chapter.

1 (b) Conducting all investigations required under this chapter with regard to the
2 application of any applicant for any license.

3 (c) Conducting hearings pertaining to civil violations, rules, and penalties required
4 under this chapter.

5 (d) Establishing standards and a reasonable fee structure for the licensing and renewal
6 of licenses for employees and operators, technology providers, and operator licensees consistent with
7 RSA 284-A:5, I(e) and II(e).

8 (e) Establishing technical standards for approval of video lottery machines, including
9 mechanical and electrical reliability and security against tampering, as deemed necessary to protect
10 the public from fraud or deception and to insure the integrity of the operation.

11 (f) Establishing standards for licensing under RSA 284-A:6.

12 (g) Establishing standards for reviewing any structure at a facility location.

13 (h) Ensuring that all licensees update the lottery commission with regard to any change
14 in ownership or material change in information or data regarding the licensee that the commission
15 determines is necessary and appropriate.

16 (i) Ensuring that any facility licensee seeking to host or operate table games at a facility
17 licensee location has appropriate approvals from the racing and charitable gaming commission
18 pursuant to RSA 287-H.

19 III. Pending the adoption of rules under RSA 541-A, the lottery commission shall adopt
20 interim rules pursuant to RSA 541-A:19 after public hearing and within 90 days after enactment of
21 this chapter. Such interim rules shall implement the provisions of this chapter, including an
22 approval process for selecting the provider of the central computer system and a process for
23 reviewing, selecting, and granting facility licenses for no more than 2 north country facility locations
24 and one destination golf resort and convention center.

25 IV. The lottery commission shall provide and operate a single central monitor and control
26 system into which all licensed video lottery machines shall be connected.

27 (a) The central monitor and control system shall be capable of:

28 (1) Continuously monitoring, retrieving, and auditing the operations, financial data,
29 and program information of all video lottery machines;

30 (2) Allowing the lottery commission to account for all money inserted in and payouts
31 made from any video lottery terminal;

32 (3) Disabling from operation or play any video lottery machine as the lottery
33 commission deems necessary to carry out the provisions of this chapter;

34 (4) Supporting and monitoring a progressive jackpot system capable of operating one
35 or more progressive jackpots; and

36 (5) Providing any other function that the lottery commission considers necessary.

1 (b) The central monitor and control system shall employ a widely accepted gaming
2 industry communications protocol, as approved by the Gaming Standards Association, to facilitate
3 the ability of video lottery machine manufacturers to communicate with the statewide system.

4 (1) Except as provided in subparagraph (2), the lottery commission shall not allow an
5 operator licensee to have access to, or obtain information from, the central monitor and control system.

6 (2) If the access does not in any way affect the integrity or security of the central
7 monitor and control system, the lottery commission may allow an operator licensee to have access to
8 the central monitor and control system that allows the licensee to obtain information pertinent to the
9 legitimate operation of its video lottery.

10 V. The lottery commission may issue subpoenas and compel the attendance of witnesses,
11 and may administer oaths and require testimony of witnesses under oath.

12 VI. No later than November 1 of each calendar year, the lottery commission shall submit a
13 report to the fiscal committee of the general court, regarding the operation of video lottery machines.
14 Such report may include recommendations for future legislation.

15 VII.(a) The lottery commission shall keep a written record of all proceedings of public
16 meetings of the commission.

17 (b) The lottery commission shall keep and maintain a list of all applicants for licenses it
18 receives under this chapter together with a record of all actions taken with respect to such applicants.
19 A file and record of the actions by lottery commission shall be open to public inspection provided,
20 however, that the information regarding any applicant whose license or registration has been denied,
21 revoked, or not renewed shall be removed from such list after 5 years from the date of such action.

22 (c) The lottery commission shall maintain such other files and records as the commission
23 determines is necessary. All records maintained by the lottery commission may be maintained in
24 digital or other format, provided that such information can be produced in written form upon the
25 request of the commission.

26 (d) All information and data required by the lottery commission to be furnished to it, or
27 which may otherwise be obtained, shall be considered to be confidential and shall not be revealed in
28 whole or in part except in the course of the necessary administration of this chapter, or upon the
29 lawful order of a court of competent jurisdiction, or, with the approval of the attorney general, to a
30 duly authorized law enforcement agency.

31 (e) All information and data pertaining to an applicant's or key employee's criminal
32 record, finances, family, and background furnished to or obtained by the lottery commission from any
33 source shall be considered confidential and shall be withheld in whole or in part. Such information
34 shall be released upon the lawful order of a court of competent jurisdiction or to a duly authorized
35 law enforcement agency.

36 (f) Notice of the contents of any information or data to be released, except to a duly
37 authorized law enforcement agency pursuant to subparagraph (d) or (e), shall be given to any

1 applicant, registrant, or licensee in a manner prescribed by the rules adopted by the lottery
2 commission so that the applicant, registrant, or licensee has the opportunity to object to such
3 release.

4 VIII. The lottery commission, the attorney general, and the division of state police gaming
5 enforcement unit may from time to time contract for such financial, economic, or security
6 consultants, and any other technical and professional services as the lottery commission deems
7 necessary for the discharge of its duties.

8 IX. The lottery commission shall establish standards for reviewing, selecting, and granting
9 licenses for no more than 2 north country facility locations. Applications requesting review and
10 approval of any north country facility licensee location must be received by the lottery commission by
11 July 1, 2011 or no license shall be granted for any north country facility location under this chapter.
12 Standards shall specify the process for licensure, establish an initial north country facility license fee
13 of \$10,000,000 upon being issued a north country facility license, and the criteria which shall be met
14 by applicants shall include:

15 (a) The availability of local resources to support services and amenities necessary to
16 accommodate projected guest volume in the form of transportation, rooms and meals, utilities, law
17 enforcement, and mental health services.

18 (b) The immediate and long range financial feasibility of the applicant's proposed project.

19 (c) The character and fitness of the owners of the facility.

20 (d) Whether the applicant has obtained the approval of the municipality in which the
21 project is proposed by local referendum.

22 (e) A minimum capital investment of \$10,000,000 in the construction or renovation of
23 the facility location.

24 (f) An agreement with an operator to operate video gaming at the proposed north
25 country facility location consistent with this chapter.

26 (g) The availability of space in the facility for charitable gaming to take place under RSA
27 287-D.

28 (h) A floor plan suitable for the operation of video lottery consistent with this chapter.

29 X. The lottery commission shall establish standards for reviewing, selecting, and granting a
30 resort gaming facility license for one destination golf resort and convention center which shall be
31 located in a town along the Massachusetts border in Hillsborough county. Standards shall specify
32 the criteria which shall be met by applicants, which shall include:

33 (a) The availability of local resources to support services and amenities necessary to
34 accommodate projected guest volume in the form of transportation, rooms and meals, utilities, law
35 enforcement, and mental health services.

36 (b) The immediate and long range financial feasibility of the applicant's proposed project.

37 (c) The character and fitness of the owners of the facility consistent with RSA 284-A:6.

1 (d) Whether the applicant has obtained the approval of the municipality in which the
2 project is proposed by local referendum.

3 (e) The process for licensure and an initial resort gaming facility license fee of
4 \$50,000,000 upon being selected and approved for a resort gaming facility license.

5 (f) A requirement for a location that will:

6 (1) Provide additional economic opportunities for the surrounding region including
7 job creation and increased revenue;

8 (2) Provide additional tax revenue to the state, including increased meals and rooms
9 tax revenue, business profits tax revenue, and business enterprise tax revenue;

10 (3) Be reasonably accessible to and from one of the major interstate highway
11 corridors connecting Massachusetts with New Hampshire; and

12 (4) Be in a city or town sharing a common border with the Massachusetts border and
13 in Hillsborough county.

14 (g) As required construction, a minimum of 150,000 square feet of new building space,
15 where a minimum of 33 percent of the space is used for non-gaming purposes such as food,
16 entertainment, conventions, and meetings.

17 (h) As required construction, a minimum of 50,000 square feet of convention and
18 meeting space.

19 (i) An 18-hole championship golf course associated with the facility where the total
20 recreational amenities on site shall comprise a minimum total of 150 acres of land in addition to the
21 land allocated for buildings and parking.

22 (j) A minimum of 5,000 square feet of space in the main facility for use by charities for
23 charitable gaming.

24 (k) A floor plan suitable for the operation of video lottery consistent with this chapter.

25 (l) A commitment to operate or an agreement with an operator to operate video lottery
26 machines at the destination golf resort and convention center consistent with this chapter.

27 XI.(a) The resort gaming facility licensee shall commence the local planning approval
28 process for construction of the facility within 6 months of:

29 (1) Being issued a license by the lottery commission; and

30 (2) The racing and charitable gaming commission allowing games pursuant to RSA 287-H.

31 (b) If construction is not commenced within 6 months of final land use approvals, the
32 lottery commission may revoke the license.

33 XII. A north country facility location shall commence construction of the gaming facility
34 within 12 months of receiving approval of the facility location pursuant to paragraph IX, and a pari-
35 mutuel licensee location shall commence any necessary construction or renovation of the area
36 intended for operation of video lottery machines within 12 months of the pari-mutuel licensee or its
37 operator applicant filing an application for an operator's license pursuant to RSA 284-A:5.

1 XIII. A facility licensee may install, operate, and conduct video lottery machines at its
2 licensee location in accordance with the provisions of this chapter.

3 284-A:3 Authorization for Video Lottery Machines.

4 I. An operator licensee may install, operate, and conduct video lottery machines at a facility
5 licensee in accordance with the provisions of this chapter.

6 II. A facility licensee may enter into one or more agreements with an operator licensee to
7 manage or participate in the operation of video lottery machines at its licensed facility location in
8 accordance with the provisions of this chapter.

9 284-A:4 Licenses; Number of Video Lottery Machines.

10 I. No person shall engage in the ownership, possession, or operation of a video lottery
11 machine unless:

12 (a) Such person is licensed in accordance with the provisions of this chapter;

13 (b) Local approval as provided in RSA 284-A:9 has been obtained; and

14 (c) Such person provides adequate space to accommodate charitable gaming as permitted
15 under RSA 287-D.

16 II. Any operator or technology provider shall be licensed by the lottery commission prior to
17 engaging in any operation of video lottery machines.

18 III. Each operator licensee operating video lottery machines at a pari-mutuel licensee
19 location at which live dog racing was authorized to be conducted as of January 1, 2009 and where
20 dog racing, whether live or simulcast, is conducted shall be limited to a maximum of 2,000 video
21 lottery machines in operation at each such pari-mutuel licensee location.

22 IV. Each operator licensee operating video lottery machines at a pari-mutuel licensee
23 location at which live horse racing was authorized to be conducted as of January 1, 2009 and where
24 horse racing, whether live or simulcast, is conducted shall be limited to a maximum of 5,000 video
25 lottery machines in operation at each such pari-mutuel licensee location.

26 V. Each operator licensee operating video lottery machines at a north country facility
27 licensee shall be limited to a maximum of 2,000 video lottery machines in operation at each such
28 approved location.

29 VI. Each operator licensee operating video lottery machines at a resort gaming facility
30 licensee shall be limited to 4,000 video lottery machines at the licensed location.

31 284-A:5 License Requirements for Operators and Technology Vendors.

32 I.(a) A facility licensee or other operator applicant shall obtain an operator's license from the
33 lottery commission to possess, conduct, and operate video lottery machines. In the event that a
34 facility licensee enters into an agreement with another person or entity to manage and operate video
35 lottery machines at its location, that person or entity shall apply as the operator licensee applicant.
36 An applicant shall complete and sign an application on forms prescribed by the lottery commission,
37 and include information regarding the applicant's criminal history background, civil judgments, and

1 financial affairs. The application shall include the full name, address, date of birth, and other
2 personal identifying information of the applicant and all key employees, and if a corporation or other
3 form of business enterprise, the same information shall be provided with respect to each partner,
4 trustee, officer, director, and any shareholder or other holder who owns more than 10 percent of the
5 legal or beneficial interests of such entity. The lottery commission shall not accept applications from
6 an operator applicant after December 31, 2011, unless the operator applicant has an agreement with
7 a facility licensee that has previously maintained video lottery machine operations consistent with
8 this chapter.

9 (b) If the applicant or any owner has held or holds a gaming or video lottery machine
10 license in a jurisdiction where video lottery machine activities are permitted, the applicant shall so
11 state and may produce either a letter of reference from the gaming or lottery enforcement or control
12 agency which sets forth the experience of that agency with the applicant, the applicant's associates
13 and gaming operations, or a statement under oath that the applicant is or was during the period the
14 activities were conducted in good standing with the agency.

15 (c) The attorney general shall conduct a background review of each operator applicant
16 and any of its owners and key employees consistent with RSA 284-A:6. The background review may
17 be conducted through any appropriate state or federal law enforcement system and the authorized
18 reviewers may seek information as to the subject's financial, criminal, or business background, or
19 any other information which the attorney general, in his or her sole discretion, may find relevant to
20 the subject's fitness to be associated with the ownership or management of the operation of video
21 lottery machines in New Hampshire, including, but not limited to, the subject's character, personal
22 associations, and the extent to which the subject is properly doing business in the manner in which it
23 purports to operate. If the applicant is a pari-mutuel licensee and the attorney general has
24 conducted a background investigation pursuant to RSA 284:15-b within the 12 months prior to the
25 application filing, the attorney general may rely on the results of the previous investigation to the
26 extent the applicant's circumstances have not materially changed. The attorney general shall also
27 take into consideration as evidence of fitness a letter of reference or sworn statement of good
28 standing produced pursuant to RSA 284-A:5, I(b). The attorney general shall report the results of
29 the background review to the lottery commission within 60 days. Notwithstanding any other law to
30 the contrary, the information provided to the attorney general and the results of any such review
31 shall be confidential and shall not be subject to disclosure or to public inspection, except that the
32 attorney general, in the attorney general's sole discretion, shall determine the extent to which and
33 the manner in which said results may be reported to the lottery commission or other state agency or
34 official and, if reported, whether such results are to retain their confidential character; provided,
35 however, that whenever the attorney general conducts such an review, the attorney general shall
36 notify the lottery commission whether or not in his or her opinion such person is fit to be associated
37 with participation in the ownership or management of the operation of video lottery machines in this

1 state. The attorney general may conduct such review on the attorney general's motion into the
2 background of the license applicant or holder, or any person or entity upon whom the license
3 applicant or holder relies for financial support.

4 (d) In any review conducted pursuant to subparagraph (c), the attorney general or any
5 duly authorized member of the attorney general's staff may require by subpoena or otherwise the
6 attendance of witnesses and the production of such correspondence, documents, books, and papers as
7 he or she deems advisable, and for purposes of this section, may administer oaths and take the
8 testimony of witnesses.

9 (e)(1) The lottery commission shall impose an application fee of \$100,000 which shall be
10 used to defray the cost of processing the application. If the cost of processing the application exceeds
11 \$100,000, the applicant shall pay the difference. In the event that a pari-mutuel licensee makes an
12 agreement pursuant to RSA 284-A:3, II and the operator applicant applies for the operator's license,
13 then the amount of the fee shall be the greater of \$100,000 or the actual costs incurred by the lottery
14 commission.

15 (2) The attorney general shall impose an investigation fee of \$50,000 which shall be
16 used to defray the cost of the background investigation. If the cost of the background investigation
17 exceeds \$50,000, the applicant shall pay the difference. In the event that a pari-mutuel licensee
18 makes an agreement pursuant to RSA 284-A:3, II and that the operator applicant applies for the
19 operator's license, then the amount of the fee shall be the greater of \$50,000 or the actual costs
20 incurred by the attorney general.

21 (3) Upon approval of an operator licensee, the lottery commission shall charge an
22 initial license fee of \$50,000,000 for an operator licensee seeking to operate at a pari-mutuel licensee
23 location where live horse racing was authorized as of January 1, 2009 or at a resort gaming facility
24 licensee; \$20,000,000 for an operator licensee seeking to operate at a pari-mutuel licensee location
25 where live dog racing was authorized as of January 1, 2009; and \$10,000,000 for an operator licensee
26 at a north country facility licensee. The lottery commission shall charge a license fee of \$1,000,000 to
27 renew a license for an operator's license at the pari-mutuel licensee location where live horse racing
28 was authorized as of January 1, 2009 or a resort gaming facility licensee; \$500,000 to renew a license
29 for an operator's license at a pari-mutuel licensee location where live dog racing was authorized as of
30 January 1, 2009; and \$500,000 for renewal of an operator license at a north country facility licensee;
31 however, such person seeking renewal of such license shall pay all costs incurred by the attorney
32 general to conduct an investigation with regard to such application to renew the operator's license.

33 II.(a) A technology provider licensee applicant shall secure a technology provider license
34 from the lottery commission. An applicant shall complete and sign an application on forms
35 prescribed by the lottery commission, and include information regarding the applicant's criminal
36 history background, civil judgments and financial affairs. The application shall include the full
37 name, address, date of birth, and other personal identifying information of the applicant and all key

1 employees, and if a corporation or other form of business enterprise, the same information shall be
2 provided with respect to each partner, trustee, officer, director, and any shareholder or other holder
3 who owns more than 10 percent of the legal or beneficial interests of such entity.

4 (b) If the applicant or any owner has held or holds a gaming or video lottery machine
5 license in a jurisdiction where video lottery machine activities are permitted, the applicant shall so
6 state and may produce either a letter of reference from the gaming or lottery enforcement or control
7 agency which sets forth the experience of that agency with the applicant, the applicant's associates
8 and gaming operation, or a statement under oath that the applicant is or was during the period the
9 activities were conducted in good standing with the agency.

10 (c) The attorney general shall conduct a background review of each technology provider
11 applicant and any of its owners and key employees. The review may be conducted through any
12 appropriate state or federal law enforcement system and may seek information as to the subject's
13 financial, criminal, or business background, or any other information which the attorney general, in
14 his or her sole discretion, may find relevant the subject's fitness to be associated with the
15 distribution of video lottery machines in New Hampshire, including, but not limited to, the subject's
16 character, personal associations, and the extent to which the subject is properly doing business in
17 the manner in which it purports to operate. The attorney general shall take into consideration as
18 evidence of fitness a letter of reference or sworn statement of good standing produced pursuant to
19 RSA 284-A:5, II(b). The attorney general shall report the results of the review to the lottery
20 commission within 60 days. Notwithstanding any other law to the contrary, the information
21 provided to the attorney general and the results of any such review shall be confidential and shall
22 not be subject to disclosure or to public inspection, except that the attorney general, in the attorney
23 general's sole discretion, shall determine the extent to which and the manner in which said results
24 may be reported to the lottery commission or other state agency or official and, if reported, whether
25 such results are to retain their confidential character; provided, however, that whenever the
26 attorney general conducts such a review, the attorney general shall notify the lottery commission
27 whether or not in his or her opinion such person is fit to be associated with the distribution of video
28 lottery machines in this state. The attorney general may conduct a background review on the
29 attorney general's motion into the background of the license applicant or holder, or any person or
30 entity upon whom the license applicant or holder relies for financial support.

31 (d) In any review conducted pursuant to subparagraph (c), the attorney general or any
32 duly authorized member of the attorney general's staff may require by subpoena or otherwise the
33 attendance of witnesses and the production of such correspondence, documents, books, and papers as
34 he or she deems advisable, and for purposes of this section, may administer oaths and take the
35 testimony of witnesses.

1 (e)(1) The lottery commission shall charge the technology provider applicant an
2 application fee of \$100,000 which shall be used to defray the cost of processing the application. If the
3 cost of processing the application exceeds \$100,000, the applicant shall pay the difference.

4 (2) The attorney general shall charge the technology provider applicant an
5 investigation fee of \$25,000 which shall be used to defray the cost of the background investigation. If
6 the cost of the background investigation exceeds \$25,000, the applicant shall pay the difference.

7 (3) Upon approval of a technology provider licensee, the lottery commission shall
8 charge an initial license fee of \$50,000. The lottery commission shall charge a fee of \$50,000 to
9 renew a license to a technology provider licensee provided, however, such person seeking renewal of
10 its license shall pay all costs incurred by the attorney general to conduct an investigation with
11 regard to such application to renew the operator's license.

12 284-A:6 Licensure Requirements.

13 I. No license shall be issued by the lottery commission unless the applicant
14 demonstrates it complies with the provisions of this section. The lottery commission shall
15 consider as evidence of compliance any letter of reference or sworn statement of good standing
16 submitted pursuant to RSA 284-A:5, I(b) or RSA 284-A:5, II(b) and:

17 (a) The applicant's financial stability, integrity, and responsibility, considering, without
18 limitation, bank references, business and personal income and disbursement schedules, tax returns,
19 and other reports filed with governmental agencies, business and personal accounting records, check
20 records, and ledgers.

21 (b) The trustworthiness of all financial backers, investors, mortgagees, bondholders, and
22 holders of indentures, notes, and other evidences of indebtedness of the applicant.

23 (c) The applicant's good character, honesty, and integrity, considering, without
24 limitation, information pertaining to family, habits, character, reputation, criminal and arrest
25 record, business activities, financial affairs, and business, professional, and personal associates,
26 covering at least the 10-year period immediately preceding the filing of the application.

27 (d) For operator applicants and/or technology providers, the applicant's business ability
28 and experience in the operation of video lottery machines, as appropriate, so as to establish the
29 likelihood of a successful and efficient operation.

30 II. No license shall be issued by the lottery commission to any applicant unless the applicant
31 proves that each director, officer, or key employee and each direct or indirect owner complies with
32 the criteria for licensure contained in this section.

33 III. No license shall be issued by the lottery commission to any applicant if the applicant,
34 any key employee, or any individual who has an ownership or financial interest in or with the
35 applicant or its facility location is an elected official of the general court or executive branch of the
36 state of New Hampshire or the attorney general's office or the lottery commission on a full or part-
37 time or contractual basis at any time during the previous 2 years. If any such applicant, key

1 employee, or any individual who has an ownership or financial interest in the applicant becomes
2 such an elected official, the applicant shall be subject to sanctions pursuant to RSA 284-A:14.

3 IV.(a) No license shall be issued by the lottery commission to an operator applicant at a pari-
4 mutuel license location unless the operator applicant is a pari-mutuel licensee seeking to operate
5 video lottery machines at a pari-mutuel licensee location, or, if not a pari-mutuel licensee, the
6 operator applicant submits proof of an agreement to manage and operate video lottery machines at a
7 pari-mutuel licensee location.

8 (b) No license shall be issued by the lottery commission to an operator applicant at a
9 north country facility licensee location unless the operator applicant is the owner of the north
10 country facility location seeking to operate video lottery machines at the north country facility
11 licensee location, or, if not the owner of the north country facility licensee location, the operator
12 applicant submits proof of an agreement to manage and operate video lottery machines at the north
13 country facility licensee location.

14 (c) No license shall be issued by the lottery commission to an operator applicant at a
15 resort gaming facility licensee unless the operator applicant is the owner of the destination golf
16 resort and convention center seeking to operate video lottery machines at the resort gaming facility
17 licensee, or, if not the owner of the resort gaming facility licensee, the operator applicant submits
18 proof of an agreement to manage and operate video lottery machines at the destination golf resort
19 and convention center.

20 V. No licensee or any individual or entity that is an owner of, or has a financial interest in or
21 with, the licensee or facility licensee shall be permitted to make a political contribution as defined by
22 RSA 664:2, VIII.

23 VI. The lottery commission shall grant or deny a license under this chapter within 180 days
24 of receiving a completed application, notwithstanding the adoption of interim or final rules.

25 VII. The lottery commission may determine whether the licensing standards of another
26 jurisdiction within the United States or Canada in which an applicant, its affiliate, intermediary
27 subsidiary, or holding company for an operator or technology vendor license is similarly licensed are
28 comprehensive and thorough and provide similar adequate safeguards as those required by this
29 chapter. If the lottery commission makes that determination, it may issue an operator or technology
30 vendor license to an applicant who holds a similar license in such other jurisdiction after conducting
31 an evaluation of the information relating to the applicant from such other jurisdiction, as updated by
32 the lottery commission, and evaluating other information related to the applicant received from that
33 jurisdiction and other jurisdictions where the applicant may be licensed, the lottery commission may
34 incorporate such information, in whole or in whole or in part, into its or the attorney general's
35 evaluation of the applicant.

36 284-A:7 Exclusion of Minors.

1 I. No person under 21 years of age shall play a video lottery machine authorized by this
2 chapter. Each violation of this section shall be punishable by a fine of no more than \$20,000 and
3 shall be payable by such person who violates this section.

4 II. No operator licensee shall knowingly permit any person under 21 years of age to play or
5 participate in any aspect of the play of a video lottery machine or table game. Each violation of this
6 section shall be punishable by a fine of no more than \$20,000 and shall be payable by the operator
7 licensee.

8 284-A:8 Distribution of Net Machine Income.

9 I. Distribution of Net Machine Income.

10 (a) Thirty nine percent of the net machine income generated by video lottery machines
11 at a facility licensee shall be paid as follows:

12 (1) Thirty percent of the net machine income generated by video lottery machines
13 shall be paid to the state from which the state shall pay for the costs of regulation administration,
14 enforcement of this chapter under RSA 21-P:11-b, and the operation of the central computer system,
15 and the balance shall be deposited in the general fund of the state.

16 (2) Three percent of the net machine income generated by video lottery machines
17 operated by an operator licensee in any specific municipality shall be paid to the municipality in
18 which the operator licensee operates video lottery machines.

19 (3) Two percent of the net machine income generated by video lottery machines
20 operated by an operator licensee shall be paid to the state treasurer to be divided equally amongst
21 each county in the state for property tax relief in each county.

22 (4) One percent of the net machine income generated by video lottery machines
23 operated by an operator licensee shall be paid to the state treasurer to be divided equally amongst
24 each of the municipalities of New Hampshire which abut and are contiguous to a municipality in
25 which the operator licensee operates video lottery machines.

26 (5) One percent of the net machine income generated by all video lottery machines
27 shall be paid to the state treasurer and credited to the commissioner of the department of health and
28 human services to support programs established by RSA 172 to treat problem gambling.

29 (6) One-half of one percent of the net machine income generated by video lottery
30 machines shall be paid to the state treasurer and credited to the division of travel and tourism
31 development, department of resources and economic development for the purpose of promoting tourism
32 in the state.

33 (7) One-half of one percent of the net income generated by all video lottery machines
34 shall be paid equally to the police standards and training council training fund established in RSA
35 188-F:30 and the fire standards and training and emergency medical services fund established RSA
36 21-P:12-d to be used for reimbursement of expenses incurred for certification training and salaries.

1 (8)(A) One percent of the net machine income generated by all video lottery
2 machines at pari-mutuel licensee locations and north country facility licensee shall be paid to the
3 state treasurer and credited to the racing and charitable gaming commission for the purpose of
4 enhancing live racing purses at pari-mutuel licensees. The racing and charitable gaming
5 commission shall adopt rules under RSA 541-A to implement this subparagraph. In the event that
6 no live racing is conducted in the state, such amount shall be distributed to the state pursuant to
7 subparagraph I(a)(1).

8 (B) One percent of the net machine income generated by all video lottery
9 machines at a resort gaming facility licensee shall be dedicated directly to the annual operations of
10 the Nashua to Boston commuter rail service. If there is no such rail service, the amount shall be
11 distributed to the state to be used in accordance with subparagraph I(a)(1).

12 II. The balance of the funds from the net machine income from video lottery machines shall
13 be retained by the operator licensee that operates such video lottery machines.

14 III. The operator licensee shall deliver the amounts payable to the state or municipality as
15 provided in paragraph I or II in immediately available funds of the United States on a weekly basis
16 on the first business day of each week. At the time payment is delivered, the operator licensee shall
17 provide a written accounting of net machine income generated from the video lottery machines by
18 the operator licensee on an aggregate basis and the calculation of amounts due to the state
19 separately for distribution pursuant to subparagraphs I, (a)(1), (5), (6), (7) and (8), the amount due
20 the municipality pursuant to subparagraph I(a)(2), the amount due to the county pursuant to
21 subparagraph I(a)(3), the amount due certain municipalities pursuant to subparagraph I(a)(4), and
22 the balance of net machine income retained by the operator licensee. The operator licensee shall pay
23 a penalty of \$1,000 for each day that payment or the accounting is not delivered on time to the state,
24 a penalty of \$1,000 for each day that payment or the accounting is not delivered to the municipality
25 on time, and a penalty of \$1,000 for each day that payment or the accounting is not delivered to the
26 county on time.

27 284-A:9 Procedures for Adoption by Local Community.

28 I. Any municipality in which a facility licensee is or will be situated may adopt the
29 provisions of RSA 284-A to allow the operation of video lottery machines in the following manner:

30 (a) In a town, other than a town that has adopted a charter pursuant to RSA 49-D, the
31 questions shall be placed on the warrant of an annual or special town meeting, by the governing body
32 or by petition pursuant to RSA 39:3.

33 (b) In a city or town that has adopted a charter pursuant to RSA 49-C or RSA 49-D, upon
34 request of a facility licensee to authorize the operation of video lottery machines within the
35 municipality in accordance with the provisions of RSA 284-A, the governing body shall place the
36 question on the ballot to be voted upon at the next regularly scheduled municipal or biennial election
37 unless such election is more than 90 days from the request. In such circumstance, the governing

1 body shall place the question on the ballot for a special election called for the purpose of voting on
2 said question and which special election shall occur within 75 days after the request is made. Such
3 special election shall be held at the usual ward polling places by the regular election officials.

4 (c) If a majority of those voting on the question vote "Yes," RSA 284-A shall apply in such
5 town or city and the operation of video lottery machines shall be permitted within such town or city in
6 accordance with RSA 284-A. If a majority of those voting on the question vote "No" the question may
7 be voted on at a subsequent time in accordance with this section provided, however, the town may
8 consider the question at no more than one special meeting and the annual town meeting in the same
9 calendar year after a "No" vote. A city or town subject to paragraph II may consider the question at
10 no more than one special election and a regular municipal or biennial election in the same calendar
11 year after a "No" vote.

12 (d) The wording of the question shall be substantially as follows: "Shall we adopt the
13 provisions of RSA 284-A allowing the operation of video lottery machines at [insert the name of the
14 facility licensee] located within the town?"

15 II. When a facility location requests a town or city to act under paragraph I, the facility
16 licensee shall pay all costs associated with carrying out the actions under this section.

17 284-A:10 Inspection of Video Lottery Machines; Penalty for Tampering or Manipulating.

18 I. The lottery commission shall periodically test video lottery machines installed at any
19 location. In conducting such tests, the lottery commission shall use the services of an
20 independent laboratory, and the cost of such independent laboratory shall be paid by the
21 technology provider.

22 II. Any person who purposely manipulates the outcome, payoff, or operation of any video
23 lottery machine or table game by physical, electronic, or mechanical means, shall be guilty of a
24 felony.

25 284-A:11 Video Lottery Machines.

26 I. An operator of video lottery machines shall provide to the lottery commission, by diagram
27 or narrative, a description of:

28 (a) The location of each video lottery machine available for play by the public.

29 (b) The location of all areas for the storage, maintenance, or repair of video lottery
30 machines.

31 (c) A description of all security measures to be taken for the safeguarding of video lottery
32 machines.

33 (d) The location and security measures taken for the safeguarding of all moneys, tokens,
34 or other items of value utilized in the use of video lottery machines.

35 (e) All procedures for the operation, maintenance, repair, and inserting or removing of
36 moneys, tokens, or other items of value from video lottery machines.

37 (f) All internal control systems as required by RSA 284:21-w.

1 (g) All of the above shall be approved by the lottery commission prior to commencing the
2 operation of any video lottery machines.

3 II. No video lottery machine shall be possessed, maintained, exhibited, brought into, or
4 removed from a facility licensee by any person unless such machine has permanently affixed to it an
5 identification number or symbol authorized by the lottery commission and prior notice of any such
6 movement has been given to the lottery commission.

7 III. Each operator licensee shall maintain secure facilities for the counting and storage of all
8 moneys, tokens, or other items of value utilized in the conduct of video lottery machines.

9 IV. The drop boxes and other devices shall not be brought into a facility licensee or removed
10 from an video lottery machine, locked or unlocked, except at such specific times and such places and
11 according to such procedures as the lottery commission may require to safeguard such boxes and
12 devices and their contents.

13 V. No video lottery machine shall be used to conduct gaming unless it is identical in all
14 electrical, mechanical, and other aspects to a model which has been specifically tested by the lottery
15 commission and licensed for use by the lottery commission.

16 VI. All video lottery machines in operation at a facility licensee shall provide a payoff of an
17 average of at least 87 percent.

18 VII. All tickets given as prizes or winnings from video lottery machines shall be redeemed for
19 cash within one year after the date of winning. Upon the expiration of such one-year period, the value
20 of such unredeemed tickets shall be considered net machine income of the issuing operator licensee.

21 VIII. An operator licensee shall not be restricted in the days of operation of video lottery
22 machines.

23 IX. Video lottery machines shall be operated only at times when the public is allowed access
24 to the locations. No automatic teller machines shall be located within 50 feet of video lottery
25 machines.

26 X. All table games operated by a facility licensee shall be approved in advance by the racing
27 and charitable gaming commission consistent with RSA 287-H and operated consistent with the
28 approval.

29 284-A:12 Term of License. Any license issued pursuant to this chapter and any renewal thereof
30 shall be valid for 5 years unless earlier suspended or revoked by the lottery commission. The lottery
31 commission shall adopt procedures for license renewal that take into consideration whether the
32 applicant has been previously licensed in good standing under this chapter.

33 284-A:13 Presence of the Lottery Commission. The lottery commission and the division of state
34 police gaming enforcement unit may be present at any facility licensee at which video lottery
35 machines are operated at all times when the facility is open to the public. The licensee may be
36 required by the lottery commission or gaming enforcement unit to provide such office space and
37 equipment which the commission or unit shall determine is reasonably necessary or proper.

1 284-A:14 Sanction Powers of the Lottery Commission.

2 I. The lottery commission shall have the sole and exclusive authority following appropriate
3 hearings and factual determinations, to impose sanctions against any person for any violation of this
4 chapter or any rule of the lottery commission adopted under the provisions of this chapter as follows:

5 (a) Revocation or suspension of a license.

6 (b) Civil penalties as may be necessary to punish misconduct and to deter future
7 violations, which penalties may not exceed \$50,000 for each violation.

8 (c) Order restitution of any moneys or property unlawfully obtained or retained by a person.

9 (d) Issue a cease and desist order which specifies the conduct which is to be
10 discontinued, altered, or implemented by the person.

11 (e) Issue letters of reprimand or censure, which shall be made a permanent part of the
12 file of each person so sanctioned.

13 (f) Impose any or all of the foregoing sanctions in combination with each other.

14 II. In determining appropriate sanctions in a particular case, the lottery commission shall
15 consider:

16 (a) The risk to the public and to the integrity of video lottery machine operations created
17 by the conduct of the person.

18 (b) The seriousness of the conduct of the person and whether the conduct was purposeful
19 or with knowledge that it was in contravention of the provisions of this chapter or the rules of the
20 racing and charitable gaming commission or the lottery commission.

21 (c) Any justification or excuse for such conduct.

22 (d) The prior history of the person involved.

23 (e) The corrective action taken by the person to prevent future misconduct of a like
24 nature from occurring.

25 (f) In the case of a monetary penalty, the amount of the penalty in relation to the
26 misconduct and the financial means of the person.

27 (g) In the event that a person receives 3 civil penalties during the term of such person's
28 license, the lottery commission may subject such person to enhanced fines or other disciplinary
29 action.

30 284-A:15 Declaration of Limited Exemption from Operation of Provisions of 15 U.S.C.
31 section 1171-1172. Pursuant to section 2 of an act of Congress of the United States entitled "An
32 act to prohibit transportation of gambling devices in interstate and foreign commerce," approved
33 January 2, 1951, being Chapter 1194, 64 Stat 1134, and also designated as 15 U.S.C. sections 1171-1177,
34 the state of New Hampshire, acting by and through the duly elected and qualified members of its
35 legislature, does hereby, in accordance with and in compliance with the provisions of that section 2 of
36 that act of Congress, declare and proclaim that it is in the state's best interest to benefit from limiting
37 gambling device revenues but prevent the proliferation of gambling devices by limiting approved facility

1 locations and therefore that section 2 of that act of Congress shall not apply to any gambling device in
2 this state where the transportation of such a device is specifically authorized by and done in
3 compliance with the provisions of this chapter and any rules adopted pursuant to it, and that any
4 such gambling device transported in compliance with state law and rules shall be exempt from the
5 provisions of that act of Congress.

6 284-A:16 Legal Shipment of Gaming Devices into New Hampshire. All shipments into this state
7 of gaming devices, the registering, recording, and labeling of which has been duly made by the
8 manufacturer or dealer in accordance with sections 3 and 4 of an act of Congress of the United States
9 entitled "An Act to Prohibit Transportation of Gambling Devices in Interstate and Foreign
10 Commerce, approved January 2, 1951, being chapter 1194, 64 Stat. 1134, and also designated as 15
11 U.S.C. sections 1171-1172, shall be deemed legal shipments into this state.

12 2 New Section; Lottery Commission; Administration of Video Lottery. Amend RSA 284 by
13 inserting after section 21-v the following new section:

14 284:21-w Video Lottery; Duties of the Lottery Commission; Administration of Video Lottery.

15 I. The lottery commission shall:

16 (a) Collect all license fees imposed upon any applicant and all taxes imposed by RSA 284-A.

17 (b) Certify net machine income by inspecting records, conducting audits, having its
18 agents on site, or by any other reasonable means.

19 (c) Establish a central computer system located at the office of the lottery commission linking
20 all video lottery machines to insure control over video lottery machines. The lottery commission shall
21 establish a selection procedure for such contracts and ensure that the central computer system uses a
22 widely adopted communications protocol approved by the Gaming Standards Association.

23 (d) Require all holders of licenses issued by the lottery commission pursuant to RSA 284-
24 A to maintain a system of internal controls. At a minimum, the licensee's proposed system of
25 internal controls shall:

26 (1) Safeguard its assets and revenues, including, but not limited to the recording of
27 cash and evidences of indebtedness related to the video lottery machines.

28 (2) Provide for reliable records, accounts, and reports of any financial event that
29 occurs in the operation of a video lottery machine.

30 (3) Ensure that each video lottery machine directly provides or communicates all
31 required activities and financial details to the central computer system.

32 (4) Provide for accurate and reliable financial records.

33 (5) Ensure any financial event that occurs in the operation of a video lottery machine or
34 table game is performed only in accordance with the management's general or specific authorization.

35 (6) Ensure that any financial event that occurs in the operation of a video lottery
36 machine is recorded adequately to permit proper and timely reporting of net machine income and the
37 calculation thereof and the related fees and taxes.

1 (7) Ensure that access to assets is permitted only in accordance with management's
2 specific authorization.

3 (8) Ensure that recorded accountability for assets is compared with actual assets at
4 reasonable intervals and appropriate action is taken with respect to any discrepancies.

5 (9) Ensure that all functions, duties, and responsibilities are appropriately
6 segregated and performed in accordance with sound financial practices by qualified personnel.

7 (e) Establish technical standards for approval of video lottery machines, including
8 mechanical and electrical reliability and security against tampering, as it may deem necessary to
9 protect the public from fraud or deception and to ensure the integrity of their operation.

10 II. The lottery commission may employ certain assistants to carry out the provisions of
11 this section and RSA 284-A, and may employ such additional assistants and employees as the
12 governor and council shall authorize. Such assistants and employees shall receive compensation
13 at rates to be established by the department of administrative services, division of personnel,
14 however, such compensation shall be funded by proceeds paid to or received by the lottery
15 commission pursuant to RSA 284-A. No employee of the lottery commission shall have any
16 pecuniary or other interest in any supplier or agent to the commission or in any facility location
17 or licensee licensed under RSA 284-A.

18 III. The lottery commission shall have the authority to issue subpoenas and compel the
19 attendance of witnesses, to administer oaths, and to require testimony under oath.

20 IV. No later than November 1 of each calendar year, the lottery commission shall provide a
21 report to the fiscal committee of the general court regarding the generation of revenues of video
22 lottery machines by licensees.

23 V. With regard to meetings, minutes, and records of the lottery commission:

24 (a) The lottery commission shall notice all proceedings and shall make and keep a record
25 of all proceedings held at public meetings of the lottery commission. A verbatim transcript of those
26 proceedings shall be prepared by the lottery commission upon the request of any commissioner or
27 upon the request of any other person and the payment by that person of the costs of preparation. A
28 copy of the transcript shall be made available to any person upon request and payment of the costs of
29 preparing the copy.

30 (b) The lottery commission shall maintain such other files and records as the lottery
31 commission determines is necessary.

32 (c) All information and data required by the commission, to be furnished to the
33 commission, or which may otherwise be obtained, shall be confidential and shall not be revealed in
34 whole or in part except in the course of the necessary administration of this chapter, or upon the
35 lawful order of a court of competent jurisdiction, or with the approval of the attorney general, to a
36 duly authorized law enforcement agency.

1 (d) All information and data pertaining to an applicant's criminal record, family, and
2 background furnished to or obtained by the lottery commission from any source shall be confidential
3 and shall be withheld in whole or in part. Such information shall be released only upon the lawful
4 order of a court of competent jurisdiction, or with the approval of the attorney general, to a duly
5 authorized law enforcement agency.

6 (e) Notice of the contents of any information or data released, except to a duly authorized
7 law enforcement agency pursuant to subparagraph (c) or (d), shall be given to any applicant,
8 registrant, or licensee in a manner prescribed by the rules adopted by the lottery commission.

9 (f) All records, information, or data maintained or kept by the lottery commission shall be
10 maintained or kept at the office of the gaming enforcement unit.

11 3 New Sections; Department of Safety; Gaming Enforcement Unit Established. Amend
12 RSA 21-P by inserting after section 11-a the following new sections:

13 21-P:11-b Division of State Police; Gaming Enforcement Unit.

14 I. There is established within the department of safety, division of state police, a gaming
15 enforcement unit under the supervision of the commissioner of the department of safety.
16 Notwithstanding RSA 106-B:15, the unit shall:

17 (a) Investigate violations of RSA 284-A and the rules adopted under the provisions of
18 RSA 284-A and initiate proceedings before the lottery commission for such violations. The unit
19 shall report the results of any investigation conducted to the lottery commission.

20 (b) Investigate violations of RSA 287-H and the rules adopted under the provisions of RSA
21 287-H and initiate proceedings before the racing and charitable gaming commission for such violations.
22 Report the results of any investigation conducted to the racing and charitable gaming commission.

23 (c) Participate in any hearing conducted by the lottery commission or racing and
24 charitable gaming commission.

25 (d) Investigate crimes that occur on the premises of a facility licensee.

26 II. The commissioner of the department of safety shall organize the unit as the commissioner
27 deems necessary. The commissioner of safety may employ such state police personnel as the
28 commissioner deems necessary to fulfill the responsibilities of the unit.

29 21-P:11-c Enforcement Expenditures. The governor and council with the prior approval of the
30 fiscal committee of the general court, upon request from the commissioner of the department of
31 safety, may authorize the transfer of general funds as authorized in RSA 284-A:8, I(a)(1) to the
32 department of safety to implement and enforce RSA 21-P:11-b, RSA 284-A, and RSA 287-H.

33 4 New Section; Racing and Charitable Gaming Commission; Duties. Amend RSA 284 by
34 inserting after section 6-a the following new section:

35 284:6-b Duties of the Racing and Charitable Gaming Commission.

36 I. The racing and charitable gaming commission shall:

1 (a) Provide to the lottery commission all records pertaining to the licensing of a pari-
2 mutuel licensee relevant to the lottery commission's approval process under RSA 284-A within 30 days
3 after the racing and charitable gaming commission receives a request. All records provided to the
4 lottery commission shall be confidential in accordance with RSA 284:21-w, V.

5 (b) Provide to the lottery commission confirmation of any facility licensees who are
6 approved locations for table games pursuant to RSA 287-H.

7 II. With regard to minutes and records of the racing and charitable gaming commission:

8 (a) The racing and charitable gaming commission shall keep a written record of all
9 proceedings of public meetings of the commission pursuant to this chapter. A verbatim transcript of
10 those proceedings shall be prepared by the racing and charitable gaming commission upon the
11 request of any commissioner or upon the request of any other person and the payment by that person
12 of the costs of preparation. A copy of a transcript shall be made available to any person upon request
13 and payment of the costs of preparing the copy.

14 (b) The racing and charitable gaming commission shall keep and maintain a list of all
15 notices it receives under RSA 284-A and RSA 287-H, together with a record of all actions taken with
16 respect to such notices. A file and record of the racing and charitable gaming commission's actions
17 shall be open to public inspection provided, however, that the information regarding any applicant
18 whose license or registration has been denied, revoked, or not renewed shall be removed from such
19 list after 5 years from the date of such action.

20 (c) The racing and charitable gaming commission shall maintain such other files and
21 records as the commission determines is necessary.

22 (d) All information and data required by the racing and charitable gaming commission to
23 be furnished to it, or which may otherwise be obtained, shall be considered to be confidential and
24 shall not be revealed in whole or in part except in the course of the necessary administration of this
25 chapter, or upon the lawful order of a court of competent jurisdiction, or with the approval of the
26 attorney general, to a duly authorized law enforcement agency.

27 (e) All information and data pertaining to an applicant's criminal record, family, and
28 background furnished to or obtained by the racing and charitable gaming commission from any source
29 shall be considered confidential and shall be withheld in whole or in part. Such information shall be
30 released upon the lawful order of a court of competent jurisdiction or to a duly authorized law
31 enforcement agency.

32 (f) Notice of the contents of any information or data released, except to a duly authorized
33 law enforcement agency pursuant to subparagraph (d) or (e), shall be given to any applicant,
34 registrant, or licensee in a manner prescribed by the rules and regulations adopted by the racing and
35 charitable gaming commission.

36 5 License Restricted. RSA 284:16-c is repealed and reenacted to read as follows:

37 284:16-c License Restricted.

1 I. Notwithstanding any other provision of law, the racing and charitable gaming commission
2 shall not issue a license to conduct live thoroughbred horse racing or live harness horse racing
3 pursuant to RSA 284:16 to any applicant if the place where such races or race meets are to be held is
4 within a radius of 40 miles of the place where live horse races or race meets for at least the number
5 of days as required in RSA 284:22-a, II(a)(3) have already been licensed pursuant to RSA 284:16,
6 provided, however, that the racing and charitable gaming commission may issue a license to conduct
7 live harness racing to the holder of a license to conduct live thoroughbred racing if the live harness
8 racing is conducted at the same place where the live thoroughbred racing is being conducted.

9 II. Notwithstanding any other provision of law, the racing and charitable gaming
10 commission shall not issue a license to conduct live dog racing pursuant to RSA 284:16-a to any
11 applicant if the place where the races or race meets are to be held is within a radius of 40 miles of
12 the place where such races or race meets have already been licensed pursuant to RSA 284:16-a.

13 6 Restriction on Gambling. RSA 284:17-c is repealed and reenacted to read as follows:

14 284:17-c Restriction on Gambling. Except as provided in the introductory paragraph of
15 RSA 284:22, RSA 284:22-a, RSA 284-A, and RSA 287-H, no licensee who holds running horse races
16 shall at the same facility hold any other kinds of races or permit any other type of gambling except
17 harness horse races and activities licensed by the lottery commission or the racing and charitable
18 gaming commission.

19 7 New Paragraph; Facility Licensee; Cocktail Lounge License. Amend RSA 178:20, by inserting
20 after paragraph V the following new paragraph:

21 VI. The commission may issue a special license to a person holding a pari-mutuel license or
22 an operator's license at a facility licensee location under the provisions of RSA 284-A provided the
23 facility licensee location has an existing liquor license. Such special license shall allow the sale of
24 liquor, wine, and beverages within the facility licensee location, including dining room, function
25 room, gaming room, lounge, or any other area designated by the commission, without regard to
26 whether meals are served therein, but only during the time gaming is being conducted under
27 RSA 284-A. A person licensed under this section shall comply with RSA 179:44, which prohibits
28 providing free alcoholic beverages to members, patrons, or guests.

29 8 New Subparagraph; Authorized Video Lottery Machines. Amend RSA 647:2, V by inserting
30 after subparagraph (c) the following new subparagraph:

31 (d) Video lottery machines authorized pursuant to RSA 284-A and table games
32 authorized pursuant to RSA 287-H.

33 9 Rehabilitation of Problem Gaming. Amend RSA 172:2-a to read as follows:

34 172:2-a Program Established. The commissioner shall provide for the scientific care, treatment,
35 and rehabilitation of *gambling*, alcohol, and drug abusers, and work towards the prevention of, and
36 assist in the control of, alcohol and drug abuse within the state through education, treatment,
37 community organization, and research.

1 10 Rehabilitation of Problem Gaming. Amend RSA 172:8 to read as follows:

2 172:8 Duties of Commissioner. The commissioner shall:

3 I. Study the problems presented by *gambling*, alcohol, and drug abuse, including methods
4 and facilities available for the care, treatment, custody, employment, and rehabilitation of persons
5 who are *problem gamers*, inebriates, alcohol abusers, drug dependent, or drug abusers.

6 II. Promote meetings and programs for the discussion of *gambling*, alcohol, and drug
7 dependency and abuse for the guidance and assistance of individuals, schools, courts, and other
8 public and private agencies.

9 III. Conduct, promote and finance, in full or in part, studies, and other appropriate facilities
10 dealing with the physical, psychological, and/or social aspects of *gambling*, alcohol, and drug abuse.

11 IV. Have the authority to accept or reject for examination, diagnosis, guidance, and
12 treatment, insofar as funds and facilities permit, any resident of the state who comes to the
13 commissioner voluntarily for advice and treatment.

14 V. [Repealed.]

15 VI. Render biennially to the governor and council a report of his activities including
16 recommendations for improvements therein by legislation or otherwise.

17 VII. Coordinate community medical resources for the emergency medical care of persons
18 suffering acute mental or physical reaction to *gambling*, alcohol, or drugs and of persons suffering
19 from drug dependency.

20 VIII. Employ such assistants as may be necessary to carry out the purposes of this chapter,
21 in accordance with state personnel regulations, and within available appropriations and funds.

22 IX. Disseminate information on the subjects of *gambling*, alcohol, and drug abuse for the
23 guidance and assistance of individuals, schools, courts and other public and private agencies.

24 X. [Repealed.]

25 11 Problem Gaming Added. Amend RSA 172:8-a to read as follows:

26 172:8-a Confidentiality of Client Records. No reports or records or the information contained
27 therein on any client of the program or a certified *gambling*, alcohol, or drug abuse treatment
28 facility or any client referred by the commissioner shall be discoverable by the state in any criminal
29 prosecution. No such reports or records shall be used for other than rehabilitation, research,
30 statistical or medical purpose, except upon the written consent of the person examined or treated.
31 Confidentiality shall not be construed in such manner as to prevent recommendation by the
32 commissioner to a referring court, nor shall it deny release of information through court order
33 pursuant to appropriate federal regulations.

34 12 Problem Gaming Added. Amend RSA 172:8-b to read as follows:

35 172:8-b Rulemaking. The commissioner shall adopt rules under RSA 541-A relative to the
36 following:

1 I. The acceptance, care and treatment of *gambling*, alcohol, or drug dependent persons and
2 alcohol or drug abusers who are clients of the program established under this chapter or a certified
3 substance abuse treatment facility.

4 II. A fee schedule and collection of fees under RSA 172:14, IV.

5 III. Certification of substance abuse treatment facilities including, but not limited to:

6 (a) Program content;

7 (b) Qualifications of program staff; and

8 (c) Type of substance abuse treatment offered.

9 IV. Certification and recertification of *gambling*, alcohol, and drug abuse counselors
10 including, but not limited to:

11 (a) Peer review of applicants.

12 (b) Minimum qualifications and competency.

13 (c) Education and continuing education.

14 (d) Experience required.

15 (e) Required knowledge of *gambling*, alcohol, and drug abuse counseling.

16 (f) Such other matters as the commissioner may deem necessary to carry out the
17 purposes of this chapter.

18 V. Voluntary admissions under RSA 172:13.

19 13 Acceptance of Grants; Treatment of Problem Gamers. Amend RSA 172:9 to read as follows:

20 172:9 Acceptance of [~~Grants~~] *Funds*. The commissioner is authorized to accept in the name of
21 the state special grants or money or services from the federal or state governments or any of their
22 agencies and may accept gifts to carry on the functions provided for in this chapter.

23 14 New Chapter; Table Games. Amend RSA by inserting after chapter 287-G the following new
24 chapter:

25 CHAPTER 287-H

26 TABLE GAMES

27 287-H:1 Definitions. In this chapter:

28 I. "Associated equipment" means any equipment or mechanical, electromechanical, or
29 electronic contrivance, component, or machine used in connection with table gaming, including
30 linking devices, replacement parts, equipment which affects the proper reporting of gross revenue,
31 computerized systems for controlling and monitoring table games, including, but not limited to, the
32 central control computer, and devices for weighing or counting money.

33 II. "Cash" means United States currency and coin or foreign currency and coin that have
34 been exchanged for its equivalent in United States currency and coin.

35 III. "Cash equivalent" means an asset that is readily convertible to cash, including, but not
36 limited to, any of the following:

37 (a) Travelers checks.

1 (b) Certified checks, cashier's checks, and money orders.

2 (c) Personal checks or drafts.

3 (d) Credit extended by the table game licensee, a recognized credit card company, or a
4 banking institution.

5 (e) Any other instrument that the New Hampshire racing and charitable gaming
6 commission deems a cash equivalent. Other than recognized credit cards or credit extended by the
7 table game certificate holder, all instruments that constitute a cash equivalent shall be made
8 payable to the table game certificate holder, to the bearer, or to cash. An instrument made payable
9 to a third party shall not be considered a cash equivalent and shall be prohibited.

10 IV. "Certificate holder" means a video lottery operator licensee issued a table game operator
11 certificate by the commission to operate the table games at a licensed facility.

12 V. "Commission" means the racing and charitable gaming commission.

13 VI. "Count room" means the room designated for counting, wrapping, and recording of table
14 game receipts.

15 VII.(a) "Gross table game revenue" means the total of cash or equivalent wagers received in
16 the playing of a table game minus the total of:

17 (1) Cash or cash equivalents paid out to patrons as a result of playing a table game.

18 (2) Cash paid to purchase annuities to fund prizes payable to patrons over a period of
19 time as a result of playing a table game.

20 (3) Any personal property distributed to a patron as a result of playing a table game.

21 (b) "Gross table game revenue" does not include travel expenses, food, refreshments,
22 lodging, or other complimentary services. This term does not include counterfeit money, tokens, or
23 chips; coins or currency of other countries received in the playing of a table game, except to the extent
24 that they are readily convertible to United States currency; cash taken in a fraudulent act perpetrated
25 against a licensee for which the licensee is not reimbursed; or cash received as entry fees for contests or
26 tournaments in which patrons compete for prizes.

27 VIII. "Key employee" means any individual who is employed in a director or department
28 head capacity and who is authorized to make discretionary decisions that regulate table game
29 operations, including but not limited to, the director of table games, pit bosses, shift bosses, credit
30 supervisors, cashier supervisors, table game facility managers, and assistant managers.

31 IX. "Licensed facility" means any north country facility licensee, destination golf resort and
32 convention center licensee, or pari-mutuel licensee licensed by the lottery commission pursuant to
33 RSA 284-A.

34 X. "Table game" means any banking or percentage game in which there is an opportunity for
35 the player to use his or her reason, foresight, or other strategy to increase the expected return,
36 including roulette, baccarat, blackjack, poker, craps, big six wheel, mini-baccarat, red dog, pai gow,
37 casino war, asia poker, Boston 5 stud poker, Caribbean stud poker, Colorado hold 'em poker, double

1 attack blackjack, double cross poker, double down stud poker, fast action hold 'em, flop poker, four
2 card poker, let it ride poker, mini-craps, mini-dice, pai gow poker, pokette, Spanish 21, Texas hold
3 'em bonus poker, three card poker, two card joker poker, ultimate Texas hold 'em, winner's pot poker
4 and sic bo and any other games approved by the commission. The term includes any variations or
5 composites of approved games, provided that the commission determines that the new table game,
6 variations, or composites are suitable for use after an appropriate test or experimental period under
7 such terms and conditions as the commission may deem appropriate, and any other game which the
8 commission determines to be suitable for use in a licensed facility after an appropriate test or
9 experimental period as the commission may deem appropriate. The term shall also include gaming
10 contests or tournaments in which players compete against one another in any table game authorized
11 for use in a licensed facility by the commission. The term shall not include wagering on pari-mutuel
12 racing regulated by the racing and charitable gaming commission pursuant to RSA 284, raffles
13 regulated pursuant to RSA 287-A, lotteries regulated by the lottery commission pursuant to RSA
14 284:21-a and RSA 287-F, and bingo and lucky 7 games regulated by the racing and charitable
15 gaming commission pursuant to RSA 287-E. Table games which are operated as games of chance
16 pursuant to RSA 287-D shall not be subject to the provisions of this chapter.

17 XI. "Table game device" includes tables, cards, dice, chips, shufflers, tiles, dominoes, wheels,
18 drop boxes, or any mechanical or electrical contrivance, terminal, machine or other device approved
19 by the commission and used or consumed in operation of or connection with a table game.

20 XII. "Table game operation certificate" means a certificate issued by the commission that
21 certifies that the table gaming operation of a licensed facility conforms to the requirements of this
22 chapter and rules adopted under this chapter and that authorizes the holder of a video lottery
23 operator license to conduct table gaming under this chapter.

24 XIII. "Table game operator" means:

25 (a) "Primary game operator" which means any consultant or any person involved in
26 conducting, managing, supervising, directing, or running the table games at a licensed facility; or

27 (b) "Secondary game operator" which means any person involved in dealing, running a
28 roulette wheel, or handling chips at a licensed facility.

29 XIV. "Technology provider licensee" means a technology provider that is licensed by the
30 lottery commission pursuant to RSA 284-A, and who manufactures, builds, rebuilds, fabricates,
31 assembles, produces, programs, designs, or otherwise modifies table games.

32 XV. "Video lottery operator licensee" means a person issued a license by the lottery
33 commission to procure and operate video lottery machines pursuant to RSA 284-A.

34 287-H:2 State Employee Prohibition. No member, employee, or independent contractor of the
35 state shall accept a complimentary service or wager or be paid any prize from any wager at any
36 licensed facility within the state or at any other facility outside this state which is owned or operated
37 by a licensed gaming entity or any of its affiliates, intermediaries, subsidiaries, or holding companies

1 thereof for the duration of his or her term of office, employment, or contract with the state and for a
2 period of one year from the termination of term of office, employment, or contract with the state.
3 The provisions of this section shall not apply to employees who utilize table games for testing
4 purposes or to verify the performance of table games as part of an enforcement investigation.

5 287-H:3 General and Specific Powers.

6 I. The commission shall have general and sole regulatory authority over the conduct of table
7 games described in this chapter. The commission shall ensure the integrity of the acquisition and
8 operation of table game devices and associated equipment and shall have sole regulatory authority
9 over every aspect of the authorization and operation of table games.

10 II. The commission shall:

11 (a) Issue, approve, renew, revoke, suspend, condition, or deny issuance or renewal of a
12 table game operation certificate to a video lottery operator.

13 (b) Determine at its discretion the suitability of any person who furnishes or seeks to
14 furnish to a certificate holder licensee directly or indirectly any services or property related to the
15 table games or associated equipment or through any arrangements under which that person receives
16 payment based directly or indirectly on earnings, profits, or receipts from table games and associated
17 equipment. The commission may require any such person to comply with the requirements of this
18 chapter and the rules of the commission and may prohibit the person from furnishing the services or
19 property.

20 III. The commission shall not issue or renew a table game operation certificate unless it is
21 satisfied that the applicant is a person of good character, honesty, and integrity and is a person
22 whose prior activities, criminal record, if any, reputation, habits, and associations do not pose a
23 threat to the public interest or the effective regulation and control of table games or create or
24 enhance the danger of unsuitable, unfair, or illegal practices, methods, and activities in the conduct
25 of table games or the carrying on of the business and financial arrangements incidental thereto.

26 IV. To publish each January on the commission's Internet website a complete list of all
27 persons or entities who applied for or held a table game operation certificate, manufacturer license,
28 supplier license, or racetrack license at any time during the preceding calendar year and all
29 affiliates, intermediaries, subsidiaries, and holding companies thereof and the status of the
30 application or license.

31 287-H:4 Enforcement. The commission, with the assistance of the attorney general and the
32 division of state police gaming enforcement unit, shall administer and enforce the provisions of this
33 chapter.

34 287-H:5 Rulemaking.

35 I. The commission shall adopt rules, pursuant to RSA 541-A, relative to:

36 (a) The application procedure for table game operation certificates for video lottery
37 operator licensees.

1 (b) Information to be required on applications for a table game operation certificate by
2 video lottery operator licensees.

3 (c) The application procedure for table game operation certificates for table game
4 operators.

5 (d) Procedures for a hearing following revocation of any certificate issued pursuant to
6 this chapter.

7 (e) The operation of table games.

8 (f) Refunds of certificate fees pursuant to this chapter.

9 (g) Accountability controls to ensure game integrity, including, but not limited to, cash,
10 attendance, prizes, income, expense, and financial reporting, and record-keeping to be implemented
11 by licensed table game operators in addition to requirements set forth in this chapter.

12 (h) Enforcement of this chapter.

13 (i) Background and criminal records checks.

14 (j) The issuance of subpoenas; administrative orders and fines; badge specifications,
15 requirements, and fees.

16 (k) Other matters related to the proper administration of this chapter.

17 II. Pending the adoption of rules under RSA 541-A, the commission shall adopt interim rules
18 pursuant to RSA 541-A:19 after a public hearing and within 90 days after the enactment of this
19 chapter. Such interim rules shall implement the provisions of this chapter.

20 287-H:6 Table Games Authorized. A person licensed to operate video lottery pursuant to RSA 284-A
21 may operate table games at a licensed facility in the manner hereinafter provided and not otherwise:

22 I. Persons holding a current license in good standing from the lottery commission to operate
23 video lottery pursuant to RSA 284-A may apply for a table games operation certificate for the
24 operation of table games.

25 II. The certificate shall authorize table games of a specified type at specified licensed
26 facilities at specified times.

27 III. The certificate shall only permit the operation of table games at a licensed facility that
28 operates or permits the operation of games of chance for or on behalf of charitable organizations
29 pursuant to RSA 287-D, provided that the space allocated for games of chance at the licensed facility
30 be at least 5,000 square feet within the principal gaming area of the licensed facility, and the
31 number of tables used for table games shall be limited to not more than 150 tables.

32 IV. The certificate shall not be transferable.

33 287-H:7 Authorization to Conduct Table Games and Licensure.

34 I. Notwithstanding any other provision of law to the contrary, the commission may authorize
35 only a licensed video lottery operator to engage in the operation of table games and the system of
36 wagering associated with table games at a licensed facility. Authorization to conduct table games shall
37 be contingent upon the licensee's agreement to conduct table games in accordance with this chapter.

1 II. A video lottery operator who is issued a table games operation certificate may only be
2 permitted to operate table games at a licensed facility consistent with the permission granted by the
3 certificate. Table gaming shall only be permitted at a permanent facility.

4 III.(a) A video lottery operator licensee may seek approval to operate table games by filing a
5 petition with the commission.

6 (b) A petition shall include the following:

7 (1) The name, business address and contact information of the petitioner.

8 (2) The name and address, job title, and a photograph of each principal and key
9 employee of the petitioner not currently approved or licensed by the commission.

10 (3) An itemized list of the number and type of table games for which authorization is
11 being sought.

12 (4) The estimated number of full-time and part-time employment positions that will
13 be created at the licensed facility if table games are authorized.

14 (5) A brief description of the economic benefits expected to be realized by the state,
15 its political subdivisions, and its residents, if table games are authorized.

16 (6) The details of any financing that will be obtained or has been obtained to fund
17 the expansion of the licensed facility to accommodate the operation of table games.

18 (7) Information and documentation concerning financial background and resources
19 as the commission may require to establish by clear and convincing evidence the financial stability,
20 integrity, and responsibility of the petitioner.

21 (8) Information and documentation as the commission may require to establish by
22 clear and convincing evidence that the petitioner has sufficient business ability and experience to
23 create and maintain a successful table gaming operation. In making this determination, the
24 commission may consider the results of the petitioner's video lottery operation, including financial
25 figures, employment figures, and capital investment.

26 (9) Detailed site plans identifying the petitioner's proposed table game area within
27 the licensed facility including reference to the area reserved for charitable games of chance. The
28 proposed table game area shall be reviewed by the commission to determine the adequacy of the
29 proposed internal controls and external security and proposed surveillance measures and submit a
30 finding regarding adequacy to the commission.

31 IV. The applicant shall certify under oath that:

32 (a) The information provided on the application is accurate.

33 (b) Neither the applicant nor any person who will be participating in the operation of the
34 table games has, in any jurisdiction, been convicted of a felony or class A misdemeanor within the
35 previous 10 years which has not been annulled by a court, or a class B misdemeanor within the
36 previous 5 years which has not been annulled by a court, or has violated any statutes or rules
37 governing gambling or gaming of any kind.

1 (c) The applicant or any person who will be participating in the operation of the games of
2 chance is aware of all statutes and rules applicable to the operation of table games.

3 287-H:8 Standard of Review.

4 I. The commission shall grant the petition and issue a certificate to authorize the petitioner
5 to operate table games if the petitioner establishes, by clear and convincing evidence, all of the
6 following:

7 (a) The petitioner is an "eligible video lottery operator licensee" duly licensed pursuant
8 to RSA 284-A.

9 (b) If necessary, the petitioner has secured adequate financing to fund the expansion of
10 the petitioner's licensed facility to accommodate the operation of table games.

11 (c) The petitioner has the financial stability, integrity and responsibility to operate table
12 games.

13 (d) The petitioner has sufficient business ability and experience to create and maintain a
14 successful table gaming operation.

15 (e) The proposed internal and external security and proposed surveillance measures
16 within the petitioner's proposed table game area within the licensed facility are adequate.

17 (f) The petitioner is likely to maintain a table game operation that will generate a steady
18 level of revenue for the state.

19 (g) The petitioner agrees to permit the operation of charitable games of chance at the
20 same number of tables and for the same times as the licensed facility hosts the operation of table
21 games.

22 287-H:9 Commencement of Table Game Operations.

23 I. A video lottery operator licensee may not operate or offer table games for play at a
24 licensed facility until:

25 (a) The commission approves the petition filed under RSA 287-H:7.

26 (b) The video lottery operation pays the fee under RSA 287-H:15.

27 (c) The commission has issued a table games operation certificate to the video lottery
28 operator licensee under RSA 287-H:6 and RSA 287-H:8.

29 287-H:10 Term of Table Game Authorization.

30 I. After payment of the fee under RSA 287-H:15, authorization to conduct table games shall
31 be in effect unless suspended, revoked, or not renewed by the commission upon good cause consistent
32 with the license requirements provided in this chapter. Video lottery operator licensees shall be
33 required to update the information in their initial table games petition at times prescribed by the
34 commission, but at least as frequently as the operator is required to renew its video lottery operator's
35 license. An additional license fee of no more than \$1,000,000 during any 5-year period shall be
36 imposed for renewal of a table game operation certificate. The commission shall be entitled to use
37 such funds to support staff and resources necessary to implement this chapter.

1 287-H:11 Operation of Games of Chance.

2 I. Only persons issued a table game operation certificate complying with the requirements of
3 RSA 287-H:7, RSA 287-H:8, and RSA 287-H:9 shall operate table games.

4 II. All game of chance paraphernalia or related equipment used in conducting table games
5 shall be subject to inspection and approval by the commission.

6 III. Table games may only be operated at a licensed facility if the licensed facility hosts
7 charitable organizations for the operation of games of chance pursuant to RSA 287-D.

8 287-H:12 Condition of Continued Operation.

9 I. A certificate holder shall maintain all books, records, and documents pertaining to the
10 certificate holder's table game operation in a manner and location as approved by the commission.
11 All books, records, and documents related to table game operations shall:

12 (a) Be maintained separate and apart from all books, records, and documents of the
13 video lottery machine operations.

14 (b) Be immediately available for inspection upon request of the commission, the state
15 police or agents of the attorney general during all hours of operation in accordance with rules
16 adopted by the commission; and

17 (c) Be maintained for a period as the commission, by rule, may require.

18 287-H:13 Table Game Accounting Controls and Audits.

19 I. Prior to being approved for a table game operation certificate, a video lottery operator
20 licensee shall obtain approval from the commission of its proposed site plans and internal control
21 systems and audit protocols for its table games operation.

22 II. The video lottery operator licensee's proposed internal controls and audit protocols shall:

23 (a) Safeguard its assets and revenues, including the recording of cash and evidences of
24 indebtedness related to the table games.

25 (b) Provide for reliable records, accounts, and reports of any financial event that occurs
26 in the operation of a table game, including reports to the commission related to the table games.

27 (c) Provide for accurate and reliable financial records related to the table games
28 operation.

29 (d) Establish procedures for all the following:

30 (1) The receipt, storage, and disbursal of chips, cash, and other cash equivalents
31 used in table gaming.

32 (2) Check cashing.

33 (3) The redemption of chips and other cash equivalents used in table gaming and the
34 payoff of jackpots.

35 (4) The recording of transactions pertaining to table gaming.

36 (e) Establish procedures for the collection and security of moneys at the gaming tables.

1 (f) Establish procedures for the transfer and recording of chips between the gaming
2 tables and the cashier's cage.

3 (g) Establish procedures for the transfer of drop boxes for table games from the gaming
4 tables to the count room.

5 (h) Establish procedures and security for the counting and recording of table gaming
6 revenue.

7 (i) Establish procedures for the security, storage, and recording of cash, chips, and other
8 cash equivalents utilized in table gaming.

9 (j) Establish procedures and security standards for the handling and storage of gaming
10 apparatus, including cards, dice, machines, wheels, and all other gaming equipment.

11 (k) Establish procedures and rules governing the conduct of particular games and the
12 responsibility of casino personnel.

13 (l) Establish procedures for the collection and recording of revenue from poker when it is
14 a non-licensee bank game, including the type of rake utilized, the methodology for calculating the
15 rake, and the amount of maximum permissible rake.

16 (m) Ensure that any wagering governing the operation of a table game is implemented only
17 in accordance with the management's general or specific authorization, as approved by the commission.

18 (n) Ensure that there is proper and timely accounting of gross table game revenue and
19 the calculation of gross table game revenue, fees, and taxes and maintain accountability for assets.

20 (o) Ensure that recorded accountability for assets is compared with actual assets at
21 reasonable intervals and that appropriate action is taken with respect to any discrepancies.

22 (p) Ensure that all functions, duties, and responsibilities are appropriately segregated
23 and performed in accordance with sound financial practices by competent, qualified personnel.

24 (q) Permit use of its existing onsite facilities by the commission, other persons
25 authorized by the commission to facilitate their ability to perform regulatory and oversight functions
26 under this chapter.

27 III. Each video lottery operator licensee shall, prior to being approved for a table game
28 operation certificate, submit to the commission a detailed description of its administrative and
29 accounting procedures related to table games, including its written system of internal controls. Each
30 written system of internal controls shall include:

31 (a) An organizational chart depicting appropriate functions and responsibilities of
32 employees involved in the table game operation.

33 (b) A description of the duties and responsibilities of each position shown on the
34 organizational chart.

35 (c) The record retention policy of the applicant.

36 (d) The procedure to be utilized to ensure that assets are safeguarded, including
37 mandatory count procedures.

1 IV. Prior to approving a petitioner for a table game operation certificate, the commission
2 shall review the system of internal controls submitted under RSA 287-H:7, III(b)(9) to determine
3 whether it conforms to the requirements of this chapter and provides adequate and effective controls
4 for the operations of the licensed facility.

5 287-H:14 Wagering Policies.

6 I. Holders of table game operation certificates shall maintain a detailed narrative description
7 of the administrative and accounting procedures which meet the requirements of this section.

8 II. A video lottery operator licensee may accept a check from a patron in exchange for cash
9 or chips, provided that each check is deposited with the financial institution upon which the check is
10 drawn within 10 days of receipt by the video lottery operator licensee.

11 III. Holders of table game operation certificates may make credit card advances and debit card
12 withdrawals available to table game patrons at a licensed facility. All fees charged for cash advances,
13 check cashing, and debit card withdrawals shall be disclosed. Notwithstanding any other provision of
14 law, a holder of a table game operation certificate may provide credit to patrons for the purpose of
15 playing table games in accordance with this section. No third party checks shall be permitted.

16 287-H:15 Table Game Authorization Fee.

17 I. Upon approval of a petition filed under RSA 287-H:7 and prior to the commencement of the
18 operation of table games at the licensed facility, the commission shall impose a one-time authorization
19 fee on the video lottery operator licensee in the amount of \$10,000,000. The commission is authorized
20 to use such funds to support staff and resources necessary to implement this chapter.

21 II. All table game authorization fees received by the commission under this section shall be
22 deposited in the general fund.

23 287-H:16 Distribution of Table Game Revenues.

24 I. Each video lottery operator licensee holding a table game operation certificate shall pay
25 from its daily gross table game revenue from the table games in operation at its licensed facility:

26 (a) Eight percent of daily gross table revenue to the state to be deposited into the general
27 fund.

28 (b) The balance of the daily gross table game revenue shall be retained by the video
29 lottery operator licensee that operates the table games.

30 II. The distribution due to the state pursuant to subparagraph I(a) shall be due and payable
31 to the state treasurer on a quarterly basis and shall be based upon gross table game revenue derived
32 during the previous quarter. All funds owed to the state under this section shall be held in trust by
33 the video lottery operator licensee until the funds are paid or transferred and distributed by the
34 department. Unless otherwise agreed to by the commission, a video lottery operator licensee shall
35 establish a separate bank account to maintain table gaming proceeds until such time as the proceeds
36 are paid or transferred under this section.

1 287-H:17 Authorization of Suppliers and Manufacturers of Table Game Devices. Any person
2 seeking to supply table game devices for use at a licensed facility shall obtain approval by the
3 commission for authority to manufacture or supply table games, table game devices, or other
4 equipment associated with table games. Upon approval, the manufacturer or supplier shall pay a fee
5 of \$50,000. A fee of \$25,000 shall be paid for the annual renewal of a supplier license.

6 287-H:18 Equipment; Wagering; Prizes.

7 I. No table games shall be conducted with any equipment except such as is owned or leased
8 from a supplier or manufacturer of such equipment who has been approved by the commission
9 pursuant to RSA 287-H:17 and who has registered with the secretary of state in such manner and on
10 such form as the secretary of state prescribes.

11 II. All devices and equipment used to conduct table games shall be subject to inspection by
12 duly authorized law enforcement or pari-mutuel officials.

13 III. No mechanism or device which can be used to regulate odds shall be permitted to
14 operate table games and no progression in any form shall be permitted in the operation of any such
15 table game.

16 IV. A player of any table game and only a player shall activate any and all devices used for
17 the purposes of wagering on table games.

18 V. The amount of any wager permitted to be played by a player, on any table game, shall be
19 prominently posted.

20 287-H:19 Sanction Powers of the Racing and Charitable Gaming Commission.

21 I. The commission shall have the sole and exclusive authority following appropriate hearings
22 and factual determinations, to impose sanctions against any person for any violation of this chapter
23 or any rule of the commission adopted under the provisions of this chapter as follows:

24 (a) Revocation or suspension of a license.

25 (b) Civil penalties as may be necessary to punish misconduct and to deter future
26 violations, which penalties may not exceed \$50,000 for each violation.

27 (c) Order restitution of any moneys or property unlawfully obtained or retained by a person.

28 (d) Issue a cease and desist order which specifies the conduct which is to be
29 discontinued, altered, or implemented by the person.

30 (e) Issue letters of reprimand or censure, which shall be made a permanent part of the
31 file of each person so sanctioned.

32 (f) Impose any or all of the foregoing sanctions in combination with each other.

33 II. In determining appropriate sanctions in a particular case, the commission shall consider:

34 (a) The risk to the public and to the integrity of table game operations created by the
35 conduct of the person.

1 (b) The seriousness of the conduct of the person and whether the conduct was purposeful
2 or with knowledge that it was in contravention of the provisions of this chapter or the rules of the
3 commission.

4 (c) Any justification or excuse for such conduct.

5 (d) The prior history of the person involved.

6 (e) The corrective action taken by the person to prevent future misconduct of a like
7 nature from occurring.

8 (f) In the case of a monetary penalty, the amount of the penalty in relation to the
9 misconduct and the financial means of the person.

10 (g) In the event that a person receives 3 civil penalties during the term of such person's
11 license, the commission may subject such person to enhanced fines or other disciplinary action.

12 287-H:20 Declaration of Limited Exemption from Operation of Provisions of 15 U.S.C.
13 section 1171-1172. Pursuant to section 2 of an act of Congress of the United States entitled "An
14 act to prohibit transportation of gambling devices in interstate and foreign commerce," approved
15 January 2, 1951, being Chapter 1194, 64 Stat 1134, and also designated as 15 U.S.C. sections 1171-1177,
16 the state of New Hampshire, acting by and through the duly elected and qualified members of its
17 legislature, does hereby, in accordance with and in compliance with the provisions of that section 2 of
18 that act of Congress, declare and proclaim that it is in the state's best interest to benefit from limiting
19 gambling device revenues but prevent the proliferation of gambling devices by limiting approved facility
20 locations and therefore that section 2 of that act of Congress shall not apply to any gambling device in
21 this state where the transportation of such a device is specifically authorized by and done in
22 compliance with the provisions of this chapter and any rules adopted pursuant to it, and that any
23 such gambling device transported in compliance with state law and rules shall be exempt from the
24 provisions of that act of Congress.

25 287-H:21 Legal Shipment of Gaming Devices into New Hampshire. All shipments into this state
26 of gaming devices, the registering, recording, and labeling of which has been duly made by the
27 manufacturer or dealer in accordance with sections 3 and 4 of an act of Congress of the United States
28 entitled "An Act to Prohibit Transportation of Gambling Devices in Interstate and Foreign
29 Commerce, approved January 2, 1951, being chapter 1194, 64 Stat. 1134, and also designated as 15
30 U.S.C. sections 1171-1172, shall be deemed legal shipments into this state.

31 15 Effective Date. This act shall take effect upon its passage.

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SB 489-FN-A-LOCAL - FISCAL NOTE

AN ACT relative to table gaming and video lottery at certain locations throughout the state and relative to the recovery of horse racing.

FISCAL IMPACT:

Due to time constraints, the Office of Legislative Budget Assistant is unable to provide a fiscal note for this bill at this time. When completed, the fiscal note will be forwarded to the Senate Clerk's Office.

Amendments

Adopted

Sen. D'Allesandro, Dist. 17
Sen. Sgambati, Dist. 4
Sen. Gilmore, Dist. 12
March 9, 2010
2010-0936s
08/10

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1 Amend RSA 284-A:1 as inserted by section 1 of the bill by replacing it with the following:

2

3 284-A:1 Definitions. In this chapter:

4 I. "Applicant" means any person, officer, director, or key employee, who on his own behalf or
5 on behalf of another, is applying for permission to engage in any act or activity which is regulated
6 under the provisions of this chapter. In cases in which the applicant is a corporation, foundation,
7 organization, business trust, estate, limited liability company, trust, partnership, limited
8 partnership, association or any other form of legal business entity, the lottery commission shall
9 determine the associated persons whose qualifications must be provided and reviewed as a
10 precondition to the licensing of the applicant.

11 II. "Central computer system" means a central monitor and control system provided and
12 monitored by the lottery commission to which video lottery terminals communicate for purposes of
13 information retrieval, retrieval of the win and loss determination from video lottery machines, and
14 programs to activate and disable video lottery machines.

15 III. "Charitable gaming" means games of chance and other gaming as permitted under
16 RSA 287-A, RSA 287-D, and RSA 287-E.

17 IV. "Destination golf resort and convention center" means the facility which is issued a
18 resort gaming facility license in accordance with this chapter. The destination golf resort and
19 convention center shall include a minimum of 300 new hotel rooms, restaurants, entertainment
20 facilities, convention and meeting space, and other amenities typical of resorts and convention
21 centers. The facility shall have adequate floor space, which is separate from the conference areas,
22 for gaming. It shall be located in a town along the Massachusetts border in Hillsborough county.

23 V. "Facility licensee" means any north country facility licensee, destination golf resort and
24 convention center licensee, or any pari-mutuel licensee.

25 VI. "Facility licensee location" means a pari-mutuel licensee location, north country facility
26 licensee location, or destination golf resort and convention center, and the portion of such facility
27 approved for video lottery machine operations.

28 VII. "Key employee" means any individual who is employed in a director or department head
29 capacity and who is authorized to make discretionary decisions that regulate video lottery machine
30 operations, including the general manager and assistant manager of the operator licensee or
31 technology provider, director of operations, director of cage and/or credit operations, director of
32 surveillance, director of marketing, director of management information systems, director of

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1 security, comptroller, and any employee who supervises the operations of these departments or to
2 whom these department directors or department heads report and such other positions which the
3 lottery commission shall determine based on detailed analyses of job descriptions as provided in the
4 internal controls of the licensee. All other gaming employees shall be considered as non-key
5 employees.

6 VIII. "Licensee" means any applicant licensed by the lottery commission under this chapter.

7 IX. "Net machine income" means all cash or other consideration utilized to play a video
8 lottery machine at a facility licensee, less all cash or other consideration paid to players of video
9 lottery machines as winnings. Non cashable promotional credits shall be excluded from the
10 calculation.

11 X. "North country facility license" means the license issued to a north country facility
12 licensee by the lottery commission pursuant to RSA 284-A.

13 XI. "North country facility licensee" means one of no more than 2 facilities licensed by the
14 lottery commission pursuant to this chapter, one of which shall be located in Grafton county and one
15 of which shall be located in Coos county.

16 XII. "North country facility licensee location" means the facility which is issued a north
17 country facility license in accordance with this chapter.

18 XIII. "Operator applicant" means the applicant applying for an operator's license to operate
19 video lottery machines in accordance with this chapter.

20 XIV. "Operator's license" means the license issued by the lottery commission to an operator
21 licensee which allows the operator licensee to possess, conduct, and operate video lottery machines in
22 accordance with this chapter.

23 XV. "Operator licensee" means an operator applicant who is issued a license by the lottery
24 commission to procure and operate video lottery machines pursuant to this chapter.

25 XVI. "Pari-mutuel licensee" means an entity licensed and authorized to conduct racing,
26 whether live, simulcast, or both, as provided in RSA 284:16 or RSA 284:16-a at a pari-mutuel
27 licensee location.

28 XVII. "Pari-mutuel licensee location" means the facility at which a pari-mutuel licensee is
29 located and where a pari-mutuel licensee was authorized to conduct live horse racing or live dog
30 racing as of January 1, 2009 for at least the number of days as required in RSA 284:22-a, II(a)(3) or
31 made the election as provided in RSA 284:22-a and such election was approved by the racing and
32 charitable gaming commission, and any real estate in which a pari-mutuel licensee had an interest
33 as of January 1, 2009 which is adjacent to the real estate at which the pari-mutuel licensee was
34 authorized to conduct live horse racing or live dog racing as of January 1, 2009.

35 XVIII. "Progressive jackpot" means a prize that increases over time or as video lottery
36 machines that are linked to a progressive system are played. Upon conditions established by the
37 lottery commission, a progressive jackpot may be paid by annuity.

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1 XIX. "Progressive system" means one or more video lottery machines linked to one or more
2 common progressive jackpots.

3 XX. "Resort gaming facility license" means the license issued by the lottery commission to
4 the destination golf resort and convention center pursuant to RSA 284-A.

5 XXI. "Resort gaming facility licensee" means the holder of the destination golf resort and
6 convention center license issued by the lottery commission.

7 XXII. "Table game" means games authorized pursuant to RSA 287-H.

8 XXIII. "Technology provider" means any person or entity which designs, manufactures,
9 installs, distributes, or supplies video lottery machines for sale or lease to the operator licensees, and
10 which are for use by an operator licensee for conducting video lottery games in accordance with this
11 chapter.

12 XXIV. "Technology provider license" means the license issued by the lottery commission to a
13 technology provider licensee which allows the technology provider licensee to design, manufacture,
14 install, distribute, or supply video lottery machines for sale or lease to the operator licensees.

15 XXV. "Technology provider licensee" means a technology provider that is licensed by the
16 lottery commission.

17 XXVI. "Token" means the coin or coupon, which is not legal tender, sold by a cashier in a
18 face amount equal to the cash paid by a player for the sole purpose of playing a video lottery machine
19 at the facility licensee or paid to a player of a video lottery machine, which can be exchanged for cash
20 at the facility licensee.

21 XXVII. "Video lottery machine" means an electronic, mechanical, or computerized machine
22 which, upon the insertion of bills, coins, tokens, or any representative of value is available to be
23 played where, by chance or skill, or both, the player may receive cash, cash equivalents, or tokens.
24 Video lottery machines include, but are not limited to, slot machines, video poker machines, and
25 other lottery machines. A machine shall be considered a video lottery machine notwithstanding the
26 use of an electronic credit system making the deposit of bills, coins, or tokens unnecessary. Video
27 lottery machines do not include any redemption slot machines and redemption poker machines as
28 defined in RSA 647 or video poker machines or other similar machines used for amusement purposes
29 only.

30 XXVIII. "Video lottery" means any lottery conducted with a video lottery machine or linked
31 video lottery machines with an aggregate progression prize or prizes. Video lottery conducted
32 pursuant to this chapter shall not be considered a state-run lottery.

33
34 Amend RSA 284-A:2, VII (b) as inserted by section 1 of the bill by replacing it with the following:

35
36 (b) The lottery commission shall keep and maintain a list of all applicants for licenses it
37 receives under this chapter together with a record of all actions taken with respect to such

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1 applicants. Subject to RSA 284-A:2, VII(d) and (e), a file and record of the actions by lottery
2 commission shall be open to public inspection provided, however, that the information regarding any
3 applicant whose license or registration has been denied, revoked, or not renewed shall be removed
4 from such list after 5 years from the date of such action.

5
6 Amend the introductory paragraph of RSA 284-A:2, IX as inserted by section 1 of the bill by
7 replacing it with the following:

8
9 IX. The lottery commission shall establish standards for reviewing, selecting, and granting
10 licenses for no more than 2 north country facility locations. Applications requesting review and
11 approval of any north country facility licensee location must be received by the lottery commission by
12 July 1, 2013 or no license shall be granted for any north country facility location under this chapter.
13 Standards shall specify the process for licensure and the criteria which shall be met by applicants
14 shall include:

15
16 Amend RSA 284-A:2, X(e) as inserted by section 1 of the bill by replacing it with the following:

17
18 (e) The process for licensure of a destination golf resort and convention center as a
19 facility licensee.

20
21 Amend RSA 284-A:3, XII as inserted by section 1 of the bill by replacing it with the following:

22
23 XII. A north country facility location shall commence construction of the north country
24 facility licensee location within 12 months of receiving a north country facility license pursuant to
25 paragraph IX, and a pari-mutuel licensee location shall commence any necessary construction or
26 renovation of the area intended for operation of video lottery machines within 12 months of the pari-
27 mutuel licensee or its operator applicant receiving an operator's license pursuant to RSA 284-A:5.

28
29 Amend RSA 284-A:4,IV as inserted by section 1 of the bill by replacing it with the following:

30
31 IV. The operator licensee operating video lottery machines at a pari-mutuel licensee location
32 at which live horse racing was authorized to be conducted as of January 1, 2009 and where horse
33 racing, whether live or simulcast, is conducted shall be limited to a maximum of 5,000 video lottery
34 machines in operation at each such pari-mutuel licensee location.

35
36 Amend RSA 284-A:5, I(e)(3) as inserted by section 1 of the bill by replacing it with the following:

37

1 (3) Upon approval of an operator licensee, the lottery commission shall charge an
2 initial license fee of \$50,000,000 for an operator licensee seeking to operate at a pari-mutuel licensee
3 location where live horse racing was authorized as of January 1, 2009 or at a destination golf resort
4 and convention center; \$20,000,000 for an operator licensee seeking to operate at a pari-mutuel
5 licensee location where live dog racing was authorized as of January 1, 2009; and \$10,000,000 for an
6 operator licensee at a north country facility licensee. The lottery commission shall charge a license
7 fee of \$1,000,000 to renew a license for an operator's license at the pari-mutuel licensee
8 location where live horse racing was authorized as of January 1, 2009 or a destination golf resort and
9 convention center; \$500,000 to renew a license for an operator's license at a pari-mutuel licensee
10 location where live dog racing was authorized as of January 1, 2009; and \$500,000 for renewal of an
11 operator license at a north country facility licensee; however, such person seeking renewal of such
12 license shall pay all costs incurred by the attorney general to conduct an investigation with regard to
13 such application to renew the operator's license. Notwithstanding any other provision of this
14 chapter, the first \$50,000,000 received by the lottery commission pursuant to this subparagraph
15 shall be dedicated to the department of health and human services for the purposes of restoring
16 programming and rate reductions.

17
18 Amend RSA 284-A:8, I(a)(4) as inserted by section 1 of the bill by replacing it with the following:

19
20 (4) One percent of the net machine income generated by video lottery machines
21 operated by an operator licensee shall be paid in equal portions to each of the municipalities of New
22 Hampshire which abut and are contiguous to a municipality in which that operator licensee operates
23 video lottery machines. Except that if a municipality abuts and is contiguous to more than one
24 municipality in which an operator licensee operates video lottery machines, such municipality will
25 only receive net machine income pursuant to this subsection from the operator licensee who operates
26 video lottery machines in the same county as the abutting municipality.

27
28 Amend RSA 284-A:8, III as inserted by section 1 of the bill by replacing it with the following:

29
30 III. The operator licensee shall deliver the amounts payable to the state or municipality as
31 provided in paragraph I or II in immediately available funds of the United States on a weekly basis
32 on the third business day following the end of each week. At the time payment is delivered, the
33 operator licensee shall provide a written accounting of net machine income generated from the video
34 lottery machines by the operator licensee on an aggregate basis and the calculation of amounts due
35 to the state separately for distribution pursuant to subparagraphs I, (a)(1), (5), (6), (7) and (8), the
36 amount due the municipality pursuant to subparagraph I(a)(2), the amount due to the county
37 pursuant to subparagraph I(a)(3), the amount due certain municipalities pursuant to subparagraph

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1 I(a)(4), and the balance of net machine income retained by the operator licensee. The operator
2 licensee shall pay a penalty of \$1,000 for each day that payment or the accounting is not delivered on
3 time to the state, a penalty of \$1,000 for each day that payment or the accounting is not delivered to
4 the municipality on time, and a penalty of \$1,000 for each day that payment or the accounting is not
5 delivered to the county on time.

6
7 Amend RSA 284:12 as inserted by section 1 of the bill by replacing it with the following:

8
9 284-A:12 Term of License. Any license issued pursuant to this chapter and any renewal thereof
10 shall be valid for 5 years unless earlier suspended or revoked by the lottery commission. The lottery
11 commission shall adopt procedures for license renewal that take into consideration whether the
12 applicant has been previously licensed in good standing under this chapter. No license issued by the
13 lottery commission may be transferred to a separate entity without approval by the lottery
14 commission consistent with this chapter.

15
16 Amend RSA 21-P:11-b, I (d) as inserted by section 3 of the bill by replacing it with the following:

17
18 (d) Investigate crimes which may involve a violation of RSA 287-A or RSA 287-H that
19 occur at a facility licensee location.

20
21 Amend the bill by replacing section 7 with the following:

22
23 7 New Paragraph; Facility Licensee; Cocktail Lounge License. Amend RSA 178:22, by inserting
24 after paragraph V the following new paragraph:

25 VI. The commission may issue a special license to a person holding a pari-mutuel license or
26 an operator's license at a facility licensee location under the provisions of RSA 284-A provided the
27 facility licensee location has an existing liquor license. Such special license shall allow the sale of
28 liquor, wine, and beverages within the facility licensee location, including dining room, function
29 room, gaming room, lounge, or any other area designated by the commission, without regard to
30 whether meals are served therein, but only during the time gaming is being conducted under
31 RSA 284-A.

32
33 Amend RSA 287-H as inserted by section 14 of the bill by replacing it with the following:

34
35 CHAPTER 287-H

36 TABLE GAMES

37 287-H:1 Definitions. In this chapter:

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1 I. "Associated equipment" means any equipment or mechanical, electromechanical, or
2 electronic contrivance, component, or machine used in connection with table gaming, including
3 linking devices, replacement parts, equipment which affects the proper reporting of gross revenue,
4 computerized systems for controlling and monitoring table games, including, but not limited to, the
5 central control computer, and devices for weighing or counting money.

6 II. "Cash" means United States currency and coin or foreign currency and coin that have
7 been exchanged for its equivalent in United States currency and coin.

8 III. "Cash equivalent" means an asset that is readily convertible to cash, including, but not
9 limited to, any of the following:

10 (a) Travelers checks.

11 (b) Certified checks, cashier's checks, and money orders.

12 (c) Personal checks or drafts.

13 (d) Credit extended by the table game licensee, a recognized credit card company, or a
14 banking institution.

15 (e) Any other instrument that the New Hampshire racing and charitable gaming
16 commission deems a cash equivalent. Other than recognized credit cards or credit extended by the
17 table game certificate holder, all instruments that constitute a cash equivalent shall be made
18 payable to the table game certificate holder, to the bearer, or to cash. An instrument made payable
19 to a third party shall not be considered a cash equivalent and shall be prohibited.

20 IV. "Certificate holder" means a video lottery operator licensee issued a table game operator
21 certificate by the commission to operate the table games at a licensed facility.

22 V. "Commission" means the racing and charitable gaming commission.

23 VI. "Count room" means the room designated for counting, wrapping, and recording of table
24 game receipts.

25 VII.(a) "Gross table game revenue" means the total of cash or equivalent wagers received in
26 the playing of a table game minus the total of:

27 (1) Cash or cash equivalents paid out to patrons as a result of playing a table game;

28 (2) Cash paid to purchase annuities to fund prizes payable to patrons over a period of
29 time as a result of playing a table game; and

30 (3) Any personal property distributed to a patron as a result of playing a table game.

31 (b) "Gross table game revenue" does not include travel expenses, food, refreshments,
32 lodging, or other complimentary services. This term does not include counterfeit money, tokens, or
33 chips; coins or currency of other countries received in the playing of a table game, except to the
34 extent that they are readily convertible to United States currency; cash taken in a fraudulent act
35 perpetrated against a licensee for which the licensee is not reimbursed; or cash received as entry fees
36 for contests or tournaments in which patrons compete for prizes.

37 VIII. "Key employee" means any individual who is employed in a director or department

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1 head capacity and who is authorized to make discretionary decisions that regulate table game
2 operations, including but not limited to, the director of table games, pit bosses, shift bosses, credit
3 supervisors, cashier supervisors, table game facility managers, and assistant managers.

4 IX. "Licensed facility" means any north country facility licensee, destination golf resort and
5 convention center licensee, or pari-mutuel licensee licensed by the lottery commission pursuant to
6 RSA 284-A.

7 X. "Table game" means any banking or percentage game in which there is an opportunity for
8 the player to use his or her reason, foresight, or other strategy to increase the expected return,
9 including roulette, baccarat, blackjack, poker, craps, big six wheel, mini-baccarat, red dog, pai gow,
10 casino war, Asia poker, Boston 5 stud poker, Caribbean stud poker, Colorado hold 'em poker, double
11 attack blackjack, double cross poker, double down stud poker, fast action hold 'em, flop poker, four
12 card poker, let it ride poker, mini-craps, mini-dice, pai gow poker, pokette, Spanish 21, Texas hold
13 'em bonus poker, three card poker, two card joker poker, ultimate Texas hold 'em, winner's pot poker
14 and sic bo and any other games approved by the commission. The term includes any variations or
15 composites of approved games, provided that the commission determines that the new table game,
16 variations, or composites are suitable for use after an appropriate test or experimental period under
17 such terms and conditions as the commission may deem appropriate, and any other game which the
18 commission determines to be suitable for use in a licensed facility after an appropriate test or
19 experimental period as the commission may deem appropriate. The term shall also include gaming
20 contests or tournaments in which players compete against one another in any table game authorized
21 for use in a licensed facility by the commission. The term shall not include wagering on pari-mutuel
22 racing regulated by the racing and charitable gaming commission pursuant to RSA 284, raffles
23 regulated pursuant to RSA 287-A, lotteries regulated by the lottery commission pursuant to RSA
24 284:21-a and RSA 287-F, and bingo and lucky 7 games regulated by the racing and charitable
25 gaming commission pursuant to RSA 287-E. Table games which are operated as games of chance
26 pursuant to RSA 287-D shall not be subject to the provisions of this chapter.

27 XI. "Table game device" includes tables, cards, dice, chips, shufflers, tiles, dominoes, wheels,
28 drop boxes, or any mechanical or electrical contrivance, terminal, machine or other device approved
29 by the commission and used or consumed in operation of or connection with a table game.

30 XII. "Table game operation certificate" means a certificate issued by the commission that
31 certifies that the table gaming operation of a licensed facility conforms to the requirements of this
32 chapter and rules adopted under this chapter and that authorizes the holder of a video lottery
33 operator license to conduct table gaming under this chapter.

34 XIII. "Table game operator" means:

35 (a) "Primary game operator" which means any consultant or any person involved in
36 conducting, managing, supervising, directing, or running the table games at a licensed facility and
37 shall include the banker, the auditor, the counter, and persons involved in the cage; or

1 (b) "Secondary game operator" which means any person involved in dealing, running a
2 roulette wheel, or handling chips at a licensed facility.

3 XIV. "Technology provider" means a technology provider that is licensed by the lottery
4 commission pursuant to RSA 284-A, or who manufactures, builds, rebuilds, fabricates, assembles,
5 produces, programs, designs, or otherwise modifies table games.

6 XV. "Video lottery operator licensee" means a person issued a license by the lottery
7 commission to procure and operate video lottery machines pursuant to RSA 284-A.

8 287-H:2 State Employee Prohibition. No member, employee, or independent contractor of the
9 lottery commission or racing and charitable gaming commission shall accept a complimentary service
10 or wager or be paid any prize from any wager at any licensed facility within the state or at any other
11 facility outside this state which is owned or operated by a licensed gaming entity or any of its
12 affiliates, intermediaries, subsidiaries, or holding companies thereof for the duration of his or her
13 term of office, employment, or contract with the lottery commission or the racing and charitable
14 gaming commission and for a period of one year from the termination of term of office, employment,
15 or contract with the lottery commission or racing and charitable gaming commission. The provisions
16 of this section shall not apply to employees who utilize table games for testing purposes or to verify
17 the performance of table games as part of an enforcement investigation.

18 287-H:3 General and Specific Powers.

19 I. The commission shall have general and sole regulatory authority over the conduct of table
20 games described in this chapter. The commission shall ensure the integrity of the acquisition and
21 operation of table game devices and associated equipment and shall have sole regulatory authority
22 over every aspect of the authorization and operation of table games.

23 II. The commission shall:

24 (a) Issue, approve, renew, revoke, suspend, condition, or deny issuance or renewal of a
25 table game operation certificate to a video lottery operator.

26 (b) Determine at its discretion the suitability of any person, including technology
27 vendors not licensed pursuant to RSA 284-A, who furnishes or seeks to furnish to a certificate holder
28 licensee directly or indirectly any services or property related to the table games or associated
29 equipment or through any arrangements under which that person receives payment based directly
30 or indirectly on earnings, profits, or receipts from table games and associated equipment. Any
31 criminal background checks shall be conducted by the division of state police, gaming enforcement
32 unit, and any other background investigations shall be conducted by the attorney general's office.
33 The commission may require any such person to comply with the requirements of this chapter and
34 the rules of the commission and may prohibit the person from furnishing the services or property.

35 III. The commission shall not issue or renew a table games operation certificate unless it is
36 satisfied that the applicant is an operator licensee in good standing operating video lottery machines
37 under RSA 284-A.

1 IV. To publish on the commission's Internet website a complete list of all persons or entities
2 who applied for or held a table game operation certificate, manufacturer license, supplier license, or
3 racetrack license at any time during the preceding calendar year and all affiliates, intermediaries,
4 subsidiaries, and holding companies thereof and the status of the application or license, however,
5 information regarding any applicant who's approval or certificate has been denied, revoked or not
6 renewed shall be removed from such list after 5 years from the date of such action.

7 287-H:4 Enforcement. The commission, with the assistance of the attorney general and the
8 division of state police gaming enforcement unit, shall administer and enforce the provisions of this
9 chapter.

10 287-H:5 Rulemaking.

11 I. The commission shall adopt rules, pursuant to RSA 541-A, relative to:

12 (a) The application procedure for video lottery operator licensees to obtain a table game
13 operation certificate.

14 (b) The approval procedure for table game operators, including the classification of
15 primary game operators and secondary game operators.

16 (c) Procedures for a hearing following revocation of any table game operation certificate
17 pursuant to this chapter.

18 (d) The operation of table games.

19 (e) Refunds of certificate fees pursuant to this chapter.

20 (f) Procedures for approving technology providers not licensed by RSA 284-A and
21 associated fees.

22 (g) Accountability controls to ensure game integrity, including, but not limited to, cash,
23 attendance, prizes, income, expense, and financial reporting, and record-keeping to be implemented
24 by licensed table game operators in addition to requirements set forth in this chapter.

25 (h) Enforcement of this chapter.

26 (i) The issuance of subpoenas, administrative orders and fines, badge specifications,
27 requirements, and fees.

28 (j) Other matters related to the proper administration of this chapter.

29 II. Pending the adoption of rules under RSA 541-A, the commission shall adopt interim rules
30 pursuant to RSA 541-A:19 after a public hearing and within 90 days after the enactment of this
31 chapter. Such interim rules shall implement the provisions of this chapter.

32 287-H:6 Table Games Authorized. A person licensed to operate video lottery pursuant to
33 RSA 284-A may operate table games at a licensed facility in the manner hereinafter provided and
34 not otherwise:

35 I. Persons holding a current license in good standing from the lottery commission to operate
36 video lottery pursuant to RSA 284-A may apply for a table games operation certificate for the
37 operation of table games at a licensed facility and upon confirmation by the commission that it meets

1 the criteria set forth in this section shall be granted a certificate for the operation of table games.

2 II. The certificate shall authorize table games at specified licensed facilities.

3 III. The certificate shall only permit the operation of table games at a licensed facility that
4 operates or permits the operation of games of chance for or on behalf of charitable organizations
5 pursuant to RSA 287-D, provided that the space allocated for games of chance at the licensed facility
6 be at least 5,000 square feet within the principal gaming area of the licensed facility, and the
7 number of tables used for table games shall be limited to not more than 150 tables.

8 IV. The certificate shall not be transferable.

9 287-H:7 Authorization to Conduct Table Games and Licensure.

10 I. Notwithstanding any other provision of law to the contrary, the commission may authorize
11 only a licensed video lottery operator to engage in the operation of table games and the system of
12 wagering associated with table games at a licensed facility. Authorization to conduct table games
13 shall be contingent upon the licensee's agreement to conduct table games in accordance with this
14 chapter.

15 II. A video lottery operator who is issued a table games operation certificate may only be
16 permitted to operate table games at a licensed facility consistent with the permission granted by the
17 certificate.

18 III.(a) A video lottery operator licensee may seek approval to operate table games by filing a
19 petition with the commission.

20 (b) A petition shall include the following:

21 (1) The name, business address and contact information of the petitioner.

22 (2) The name and address, job title, and a photograph of each principal and key
23 employee of the petitioner not currently approved or licensed by the commission, including table
24 game operators.

25 (3) An itemized list of the number and type of table games for which authorization is
26 being sought.

27 (4) The estimated number of full-time and part-time employment positions that will
28 be created at the licensed facility if table games are authorized.

29 (5) Information and authorizations sufficient to allow the commission to confirm that
30 any person providing services as a table game operator has not, in any jurisdiction, been convicted of
31 a felony or class A misdemeanor within the previous 10 years which has not been annulled by a
32 court, or a class B misdemeanor within the previous 5 years which has not been annulled by a court,
33 or has violated any statutes or rules governing gambling or gaming of any kind.

34 (6) The details of any financing that will be obtained or has been obtained to fund
35 the expansion of the licensed facility to accommodate the operation of table games.

36 (7) Detailed site plans identifying the petitioner's proposed table game area within
37 the licensed facility including reference to the area reserved for charitable games of chance. The

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1 proposed table game area shall be reviewed by the commission to determine the adequacy of the
2 proposed internal controls and external security and proposed surveillance measures and submit a
3 finding regarding adequacy to the commission.

4 IV. The applicant shall certify under oath that:

5 (a) The information provided on the application is accurate.

6 (b) Information and authorizations sufficient to allow the commission to confirm that
7 any person providing services as a table game operator has not, in any jurisdiction, been convicted of
8 a felony or class A misdemeanor within the previous 10 years which has not been annulled by a
9 court, or a class B misdemeanor within the previous 5 years which has not been annulled by a court,
10 or has violated any statutes or rules governing gambling or gaming of any kind.

11 (c) The applicant will be participating in the operation of the games of chance is aware of
12 all statutes and rules applicable to the operation of table games.

13 287-H:8 Standard of Review.

14 I. The commission shall grant the petition and issue a certificate to authorize the petitioner
15 to operate table games if the petitioner establishes evidence of the following:

16 (a) The petitioner is an eligible video lottery operator licensee duly licensed pursuant to
17 RSA 284-A.

18 (b) If necessary, the petitioner has secured adequate financing to fund the expansion of
19 the petitioner's licensed facility to accommodate the operation of table games.

20 (c) The proposed internal and external security and proposed surveillance measures
21 within the petitioner's proposed table game area within the licensed facility are adequate.

22 (d) The petitioner agrees to permit the operation of charitable games of chance
23 consistent with RSA 287-H:6, III.

24 287-H:9 Commencement of Table Game Operations.

25 I. A video lottery operator licensee may not operate or offer table games for play at a
26 licensed facility until:

27 (a) The commission approves the petition filed under RSA 287-H:7.

28 (b) The video lottery operation pays the fee under RSA 287-H:14.

29 (c) The commission has issued a table games operation certificate to the video lottery
30 operator licensee under RSA 287-H:6 and RSA 287-H:8.

31 287-H:10 Term of Table Game Authorization.

32 I. After payment of the fee under RSA 287-H:14, authorization to conduct table games shall
33 be in effect unless suspended, revoked, or not renewed by the commission upon good cause consistent
34 with the license requirements provided in this chapter. Video lottery operator licensees shall be
35 required to update the information in their initial table games petition at times prescribed by the
36 commission, but at least as frequently as the operator is required to renew its video lottery operator's
37 license. An additional license fee of no more than \$1,000,000 shall be imposed for renewal of a table

1 game operation certificate every 5 years. The commission shall be entitled to use such funds to
2 support staff and resources necessary to implement this chapter.

3 287-H:11 Condition of Continued Operation.

4 I. A certificate holder shall maintain all books, records, and documents pertaining to the
5 certificate holder's table game operation in a manner and location as approved by the commission.
6 All books, records, and documents related to table game operations shall:

7 (a) Be maintained separate and apart from all books, records, and documents of the
8 video lottery machine operations.

9 (b) Be immediately available for inspection upon request of the commission, the state
10 police or agents of the attorney general during all hours of operation in accordance with rules
11 adopted by the commission; and

12 (c) Be maintained for a period as the commission, by rule, may require.

13 287-H:12 Table Game Accounting Controls and Audits.

14 I. Prior to being approved for a table game operation certificate, a video lottery operator
15 licensee shall obtain approval from the commission of its proposed site plans and internal control
16 systems and audit protocols for its table games operation.

17 II. The video lottery operator licensee's proposed internal controls and audit protocols shall:

18 (a) Safeguard its assets and revenues, including the recording of cash and evidences of
19 indebtedness related to the table games.

20 (b) Provide for reliable records, accounts, and reports of any financial event that occurs
21 in the operation of a table game, including reports to the commission related to the table games.

22 (c) Provide for accurate and reliable financial records related to the table games
23 operation.

24 (d) Establish procedures for all the following:

25 (1) The receipt, storage, and disbursement of chips, cash, and other cash equivalents
26 used in table gaming.

27 (2) Check cashing.

28 (3) The redemption of chips and other cash equivalents used in table gaming and the
29 payoff of jackpots.

30 (4) The recording of transactions pertaining to table gaming.

31 (e) Establish procedures for the collection and security of moneys at the gaming tables.

32 (f) Establish procedures for the transfer and recording of chips between the gaming
33 tables and the cashier's cage.

34 (g) Establish procedures for the transfer of drop boxes for table games from the gaming
35 tables to the count room.

36 (h) Establish procedures and security for the counting and recording of table gaming
37 revenue.

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1 (i) Establish procedures for the security, storage, and recording of cash, chips, and other
2 cash equivalents utilized in table gaming.

3 (j) Establish procedures and security standards for the handling and storage of gaming
4 apparatus, including cards, dice, machines, wheels, and all other gaming equipment.

5 (k) Establish procedures and rules governing the conduct of particular games and the
6 responsibility of casino personnel.

7 (l) Establish procedures for the collection and recording of revenue from poker when it is
8 a non-licensee bank game, including the type of rake utilized, the methodology for calculating the
9 rake, and the amount of maximum permissible rake.

10 (m) Ensure that any wagering governing the operation of a table game is implemented
11 only in accordance with the management's general or specific authorization, as approved by the
12 commission.

13 (n) Ensure that there is proper and timely accounting of gross table game revenue and
14 the calculation of gross table game revenue, fees, and taxes and maintain accountability for assets.

15 (o) Ensure that recorded accountability for assets is compared with actual assets at
16 reasonable intervals and that appropriate action is taken with respect to any discrepancies.

17 (p) Ensure that all functions, duties, and responsibilities are appropriately segregated
18 and performed in accordance with sound financial practices by competent, qualified personnel.

19 (q) Permit use of its existing onsite facilities by the commission, other persons
20 authorized by the commission to facilitate their ability to perform regulatory and oversight functions
21 under this chapter.

22 III. Each video lottery operator licensee shall, prior to being approved for a table game
23 operation certificate, submit to the commission a detailed description of its administrative and
24 accounting procedures related to table games, including its written system of internal controls. Each
25 written system of internal controls shall include:

26 (a) An organizational chart depicting appropriate functions and responsibilities of
27 employees involved in the table game operation.

28 (b) A description of the duties and responsibilities of each position shown on the
29 organizational chart.

30 (c) The record retention policy of the applicant.

31 (d) The procedure to be utilized to ensure that assets are safeguarded, including
32 mandatory count procedures.

33 IV. Prior to approving a petitioner for a table game operation certificate, the commission
34 shall review the system of internal controls submitted under RSA 287-H:7, III(b)(9) to determine
35 whether it conforms to the requirements of this chapter and provides adequate and effective controls
36 for the operations of the licensed facility.

37 287-H:13 Wagering Policies.

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1 I. Holders of table game operation certificates shall maintain a detailed narrative
2 description of the administrative and accounting procedures which meet the requirements of this
3 section.

4 II. A video lottery operator licensee may accept a check from a patron in exchange for cash
5 or chips, provided that each check is deposited with the financial institution upon which the check is
6 drawn within 10 days of receipt by the video lottery operator licensee.

7 III. Holders of table game operation certificates may make credit card advances and debit
8 card withdrawals available to table game patrons at a licensed facility. All fees charged for cash
9 advances, check cashing, and debit card withdrawals shall be disclosed. Notwithstanding any other
10 provision of law, a holder of a table game operation certificate may provide credit to patrons for the
11 purpose of playing table games in accordance with this section. No third party checks shall be
12 permitted.

13 287-H:14 Table Game Authorization Fee.

14 I. Upon approval of a petition filed under RSA 287-H:7 and prior to the commencement of
15 the operation of table games at the licensed facility, the commission shall impose a one-time
16 authorization fee on the video lottery operator licensee in the amount of \$10,000,000. The
17 commission is authorized to use such funds to support staff and resources necessary to implement
18 this chapter.

19 II. All table game authorization fees received by the commission under this section shall be
20 deposited in the general fund.

21 287-H:15 Distribution of Table Game Revenues.

22 I. Each certificate holder shall pay from its daily gross table game revenue from the table
23 games in operation at its licensed facility:

24 (a) Eight percent of daily gross table revenue to the state to be deposited into the general
25 fund.

26 (b) The balance of the daily gross table game revenue shall be retained by the video
27 lottery operator licensee that operates the table games.

28 II. The distribution due to the state pursuant to subparagraph I(a) shall be due and payable
29 to the state treasurer on a quarterly basis and shall be based upon gross table game revenue derived
30 during the previous quarter. All funds owed to the state under this section shall be held in trust by
31 the certificate holder until the funds are paid or transferred and distributed by the certificate holder.
32 Unless otherwise agreed to by the commission, a certificate holder shall establish a separate bank
33 account to maintain table gaming proceeds until such time as the proceeds are paid or transferred
34 under this section.

35 287-H:16 Authorization of Suppliers and Manufacturers of Table Game Devices. Any person
36 seeking to supply table game devices for use at a licensed facility shall obtain approval by the
37 commission for authority to manufacture or supply table games, table game devices, or other

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1 equipment associated with table games, and shall pay such fees as the commission deems reasonable
2 and appropriate. Upon approval, the manufacturer or supplier shall pay a fee of \$50,000. A fee of
3 \$25,000 shall be paid for the annual renewal of a supplier license.

4 287-H:17 Equipment; Wagering; Prizes.

5 I. No table games shall be conducted with any equipment except such as is owned or leased
6 from a supplier or manufacturer of such equipment who has been approved by the commission
7 pursuant to RSA 287-H:16 and who has registered with the secretary of state in such manner and on
8 such form as the secretary of state prescribes.

9 II. All devices and equipment used to conduct table games shall be subject to inspection by
10 duly authorized law enforcement officials of the commission.

11 III. The amount of any wager permitted to be played by a player, on any table game, shall be
12 prominently posted.

13 287-H:18 Sanction Powers of the Racing and Charitable Gaming Commission.

14 I. The commission shall have the sole and exclusive authority following appropriate hearings
15 and factual determinations, to impose sanctions against any person for any violation of this chapter
16 or any rule of the commission adopted under the provisions of this chapter as follows:

17 (a) Revocation or suspension of a license.

18 (b) Civil penalties as may be necessary to punish misconduct and to deter future
19 violations, which penalties may not exceed \$50,000 for each violation.

20 (c) Order restitution of any moneys or property unlawfully obtained or retained by a
21 person.

22 (d) Issue a cease and desist order which specifies the conduct which is to be
23 discontinued, altered, or implemented by the person.

24 (e) Issue letters of reprimand or censure, which shall be made a permanent part of the
25 file of each person so sanctioned.

26 (f) Impose any or all of the foregoing sanctions in combination with each other.

27 II. In determining appropriate sanctions in a particular case, the commission shall consider:

28 (a) The risk to the public and to the integrity of table game operations created by the
29 conduct of the person.

30 (b) The seriousness of the conduct of the person and whether the conduct was purposeful
31 or with knowledge that it was in contravention of the provisions of this chapter or the rules of the
32 commission.

33 (c) Any justification or excuse for such conduct.

34 (d) The prior history of the person involved.

35 (e) The corrective action taken by the person to prevent future misconduct of a like
36 nature from occurring.

37 (f) In the case of a monetary penalty, the amount of the penalty in relation to the

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1 misconduct and the financial means of the person.

2 (g) In the event that a person receives 3 civil penalties during the term of such person's
3 license, the commission may subject such person to enhanced fines or other disciplinary action.

4 287-H:19 Declaration of Limited Exemption from Operation of Provisions of 15 U.S.C. section
5 1171-1172. Pursuant to section 2 of an act of Congress of the United States entitled "An act to
6 prohibit transportation of gambling devices in interstate and foreign commerce," approved
7 January 2, 1951, being Chapter 1194, 64 Stat 1134, and also designated as 15 U.S.C. sections 1171-
8 1177, the state of New Hampshire, acting by and through the duly elected and qualified members of
9 its legislature, does hereby, in accordance with and in compliance with the provisions of that section
10 2 of that act of Congress, declare and proclaim that it is in the state's best interest to benefit from
11 limiting gambling device revenues but prevent the proliferation of gambling devices by limiting
12 approved facility locations and therefore that section 2 of that act of Congress shall not apply to any
13 gambling device in this state where the transportation of such a device is specifically authorized by
14 and done in compliance with the provisions of this chapter and any rules adopted pursuant to it, and
15 that any such gambling device transported in compliance with state law and rules shall be exempt
16 from the provisions of that act of Congress.

17 287-H:20 Legal Shipment of Gaming Devices into New Hampshire. All shipments into this state
18 of gaming devices, the registering, recording, and labeling of which has been duly made by the
19 manufacturer or dealer in accordance with sections 3 and 4 of an act of Congress of the United States
20 entitled "An Act to Prohibit Transportation of Gambling Devices in Interstate and Foreign
21 Commerce," approved January 2, 1951, being chapter 1194, 64 Stat. 1134, and also designated as
22 15 U.S.C. sections 1171-1172, shall be deemed legal shipments into this state.



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1 Amend RSA 284-A:1 as inserted by section 1 of the bill by replacing it with the following:

2

3 284-A:1 Definitions. In this chapter:

4 I. "Applicant" means any person, officer, director, or key employee, who on his own behalf or
5 on behalf of another, is applying for permission to engage in any act or activity which is regulated
6 under the provisions of this chapter. In cases in which the applicant is a corporation, foundation,
7 organization, business trust, estate, limited liability company, trust, partnership, limited
8 partnership, association or any other form of legal business entity, the lottery commission shall
9 determine the associated persons whose qualifications must be provided and reviewed as a
10 precondition to the licensing of the applicant.

11 II. "Central computer system" means a central monitor and control system provided and
12 monitored by the lottery commission to which video lottery terminals communicate for purposes of
13 information retrieval, retrieval of the win and loss determination from video lottery machines, and
14 programs to activate and disable video lottery machines.

15 III. "Charitable gaming" means games of chance and other gaming as permitted under
16 RSA 287-A, RSA 287-D, and RSA 287-E.

17 IV. "Destination golf resort and convention center" means the facility which is issued a
18 resort gaming facility license in accordance with this chapter. The destination golf resort and
19 convention center shall include a minimum of 300 new hotel rooms, restaurants, entertainment
20 facilities, convention and meeting space, and other amenities typical of resorts and convention
21 centers. The facility shall have adequate floor space, which is separate from the conference areas,
22 for gaming. It shall be located in a town along the Massachusetts border in Hillsborough county.

23 V. "Facility licensee" means any north country facility licensee, destination golf resort and
24 convention center licensee, or any pari-mutuel licensee.

25 VI. "Facility licensee location" means a pari-mutuel licensee location, north country facility
26 licensee location, or destination golf resort and convention center, and the portion of such facility
27 approved for video lottery machine operations.

28 VII. "Key employee" means any individual who is employed in a director or department head
29 capacity and who is authorized to make discretionary decisions that regulate video lottery machine
30 operations, including the general manager and assistant manager of the operator licensee or
31 technology provider, director of operations, director of cage and/or credit operations, director of
32 surveillance, director of marketing, director of management information systems, director of

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1 security, comptroller, and any employee who supervises the operations of these departments or to
2 whom these department directors or department heads report and such other positions which the
3 lottery commission shall determine based on detailed analyses of job descriptions as provided in the
4 internal controls of the licensee. All other gaming employees shall be considered as non-key
5 employees.

6 VIII. "Licensee" means any applicant licensed by the lottery commission under this chapter.

7 IX. "Net machine income" means all cash or other consideration utilized to play a video
8 lottery machine at a facility licensee, less all cash or other consideration paid to players of video
9 lottery machines as winnings. Non cashable promotional credits shall be excluded from the
10 calculation.

11 X. "North country facility license" means the license issued to a north country facility
12 licensee by the lottery commission pursuant to RSA 284-A.

13 XI. "North country facility licensee" means one of no more than 2 facilities licensed by the
14 lottery commission pursuant to this chapter, one of which shall be located in Grafton county and one
15 of which shall be located in Coos county.

16 XII. "North country facility licensee location" means the facility which is issued a north
17 country facility license in accordance with this chapter.

18 XIII. "Operator applicant" means the applicant applying for an operator's license to operate
19 video lottery machines in accordance with this chapter.

20 XIV. "Operator's license" means the license issued by the lottery commission to an operator
21 licensee which allows the operator licensee to possess, conduct, and operate video lottery machines in
22 accordance with this chapter.

23 XV. "Operator licensee" means an operator applicant who is issued a license by the lottery
24 commission to procure and operate video lottery machines pursuant to this chapter.

25 XVI. "Pari-mutuel licensee" means an entity licensed and authorized to conduct racing,
26 whether live, simulcast, or both, as provided in RSA 284:16 or RSA 284:16-a at a pari-mutuel
27 licensee location.

28 XVII. "Pari-mutuel licensee location" means the facility at which a pari-mutuel licensee is
29 located and where a pari-mutuel licensee was authorized to conduct live horse racing or live dog
30 racing as of January 1, 2009 for at least the number of days as required in RSA 284:22-a, II(a)(3) or
31 made the election as provided in RSA 284:22-a and such election was approved by the racing and
32 charitable gaming commission, and any real estate in which a pari-mutuel licensee had an interest
33 as of January 1, 2009 which is adjacent to the real estate at which the pari-mutuel licensee was
34 authorized to conduct live horse racing or live dog racing as of January 1, 2009.

35 XVIII. "Progressive jackpot" means a prize that increases over time or as video lottery
36 machines that are linked to a progressive system are played. Upon conditions established by the
37 lottery commission, a progressive jackpot may be paid by annuity.

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1 XIX. "Progressive system" means one or more video lottery machines linked to one or more
2 common progressive jackpots.

3 XX. "Resort gaming facility license" means the license issued by the lottery commission to
4 the destination golf resort and convention center pursuant to RSA 284-A.

5 XXI. "Resort gaming facility licensee" means the holder of the destination golf resort and
6 convention center license issued by the lottery commission.

7 XXII. "Table game" means games authorized pursuant to RSA 287-H.

8 XXIII. "Technology provider" means any person or entity which designs, manufactures,
9 installs, distributes, or supplies video lottery machines for sale or lease to the operator licensees, and
10 which are for use by an operator licensee for conducting video lottery games in accordance with this
11 chapter.

12 XXIV. "Technology provider license" means the license issued by the lottery commission to a
13 technology provider licensee which allows the technology provider licensee to design, manufacture,
14 install, distribute, or supply video lottery machines for sale or lease to the operator licensees.

15 XXV. "Technology provider licensee" means a technology provider that is licensed by the
16 lottery commission.

17 XXVI. "Token" means the coin or coupon, which is not legal tender, sold by a cashier in a
18 face amount equal to the cash paid by a player for the sole purpose of playing a video lottery machine
19 at the facility licensee or paid to a player of a video lottery machine, which can be exchanged for cash
20 at the facility licensee.

21 XXVII. "Video lottery machine" means an electronic, mechanical, or computerized machine
22 which, upon the insertion of bills, coins, tokens, or any representative of value is available to be
23 played where, by chance or skill, or both, the player may receive cash, cash equivalents, or tokens.
24 Video lottery machines include, but are not limited to, slot machines, video poker machines, and
25 other lottery machines. A machine shall be considered a video lottery machine notwithstanding the
26 use of an electronic credit system making the deposit of bills, coins, or tokens unnecessary. Video
27 lottery machines do not include any redemption slot machines and redemption poker machines as
28 defined in RSA 647 or video poker machines or other similar machines used for amusement purposes
29 only.

30 XXVIII. "Video lottery" means any lottery conducted with a video lottery machine or linked
31 video lottery machines with an aggregate progression prize or prizes. Video lottery conducted
32 pursuant to this chapter shall not be considered a state-run lottery.

33
34 Amend RSA 284-A:2, VII(b) as inserted by section 1 of the bill by replacing it with the following:

35
36 (b) The lottery commission shall keep and maintain a list of all applicants for licenses it
37 receives under this chapter together with a record of all actions taken with respect to such

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1 applicants. Subject to RSA 284-A:2, VII(d) and (e), a file and record of the actions by lottery
2 commission shall be open to public inspection provided, however, that the information regarding any
3 applicant whose license or registration has been denied, revoked, or not renewed shall be removed
4 from such list after 5 years from the date of such action.

5

6 Amend the introductory paragraph of RSA 284-A:2, IX as inserted by section 1 of the bill by
7 replacing it with the following:

8

9 IX. The lottery commission shall establish standards for reviewing, selecting, and granting
10 licenses for no more than 2 north country facility locations. Applications requesting review and
11 approval of any north country facility licensee location must be received by the lottery commission by
12 July 1, 2013 or no license shall be granted for any north country facility location under this chapter.
13 Standards shall specify the process for licensure and the criteria which shall be met by applicants
14 shall include:

15

16 Amend RSA 284-A:2, X(e) as inserted by section 1 of the bill by replacing it with the following:

17

18 (e) The process for licensure of a destination golf resort and convention center as a
19 facility licensee.

20

21 Amend RSA 284-A:3, XII as inserted by section 1 of the bill by replacing it with the following:

22

23 XII. A north country facility location shall commence construction of the north country
24 facility licensee location within 12 months of receiving a north country facility license pursuant to
25 paragraph IX, and a pari-mutuel licensee location shall commence any necessary construction or
26 renovation of the area intended for operation of video lottery machines within 12 months of the pari-
27 mutuel licensee or its operator applicant receiving an operator's license pursuant to RSA 284-A:5.

28

29 Amend RSA 284-A:4, IV as inserted by section 1 of the bill by replacing it with the following:

30

31 IV. The operator licensee operating video lottery machines at a pari-mutuel licensee location
32 at which live horse racing was authorized to be conducted as of January 1, 2009 and where horse
33 racing, whether live or simulcast, is conducted shall be limited to a maximum of 5,000 video lottery
34 machines in operation at each such pari-mutuel licensee location.

35

36 Amend RSA 284-A:5, I(e)(3) as inserted by section 1 of the bill by replacing it with the following:

37

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(3) Upon approval of an operator licensee, the lottery commission shall charge an initial license fee of \$50,000,000 for an operator licensee seeking to operate at a pari-mutuel licensee location where live horse racing was authorized as of January 1, 2009 or at a destination golf resort and convention center; \$20,000,000 for an operator licensee seeking to operate at a pari-mutuel licensee location where live dog racing was authorized as of January 1, 2009; and \$10,000,000 for an operator licensee at a north country facility licensee. The lottery commission shall charge a license fee of \$1,000,000 to renew a license for an operator's license at the pari-mutuel licensee location where live horse racing was authorized as of January 1, 2009 or a destination golf resort and convention center; \$500,000 to renew a license for an operator's license at a pari-mutuel licensee location where live dog racing was authorized as of January 1, 2009; and \$500,000 for renewal of an operator license at a north country facility licensee; however, such person seeking renewal of such license shall pay all costs incurred by the attorney general to conduct an investigation with regard to such application to renew the operator's license. Notwithstanding any other provision of this chapter, the first \$50,000,000 received by the lottery commission pursuant to this subparagraph shall be dedicated to the department of health and human services for the purposes of restoring programming and rate reductions.

Amend RSA 284-A:8, I(a)(4) as inserted by section 1 of the bill by replacing it with the following:

(4) One percent of the net machine income generated by video lottery machines operated by an operator licensee shall be paid in equal portions to each of the municipalities of New Hampshire which abut and are contiguous to a municipality in which that operator licensee operates video lottery machines. Except that if a municipality abuts and is contiguous to more than one municipality in which an operator licensee operates video lottery machines, such municipality will only receive net machine income pursuant to this subsection from the operator licensee who operates video lottery machines in the same county as the abutting municipality.

Amend RSA 284-A:8, III as inserted by section 1 of the bill by replacing it with the following:

III. The operator licensee shall deliver the amounts payable to the state or municipality as provided in paragraph I or II in immediately available funds of the United States on a weekly basis on the third business day following the end of each week. At the time payment is delivered, the operator licensee shall provide a written accounting of net machine income generated from the video lottery machines by the operator licensee on an aggregate basis and the calculation of amounts due to the state separately for distribution pursuant to subparagraphs I(a)(1), (5), (6), (7) and (8), the amount due the municipality pursuant to subparagraph I(a)(2), the amount due to the county pursuant to subparagraph I(a)(3), the amount due certain municipalities pursuant to subparagraph

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1 I(a)(4), and the balance of net machine income retained by the operator licensee. The operator
2 licensee shall pay a penalty of \$1,000 for each day that payment or the accounting is not delivered on
3 time to the state, a penalty of \$1,000 for each day that payment or the accounting is not delivered to
4 the municipality on time, and a penalty of \$1,000 for each day that payment or the accounting is not
5 delivered to the county on time.

6

7 Amend RSA 284-A:12 as inserted by section 1 of the bill by replacing it with the following:

8

9 284-A:12 Term of License. Any license issued pursuant to this chapter and any renewal thereof
10 shall be valid for 5 years unless earlier suspended or revoked by the lottery commission. The lottery
11 commission shall adopt procedures for license renewal that take into consideration whether the
12 applicant has been previously licensed in good standing under this chapter. No license issued by the
13 lottery commission may be transferred to a separate entity without approval by the lottery
14 commission consistent with this chapter.

15

16 Amend RSA 21-P:11-b, I(d) as inserted by section 3 of the bill by replacing it with the following:

17

18 (d) Investigate crimes which may involve a violation of RSA 287-A or RSA 287-H that
19 occur at a facility licensee location.

20

21 Amend the bill by replacing section 7 with the following:

22

23 7 New Paragraph; Facility Licensee; Cocktail Lounge License. Amend RSA 178:22, by inserting
24 after paragraph V the following new paragraph:

25

26 VI. The commission may issue a special license to a person holding a pari-mutuel license or
27 an operator's license at a facility licensee location under the provisions of RSA 284-A provided the
28 facility licensee location has an existing liquor license. Such special license shall allow the sale of
29 liquor, wine, and beverages within the facility licensee location, including dining room, function
30 room, gaming room, lounge, or any other area designated by the commission, without regard to
31 whether meals are served therein, but only during the time gaming is being conducted under
32 RSA 284-A.

32

33 Amend RSA 287-H as inserted by section 14 of the bill by replacing it with the following:

34

35

CHAPTER 287-H

36

TABLE GAMES

37

287-H:1 Definitions. In this chapter:

1 I. "Associated equipment" means any equipment or mechanical, electromechanical, or
2 electronic contrivance, component, or machine used in connection with table gaming, including
3 linking devices, replacement parts, equipment which affects the proper reporting of gross revenue,
4 computerized systems for controlling and monitoring table games, including, but not limited to, the
5 central control computer, and devices for weighing or counting money.

6 II. "Cash" means United States currency and coin or foreign currency and coin that have
7 been exchanged for its equivalent in United States currency and coin.

8 III. "Cash equivalent" means an asset that is readily convertible to cash, including, but not
9 limited to, any of the following:

10 (a) Travelers checks.

11 (b) Certified checks, cashier's checks, and money orders.

12 (c) Personal checks or drafts.

13 (d) Credit extended by the table game licensee, a recognized credit card company, or a
14 banking institution.

15 (e) Any other instrument that the New Hampshire racing and charitable gaming
16 commission deems a cash equivalent. Other than recognized credit cards or credit extended by the
17 table game certificate holder, all instruments that constitute a cash equivalent shall be made
18 payable to the table game certificate holder, to the bearer, or to cash. An instrument made payable
19 to a third party shall not be considered a cash equivalent and shall be prohibited.

20 IV. "Certificate holder" means a video lottery operator licensee issued a table game operator
21 certificate by the commission to operate the table games at a licensed facility.

22 V. "Commission" means the racing and charitable gaming commission.

23 VI. "Count room" means the room designated for counting, wrapping, and recording of table
24 game receipts.

25 VII.(a) "Gross table game revenue" means the total of cash or equivalent wagers received in
26 the playing of a table game minus the total of:

27 (1) Cash or cash equivalents paid out to patrons as a result of playing a table game;

28 (2) Cash paid to purchase annuities to fund prizes payable to patrons over a period of
29 time as a result of playing a table game; and

30 (3) Any personal property distributed to a patron as a result of playing a table game.

31 (b) "Gross table game revenue" does not include travel expenses, food, refreshments,
32 lodging, or other complimentary services. This term does not include counterfeit money, tokens, or
33 chips; coins or currency of other countries received in the playing of a table game, except to the
34 extent that they are readily convertible to United States currency; cash taken in a fraudulent act
35 perpetrated against a licensee for which the licensee is not reimbursed; or cash received as entry fees
36 for contests or tournaments in which patrons compete for prizes.

37 VIII. "Key employee" means any individual who is employed in a director or department

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1 head capacity and who is authorized to make discretionary decisions that regulate table game
2 operations, including but not limited to, the director of table games, pit bosses, shift bosses, credit
3 supervisors, cashier supervisors, table game facility managers, and assistant managers.

4 IX. "Licensed facility" means any north country facility licensee, destination golf resort and
5 convention center licensee, or pari-mutuel licensee licensed by the lottery commission pursuant to
6 RSA 284-A.

7 X. "Table game" means any banking or percentage game in which there is an opportunity for
8 the player to use his or her reason, foresight, or other strategy to increase the expected return,
9 including roulette, baccarat, blackjack, poker, craps, big six wheel, mini-baccarat, red dog, pai gow,
10 casino war, Asia poker, Boston 5 stud poker, Caribbean stud poker, Colorado hold 'em poker, double
11 attack blackjack, double cross poker, double down stud poker, fast action hold 'em, flop poker, four
12 card poker, let it ride poker, mini-craps, mini-dice, pai gow poker, pokette, Spanish 21, Texas hold
13 'em bonus poker, three card poker, two card joker poker, ultimate Texas hold 'em, winner's pot poker
14 and sic bo and any other games approved by the commission. The term includes any variations or
15 composites of approved games, provided that the commission determines that the new table game,
16 variations, or composites are suitable for use after an appropriate test or experimental period under
17 such terms and conditions as the commission may deem appropriate, and any other game which the
18 commission determines to be suitable for use in a licensed facility after an appropriate test or
19 experimental period as the commission may deem appropriate. The term shall also include gaming
20 contests or tournaments in which players compete against one another in any table game authorized
21 for use in a licensed facility by the commission. The term shall not include wagering on pari-mutuel
22 racing regulated by the racing and charitable gaming commission pursuant to RSA 284, raffles
23 regulated pursuant to RSA 287-A, lotteries regulated by the lottery commission pursuant to RSA
24 284:21-a and RSA 287-F, and bingo and lucky 7 games regulated by the racing and charitable
25 gaming commission pursuant to RSA 287-E. Table games which are operated as games of chance
26 pursuant to RSA 287-D shall not be subject to the provisions of this chapter.

27 XI. "Table game device" includes tables, cards, dice, chips, shufflers, tiles, dominoes, wheels,
28 drop boxes, or any mechanical or electrical contrivance, terminal, machine or other device approved
29 by the commission and used or consumed in operation of or connection with a table game.

30 XII. "Table game operation certificate" means a certificate issued by the commission that
31 certifies that the table gaming operation of a licensed facility conforms to the requirements of this
32 chapter and rules adopted under this chapter and that authorizes the holder of a video lottery
33 operator license to conduct table gaming under this chapter.

34 XIII. "Table game operator" means:

35 (a) "Primary game operator" which means any consultant or any person involved in
36 conducting, managing, supervising, directing, or running the table games at a licensed facility and
37 shall include the banker, the auditor, the counter, and persons involved in the cage; or

1 (b) "Secondary game operator" which means any person involved in dealing, running a
2 roulette wheel, or handling chips at a licensed facility.

3 XIV. "Technology provider" means a technology provider that is licensed by the lottery
4 commission pursuant to RSA 284-A, or who manufactures, builds, rebuilds, fabricates, assembles,
5 produces, programs, designs, or otherwise modifies table games.

6 XV. "Video lottery operator licensee" means a person issued a license by the lottery
7 commission to procure and operate video lottery machines pursuant to RSA 284-A.

8 287-H:2 State Employee Prohibition. No member, employee, or independent contractor of the
9 lottery commission or racing and charitable gaming commission shall accept a complimentary service
10 or wager or be paid any prize from any wager at any licensed facility within the state or at any other
11 facility outside this state which is owned or operated by a licensed gaming entity or any of its
12 affiliates, intermediaries, subsidiaries, or holding companies thereof for the duration of his or her
13 term of office, employment, or contract with the lottery commission or the racing and charitable
14 gaming commission and for a period of one year from the termination of term of office, employment,
15 or contract with the lottery commission or racing and charitable gaming commission. The provisions
16 of this section shall not apply to employees who utilize table games for testing purposes or to verify
17 the performance of table games as part of an enforcement investigation.

18 287-H:3 General and Specific Powers.

19 I. The commission shall have general and sole regulatory authority over the conduct of table
20 games described in this chapter. The commission shall ensure the integrity of the acquisition and
21 operation of table game devices and associated equipment and shall have sole regulatory authority
22 over every aspect of the authorization and operation of table games.

23 II. The commission shall:

24 (a) Issue, approve, renew, revoke, suspend, condition, or deny issuance or renewal of a
25 table game operation certificate to a video lottery operator.

26 (b) Determine at its discretion the suitability of any person, including technology
27 vendors not licensed pursuant to RSA 284-A, who furnishes or seeks to furnish to a certificate holder
28 licensee directly or indirectly any services or property related to the table games or associated
29 equipment or through any arrangements under which that person receives payment based directly
30 or indirectly on earnings, profits, or receipts from table games and associated equipment. Any
31 criminal background checks shall be conducted by the division of state police, gaming enforcement
32 unit, and any other background investigations shall be conducted by the attorney general's office.
33 The commission may require any such person to comply with the requirements of this chapter and
34 the rules of the commission and may prohibit the person from furnishing the services or property.

35 III. The commission shall not issue or renew a table games operation certificate unless it is
36 satisfied that the applicant is an operator licensee in good standing operating video lottery machines
37 under RSA 284-A.

1 IV. To publish on the commission's Internet website a complete list of all persons or entities
2 who applied for or held a table game operation certificate, manufacturer license, supplier license, or
3 racetrack license at any time during the preceding calendar year and all affiliates, intermediaries,
4 subsidiaries, and holding companies thereof and the status of the application or license, however,
5 information regarding any applicant who's approval or certificate has been denied, revoked, or not
6 renewed shall be removed from such list after 5 years from the date of such action.

7 287-H:4 Enforcement. The commission, with the assistance of the attorney general and the
8 division of state police gaming enforcement unit, shall administer and enforce the provisions of this
9 chapter.

10 287-H:5 Rulemaking.

11 I. The commission shall adopt rules, pursuant to RSA 541-A, relative to:

12 (a) The application procedure for video lottery operator licensees to obtain a table game
13 operation certificate.

14 (b) The approval procedure for table game operators, including the classification of
15 primary game operators and secondary game operators.

16 (c) Procedures for a hearing following revocation of any table game operation certificate
17 pursuant to this chapter.

18 (d) The operation of table games.

19 (e) Refunds of certificate fees pursuant to this chapter.

20 (f) Procedures for approving technology providers not licensed by RSA 284-A and
21 associated fees.

22 (g) Accountability controls to ensure game integrity, including, but not limited to, cash,
23 attendance, prizes, income, expense, and financial reporting, and record-keeping to be implemented
24 by licensed table game operators in addition to requirements set forth in this chapter.

25 (h) Enforcement of this chapter.

26 (i) The issuance of subpoenas, administrative orders and fines, badge specifications,
27 requirements, and fees.

28 (j) Other matters related to the proper administration of this chapter.

29 II. Pending the adoption of rules under RSA 541-A, the commission shall adopt interim rules
30 pursuant to RSA 541-A:19 after a public hearing and within 90 days after the enactment of this
31 chapter. Such interim rules shall implement the provisions of this chapter.

32 287-H:6 Table Games Authorized. A person licensed to operate video lottery pursuant to
33 RSA 284-A may operate table games at a licensed facility in the manner hereinafter provided and
34 not otherwise:

35 I. Persons holding a current license in good standing from the lottery commission to operate
36 video lottery pursuant to RSA 284-A may apply for a table games operation certificate for the
37 operation of table games at a licensed facility and upon confirmation by the commission that it meets



1 the criteria set forth in this section shall be granted a certificate for the operation of table games.

2 II. The certificate shall authorize table games at specified licensed facilities.

3 III. The certificate shall only permit the operation of table games at a licensed facility that
4 operates or permits the operation of games of chance for or on behalf of charitable organizations
5 pursuant to RSA 287-D, provided that the space allocated for games of chance at the licensed facility
6 be at least 5,000 square feet within the principal gaming area of the licensed facility, and the
7 number of tables used for table games shall be limited to not more than 150 tables.

8 IV. The certificate shall not be transferable.

9 287-H:7 Authorization to Conduct Table Games and Licensure.

10 I. Notwithstanding any other provision of law to the contrary, the commission may authorize
11 only a licensed video lottery operator to engage in the operation of table games and the system of
12 wagering associated with table games at a licensed facility. Authorization to conduct table games
13 shall be contingent upon the licensee's agreement to conduct table games in accordance with this
14 chapter.

15 II. A video lottery operator who is issued a table games operation certificate may only be
16 permitted to operate table games at a licensed facility consistent with the permission granted by the
17 certificate.

18 III.(a) A video lottery operator licensee may seek approval to operate table games by filing a
19 petition with the commission.

20 (b) A petition shall include the following:

21 (1) The name, business address, and contact information of the petitioner.

22 (2) The name and address, job title, and a photograph of each principal and key
23 employee of the petitioner not currently approved or licensed by the commission, including table
24 game operators.

25 (3) An itemized list of the number and type of table games for which authorization is
26 being sought.

27 (4) The estimated number of full-time and part-time employment positions that will
28 be created at the licensed facility if table games are authorized.

29 (5) Information and authorizations sufficient to allow the commission to confirm that
30 any person providing services as a table game operator has not, in any jurisdiction, been convicted of
31 a felony or class A misdemeanor within the previous 10 years which has not been annulled by a
32 court, or a class B misdemeanor within the previous 5 years which has not been annulled by a court,
33 or has violated any statutes or rules governing gambling or gaming of any kind.

34 (6) The details of any financing that will be obtained or has been obtained to fund
35 the expansion of the licensed facility to accommodate the operation of table games.

36 (7) Detailed site plans identifying the petitioner's proposed table game area within
37 the licensed facility including reference to the area reserved for charitable games of chance. The

1 proposed table game area shall be reviewed by the commission to determine the adequacy of the
2 proposed internal controls and external security and proposed surveillance measures and submit a
3 finding regarding adequacy to the commission.

4 IV. The applicant shall certify under oath that:

5 (a) The information provided on the application is accurate.

6 (b) Information and authorizations sufficient to allow the commission to confirm that
7 any person providing services as a table game operator has not, in any jurisdiction, been convicted of
8 a felony or class A misdemeanor within the previous 10 years which has not been annulled by a
9 court, or a class B misdemeanor within the previous 5 years which has not been annulled by a court,
10 or has violated any statutes or rules governing gambling or gaming of any kind.

11 (c) The applicant will be participating in the operation of the games of chance is aware of
12 all statutes and rules applicable to the operation of table games.

13 287-H:8 Standard of Review. The commission shall grant the petition and issue a certificate to
14 authorize the petitioner to operate table games if the petitioner establishes evidence of the following:

15 I. The petitioner is an eligible video lottery operator licensee duly licensed pursuant to RSA
16 284-A.

17 II. If necessary, the petitioner has secured adequate financing to fund the expansion of the
18 petitioner's licensed facility to accommodate the operation of table games.

19 III. The proposed internal and external security and proposed surveillance measures within
20 the petitioner's proposed table game area within the licensed facility are adequate.

21 IV. The petitioner agrees to permit the operation of charitable games of chance consistent
22 with RSA 287-H:6, III.

23 287-H:9 Commencement of Table Game Operations. A video lottery operator licensee may not
24 operate or offer table games for play at a licensed facility until:

25 I. The commission approves the petition filed under RSA 287-H:7.

26 II. The video lottery operation pays the fee under RSA 287-H:14.

27 III. The commission has issued a table games operation certificate to the video lottery
28 operator licensee under RSA 287-H:6 and RSA 287-H:8.

29 287-H:10 Term of Table Game Authorization. After payment of the fee under RSA 287-H:14,
30 authorization to conduct table games shall be in effect unless suspended, revoked, or not renewed by
31 the commission upon good cause consistent with the license requirements provided in this chapter.
32 Video lottery operator licensees shall be required to update the information in their initial table
33 games petition at times prescribed by the commission, but at least as frequently as the operator is
34 required to renew its video lottery operator's license. An additional license fee of no more than
35 \$1,000,000 shall be imposed for renewal of a table game operation certificate every 5 years. The
36 commission shall be entitled to use such funds to support staff and resources necessary to implement
37 this chapter.



1 287-H:11 Condition of Continued Operation. A certificate holder shall maintain all books,
2 records, and documents pertaining to the certificate holder's table game operation in a manner and
3 location as approved by the commission. All books, records, and documents related to table game
4 operations shall:

5 I. Be maintained separate and apart from all books, records, and documents of the video
6 lottery machine operations.

7 II. Be immediately available for inspection upon request of the commission, the state police
8 or agents of the attorney general during all hours of operation in accordance with rules adopted by
9 the commission; and

10 III. Be maintained for a period as the commission, by rule, may require.

11 287-H:12 Table Game Accounting Controls and Audits.

12 I. Prior to being approved for a table game operation certificate, a video lottery operator
13 licensee shall obtain approval from the commission of its proposed site plans and internal control
14 systems and audit protocols for its table games operation.

15 II. The video lottery operator licensee's proposed internal controls and audit protocols shall:

16 (a) Safeguard its assets and revenues, including the recording of cash and evidences of
17 indebtedness related to the table games.

18 (b) Provide for reliable records, accounts, and reports of any financial event that occurs
19 in the operation of a table game, including reports to the commission related to the table games.

20 (c) Provide for accurate and reliable financial records related to the table games
21 operation.

22 (d) Establish procedures for all the following:

23 (1) The receipt, storage, and disbursal of chips, cash, and other cash equivalents
24 used in table gaming.

25 (2) Check cashing.

26 (3) The redemption of chips and other cash equivalents used in table gaming and the
27 payoff of jackpots.

28 (4) The recording of transactions pertaining to table gaming.

29 (e) Establish procedures for the collection and security of moneys at the gaming tables.

30 (f) Establish procedures for the transfer and recording of chips between the gaming
31 tables and the cashier's cage.

32 (g) Establish procedures for the transfer of drop boxes for table games from the gaming
33 tables to the count room.

34 (h) Establish procedures and security for the counting and recording of table gaming
35 revenue.

36 (i) Establish procedures for the security, storage, and recording of cash, chips, and other
37 cash equivalents utilized in table gaming.

1 (j) Establish procedures and security standards for the handling and storage of gaming
2 apparatus, including cards, dice, machines, wheels, and all other gaming equipment.

3 (k) Establish procedures and rules governing the conduct of particular games and the
4 responsibility of casino personnel.

5 (l) Establish procedures for the collection and recording of revenue from poker when it is
6 a non-licensee bank game, including the type of rake utilized, the methodology for calculating the
7 rake, and the amount of maximum permissible rake.

8 (m) Ensure that any wagering governing the operation of a table game is implemented
9 only in accordance with the management's general or specific authorization, as approved by the
10 commission.

11 (n) Ensure that there is proper and timely accounting of gross table game revenue and
12 the calculation of gross table game revenue, fees, and taxes and maintain accountability for assets.

13 (o) Ensure that recorded accountability for assets is compared with actual assets at
14 reasonable intervals and that appropriate action is taken with respect to any discrepancies.

15 (p) Ensure that all functions, duties, and responsibilities are appropriately segregated
16 and performed in accordance with sound financial practices by competent, qualified personnel.

17 (q) Permit use of its existing onsite facilities by the commission, other persons
18 authorized by the commission to facilitate their ability to perform regulatory and oversight functions
19 under this chapter.

20 III. Each video lottery operator licensee shall, prior to being approved for a table game
21 operation certificate, submit to the commission a detailed description of its administrative and
22 accounting procedures related to table games, including its written system of internal controls. Each
23 written system of internal controls shall include:

24 (a) An organizational chart depicting appropriate functions and responsibilities of
25 employees involved in the table game operation.

26 (b) A description of the duties and responsibilities of each position shown on the
27 organizational chart.

28 (c) The record retention policy of the applicant.

29 (d) The procedure to be utilized to ensure that assets are safeguarded, including
30 mandatory count procedures.

31 IV. Prior to approving a petitioner for a table game operation certificate, the commission
32 shall review the system of internal controls submitted under RSA 287-H:7, III(b)(9) to determine
33 whether it conforms to the requirements of this chapter and provides adequate and effective controls
34 for the operations of the licensed facility.

35 287-H:13 Wagering Policies.

36 I. Holders of table game operation certificates shall maintain a detailed narrative
37 description of the administrative and accounting procedures which meet the requirements of this



1 section.

2 II. A video lottery operator licensee may accept a check from a patron in exchange for cash
3 or chips, provided that each check is deposited with the financial institution upon which the check is
4 drawn within 10 days of receipt by the video lottery operator licensee.

5 III. Holders of table game operation certificates may make credit card advances and debit
6 card withdrawals available to table game patrons at a licensed facility. All fees charged for cash
7 advances, check cashing, and debit card withdrawals shall be disclosed. Notwithstanding any other
8 provision of law, a holder of a table game operation certificate may provide credit to patrons for the
9 purpose of playing table games in accordance with this section. No third party checks shall be
10 permitted.

11 287-H:14 Table Game Authorization Fee.

12 I. Upon approval of a petition filed under RSA 287-H:7 and prior to the commencement of
13 the operation of table games at the licensed facility, the commission shall impose a one-time
14 authorization fee on the video lottery operator licensee in the amount of \$10,000,000. The
15 commission is authorized to use such funds to support staff and resources necessary to implement
16 this chapter.

17 II. All table game authorization fees received by the commission under this section shall be
18 deposited in the general fund.

19 287-H:15 Distribution of Table Game Revenues.

20 I. Each certificate holder shall pay from its daily gross table game revenue from the table
21 games in operation at its licensed facility:

22 (a) Eight percent of daily gross table revenue to the state to be deposited into the general
23 fund.

24 (b) The balance of the daily gross table game revenue shall be retained by the video
25 lottery operator licensee that operates the table games.

26 II. The distribution due to the state pursuant to subparagraph I(a) shall be due and payable
27 to the state treasurer on a quarterly basis and shall be based upon gross table game revenue derived
28 during the previous quarter. All funds owed to the state under this section shall be held in trust by
29 the certificate holder until the funds are paid or transferred and distributed by the certificate holder.
30 Unless otherwise agreed to by the commission, a certificate holder shall establish a separate bank
31 account to maintain table gaming proceeds until such time as the proceeds are paid or transferred
32 under this section.

33 287-H:16 Authorization of Suppliers and Manufacturers of Table Game Devices. Any person
34 seeking to supply table game devices for use at a licensed facility shall obtain approval by the
35 commission for authority to manufacture or supply table games, table game devices, or other
36 equipment associated with table games, and shall pay such fees as the commission deems reasonable
37 and appropriate. Upon approval, the manufacturer or supplier shall pay a fee of \$50,000. A fee of

Amendment to SB 489-FN-A-LOCAL

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1 \$25,000 shall be paid for the annual renewal of a supplier license.

2 287-H:17 Equipment; Wagering; Prizes.

3 I. No table games shall be conducted with any equipment except such as is owned or leased
4 from a supplier or manufacturer of such equipment who has been approved by the commission
5 pursuant to RSA 287-H:16 and who has registered with the secretary of state in such manner and on
6 such form as the secretary of state prescribes.

7 II. All devices and equipment used to conduct table games shall be subject to inspection by
8 duly authorized law enforcement officials of the commission.

9 III. The amount of any wager permitted to be played by a player, on any table game, shall be
10 prominently posted.

11 287-H:18 Sanction Powers of the Racing and Charitable Gaming Commission.

12 I. The commission shall have the sole and exclusive authority following appropriate hearings
13 and factual determinations, to impose sanctions against any person for any violation of this chapter
14 or any rule of the commission adopted under the provisions of this chapter as follows:

15 (a) Revocation or suspension of a license.

16 (b) Civil penalties as may be necessary to punish misconduct and to deter future
17 violations, which penalties may not exceed \$50,000 for each violation.

18 (c) Order restitution of any moneys or property unlawfully obtained or retained by a
19 person.

20 (d) Issue a cease and desist order which specifies the conduct which is to be
21 discontinued, altered, or implemented by the person.

22 (e) Issue letters of reprimand or censure, which shall be made a permanent part of the
23 file of each person so sanctioned.

24 (f) Impose any or all of the foregoing sanctions in combination with each other.

25 II. In determining appropriate sanctions in a particular case, the commission shall consider:

26 (a) The risk to the public and to the integrity of table game operations created by the
27 conduct of the person.

28 (b) The seriousness of the conduct of the person and whether the conduct was purposeful
29 or with knowledge that it was in contravention of the provisions of this chapter or the rules of the
30 commission.

31 (c) Any justification or excuse for such conduct.

32 (d) The prior history of the person involved.

33 (e) The corrective action taken by the person to prevent future misconduct of a like
34 nature from occurring.

35 (f) In the case of a monetary penalty, the amount of the penalty in relation to the
36 misconduct and the financial means of the person.

37 (g) In the event that a person receives 3 civil penalties during the term of such person's



1 license, the commission may subject such person to enhanced fines or other disciplinary action.

2 287-H:19 Declaration of Limited Exemption from Operation of Provisions of 15 U.S.C. section
3 1171-1172. Pursuant to section 2 of an act of Congress of the United States entitled "An Act to
4 Prohibit Transportation of Gambling Devices in Interstate and Foreign Commerce," approved
5 January 2, 1951, being Chapter 1194, 64 Stat. 1134, and also designated as 15 U.S.C. sections 1171-
6 1177, the state of New Hampshire, acting by and through the duly elected and qualified members of
7 its legislature, does hereby, in accordance with and in compliance with the provisions of that section
8 2 of that act of Congress, declare and proclaim that it is in the state's best interest to benefit from
9 limiting gambling device revenues but prevent the proliferation of gambling devices by limiting
10 approved facility locations and therefore that section 2 of that act of Congress shall not apply to any
11 gambling device in this state where the transportation of such a device is specifically authorized by
12 and done in compliance with the provisions of this chapter and any rules adopted pursuant to it, and
13 that any such gambling device transported in compliance with state law and rules shall be exempt
14 from the provisions of that act of Congress.

15 287-H:20 Legal Shipment of Gaming Devices into New Hampshire. All shipments into this state
16 of gaming devices, the registering, recording, and labeling of which has been duly made by the
17 manufacturer or dealer in accordance with sections 3 and 4 of an act of Congress of the United States
18 entitled "An Act to Prohibit Transportation of Gambling Devices in Interstate and Foreign
19 Commerce," approved January 2, 1951, being chapter 1194, 64 Stat. 1134, and also designated as
20 15 U.S.C. sections 1171-1172, shall be deemed legal shipments into this state.

Committee Minutes

Finance Committee

Hearing Report

To: Members of the Senate

From: Sonja Caldwell
Legislative Aide

Re: **SB489-FN-A-L** – *relative to table gaming and video lottery at certain locations throughout the state and relative to the recovery of horse racing.*

Hearing date: March 4, 2010

Members present: Sen. D'Allesandro, Sen. Janeway, Sen. Larsen, Sen. Hassan, Sen. Sgambati, Sen. Odell, Sen. Gallus

Members absent:

Sponsor(s): Sen. D'Allesandro, Dist 20; Sen. Gallus, Dist 1; Sen. Downing, Dist 22; Sen. Lasky, Dist 13; Sen. Gilmour, Dist 12; Sen. Sgambati, Dist 4; Sen. DeVries, Dist 18; Rep Gionet, Graf 3; Rep. Ingersoll, Coos 4; Rep. Clemons, Hills 24; Rep. Rausch, Rock 5; Rep. L. Ober, Hills 27

What the bill does: This bill:

I. Allows the construction of one destination golf resort and convention center in the southern tier of the state and 2 gaming facilities in the north country.

II. Allows table gaming and video lottery machines at a destination golf resort and convention center and at north country facilities.

III. Establishes a permit process for table gaming and video lottery machines.

IV. Establishes a gaming enforcement unit in the division of state police.

V. Distributes proceeds of video lottery machines to the general fund, municipalities where the facility is located, the alcohol and drug abuse treatment program, the fire standards and training and emergency medical services fund, the police standards and training council training fund, the department of transportation, and the gaming operator.

VI. Distributes a percentage of the proceeds from table gaming to the general fund and the gaming operation.

Who supports the bill: Please see sign in sheets

Who opposes the bill: Please see sign in sheets

Summary of testimony received:

Senator D'Allesandro

This bill is so important because we are in the depths of a recession, 50,000 people in NH unemployed. People need jobs. This bill brings private investment to the table which produces economic recovery and jobs. These are good jobs with benefits.

He has an amendment, which will take first \$50 million received in license fees and designate it to HHS. He has hundreds of emails from non profit organizations that support the concept.

The bill allows for private money to come into the state of NH and develop six entities that will pay an initial licensing fee of either: \$50 million, \$20 million, or \$10 million. This will provide jobs for carpenters, electricians, brick layers and others. About 3/4 of a billion private dollars will come. He first introduced this in 2000. This is the only bill he knows of that involves private investment of a significant number of dollars that create a significant number of jobs.

The amendment calls for some definition changes in addition to designating the first \$50 million to restoring cuts in HHS.

Rep. Ober

Co-sponsor

You cannot tax your way out of a recession. We need to provide jobs. This bill provides jobs and additional revenue for the state. There are 6 projects written into the bill. Each one has a minimum 10 million dollar construction or renovation project. 1,200 construction jobs are estimated at the beginning. Not all 6 jobs will be constructed simultaneously. In the southern tier – we're proposing a resort hotel. In it, some space will be available for gaming. It will also have a golf course and restaurants. We want to produce direct and indirect sustainable jobs. 2,300 direct jobs, 1,600 indirect jobs estimated. Indirect benefits - with the hotel you'll get more meals and rooms tax, BET will go up. She said she lived in Las Vegas and felt safe walking the streets.

Senator Gilmour

Written testimony

Co-sponsor

As director of a hospice, she cared for people at the end of life. Additional funds we raise go to help provide service for those in need. This bill is a source of revenue to provide service to those in need. Its an additional way to ensure care for the most vulnerable among us.

Senator Sgambati

Co-sponsor

She is giving a handout relative to the amendment dedicating the first \$50 million produced to restore the cuts and rate reductions in HHS. It includes a list of cuts that were made or proposed to be made. The list was developed in line with the priorities used by the Senate during the budget process.

Support for child care is essential for parents to maintain their jobs. We need to restore those cuts. Healthy kids is another item on the list. We only pay 35 cents for every dollar of care under Healthy Kids. There were a series of rate reductions that were made, they go to support the providers who help give the services. This would restore the rates as budgeted - no one gets 100%. The cuts being asked for now will require more layoffs and reduced services.

Senator Lasky

Co-sponsor

She is going to read a letter from a Reverend in Nashua. He says gambling is not a sin, only when it is abused it becomes destructive. He teaches that there is nothing wrong with gambling when done in a lawful manner. Our economy needs help and he supports the bill.

Michael Delaney - Attorney General

He opposes the expansion of legalized gambling in NH. The National Council of State Legislatures has measured 300 billion dollar budget gaps across the nation since 2007. Stimulus dollars will begin to dry up. He's also working with other department heads to identify more savings. He understands these are hard times and there are difficult choices to make. His responsibility as Attorney General is to make sure the decisions you make are enforced. As chief law enforce officer of state, he doesn't think the expansion of legalized gambling is the right direction. It will negatively impact quality of life. Societal costs outweigh arguments in favor. Our citizens are struggling and gambling will compound their financial difficulties, especially those who can afford it the least. Our crime rates have remained stable during this recession. We are one of the safest states the in nation. There is a 34 year old tradition of Attorneys General opposing the expansion of legalized gambling. He saw first hand as a prosecutor the loss of people of NH because of problem gambling. Expanded gaming in NH should not be our response to the national recession.

Senator Sgambati asked him if he has ever seen crimes related to people with mental illness who have not received services and she asked if he would agree that cutting money to domestic violence also will increase crime.

General Delaney said "absolutely." He said they are working on getting some federal dollars to help with domestic violence prevention. He questioned whether the revenues from gaming are lasting and sustainable. He said he would encourage the Senators to look at other states who have implemented gambling.

Senator Sharon Carson

Support

She has never supported gaming before but she thinks this is the time we need to seriously consider this for NH. This is a job creation bill. We need to consider this as a revenue source for NH.

Rep. Rodeschin

Support

She said this looks like a jobs bill. Her past voting record has not been in support of gambling. She said law enforcement have asked her to support it, as have many of her constituents. There will be tax money for the communities where the casinos will be. This does not mandate people to gamble. Its voluntary. People of her district are in strong support of gambling.

Rep. Jim Craig

He is here as member of the Governor's commission. He advised to pay attention to the regulation. The chance to control what happens is contained in regulation. This bill does have a regulation provision. He said he's not here to speak on the terms of what is in the bill. He said Massachusetts is on the cusp of doing the same thing. It makes a difference who goes first. If this bill were to pass it would be prudent to have a separate regulatory system in place.

Rep. Paul Ingersol

Support and cosponsor

City of Berlin supports this. Has a new letter from the City of Berlin administrators who are in favor. This is a jobs bill. He said there's no other way to provide the jobs that this bill will provide and this is private investment.

Rep. Steve Vaillancourt

He sponsored a gambling bill before Senator D'Allesandro and it was defeated. He said a lot of gambling bills have been defeated. He said he favors people's right to waste money any way they want. He opposes this bill. He opposes the amendment. He doesn't like dedicated funds. This bill creates dedicated funds. It singles out one group as more advantageous than another. You are singling out tracks and giving preference to a certain group. He also

said he thinks the safety concerns are overrated. If we do gambling, it should be an individual freedom bill - not a funding bill.

Rep. Timothy Horrigan

Opposed to the bill in its current form. Similar to two bills that died last year. SB79 which was incorporated in senate budget version. Has three objections to the bill as it exists now: benefits limited number of out of state operators; Taxing at 39% - He thinks this could be an enormous cost to the state to do this; Definition of net machine income is too vague. (has written testimony)

Rep. Dave Nixon

Has always been against gambling in the past but he is here in support of SB489. In 1963 he was a 5 year practicing lawyer. Governor King passed the sweepstakes bill. This was to avoid NH going in the hole anymore than it already was. NH has a history of fiscal cycles - we are now in depths of lowest one since at least 1958. Republican administration instituted rooms and meals tax in the 60's. Income tax was voted down in 1969. Taxation cannot be the answer. No one wants an income tax. Voluntary revenue raising. Concerned about the state share. It needs to be fair.

Matthew Landry

Innovation group

Has completed more than 100 feasibility studies

This bill will generate:

\$220 million in licensing fees

\$274 million taxes paid to state and local government

6500 permanent jobs

3600 construction jobs.

The Innovation group has a track record of producing these feasibility studies, with accuracy. The study was evaluated for 5000 slots at Rockingham, 4000 for Hudson and 2000 at Seabrook and Belmont with a tax rate for slot machines at 39%. An 8% tax is assessed on table games offered at all locations. They forecast nearly \$830 million in gross gaming revenue and that could rise if there were not competition from Massachusetts. There is an expected \$273 million in revenue sharing. Estimated earnings for employee at facility is \$45,417 before benefits.

Senator Hassan

Asked about estimate ranges for wages and salary levels.

Mr. Landry said there would be a variety of positions, the front line positions usually pay pretty well, above minimum wage. A lot of them also get tipped.

Senator Janeway commented about the fiscal note compared to their estimates. He said the fiscal note was based on data of ten years ago and it's a billion higher than their estimate.

Mr. Landry said their estimates are demand based. They look at it as if Suffolk downs were operating and Rockingham were operating and factor in access and distance to facilities. He said it sounds like your model is more supply based. They've included competition from Massachusetts and Connecticut to provide a more conservative estimate to the committee.

Senator Larsen noted the previous bills had a 49% tax rate, this bill has 39% she asked if there is some advice on why we would move down.

Mr. Landry said in the cumulative effect, the drop allows an operator to make a greater investment in the facility and reward players with more marketing and promotions and benefits. When you add table games there's a slight increase in revenue. You've also added the Hillsborough facility closer to a more densely populated area.

Senator Janeway asked him to describe the normal process in arriving at a sharing percentage in other venues.

Mr. Landry said in terms of revenue sharing with other states, its regulated in this form - a tax rate is set in the legislation. Tax rates across states have slowly crept up. He said there is a similar structure in PA.

Lou Caponni

State Troopers Association Past President.

Represent 200 members of state police.

After careful conversation it is their position that the expansion of gaming would be positive for them. He said they've talked to troopers in other states and the ones who are in charge of regulating gaming said they have quiet days and should not be younger troopers. He said we need revenue to put more troopers on the road.

Clyde Barrow

UMass Dartmouth Professor – has been studying gaming industry for 15 years. Has conducted large surveys among New Englanders. They did an analysis of bringing in a golf resort casino consistent with the provisions in this bill. They did a market feasibility analysis and reached an estimate of gross gaming revenues of \$810 million dollars under the provisions of this bill. Arrived his estimate independently of Mr. Landry and came within 4.1% of each other. He think it's a high degree of accuracy. The over \$800 million per year in gross gaming revenue includes the assumption that MA will have a casino at Suffolk downs. Estimated that a \$300 million capital investment

would be required to be undertaken for facility in Hudson, this will result in \$140 million in direct construction expenditures. Off site jobs that get created are also important. 2263 full time jobs, annual payroll \$81 million dollars to operate facility with annual wage \$40,000 not including tips and benefits. Also creates 1500 jobs off site. Have to purchase electrical power sewer, office supplies, etc. Total jobs - 3800 permanent jobs created in NH by that facility alone. Requires people with wide variety of skills and education. Will turn seasonal jobs into year round jobs.

Councilor Ray Burton

Executive Council

The time for this project is now. Coos county needs jobs. This offers an opportunity.

Will Cummings

His numbers are the same as the others. He is working on analysis for Seabrook now. Did a similar study for a proposal in MA. NH can support 17,000 slot machines. Iowa has 19,000, NM has the same, WV has the same. He said in response to the question "Why not let it be free market" - it hasn't worked out across country - horror stories with bidding. Its faster and simpler when you designate locations. What used to be a working tax rate no longer is. High tax rates in new states wont attract projects. Seabrook couldn't finance a facility at 49%. 39% makes those projects work. Strong correlation between tax rate and performance. Other states with low tax rates have successful casinos.

Kevin Mullally

Chief of staff to Senate Majority leader in Missouri - they passed a referendum allowing gaming. Tasked with creating a gaming commission to develop regulatory authority. Did it in less than 4 months, casinos opened less than a year later. Was consultant for Kansas to design all of their problem gambling programs. To ensure integrity of gaming, you need a strong independent regulatory body. If you go overboard and have too much regulation can be stranglehold on industry.

Senator Sgambati asked him to explain his reference to self exclusion. **Mr. Mullally** said it's a concept that was developed in Missouri, policy makers unsuccessfully tried external measures to deal with problem gambling, like time limits on machines. This doesn't work. Self exclusion is where the gambler steps forward and admits problem, agrees to stay out of casinos and then policies are enforced against casinos that include not cashing checks from or marketing to these individuals.

Henry Lipman

Laconia City councilor, CFP of Lakes Region Hospital

Real people in his community are being hurt by the budget cuts that have been implemented. They have elderly in Laconia unable to access HCBC program. They can't get services. This impact goes beyond people receiving direct aid. The welfare department had 16% increase in applications. As much as there may be some social costs, he thinks that the structure of this bill can be implemented in a safe way.

Chuck Rolecek

Chairman of Fix It Now

Supports the bill.

Urges lawmakers to reconnect with people who sent them here. The rainy day fund has been drained, millions have been cut in essential services, lawmakers ignored the one revenue source that is not a tax. People support gambling - clear majority in all major polls. Nearly 70% of those polled last spring supported gambling to balance the budget. He said we need to watch out for competition from MA. They are poised to move forward regarding expanded gambling. Right now, NH has an advantage with Rockingham Park, they can move quickly and efficiently. We need to establish a sustainable new revenue source. His colleagues in restaurant and lodging industry see this as an opportunity.

Fix It Now wholeheartedly supports SB 489

William Wortman

CEO of Millenium Gaming

Has casinos in Las Vegas and in PA. He is a shareholder at Rockingham Park. He is licensed in states. He will invest \$450 million in Rockingham Park. Will create 2000 construction jobs. 2500 jobs at the location - Family sustaining jobs. In the current biennium we will contribute \$50 million and \$130 million in the next biennium and on ongoing basis. Revitalization will create \$4 million visitors . 65% of the visitations will be from out of state. Regulation - everyone recognizes the need for it. He has the capital to do the project and he is ready on day one if we approve the bill.

Jay Leonard

Green Meadow golf club

Is here to talk about Hudson facility. It is located along route 3 corridor at exit 2. Important for economic development of the region. About 400 acres on the Merrimack river. Proposing full convention center with a golf resort. It is a 300 room hotel with spa. 135,000 feet of gaming space. Fills a business need for the region. Also entertainment and restaurant type venues. Opportunity to expand tourism

Jackie Cowell

Early learning NH

No position on SB489 but supports the amendment.

She read a letter from someone. They want the revenue dedicated to HHS.

Liz Murphy

NH Association of Chiefs of Police

Has represented them for 19 years. They are opposed to the expansion of gaming and opposed to SB489. They think there will be increased crime rates. She cited Nevada crime statistics. She said this wont create new wealth and will depress legitimate businesses and will cause social problems..

Matt Ouellette

Opposed

Thinks lobbyists will control the legislature. Has alternative ideas to bring us out of recession.

Sally Davis League of Women Voters

Opposed

She thinks this would make NH 2nd only to Nevada in slot machine saturation. Thinks this will hurt other businesses. Slots will increase gambling addiction - could result in violent crime and domestic abuse. Leads people to embezzle from employers and family members. While the bill provides money to cover these costs, it doesn't add to the quality of life.

David Starr

Franconia

State sponsored gambling is stealing from poor to give to rich. Thinks this will be controlled by out of state casino managers tied to the mob. Only winners are casino operators. They get their cut before taxes are paid. He called casinos tacky and said people who go to casinos are unattractive.

Laurel Redden - Granite State Fair Tax Coalition

Revenues are a problem in NH. They are not taking a position on this bill. Feel that all revenue sources should be given thorough examination. Has a series of questions that they think every revenue source should be run though. She will leave a copy of the question.

Marty Edwards

Supports the bill

35 year NH resident.

Does not see gambling as cause of crime, he sees unemployment as causing crime. People leave our state now and go give money to CT. This will ignite our local economy. More jobs will decrease crime.

Scott Mobley

In support of the bill

Small business owner and firefighter with Nashua Seeing family homes in a state of disrepair -- families are struggling to pay bills, increase in crime, etc. Drive down any street in Nashua and look at the for sale or lease signs out. People will do anything they can to feed their children and pay their bills. They will do anything to make ends meet. Seeing cutbacks at our community level -- concerned about how this will affect crime and violence. Expanded gaming is not the answer -- but it will provide a means to get to the answer -- jobs in construction, etc

Rep. Edmond Gionet

Support

Overwhelming majority of his constituents support SB489. They need jobs, good paying jobs with benefits. Need year round jobs. By combining north country and southern tier we can work together for common cause with strength in numbers. Its time to move forward and pass this legislation. If we are in sync with those we represent, it should pass. Without this revenue source, we will end up with a tax. With regard to the police chiefs being opposes, he asked how often they meet, when do they meet. They aren't elected, they are appointed. We are elected. The Chief of Police and Mayor of Bangor Maine said gaming is the best thing that ever happened to them. Crime is not a problem.

Lyle Bulis

Is in support and is offering an amendment

#0893h

We already have gambling - scratch tickets and lottery. Would be a good cross section of jobs of all skill sets. There is local control - the town has to vote to approve it - this is a good thing. Thinks his amendment will strengthen the bill. - one half of a percent going to pari-mutuel. Other half goes into state park fund. Proposes having the operator licensee submit one check to the state treasurer and then have the treasurer disburse the money on a quarterly basis. Changes date to 2015 to give developers more time. Table games - money should be collected weekly.

Jim Ruebens

Granite state coalition against expanded gambling

Opposed to the bill

The vision in this bill is not a method by which prosperity is to be obtained. He thinks it creates low wage jobs. Thinks it would destroy lives via gambling addiction; machines are designed to addict people. You can't build a strong economy in state by weakening citizens. He said the machines trick

and deceive gamblers. 60% of slot machine profits come from gambling addicts. Bureau of labor statistics - median wage is \$10.92 an hour for gambling industry employees. Will take consumer disposable income out of the economy away from existing businesses. He thinks property taxpayers will not benefit from this bill. The bill calls for a referendum vote in the community where the facility will be located - he says the surrounding towns don't have a voice in the regional planning. He said this will cause divorce and the costs associated with that will outweigh the revenues generated by this bill. He thinks there will be a problem with political influence. Thinks we need to wait until the governors gaming study commission issues their report.

Ralph Anderson

Director of NH Harness Horsemen Association

Concerns - 1% to purses is too low. Wants to see 3% for live racing.

Nicole Cormen

Lebanon city councilor

Opposed

She thinks there would be increased demands on police and fire depts. She doesn't think all the costs are accounted for.

Kevin Smith

Cornerstone action

He thinks HHS will have to increase social workers due to negative societal impacts that gambling will cause. Thinks this shouldn't be brought up at a time when we have a budget crisis. Thinks we need to cut spending and cut taxes for businesses. Other states that have gambling have budget and revenue shortfalls. Thinks even if we pass this we'll be back here in 10 years with another recession and budget hole.

Alex Kotroubas

Community support network

Support

NH's area agencies support this proposal. Need new revenue to support the community services citizens need. More budget cuts hurt our citizens.

Sarah Dustin

State needs a new revenue base. Programs are underfunded. TANF needs more funding.

Supportive of the amendment and because of that, supports the bill.

Joan Monroe

Lebanon

Is opposed to the bill. Thinks we should invest in sustainable energy.

Mell Brooks

Opposed. Used to own establishment with video gambling machines in Oregon. Has seen families gamble away their savings. That will happen here. Need to make it more affordable to get college education and live in NH.

Joe Casey

NH Building and Construction Trades

The climate in the state of NH in construction industry is as bleak as he's ever seen it and its getting worse. The unemployment in construction is around 25% in NH. Jobs are going for rock bottom prices. Employees of companies are getting hurt. We have to cut our wages. Unemployment is as devastating as a gambling addiction. People want to work. This bill will give people jobs back and health insurance. NH building trades and IBEW support this bill.

Reverend Susan Ackley

Episcopal priest

The NH council of churches are united in opposition to expanded gambling in NH. How will it affect families, communities. Thinks will affect the poor inequitably. Opposed to the bill

Senator Sgambati asked if her organization has taken a positive position on any source of revenue

Reverend Ackley said no they haven't

Maggie Pritchard

Genesis Behavioral Health

Supports the legislation and the amendment. Collective responsibility to care for our most vulnerable citizens. Need to prevent further erosion of services. This is a revenue issue and not an expense issue.

Kristin Labonte

In favor of the amendment that designates money to HHS. Was affected by cuts to child care payments.

Ellen Edgerly

Brain Injury Association of NH

Supports the amendment that gives money to HHS.

John Poirier

NH Health Care Association

Represents nursing homes and assisted living facilities

In support of the amendment that gives money to HHS

Rep. Peter Schmidt

Opposed to the bill.

Thinks it will cause lasting and permanent damage. Slot machines are addictive. Will change the state politically.

Ed Nails

Coalition NH Taxpayers

Opposed to expanded gambling

Voting Sheets

Senate Finance Committee

EXECUTIVE SESSION

Bill # 489

Hearing date: _____

Room: State House - Room 100

Executive session date: _____

Motion of: OTPIA

VOTE: 4-2

Made by D'Allesandro
Senator: Janeway
 Larsen
 Hassan
 Sgambati
 Odell
 Gallus

Seconded D'Allesandro
by Senator: Janeway
 Larsen
 Hassan
 Sgambati
 Odell
 Gallus

<u>Committee Member</u>	<u>Present</u>	<u>YES</u>	<u>NO</u>	<u>Reported out by</u>
Senator D'Allesandro	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>D'Allesandro</u>
Senator Janeway	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Senator Larsen	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Senator Hassan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Senator Sgambati	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Senator Odell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Senator Gallus	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

*Amendments: 0936 DG 4-2

NOTES: line 13-16 pg 5 - where it goes to HHS

Committee Report

