# Bill as Introduced

## HB 348-FN - AS INTRODUCED

## 2011 SESSION

11-0141 10/04

## HOUSE BILL 348-FN

AN ACT transferring the duties of the racing and charitable gaming commission to the lottery commission and abolishing the racing and charitable gaming commission, and prohibiting new electronic gaming devices without statutory authorization.

SPONSORS: Rep. Kurk, Hills 7; Rep. Hess, Merr 9

COMMITTEE: Executive Departments and Administration

## ANALYSIS

This bill eliminates the racing and charitable gaming commission and transfers all of its duties, personnel, rules, and budget to the state lottery commission. The bill also prohibits the use of new electronic gaming devices in the state without specific statutory authorization.

**Explanation**:

Matter added to current law appears in **bold italics**. Matter removed from current law appears [<del>in brackets and struckthrough.</del>] Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.



## **HB 348-FN – AS INTRODUCED**

## STATE OF NEW HAMPSHIRE

## In the Year of Our Lord Two Thousand Eleven

transferring the duties of the racing and charitable gaming commission to the AN ACT lottery commission and abolishing the racing and charitable gaming commission, and prohibiting new electronic gaming devices without statutory authorization.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 Agency Reports; Racing and Charitable Gaming Deleted. Amend RSA 20:7 to read as follows: 1 20:7 Issuance of Reports. The following agency reports shall be issued annually: secretary of 2 state, state treasurer, bank commissioner, insurance commissioner, division of personnel, 3 commissioner of revenue administration, lottery commission, [racing and charitable gaming 4 commission,] liquor commission, department of transportation, department of environmental 5 services, department of safety, adult parole board, and the board of trustees of the state colleges and 6 university. All other reports shall be issued biennially. All reports shall cover periods ending on June 7 30, and be submitted to the governor and council, the speaker of the house of representatives, and 8 the senate president by October 1. Biennial reports shall cover periods ending in odd-numbered 9 years. 10

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2 Terms of Appointment. Amend RSA 21:33-a, III(a) to read as follows:

III.(a) That any commissioner or agency head of a department, as defined in RSA 21-G:5, VI, 12 who is an unclassified employee of the state, and appointed to such position, shall serve for the 13 appropriate term or unexpired portion thereof. The commissioner or agency head may serve beyond 14 the appointed term or unexpired portion thereof with the written authorization of the governor. This 15 subparagraph shall also apply to the adjutant general and the attorney general, and to appointees to 16 the liquor commission, the lottery commission, [the racing and charitable gaming commission,] and 17 18 the public utilities commission.

19

3 Taxation of Gambling Winnings; Definitions. Amend RSA 77:38, IV to read as follows:

IV. "New Hampshire entities" means establishments the purpose of which is to engage in 20 21 any gaming regulated by the [racing and charitable gaming] lottery commission and the sale of lottery tickets as permitted by the lottery commission. 22

23

4 Taxation of Gambling Winnings. Amend RSA 77:39, II to read as follows:

The lottery commission [and the charitable gaming and racing commission] shall 24 II. withhold all tax due and payable to the state from any payout of gambling winnings. 25

26

5 Taxation of Gambling Winnings; Returns. Amend RSA 77:42, II to read as follows:

II. The taxes collected by the lottery commission [and the racing and charitable gaming 27 commission] shall be paid over to the state treasurer on or before the fifteenth day of the month 28 29 following collection of said tax.

## HB 348-FN – AS INTRODUCED - Page 2 -

6 State Employees; Terms Defined. Amend RSA 98-A:1, III to read as follows:

2 III. "The equivalent of 6 months or more" shall mean the equivalent of 130 or more regularly 3 scheduled work days, not necessarily consecutive, provided that whenever an employee of the [racing 4 commission or greyhound racing] lottery commission is employed on any day on a per diem basis he 5 or she shall be deemed to have worked one day.

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7 Salaries Deleted. Amend RSA 94:1-a, II and III to read as follows:

7 II. The salary wages for the positions set forth below shall be as follows commencing 8 January 2, 2009:

9	Minimum	Maximum
10	Governor's councilors	\$15,169
11	[Racing and charitable gaming commissioners	<del>\$11,765</del> ]
12	Sweepstakes commission, chairman	\$17,111
13	Sweepstakes commission, members	\$ 9,632

14 III. Officials named in this section shall be placed in the corresponding steps in the new salary ranges as their length of service justifies and in accordance with RSA 94:3. Lottery 15 16 commissioners who are members of a multi-state lottery commission and who are authorized to be 17 compensated for such services shall be compensated in addition to their salary under RSA 94:1-a, II, provided, that such additional salary equals no more than \$50 per actual day worked plus reasonable 18 19 expenses for duties performed as a multi-state lottery commissioner. [Racing commissioners,] 20 Lottery commissioners[,] and the state entomologist only excepted, any official whose salary upon 21 placement in the new salary range is less than that of a subordinate classified employee shall be  $\mathbf{22}$ placed at the next higher step in range above said classified employee and shall be entitled to any 23 increase provided for herein until the maximum provided herein is reached. However, in the event 24 that the maximum of the unclassified position is less than the salary of said subordinate classified 25 employee, the governor and council is authorized to increase the maximum of the unclassified 26 position in an amount to provide a differential of not more than \$1,000.

8 Investigators; Police Standards and training Council Certification. Amend RSA 188-F:27, VI
to read as follows:

29 VI. Any investigator who has the power to enforce the criminal laws under RSA 106-A and 30 RSA 287-E and rules of the lottery commission [7] or the department of safety [7] or the racing and 31 charitable gaming commission] and who was serving under a permanent appointment prior to July 32 1, 1986, shall not be required to meet the requirements of paragraphs I and III; however, any 33 investigator referred to in this paragraph shall complete such limited programs as may be 34 prescribed by the police standards and training council under this section within one year of the 35 date the programs are required. Should any investigator exempted from the requirements of 36 paragraphs I and III of this section by this paragraph terminate employment with the department 37 of safety and be hired as a police officer by another police department of the state or a political

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1 subdivision thereof, the inspector's certification shall lapse and may be reinstated upon completion 2 of such necessary additional training courses as the police standards and training council may 3 prescribe. 9 Subdivision Heading Changed. Amend the subdivision heading preceding RSA 284:6 to read 4 5 as follows: 6 Racing and Charitable Gaming [Commission] 7 10 Racing and Charitable Gaming; Lottery Commission Authorized. Amend RSA 284:6-a to 8 read as follows: 9 284:6-a Racing and Charitable Gaming: Lottery Commission. 10 I. [There-shall-be a state] The regulation of racing and charitable gaming [commission consisting of 6 members appointed by the governor with the advice and consent of the council. Each 11 12 member shall hold office for a term of 3 years. Any vacancy shall be filled for the unexpired term. Annually, one member shall be chosen chairperson by the commission, and one shall be chosen as 13 14 secretary.] shall be under the authority of the lottery commission established in RSA 284:21-a II. The [racing and charitable gaming] lottery commission shall assume the powers, 15 rights, duties, and responsibilities granted to the racing and charitable gaming 16 commission, the state racing commission, and the state greyhound racing commission [under 17 RSA-284, and any reference to the state racing commission or the state groyhound-racing 18 commission in RSA 284 or any other statutory cites shall be deemed to refer to the 19 20 New Hampshire-racing and charitable gaming commission]. The [New Hampshire racing and charitable gaming] lottery commission shall, in carrying out the purpose of this chapter, use the 21  $\mathbf{22}$ applicable provisions for horse racing independent of the applicable provisions for simulcast dog 23 racing.

24 III. The [racing and charitable gaming] lottery commission shall have all the powers, duties, 25 and rights conferred upon state commissions under the United States Interstate Horseracing Act of 26 1978 as it currently exists and as it may be amended from time to time.

IV. The [racing and charitable-gaming] lottery commission shall administer RSA 287-E
 relating to bingo and lucky 7.

V. The [racing and charitable gaming] lottery commission shall administer RSA 287-D,
 relating to games of chance conducted by charitable organizations.

VI. Notwithstanding any law, rule, or current practice to the contrary, the commission shall not authorize the use of any electronic gaming device in any game, lottery, or other offering which was not in use by the public on or before October 1, 2010, unless specific authorization for such electronic gaming device is enacted by the legislature. Electronic gaming devices shall mean and include all electromechanical instruments and devices used for the purpose of gaming whether in physical presence or through the Internet, and shall include video slot machines and other gambling machines, devices which function or are designed to emulate a video slot machine or other gambling
 machine, an historical racing machine, electronic lucky 7 ticket units, and computer
 technology to reveal instant ticket winners.

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11 Licensees; Restriction on Gambling. Amend RSA 284:17-c to read as follows:

5 284:17-c Restriction on Gambling. Notwithstanding any other provision of law, except as 6 provided in RSA 284:22-a and in the introductory paragraph of RSA 284:22, no licensee who holds 7 running horse races shall at the same facility hold any other kinds of races or permit any other type 8 of gambling except harness horse races and activities licensed by the lottery commission [or-the 9 racing and charitable gaming commission].

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12 Stewards. Amend RSA 284:20 to read as follows:

11 284:20 Stewards. There shall be at least 3 stewards to supervise each running or harness horse 12 race or meet, conducted under the provisions of this chapter, at which pari-mutuel pools are sold. 13 One of such stewards shall be the official steward of the state [racing] lottery commission, and the 14 remaining stewards shall be appointed by the person, association, corporation, or any other type of 15 entity conducting the race or meet, subject to the approval of the commission. Said stewards shall be 16 authorized to assess fines and suspend licenses and shall exercise such other powers and perform 17 such duties at each race meet as may be prescribed by the rules [and regulations] of the commission. 18 Any person who has been assessed a fine or whose license has been suspended may appeal any fine 19 or suspension imposed by the stewards under this section to the commission.

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13 Rights Protected; Liability Limited. Amend RSA 284:20-a to read as follows:

21 284:20-a Rights Protected. No licensee conducting a race or meet under this chapter, no 22 member of the state [racing] lottery commission, no steward, judge, or assistant official appointed to 23 act as such pursuant to the provisions of this chapter, shall be liable for damages to any person, 24 association or corporation for any cause whatsoever arising out of or from the performance by such 25 licensee, commissioner, steward, judge or assistant official of such person's duties and exercise of 26 discretion with respect to such duties, so long as such person acted in good faith, without malice or 27 improper motive.

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14 Lottery Commission Revenues. Amend RSA 284:21-j, I to read as follows:

I. The state treasurer shall credit all moneys received from the lottery commission [and all moneys received from the racing and charitable-gaming commission under RSA 287-D and RSA 287and interest received on such moneys, to a special fund from which the treasurer shall pay all expenses of the commission incident to the administration of this subdivision and all administration and enforcement expenses of [the] racing and charitable gaming [commission] under RSA 287-D and RSA 287-E. Any balance left in such fund after such expenses are paid shall be deposited in the education trust fund established under RSA 198:39.

15 Change from Racing and Charitable Gaming to Lottery. Amend the following RSA provisions
by replacing "racing and charitable gaming commission" with "lottery commission": 21-I:18, I(n); the

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introductory paragraph of 21-P:4, VI; 175:1, LVI; 273-C:2, VI; the introductory paragraph of 284:12; 284:20-d; 284:20-f, I; 284:22; 284:23, VII; 284:32-b; 284:38-a; 287-A:8; 287-D:1-a; the introductory paragraph of 287-D:1-b; 287-D:2, II; 287-D:2-a; 287-D:2-b; 287-D:2-c; 287-D:2-d; 287-D:3; 287-D:5; 287-D:6; 287-D:7; 287-D:8; 287-D:9; 287-E:1, VI; 287-E:2; 287-E:16; and 647:2, V(a). 16 Repeal. The following are repealed: I. RSA 6:12-d, II(l), relative to the racing and charitable gaming escrow account. II. RSA 284:7, relative to the office for the racing and charitable gaming commission. III. RSA 284:9, relative to expenses of the racing and charitable gaming commission. IV. RSA 284:11, relative to the report of the racing and charitable gaming commission. 17 Transfer of Functions, Positions, Equipment, Records, and Accounts; Rules Continued. I. All of the functions, positions, powers, duties, and responsibilities of the racing and charitable gaming commission shall be transferred to the lottery commission. The transfer shall include all of the equipment, books, papers, and records of the racing and charitable gaming commission related to the above functions. II. All existing rules, statutory responsibilities, regulations, and procedures in effect, in operation, or adopted in or by the racing and charitable gaming commission are transferred to the lottery commission, and are declared in effect and shall continue in effect until rescinded, revised, or amended in accordance with applicable law.

19 18 Effective Date. This act shall take effect July 1, 2011.

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## LBAO 11-0141 12/21/10

## HB 348-FN - FISCAL NOTE

AN ACT transferring the duties of the racing and charitable gaming commission to the lottery commission and abolishing the racing and charitable gaming commission, and prohibiting new electronic gaming devices without statutory authorization.

## FISCAL IMPACT:

The Racing and Charitable Gaming Commission (RCGC) states this bill would decrease state expenditures by \$22,715 in FY 2012, by \$49,474 in FY 2013, by \$78,362 in FY 2014, and by \$83,210 in FY 2015. The Lottery Commission states this bill will reduce State expenditures by \$70,590 in FY 2012 and each year thereafter. This bill will have no fiscal impact on county and local expenditures, or state, county, and local revenue.

## **METHODOLOGY:**

The RCGC and Lottery Commission state this bill would transfer its duties to the Lottery Commission and eliminate six RCGC Commissioners. Enforcement of racing and charitable gaming would still be performed by enforcement employees transferred from the RCGC to the Lottery Commission. The RCGC, also states the six Commissioners may be contractual in nature and may require continued payment of salaries and benefits until the end of their respective terms. Based on the six Commissioners' budgeted salaries for FYs 2012 and 2013 and assuming no change in FYs 2014 and 2015, the RCGC estimates savings to be as follows.

Salaries And Benefits	FY 12	FY 13	FY 14	FY 15
Budgeted Salaries	\$86,133	\$83,210	\$83,210	\$83,210
Payments To Be Made	(\$63,418)	(\$33,736)	(\$4,848)	(\$0.00)
Net Savings	\$22,715	\$49,474	\$78,362	\$83,210

Salaries and benefits are based on:

- 1) Three Commissioners for a full year and two for a partial year during FY 2012.
- 2) One Commissioner for a full year and two for a partial year during FY 2013.
- 3) One Commissioner for a partial year during FY 2014.

The RCGC assumes its abolition would not change its physical location; therefore, expenditures associated with its current location, including leases, utilities, etc., are not included. The Lottery Commission states without a full understanding of the operation or costs of the RCGC, it is unable to determine the fiscal impact beyond elimination of the salaries of the six Commissioners.

## HB 348-FN – AS AMENDED BY THE HOUSE

16Mar2011... 0538h

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## ANALYSIS

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

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3 Taxation of Gambling Winnings; Definitions. Amend RSA 77:38, IV to read as follows:

IV. "New Hampshire entities" means establishments the purpose of which is to engage in any gaming regulated by the [racing-and-charitable-gaming] lottery commission and the sale of lottery tickets as permitted by the lottery commission.

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4 Taxation of Gambling Winnings. Amend RSA 77:39, II to read as follows:

24 II. The lottery commission [and the charitable gaming and racing commission] shall 25 withhold all tax due and payable to the state from any payout of gambling winnings.

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5 Taxation of Gambling Winnings; Returns. Amend RSA 77:42, II to read as follows:

II. The taxes collected by the lottery commission [and-the-racing and charitable-gaming
 commission] shall be paid over to the state treasurer on or before the fifteenth day of the month
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## HB 348-FN – AS AMENDED BY THE HOUSE - Page 2 -

6 State Employees; Terms Defined. Amend RSA 98-A:1, III to read as follows:

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8 Investigators; Police Standards and training Council Certification. Amend RSA 188-F:27, VI
to read as follows:

29 VI. Any investigator who has the power to enforce the criminal laws under RSA 106-A and RSA 287-E and rules of the lottery commission [r] or the department of safety [r], or the racing and 30 eharitable gaming commission] and who was serving under a permanent appointment prior to July 31 32 1, 1986, shall not be required to meet the requirements of paragraphs I and III; however, any investigator referred to in this paragraph shall complete such limited programs as may be prescribed 33 34 by the police standards and training council under this section within one year of the date the 35 programs are required. Should any investigator exempted from the requirements of paragraphs I 36 and III of this section by this paragraph terminate employment with the department of safety and be 37 hired as a police officer by another police department of the state or a political subdivision thereof,

## HB 348-FN - AS AMENDED BY THE HOUSE - Page 3 -

the inspector's certification shall lapse and may be reinstated upon completion of such necessary 1 2 additional training courses as the police standards and training council may prescribe. 9 Subdivision Heading Changed. Amend the subdivision heading preceding RSA 284:6 to read 3 as follows: 4 Racing and Charitable Gaming [Commission] 5 10 Racing and Charitable Gaming; Lottery Commission Authorized. Amend RSA 284:6-a to 6 read as follows:  $\overline{7}$ 284:6-a Racing and Charitable Gaming; Lottery Commission. 8 I. [There shall be a state] The regulation of racing and charitable gaming [commission 9 consisting of 6 members appointed by the governor with the advice and consent of the council. Each 10 member shall hold office for a term of 3 years. Any vacancy shall be filled for the unexpired term. 11 Annually, one member shall be chosen chairperson by the commission, and one shall be chosen as 12 secretary.] shall be under the authority of the lottery commission established in RSA 284:21-13 14 a II. The [racing and charitable gaming] lottery commission shall assume the powers, rights, 15duties, and responsibilities granted to the racing and charitable gaming commission, the state 16 racing commission, and the state greyhound racing commission [under-RSA 284; and any reference 17 to the state racing commission or the state greyhound racing commission in RSA-284 or any other 18 statutory eiter shall be deemed to refer to the New Hampshire racing and charitable gaming 19 commission]. The [New-Hampshire racing and charitable gaming] lottery commission shall, in 20 carrying out the purpose of this chapter, use the applicable provisions for horse racing independent 21 of the applicable provisions for simulcast dog racing.  $\mathbf{22}$ III. The [racing and charitable gaming] lottery commission shall have all the powers, duties, 23 and rights conferred upon state commissions under the United States Interstate Horseracing Act of 24 1978 as it currently exists and as it may be amended from time to time. 25IV. The [racing-and-charitable-gaming] lottery commission shall administer RSA 287-E  $\mathbf{26}$  $\mathbf{27}$ relating to bingo and lucky 7. V. The [racing and charitable gaming] lottery commission shall administer RSA 287-D, 28 relating to games of chance conducted by charitable organizations. 29 Notwithstanding any law, rule or current practice to the contrary, the 30 VI. commission shall not authorize: 31 (a) Any game, lottery or other offering which was not in use by the public on or 32 before October 1, 2010, including but not limited to any game, lottery or other offering by 33 video slot machine and other gambling machines, devices which function or are designed 34to emulate a video slot machine or other gambling machine, an historical racing machine, 35 electronic lucky 7 ticket units and computer technology to reveal instant ticket winners, 36 whether in physical presence or through the Internet; or 37

## HB 348-FN - AS AMENDED BY THE HOUSE - Page 4 -

(b) A reduction in the length of time between placing a wager, purchasing a 1 2 lottery ticket or otherwise engaging in gambling and the announcement of the result of the wager, lottery or gamble for any game, lottery or other offering which was in use by the 3 4 public on or before October 1, 2010.

11 Licensees; Restriction on Gambling. Amend RSA 284:17-c to read as follows:

284:17-c Restriction on Gambling. Notwithstanding any other provision of law, except as 6 provided in RSA 284:22-a and in the introductory paragraph of RSA 284:22, no licensee who holds 7 8 running horse races shall at the same facility hold any other kinds of races or permit any other type of gambling except harness horse races and activities licensed by the lottery commission [or the 9 racing and charitable gaming commission]. 10

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284:20 Stewards. There shall be at least 3 stewards to supervise each running or harness horse 12 race or meet, conducted under the provisions of this chapter, at which pari-mutuel pools are sold. 13 14 One of such stewards shall be the official steward of the state [recing] lottery commission, and the remaining stewards shall be appointed by the person, association, corporation, or any other type of 15 entity conducting the race or meet, subject to the approval of the commission. Said stewards shall be 16 authorized to assess fines and suspend licenses and shall exercise such other powers and perform 17 18 such duties at each race meet as may be prescribed by the rules [and regulations] of the commission. 19 Any person who has been assessed a fine or whose license has been suspended may appeal any fine or suspension imposed by the stewards under this section to the commission. 20

13 Rights Protected; Liability Limited. Amend RSA 284:20-a to read as follows:

22 284:20-a Rights Protected. No licensee conducting a race or meet under this chapter, no 23 member of the state [racing] lottery commission, no steward, judge, or assistant official appointed to 24 act as such pursuant to the provisions of this chapter, shall be liable for damages to any person, association or corporation for any cause whatsoever arising out of or from the performance by such 25 licensee, commissioner, steward, judge or assistant official of such person's duties and exercise of  $\mathbf{26}$ discretion with respect to such duties, so long as such person acted in good faith, without malice or 27 $\mathbf{28}$ improper motive.

29

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14 Lottery Commission Revenues. Amend RSA 284:21-j, I to read as follows:

30 I. The state treasurer shall credit all moneys received from the lottery commission [and all moneys received from the racing and charitable gaming commission-under RSA 287-D and RSA 287-31  $\mathbf{E}_{\mathbf{i}}$  and interest received on such moneys, to a special fund from which the treasurer shall pay all 3233 expenses of the commission incident to the administration of this subdivision and all administration and enforcement expenses of [the] racing and charitable gaming [commission] under RSA 287-D and 34 RSA 287-E. Any balance left in such fund after such expenses are paid shall be deposited in the 35 36 education trust fund established under RSA 198:39.

37

15 Change from Racing and Charitable Gaming to Lottery. Amend the following RSA provisions

## HB 348-FN – AS AMENDED BY THE HOUSE - Page 5 -

by replacing "racing and charitable gaming commission" with "lottery commission": 21-I:18, I(n); the 1 introductory paragraph of 21-P:4, VI; 175:1, LVI; 273-C:2, VI; the introductory paragraph of 284:12; 2 284:20-d; 284:20-f, I; 284:22; 284:23, VII; 284:32-b; 284:38-a; 287-A:8; 287-D:1-a; the introductory 3 paragraph of 287-D:1-b; 287-D:2, II; 287-D:2-a; 287-D:2-b; 287-D:2-c; 287-D:2-d; 287-D:3; 287-D:5; 4 287-D:6: 287-D:7: 287-D:8: 287-D:9: 287-E:1, VI; 287-E:2; 287-E:16; and 647:2, V(a). 5 6 16 Repeal. The following are repealed: I. RSA 6:12-d, II(l), relative to the racing and charitable gaming escrow account.  $\mathbf{7}$ II. RSA 284:7, relative to the office for the racing and charitable gaming commission. 8 III. RSA 284:9. relative to expenses of the racing and charitable gaming commission. 9 IV. RSA 284:11, relative to the report of the racing and charitable gaming commission. 10 17 Transfer of Functions, Positions, Equipment, Records, and Accounts; Rules Continued. 11 I. All of the functions, positions, powers, duties, and responsibilities of the racing and 12charitable gaming commission shall be transferred to the lottery commission. The transfer shall 13 include all of the equipment, books, papers, and records of the racing and charitable gaming 14 15commission related to the above functions.

16 II. All existing rules, statutory responsibilities, regulations, and procedures in effect, in 17 operation, or adopted in or by the racing and charitable gaming commission are transferred to the 18 lottery commission, and are declared in effect and shall continue in effect until rescinded, revised, or 19 amended in accordance with applicable law.

20 18 Effective Date. This act shall take effect July 1, 2011.

## HB 348-FN – AS INTRODUCED - Page 6 -

LBAO 11-0141 12/21/10

## HB 348-FN - FISCAL NOTE

AN ACT

transferring the duties of the racing and charitable gaming commission to the lottery commission and abolishing the racing and charitable gaming commission, and prohibiting new electronic gaming devices without statutory authorization.

## FISCAL IMPACT:

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The RCGC and Lottery Commission state this bill would transfer its duties to the Lottery Commission and eliminate six RCGC Commissioners. Enforcement of racing and charitable gaming would still be performed by enforcement employees transferred from the RCGC to the Lottery Commission. The RCGC, also states the six Commissioners may be contractual in nature and may require continued payment of salaries and benefits until the end of their respective terms. Based on the six Commissioners' budgeted salaries for FYs 2012 and 2013 and assuming no change in FYs 2014 and 2015, the RCGC estimates savings to be as follows.

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- 2) One Commissioner for a full year and two for a partial year during FY 2013.
- 3) One Commissioner for a partial year during FY 2014.

The RCGC assumes its abolition would not change its physical location; therefore, expenditures associated with its current location, including leases, utilities, etc., are not included. The Lottery Commission states without a full understanding of the operation or costs of the RCGC,

## HB 348-FN – AS INTRODUCED - Page 7 -

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it is unable to determine the fiscal impact beyond elimination of the salaries of the six Commissioners.

4

## Amendments

Sen. Odell, Dist. 8 April 11, 2011 2011-1388s 08/10

## Amendment to HB 348-FN

Amend the title of the bill by replacing it with the following: l  $\mathbf{2}$ relative to games of chance and prohibiting the racing and charitable gaming 3 AN ACT commission and the lottery commission from authorizing new gambling machines 4 5 or devices. 6 7Amend the bill by replacing all after the enacting clause with the following: 8 9 1 Unclaimed Ticket Vouchers. Amend RSA 284:31 to read as follows: 10 Unclaimed Ticket Money. On or before January 31 of each year every person, 284:3111 association, or corporation conducting a race or race meet, whether live racing or simulcast racing, hereunder shall pay to the state treasurer all moneys collected during the previous year of pari-12 13 mutuel pool tickets and vouchers which have not been redeemed. The books or records of said person, association, or corporation, which clearly show the tickets entitled to reimbursement in any 14 15 given race, live or simulcast, shall be forwarded to the commission. Such moneys shall become a 16 part of the general funds of the state. The state treasurer shall pay the amount due on any ticket or 17 voucher to the holder thereof from funds not otherwise appropriated upon an order from the 18 commission. Pari-mutuel tickets and vouchers which remain unclaimed after 11 months shall not 19 be paid. Vouchers shall be remitted to the state treasurer on January 31 of the calendar 20year, 24 months after the year of the unclaimed voucher. 21 2 Definitions; Game Operator. Amend RSA 287-D:1, V to read as follows:  $\mathbf{22}$ V. "Game operator" means:  $\mathbf{23}$ (a) "Primary game operator" which means any consultant or any person other than a 24 bona fide member of the charitable organization, involved in conducting, managing, supervising,  $\mathbf{25}$ directing, or running the games of chance; or 26(b) "Secondary game operator" which means any person other than a bona fide member 27of the charitable organization, involved in dealing, running a roulette wheel, [or] handling chips, or 28providing accounting services or security functions. 29(c) "Game operator employer" means a primary game operator or a business 30 entity who employs, supervises, and controls game operators and who is hired by a 31charitable organization to operate games of chance on its behalf. The owner of 10 percent 32or more of the entity, partner, managing member, or chief executive of a business entity 33 who serves as a game operator employer must be licensed as a primary game operator.

L 3 Operation of Games of Chance; Game Operators. Amend RSA 287-D:2-b, I(d) to read as  $\mathbf{2}$ follows:

- 3 (d) Notwithstanding subparagraph (a), all charitable organizations that conduct games 1 of chance for charitable purposes may employ, by means of a written agreement, a [primary] game operator employer or a primary game operator licensed under RSA 287-D:2-c to operate games of 5 6 chance on their behalf.
- 7 8

4 Operation of Games of Chance; Game Operators. Amend RSA 287-D:2-d, III to read as follows:

9 III. An applicant for a primary game operator license under RSA 287-D:2-c shall apply to the 10 racing and charitable gaming commission, and if the applicant meets all other requirements of this 11 chapter and pays the fee established by the racing and charitable gaming commission in rules adopted pursuant to RSA 541-A, a license shall be issued. A primary game operator license issued 12 13 under RSA 287-D:2-c shall expire on December 31. The racing and charitable gaming commission 14 shall notify the attorney general and police chief of any city or town where games of chance are held of any applications approved. RSA 7:28-c shall not apply to game operator licensees subject to this 15 16 chapter. An applicant for a secondary game operator license under RSA 287-D:2-c shall apply to the racing and charitable gaming commission, and if the applicant meets all other requirements of this 17 18 chapter and pays the fee established by the racing and charitable gaming commission in rules adopted pursuant to RSA 541-A, which shall not exceed \$45, a license shall be issued. A secondary 19 20game operator license issued under RSA 284-D:2-c shall expire on the last day of the month 21 of the licensee's birthday.

22

5 Operation of Games of Chance; Game Operators. Amend RSA 287-D:2-d, VI to read as follows: 23VI. Any license issued under RSA 287-D:2-a or RSA 287-D:2-c shall not be transferable and 24 the fees for the license shall not be refunded except for good cause shown as specified in rules adopted by the racing and charitable gaming commission. Nothing in this section shall prevent 2526 a licensee from working for different licensed entities. A licensee who works for more than  $\mathbf{27}$ one game operator employer during the licensed period shall have a separate badge for  $\mathbf{28}$ each game operator employer and pay a separate fee for each badge.

29

6 Bond; Game Operators. Amend RSA 287-D:2-b, VIII to read as follows:

30 VIII.(a) On game dates where the charitable organization operates the games, the charitable 31 organization shall deposit cash and proceeds from a game of chance into the account required by RSA 287-D:2-a, VII(e). All expenses, including [prizes of more-than \$500] prizes of \$500 or more 32 33 and equipment and hall rental fees shall be paid by check from the account required by RSA 287-D:2-a, VII(e). The treasurer of the charitable organization shall document all prizes awarded as 3435 prescribed in rules adopted by the racing and charitable gaming commission.

36 (b) On game dates where the licensed game operator operates the games, the licensed 37 game operator shall deposit cash and proceeds from a game of chance into the account required by

## Amendment to HB 348-FN - Page 3 -

1 RSA 287-D:2-c, VI. All expenses, including [prizes of more than \$500 and] equipment and hall rental 2 fees shall be paid by check or electronic fund transfers from the account established in RSA 287-3 D:2-c, VI. The licensed game operator shall document all prizes awarded as prescribed in rules 4 adopted by the racing and charitable gaming commission. Prizes of \$500 or more shall be paid 5 by check from the account established in RSA 287-D:2-c, VI.

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7 Bond; Game Operators. Amend RSA 287-D:2-c, V to read as follows:

7 V. Prior to conducting any games of chance, the game operator or the game operator's 8 employer shall submit a bond for each location where the game operator is conducting games of 9 chance, conditioned upon the game operator running games of chance in conformity with this 10 chapter and with the rules and regulations prescribed by the racing and charitable gaming 11 commission, in the amount of up to [\$300,000] \$500,000 but not less than \$25,000 to the racing 12and charitable gaming commission with the application form. The amount of the bond in excess 13 of \$25,000 established for each licensee shall be bused on that licensee's normal 14outstanding obligations of charity payments and state taxes.

15 8 New Paragraph; Licensing of Game Operators. Amend RSA 287-D:2-c by inserting after
 16 paragraph VII the following new paragraph:

VIII. Unless a provision to the contrary is part of a written agreement in place prior to the commencement of a game date between the charitable organization and the game operator or game operator employer, all moneys due to the charitable organization shall be paid over to the organization no later than 5 business days following the date on which a game was conducted. Notwithstanding the provisions of any agreement with the charitable organization, the game operator or game operator employer shall pay over all moneys due to the charitable organization no later than 15 business days following a game date.

 $\mathbf{24}$ 

9 Wagering; Game Operators. Amend RSA 287-D:3, VII to read as follows:

25VII. Unless a charitable organization rents a facility from a [primary] game operator  $\mathbf{26}$ employer or a primary game operator licensed under RSA 287-D:2-c, the charitable organization  $\mathbf{27}$ shall only rent a facility by means of a fixed rental payment. The fixed rental payment shall not be  $\mathbf{28}$ based on a percentage of what the charitable organization receives from the game of chance and it shall reflect fair rental value of the property for any use not just as a place to hold a game of chance. 29 30 If a charitable organization rents a facility from a licensed game operator under RSA 287-D:2-c, the 31charitable organization shall retain no less than 35 percent of the gross revenues from any games of 32 chance minus any prizes paid in accordance with RSA 287-D:3, VIII. Any rental agreement entered 33 into by the charitable organization shall be submitted with the charitable organization's license application for review by the racing and charitable gaming commission. Under no circumstances 34 35shall a charitable organization sustain any loss from games of chance, such that its share of the 36 gross revenues minus any prizes paid is less than zero dollars, during a license period with a single 37 game operator.

## Amendment to HB 348-FN - Page 4 -

10 Wagering; Game Operators. Amend RSA 287-D:5, I to read as follows:

 $\mathbf{2}$ I. A charitable organization [or], a licensed [primary] game operator employer, or a 3 primary game operator under contract to conduct games of chance on behalf of a charitable 4 organization and designated by the charitable organization to be responsible for submitting  $\mathbf{5}$ financial reports shall submit a complete financial report for all game dates licensed under 6 RSA 287-D:2 and RSA 287-D:2-a to the racing and charitable gaming commission on forms approved  $\overline{7}$ by the racing and charitable gaming commission within 15 days of the end of each month during 8 which a game of chance was held.

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11 Operation of Bingo Games; Penalty Added. Amend RSA 287-E:7, XVI to read as follows:

10 XVI. In not more than one game conducted in accordance with [RSA 287-E:7.] paragraph 11 XIII, a carry-over, cover-all game may be run with the prize money rolled over to the successive 12game dates in the event that there is no winner on the original or preceding game dates. 13 Notwithstanding any provision of law to the contrary, the prize money may accumulate until there is 14 a winner. The prize shall be awarded to any winner covering all 24 numbers on the card in less than 15 50 numbers, or a greater number if so designated prior to the game. If there is no winner on a given 16 game date, a pre-designated consolation prize shall be awarded to the game winner who first 17 achieves cover-all. The balance of the monies moneys collected shall be carried over to subsequent game dates until there is a winner. Any person who purposely, knowingly, or recklessly 18 19 deprives a charitable organization of any of its moneys collected from bingo or lucky 7 or 20 any person who purposely, knowingly, or recklessly deprives players of any prizes collected  $\mathbf{21}$ from bingo or lucky 7, shall be guilty of a class A felony.

 $\mathbf{22}$ 12 Reference Change; Financial Reports and Inspection Required. Amend RSA 287-E:9, I to 23read as follows:

I. A charitable organization which has been licensed to conduct bingo games shall submit a 24 25 complete financial report to the commission for each license issued under RSA 287-E:6 within 15 26days after the expiration of each license; provided, however, a complete monthly financial report  $\mathbf{27}$ shall be submitted in a timely fashion to the commission for each month covered by a license issued  $\mathbf{28}$ under [RSA-287-E:6, I-a] RSA 287-E:6, II.

29 30

13 Reference Change; Financial Reports and Inspection Required. Amend RSA 287-E:9, IV to read as follows:

IV. All charitable organizations licensed under this chapter shall maintain a separate 31 32checking account for the deposit and disbursement of all income relating to bingo and lucky 7, except 33 cash prizes awarded at the games. All expenses shall be paid by check, [and all prizes of \$500 or 34 more shall be paid by check] or electronic funds transfers. All prizes of \$500 or more shall be paid by check. There shall be no commingling of bingo and lucky 7 funds with other funds of the 35 36 charitable organization. The organization shall retain all cancelled checks for the payment of 37 expenses and prizes for at least 2 years. The organization may cash checks which it issues.

## Amendment to HB 348-FN - Page 5 -

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	Amendment to HB 348-FN - Page 5 -	
1	14 Campground Bingo. Amend RSA 287-E:12 to read as follows:	
2	287-E:12 Bingo [License] for Private Campgrounds and Hotels. Any private campground or	
3	hotel may [apply to the commission for a special campground or hotel bingo license. Licenses may be	
4	granted under the following conditions] conduct bingo games provided:	
5	[I. The bingo license application fee shall be \$25 per year and shall be nonrefundable.	
6	II.—The provisions of RSA-287-E:6, IV and RSA-287-E:7, IV and VI relating to bingo licenses	
7	and the operation of games for charitable organizations shall also apply to licenses issued-under this	
8	section.	
9	III.] I. The price to be paid for a single card or play under the license shall be \$.10.	
10	[ <del>IV.—A license shall permit no more than 2 game dates of bingo in any one calendar week and</del>	
11	<del>shall be issued on an annual basis.</del>	
12	V-] II. All revenues received from the sale of bingo cards in any game or series of games on	
13	any one calendar day shall be paid out to the players. The total value of all prizes, tokens, or awards	
14	used, given, offered, or awarded in connection with any game or series of games in any calendar day	
15	shall not exceed \$500.	
16	[VI.] III. Games shall be operated only by persons on the staff of the campground or hotel	
17	[holding-the-license-under-this-section]. Such staff shall operate the games without compensation	
18	from the bingo revenues.	
19	[VII.] IV. The games of bingo shall be open only to persons 18 years of age or older who are	
20	bona fide guests at the campground or hotel.	
21	[ <del>VIII. Licenses shall be granted only to campgrounds or hotels in cities or towns which have</del>	
22	approved bingo under RSA-287-E.	
<b>23</b>	IX.] V. No campground or hotel shall act as an agent for operating games of bingo when it is	
24	unlawful for such campground's or hotel's principal to operate bingo games.	
25	[X. The campground or hotel holding the license issued under this section shall keep records	
26	and-submit-a-report-as-required for agricultural fairs under RSA 287-E:10, VIII, except that the	
27	report shall be submitted to the commission within 15 days of the expiration of the bingo-license.	
28	The-report shall-include the names-and addresses of persons from whom bingo equipment was	
29	rented or leased.	
30	XI.] VI. The campground or hotel shall have been in existence for at least 2 years in the city	
31	or town in which the bingo games are to be conducted.	
32	[XII.—The campground or hotel-shall be in compliance at the time-of-application-with-all	
33	applicable state and local requirements for the operation of private campgrounds or hotels.	
34	XIII.] VII. The campground or hotel shall maintain a current list of bona fide guests.	
35	[XIV.] VIII. The campground or hotel shall not have been established solely for the purpose	
36	of operating bingo games.	
37	15 Campground Bingo. Amend the introductory paragraph RSA 287-E:13 to read as follows:	

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## Amendment to HB 348-FN - Page 6 -

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	Amendment to HB 348-FN - Page 6 -
1	Any campground or hotel [ <del>holding a license under RSA 287-E:12</del> ] may conduct special bingo
2	games for children under the conditions specified in RSA 287-E:12, except:
3	16 Payment to Distributor. Amend RSA 287-E:23-a to read as follows:
4	287-E:23-a Payment to Distributor. Licensees shall pay for purchased tickets no later than 30
5	calendar days after delivery. Unless a waiver is given by the commission for good cause
6	shown, no charitable organization may purchase tickets from a different distributor when
7	that charitable organization has failed to comply with the provisions of this section.
8	17 Financial Reports and Inspection Required. Amend RSA 287-E:24, IV to read as follows:
9	IV. All expenses shall be paid by check or electronic funds transfers, and all cash
10	prizes [over] of \$500 or more shall be paid by check, and the charitable organization shall retain
11	cancelled checks or bank produced facsimiles of cancelled checks for the payment of expenses
12	and checks or bank produced facsimiles of checks and receipts for the payment of prizes for
13	a period of 2 years.
14	18 Campground Bingo. Amend RSA 287-E:4, II to read as follows:
15	II. Such fee shall be submitted to the commission at the time the application for a bingo
16	license is filed and [, except as provided in RSA-287 E:12], shall be refunded if the application is
17	denied.
18	19 Games of Chance. Amend RSA 287-D:2-b, II-a to read as follows:
19	II-a. Unless otherwise agreed to in advance, pursuant to paragraph II, in writing by the
20	charitable organization, [ <del>operators of games of chance</del> ] game operators may be reimbursed for their
21	out-of-pocket expenses in an amount not to exceed \$25 per game date, provided that such expenses
22	are itemized and submitted in writing to the charitable organization.
23	20 Games of Chance. Amend RSA 287-D:2-b, VII-a to read as follows:
24	VII-a. Notwithstanding any other provision of law, a member of the sponsoring charitable
25	organization shall be present and on site at least once per day during the operation of any game of
26	chance and shall file with the racing and charitable gaming commission an affidavit attesting to the
27	member's presence at the site during the operation of any games of chance. The sponsoring
28	charitable organization member shall not be employed by the game operator [or the employer of the
29	game-operator].
30	21 Licensing of Game Operators. Amend RSA 287-D:2-c, II(a)-(c) to read as follows:
31	(a) The name and social security number of the <i>primary or secondary</i> game operator,
32	or for [an organization] a game operator employer the name and federal tax identification
33	number. The racing and charitable gaming commission shall not disclose any social security number
<b>34</b>	submitted;
35	(b) The name, [ <del>of-the-game operator's employer and the employer's</del> ] address, and
36	telephone number of the game operator employer;

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(c) A list of the known [games of chance] game dates in which the game operator will

1 participate including the [date] name of the game, the location of the game, and the charitable  $\mathbf{2}$ organization holding the game;

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22 Licensing of Game Operators. Amend RSA 287-D:2-c, VI to read as follows:

4 VI. To be eligible for licensure under this chapter, a licensed game operator employer or 5 primary game operator shall maintain an account at a financial institution with at least one 6 branch.

 $\overline{7}$ 23 New Section; Surveillance Requirements. Amend RSA 287-D by inserting after section 2-d 8 the following new section:

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287-D:2-e. Surveillance Requirements.

10 I.(a) A game operator employer conducting games of chance at a facility that is required to be licensed pursuant to RSA 287-D:2-a, VI shall conduct and record, at the expense of the game 11 12 operator employer, video surveillance that allows clear, unobstructed views of cashier transactions, table games where cash wagers are accepted, and the counting of money from storage boxes removed 13 14 from a gaming table. A game operator employer which is authorized to conduct games of chance for 15 no more than 50 calendar days in a calendar year at a particular location may petition the 16 commission to adopt an alternate method of oversight of cash transactions in lieu of the surveillance requirements in this section. Upon approval of any such alternative method of oversight of cash 17 18 transactions by the commission, the game operator employer may conduct games of chance at such 19 location for not more than 50 calendar days at the particular location in a calendar year. The game 20operator employer shall be responsible for all costs and expenses associated with implementation of  $\mathbf{21}$ the alternative method of oversight as approved by the commission.

 $\mathbf{22}$ 

(b) Surveillance shall include the customer, the employee, and the surrounding area and shall monitor and record with sufficient clarity to identify employees and customers in all areas  $\mathbf{23}$  $\mathbf{24}$ where currency is counted, verified, sorted, stacked, or stored, including monitoring and recording all 25table game drop boxes, safes, and counting surfaces, and all cashier personnel. The counting surface  $\mathbf{26}$ area shall be continuously monitored and recorded by a dedicated camera during the count.

27(c) Access to the surveillance equipment shall be limited to management personnel,  $\mathbf{28}$ designated employees, state regulators, and other persons authorized in accordance with the 29 surveillance policy.

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(d) The game operator employer shall ensure at least one person at the facility while  $\mathbf{31}$ games of chance are being conducted is trained in the use of the equipment, knowledge of the games, 32and all applicable regulations.

(e) Each camera required by these regulations shall be installed in a manner that will 33 34 prevent it from being readily obstructed, tampered with, or disabled by customers or employees.

35(f) Reasonable effort shall be made to repair each malfunction of surveillance system 36 equipment required by the standards in this section within 72 hours after the malfunction is 37 discovered.

## Amendment to HB 348-FN - Page 8 -

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1	(g) In the event of a dedicated camera malfunction, the gaming operator or the
2	surveillance person shall immediately provide alternative camera coverage or other security
3	measures.
4	II. The surveillance system, at a minimum, shall:
5	(a) Have an auxiliary or backup power source shall be available and capable of
6	providing immediate restoration of power to all elements of the surveillance system.
7	(b) Include date and time generators that possess the capability to display the date and
8	time of recorded events on all digital recordings. The displayed date and time shall not significantly
9	obstruct the recorded view.
10	(c) Utilize cameras that possess the capability of having its picture displayed on a
11	monitor and recorded.
12	(d) Include sufficient numbers of monitors and recorders to simultaneously display and
13	record multiple table games and count room activities, and record the views of all dedicated cameras
14	and motion-activated cameras.
15	(e) Record at 30 frames per second or its equivalent.
16	III.(a) All digital records of coverage provided by cameras required by the standards in this
17	section shall be retained for a minimum of 30 days.
18	(b) Recordings involving suspected or confirmed gaming crimes, unlawful activity, or
19	actions of investigations by management personnel, shall be retained for a minimum of 90 days.
20	(c) Duly authenticated copies of digital records shall be provided to the commission upon
21	request.
22	(d) Multiple recordings shall be made to avoid any loss of images in the event of a
23	hardware failure.
24	(e) A recording library log, or comparable alternative procedure approved by the
25	commission, shall be maintained to demonstrate compliance with the storage, identification, and
26	retention standards required in this section.
27	(f) All recordings may be destroyed after a period of 90 days.
28	24 New Paragraph; Surveillance. Amend RSA 284:12 by inserting after paragraph X the
29	following new paragraph:
30	XI. Surveillance regulations pursuant to RSA 287-D:2-e.
31	25 New Paragraph; Racing and Charitable Gaming Commission; Authorization of Electronic
32	Gaming. Amend RSA 284:6-a by inserting after paragraph V the following new paragraph:
33	VI. The racing and charitable gaming commission shall not authorize the use of any
34	electronic gaming device in connection with the acceptance of wagers on running or harness horse
35	racing, whether live or simulcast, or simulcast dog racing, the type of which was not in use prior to
36	January 1, 2011, unless specific authorization for such electronic gaming device is enacted by the
37	general court. Electronic gaming devices shall mean and include all electro-mechanical instruments

## Amendment to HB 348-FN - Page 9 -

1 and devices used for the purposes of gaming, other than wagering on live or simulcast horse racing  $\mathbf{2}$ or simulcast dog racing, whether in physical presence or through the Internet, and such shall include video slot machines and other gambling devices which function or are designed to function to 3 4 emulate a video slot machine or historic racing machine. This section shall not be interpreted to 5 prohibit licensees under RSA 284 from replacing equipment used in the conduct of wagering on live 6 or simulcast horse racing or simulcast dog racing, which type of equipment was in service prior to  $\overline{7}$ January 1, 2011 with updated or new equipment which are the functional equivalent of the 8 machines which are being replaced. This section shall not be interpreted as prohibiting licensees 9 from accepting account wagers in compliance with applicable rules and regulations.

10 26 New Paragraph; Lottery Commission; Authorization of Electronic Gaming. Amend RSA 11 284:21-h by inserting after paragraph V the following new paragraph:

VI. The commission shall not authorize the use of any electronic gaming device in any game, 12 lottery or other offering which was not in use by the commission on or before January 1, 2011, unless 13 14 specific authorization for such electronic gaming device is enacted by the general court. Electronic 15 gaming devices shall mean and include all electro-mechanical instruments and device used for the 16 purpose of gaming, whether in physical presence or through the Internet, and shall include video slot 17 machines and other gambling devices which function or are designed to emulate a video slot machine 18 or other gambling machine, historic racing machine, and computer technology to reveal instant 19 ticket winners. This section shall not be interpreted to prohibit the commission from replacing 20offerings, games, or equipment which were in service prior to January 1, 2011 with new offerings.  $\mathbf{21}$ games or equipment which are the functional equivalent of those offerings, games or equipment  $\mathbf{22}$ which are being replaced.

 $\mathbf{23}$ 

27 Racing and Charitable Gaming Commission; Lucky 7; Authorization of Electronic Gaming. 24 RSA 287-E:21, III-a is repealed and reenacted to read as follows:

 $\mathbf{25}$ III-a. Lucky 7 tickets may be sold by dispenser devices approved by the commission and  $\mathbf{26}$ located at the regular meeting place of, or at a facility owned, leased, or utilized by, the licensee for 27its activities. The commission may authorize electronic lucky 7 ticket dispenser devices so long as those devices have been certified by a testing laboratory, authorized and approved by the  $\mathbf{28}$ 29commission, as meeting the following criteria: communication with a server to obtain the next 30 available ticket in a finite game set; offer only the game approved by the commission; assure that 31 each game set is totally exhausted; possess the ability to retain accounting information in the event 32of a power failure; have the ability to accept \$1, \$5, \$10 and \$20 bills; have individual programmable 33 ticket values; contain a tamper-proof money receptacle; dispense a paper ticket; dispense a 34 redemption certificate and an electronically produced lucky 7 ticket that comply with commission 35 rules; have a distinctive serial number; and have system servers that interface with the 36 manufacturer's secure website database that is capable of tracking each charity location, vendor, 37 terminal game form, game set, ticket number and time of sale for each ticket purchased.

1 28 Effective Date.

- 2 I. Sections 1 through 22 and sections 25 through 27 of this act shall take effect 60 days after
- 3 its passage.

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- II. Section 23 of this act shall take effect January 1, 2012.
- III. The remainder of this act shall take effect upon its passage.

2011-1388s

## AMENDED ANALYSIS

This bill:

I. Defines game operator employers.

II. Requires that game operators pay charities participating in charitable gaming no later than 15 business days following a game date.

III. Raises the amount of bond required for conducting games of chance.

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IV. Requires charitable organizations to collect certain fees on lucky 7 deals and pay them to the racing and charitable gaming commission.

V. Allows private campgrounds and hotels to conduct certain bingo games without a license.

VI. Prohibits the racing and charitable gaming commission and the lottery commission from authorizing new gambling machines or devices in the state.



Senate Ways and Means April 19, 2011 2011-1490s 08/10

## Amendment to HB 348-FN

- Amend the title of the bill by replacing it with the following: 1
- relative to games of chance and prohibiting the racing and charitable gaming 3 AN ACT 4 commission and the lottery commission from authorizing new gambling machines or devices. 5

7 Amend the bill by replacing all after the enacting clause with the following:

1 Unclaimed Ticket Vouchers. Amend RSA 284:31 to read as follows:

Unclaimed Ticket Money. On or before January 31 of each year every person, 10 284:31 association, or corporation conducting a race or race meet, whether live racing or simulcast racing, 11 12 hereunder shall pay to the state treasurer all moneys collected during the previous year of parimutuel pool tickets and vouchers which have not been redeemed. The books or records of said 13 person, association, or corporation, which clearly show the tickets entitled to reimbursement in any 14 given race, live or simulcast, shall be forwarded to the commission. Such moneys shall become a 15 part of the general funds of the state. The state treasurer shall pay the amount due on any ticket or 16 17 voucher to the holder thereof from funds not otherwise appropriated upon an order from the commission. Pari-mutuel tickets and vouchers which remain unclaimed after 11 months shall not 18 be paid. Vouchers shall be remitted to the state treasurer on January 31 of the calendar 19 year, 24 months after the year of the unclaimed voucher. 20

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2 Definitions; Game Operator. Amend RSA 287-D:1, V to read as follows:

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V. "Game operator" means:

(a) "Primary game operator" which means any consultant or any person other than a 23 bona fide member of the charitable organization, involved in conducting, managing, supervising, 24 directing, or running the games of chance; or 25

26

(b) "Secondary game operator" which means any person other than a bona fide member  $\mathbf{27}$ of the charitable organization, involved in dealing, running a roulette wheel, [or] handling chips, or 28 providing accounting services or security functions.

29 (c) "Game operator employer" means a primary game operator or a business 30 entity who employs, supervises, and controls game operators and who is hired by a 31 charitable organization to operate games of chance on its behalf. The owner of 10 percent 32 or more of the entity, partner, managing member, or chief executive of a business entity 33 who serves as a game operator employer must be licensed as a primary game operator.

1 3 Operation of Games of Chance; Game Operators. Amend RSA 287-D:2-b, I(d) to read as 2 follows:

3 (d) Notwithstanding subparagraph (a), all charitable organizations that conduct games 4 of chance for charitable purposes may employ, by means of a written agreement, a [primary] game 5 operator employer or a primary game operator licensed under RSA 287-D:2-c to operate games of 6 chance on their behalf.

4 Operation of Games of Chance; Game Operators. Amend RSA 287-D:2-d, III to read as

7

follows: 8

III. An applicant for a primary game operator license under RSA 287-D:2-c shall apply to the 9 10 racing and charitable gaming commission, and if the applicant meets all other requirements of this 11 chapter and pays the fee established by the racing and charitable gaming commission in rules 12 adopted pursuant to RSA 541-A, a license shall be issued. A primary game operator license issued 13 under RSA 287-D:2-c shall expire on December 31. The racing and charitable gaming commission 14 shall notify the attorney general and police chief of any city or town where games of chance are held 15 of any applications approved. RSA 7:28-c shall not apply to game operator licensees subject to this 16 chapter. An applicant for a secondary game operator license under RSA 287-D:2-c shall apply to the 17 racing and charitable gaming commission, and if the applicant meets all other requirements of this 18 chapter and pays the fee established by the racing and charitable gaming commission in rules 19 adopted pursuant to RSA 541-A, which shall not exceed \$45, a license shall be issued. A secondary 20 game operator license issued under RSA 284-D:2-c shall expire on the last day of the month 21 of the licensee's birthday.

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5 Operation of Games of Chance; Game Operators. Amend RSA 287-D:2-d, VI to read as follows:  $\mathbf{23}$ VI. Any license issued under RSA 287-D:2-a or RSA 287-D:2-c shall not be transferable and  $\mathbf{24}$ the fees for the license shall not be refunded except for good cause shown as specified in rules  $\mathbf{25}$ adopted by the racing and charitable gaming commission. Nothing in this section shall prevent 26 a licensee from working for different licensed entities. A licensee who works for more than  $\mathbf{27}$ one game operator employer during the licensed period shall have a separate badge for  $\mathbf{28}$ each game operator employer and pay a separate fee for each badge.

29

6 Bond; Game Operators. Amend RSA 287-D:2-b, VIII to read as follows:

30 VIII.(a) On game dates where the charitable organization operates the games, the charitable 31 organization shall deposit cash and proceeds from a game of chance into the account required by 32 RSA 287-D:2-a, VII(e). All expenses, including [prizes of more than \$500] prizes of \$500 or more 33 and equipment and hall rental fees shall be paid by check from the account required by RSA 287-34 D:2-a, VII(e). The treasurer of the charitable organization shall document all prizes awarded as 35 prescribed in rules adopted by the racing and charitable gaming commission.

36 (b) On game dates where the licensed game operator operates the games, the licensed 37 game operator shall deposit cash and proceeds from a game of chance into the account required by

## Amendment to HB 348-FN - Page 3 -

1 RSA 287-D:2-c, VI. All expenses, including [prizes of more than \$500 and] equipment and hall rental 2 fees shall be paid by check or electronic fund transfers from the account established in RSA 287-3 D:2-c, VI. The licensed game operator shall document all prizes awarded as prescribed in rules 4 adopted by the racing and charitable gaming commission. Prizes of \$500 or more shall be paid 5 by check from the account established in RSA 287-D:2-c, VI.

6

7 Bond; Game Operators. Amend RSA 287-D:2-c, V to read as follows:

7 V. Prior to conducting any games of chance, the game operator or the game operator's 8 employer shall submit a bond for each location where the game operator is conducting games of 9 chance, conditioned upon the game operator running games of chance in conformity with this 10 chapter and with the rules and regulations prescribed by the racing and charitable gaming 11 commission, in the amount of up to [\$300,000] \$500,000 but not less than \$25,000 to the racing and charitable gaming commission with the application form. The amount of the bond in excess 1213 of \$25,000 established for each licensee shall be based on that licensee's normal 14 outstanding obligations of charity payments and state taxes.

15 8 New Paragraph; Licensing of Game Operators. Amend RSA 287-D:2-c by inserting after
16 paragraph VII the following new paragraph:

VIII. Unless a provision to the contrary is part of a written agreement in place prior to the commencement of a game date between the charitable organization and the game operator or game operator employer, all moneys due to the charitable organization shall be paid over to the organization no later than 5 business days following the date on which a game was conducted. Notwithstanding the provisions of any agreement with the charitable organization, the game operator or game operator employer shall pay over all moneys due to the charitable organization no later than 15 business days following a game date.

24

9 Wagering; Game Operators. Amend RSA 287-D:3, VII to read as follows:

VII. Unless a charitable organization rents a facility from a [primary] game operator 25 employer or a primary game operator licensed under RSA 287-D:2-c, the charitable organization 26  $\mathbf{27}$ shall only rent a facility by means of a fixed rental payment. The fixed rental payment shall not be 28 based on a percentage of what the charitable organization receives from the game of chance and it 29 shall reflect fair rental value of the property for any use not just as a place to hold a game of chance. 30 If a charitable organization rents a facility from a licensed game operator under RSA 287-D:2-c, the charitable organization shall retain no less than 35 percent of the gross revenues from any games of 31 32chance minus any prizes paid in accordance with RSA 287-D:3, VIII. Any rental agreement entered into by the charitable organization shall be submitted with the charitable organization's license 33 34 application for review by the racing and charitable gaming commission. Under no circumstances shall a charitable organization sustain any loss from games of chance, such that its share of the 35 36 gross revenues minus any prizes paid is less than zero dollars, during a license period with a single 37 game operator.

## Amendment to HB 348-FN - Page 4 -

10 Wagering; Game Operators. Amend RSA 287-D:5, I to read as follows:

I. A charitable organization [er], a licensed [primary] game operator employer, or a primary game operator under contract to conduct games of chance on behalf of a charitable organization and designated by the charitable organization to be responsible for submitting financial reports shall submit a complete financial report for all game dates licensed under RSA 287-D:2 and RSA 287-D:2-a to the racing and charitable gaming commission on forms approved by the racing and charitable gaming commission within 15 days of the end of each month during which a game of chance was held.

9

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11 Operation of Bingo Games; Penalty Added. Amend RSA 287-E:7, XVI to read as follows:

10 XVI. In not more than one game conducted in accordance with [RSA-287-E:7] paragraph 11 XIII, a carry-over, cover-all game may be run with the prize money rolled over to the successive 12 game dates in the event that there is no winner on the original or preceding game dates. Notwithstanding any provision of law to the contrary, the prize money may accumulate until there is 13 14 a winner. The prize shall be awarded to any winner covering all 24 numbers on the card in less than 50 numbers, or a greater number if so designated prior to the game. If there is no winner on a given 15 game date, a pre-designated consolation prize shall be awarded to the game winner who first 16 17 achieves cover-all. The balance of the [monies] moneys collected shall be carried over to subsequent game dates until there is a winner. Any person who purposely, knowingly, or recklessly 18 deprives a charitable organization of any of its moneys collected from bingo or lucky 7 or 19 any person who purposely, knowingly, or recklessly deprives players of any prizes collected 20 21 from bingo or lucky 7, shall be guilty of a class A felony.

12 Reference Change; Financial Reports and Inspection Required. Amend RSA 287-E:9, I to read as follows:

I. A charitable organization which has been licensed to conduct bingo games shall submit a complete financial report to the commission for each license issued under RSA 287-E:6 within 15 days after the expiration of each license; provided, however, a complete monthly financial report shall be submitted in a timely fashion to the commission for each month covered by a license issued under [RSA-287-E:6, I-a] RSA 287-E:6, II.

13 Reference Change; Financial Reports and Inspection Required. Amend RSA 287-E:9, IV to
 read as follows:

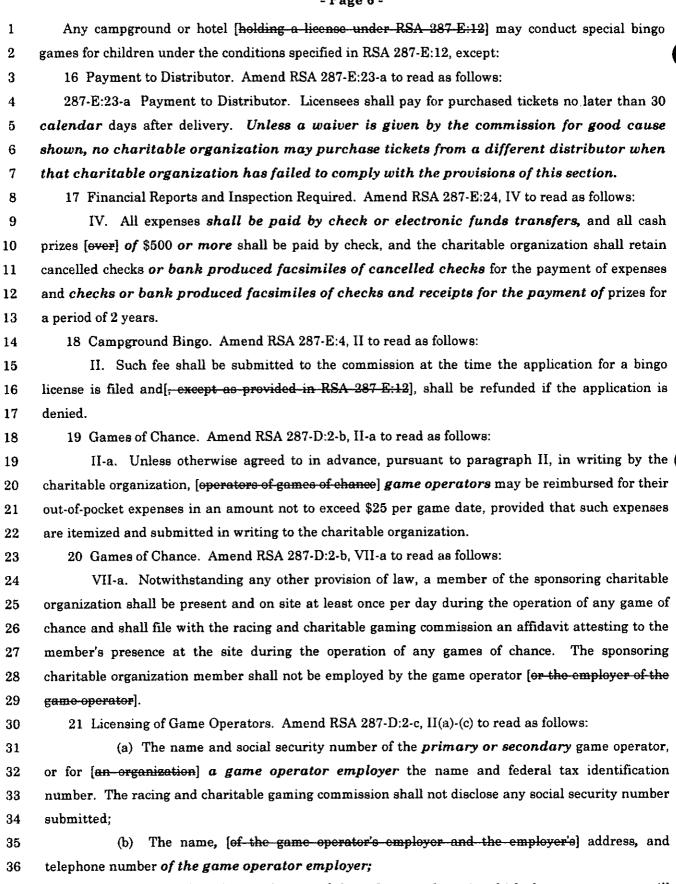
IV. All charitable organizations licensed under this chapter shall maintain a separate checking account for the deposit and disbursement of all income relating to bingo and lucky 7, except cash prizes awarded at the games. All expenses shall be paid by check, [and-all-prizes of \$500 or more shall be paid by check] or electronic funds transfers. All prizes of \$500 or more shall be paid by check. There shall be no commingling of bingo and lucky 7 funds with other funds of the charitable organization. The organization shall retain all cancelled checks for the payment of expenses and prizes for at least 2 years. The organization may cash checks which it issues.

## Amendment to HB 348-FN - Page 5 -



14 Campground Bingo. Amend RSA 287-E:12 to read as follows: 1 2 287-E:12 Bingo [License] for Private Campgrounds and Hotels. Any private campground or 3 hotel may [apply to the commission for a special campground or hotel bingo license. Licenses may be 4 granted under the following conditions] conduct bingo games provided: 5 [I. The bingo license application fee shall be \$25 per year and shall be nonrefundable. 6 II. The provisions of RSA 287 E:6, IV and RSA 287 E:7, IV and VI relating to bingo licenses 7 and the operation of games for charitable organizations shall also apply to licenses issued under this 8 section. 9 **HH.**] *I*. The price to be paid for a single card or play under the license shall be \$.10. 10 [IV. A license shall permit no more than 2 game dates of bingo in any one calendar week and 11 shall be issued on an annual basis. 12 V-1 II. All revenues received from the sale of bingo cards in any game or series of games on 13 any one calendar day shall be paid out to the players. The total value of all prizes, tokens, or awards used, given, offered, or awarded in connection with any game or series of games in any calendar day 14 15 shall not exceed \$500.  $[V_{\rm h}]$  III. Games shall be operated only by persons on the staff of the campground or hotel 16 [holding the license under this section]. Such staff shall operate the games without compensation 17 18 from the bingo revenues. [<del>VII.</del>] IV. The games of bingo shall be open only to persons 18 years of age or older who are 19 20 bona fide guests at the campground or hotel. 21 [VIII. Licenses shall be granted only to campgrounds or hotels in cities or towns which have 22 approved bingo under RSA 287-E. 23 IX.] V. No campground or hotel shall act as an agent for operating games of bingo when it is unlawful for such campground's or hotel's principal to operate bingo games.  $\mathbf{24}$ 25 [X.-The campground or hotel holding the license issued under this section shall keep records 26 and submit a report as required for agricultural fairs under RSA 287-E:10, VIII, except that the 27 report shall be submitted to the commission within 15 days of the expiration of the bingo license. 28 The report shall-include the names and addresses of persons from whom bingo equipment was 29 rented or leased. 30 XI.] VI. The campground or hotel shall have been in existence for at least 2 years in the city 31 or town in which the bingo games are to be conducted. 32 [XII. The campground or hotel shall be in compliance at the time of application with all 33 applicable state and local requirements for the operation of private campgrounds or hotels. 34 XIII.] VII. The campground or hotel shall maintain a current list of bona fide guests. 35 [XIV-] VIII. The campground or hotel shall not have been established solely for the purpose 36 of operating bingo games. 37 15 Campground Bingo. Amend the introductory paragraph RSA 287-E:13 to read as follows:

## Amendment to HB 348-FN - Page 6 -



37

(c) A list of the known [games of chance] game dates in which the game operator will

participate including the [date] name of the game, the location of the game, and the charitable
 organization holding the game;

22 Licensing of Game Operators. Amend RSA 287-D:2-c, VI to read as follows:

4 VI. To be eligible for licensure under this chapter, a licensed game operator employer or 5 primary game operator shall maintain an account at a financial institution with at least one 6 branch.

7 23 New Section; Surveillance Requirements. Amend RSA 287-D by inserting after section 2-d
8 the following new section:

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287-D:2-e. Surveillance Requirements.

10 I.(a) A game operator employer conducting games of chance at a facility that is required to be licensed pursuant to RSA 287-D:2-a, VI shall conduct and record, at the expense of the game 11 12 operator employer, video surveillance that allows clear, unobstructed views of cashier transactions. table games where cash wagers are accepted, and the counting of money from storage boxes removed 13 14 from a gaming table. A game operator employer which is authorized to conduct games of chance for no more than 50 calendar days in a calendar year at a particular location may petition the 15 16 commission to adopt an alternate method of oversight of cash transactions in lieu of the surveillance 17 requirements in this section. Upon approval of any such alternative method of oversight of cash transactions by the commission, the game operator employer may conduct games of chance at such 18 19 location for not more than 50 calendar days at the particular location in a calendar year. The game 20 operator employer shall be responsible for all costs and expenses associated with implementation of 21 the alternative method of oversight as approved by the commission.

(b) Surveillance shall include the customer, the employee, and the surrounding area and shall monitor and record with sufficient clarity to identify employees and customers in all areas where currency is counted, verified, sorted, stacked, or stored, including monitoring and recording all table game drop boxes, safes, and counting surfaces, and all cashier personnel. The counting surface area shall be continuously monitored and recorded by a dedicated camera during the count.

(c) Access to the surveillance equipment shall be limited to management personnel,
designated employees, state regulators, and other persons authorized in accordance with the
surveillance policy.

30 (d) The game operator employer shall ensure at least one person at the facility while
31 games of chance are being conducted is trained in the use of the equipment, knowledge of the games,
32 and all applicable regulations.

(e) Each camera required by these regulations shall be installed in a manner that will
 prevent it from being readily obstructed, tampered with, or disabled by customers or employees.

(f) Reasonable effort shall be made to repair each malfunction of surveillance system
equipment required by the standards in this section within 72 hours after the malfunction is
discovered.



## Amendment to HB 348-FN - Page 8 -

(g) In the event of a dedicated camera malfunction, the gaming operator or the 1 2 surveillance person shall immediately provide alternative camera coverage or other security 3 measures. 4 II. The surveillance system, at a minimum, shall: 5 (a) Have an auxiliary or backup power source shall be available and capable of 6 providing immediate restoration of power to all elements of the surveillance system. 7 (b) Include date and time generators that possess the capability to display the date and 8 time of recorded events on all digital recordings. The displayed date and time shall not significantly 9 obstruct the recorded view. 10 (c) Utilize cameras that possess the capability of having its picture displayed on a 11 monitor and recorded. 12 (d) Include sufficient numbers of monitors and recorders to simultaneously display and record multiple table games and count room activities, and record the views of all dedicated cameras 13 14 and motion-activated cameras. 15 (e) Record at 30 frames per second or its equivalent. 16 III.(a) All digital records of coverage provided by cameras required by the standards in this 17 section shall be retained for a minimum of 30 days. 18 (b) Recordings involving suspected or confirmed gaming crimes, unlawful activity, or 19 actions of investigations by management personnel, shall be retained for a minimum of 90 days. 20 (c) Duly authenticated copies of digital records shall be provided to the commission upon 21 request.  $\mathbf{22}$ (d) Multiple recordings shall be made to avoid any loss of images in the event of a 23 hardware failure. 24 (e) A recording library log, or comparable alternative procedure approved by the 25 commission, shall be maintained to demonstrate compliance with the storage, identification, and 26 retention standards required in this section. 27 (f) All recordings may be destroyed after a period of 90 days. 28 24 New Paragraph; Surveillance. Amend RSA 284:12 by inserting after paragraph X the 29 following new paragraph: 30 XI. Surveillance regulations pursuant to RSA 287-D:2-e. 31 25 New Paragraph; Racing and Charitable Gaming Commission; Authorization of Electronic 32 Gaming. Amend RSA 284:6-a by inserting after paragraph V the following new paragraph: 33 VI. The racing and charitable gaming commission shall not authorize the use of any 34 electronic gaming device in connection with the acceptance of wagers on running or harness horse 35 racing, whether live or simulcast, or simulcast dog racing, the type of which was not in use prior to January 1, 2011, unless specific authorization for such electronic gaming device is enacted by the 36 37 general court. Electronic gaming devices shall mean and include all electro-mechanical instruments



and devices used for the purposes of gaming, other than wagering on live or simulcast horse racing 1 2 or simulcast dog racing, whether in physical presence or through the Internet, and such shall include video slot machines and other gambling devices which function or are designed to function to 3 emulate a video slot machine or historic racing machine. This section shall not be interpreted to 4 prohibit licensees under RSA 284 from replacing equipment used in the conduct of wagering on live 5 or simulcast horse racing or simulcast dog racing, which type of equipment was in service prior to 6 7 January 1, 2011 with updated or new equipment which are the functional equivalent of the machines which are being replaced. This section shall not be interpreted as prohibiting licensees 8 from accepting account wagers in compliance with applicable rules and regulations. 9

26 New Paragraph; Lottery Commission; Authorization of Electronic Gaming. Amend RSA
284:21-h by inserting after paragraph V the following new paragraph:

12VI. The commission shall not authorize the use of any electronic gaming device in any game, lottery or other offering which was not in use by the commission on or before January 1, 2011, unless 13 specific authorization for such electronic gaming device is enacted by the general court. Electronic 14gaming devices shall mean and include all electro-mechanical instruments and device used for the 15 purpose of gaming, whether in physical presence or through the Internet, and shall include video slot 16 machines and other gambling devices which function or are designed to emulate a video slot machine 17 or other gambling machine, historic racing machine, and computer technology to reveal instant 18 ticket winners. This section shall not be interpreted to prohibit the commission from replacing 19 offerings, games, or equipment which were in service prior to January 1, 2011 with new offerings, 20 games or equipment which are the functional equivalent of those offerings, games or equipment  $\mathbf{21}$  $\mathbf{22}$ which are being replaced.

27 Racing and Charitable Gaming Commission; Lucky 7; Authorization of Electronic Gaming.
 24 RSA 287-E:21, III-a is repealed and reenacted to read as follows:

III-a. Lucky 7 tickets may be sold by dispenser devices approved by the commission and 25 located at the regular meeting place of, or at a facility owned, leased, or utilized by, the licensee for 26 its activities. The commission may authorize electronic lucky 7 ticket dispenser devices so long as  $\mathbf{27}$ those devices have been certified by a testing laboratory, authorized and approved by the 28 commission, as meeting the following criteria: communication with a server to obtain the next 29 available ticket in a finite game set; offer only the game approved by the commission; assure that 30 each game set is totally exhausted; possess the ability to retain accounting information in the event  $\mathbf{31}$ of a power failure; have the ability to accept \$1, \$5, \$10 and \$20 bills; have individual programmable 32 ticket values; contain a tamper-proof money receptacle; dispense a paper ticket; dispense a 33 redemption certificate and an electronically produced lucky 7 ticket that comply with commission 34 rules; have a distinctive serial number; and have system servers that interface with the 35 manufacturer's secure website database that is capable of tracking each charity location, vendor, 36 terminal game form, game set, ticket number and time of sale for each ticket purchased. 37



#### Amendment to HB 348-FN - Page 10 -

1 28 Effective Date.

- 2 I. Sections 1 through 22 and sections 25 through 27 of this act shall take effect 60 days after
- 3 its passage.

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- II. Section 23 of this act shall take effect January 1, 2012.
- III. The remainder of this act shall take effect upon its passage.



2011-1490s

#### AMENDED ANALYSIS

This bill:

I. Defines game operator employers.

II. Requires that game operators pay charities participating in charitable gaming no later than 15 business days following a game date.

III. Raises the amount of bond required for conducting games of chance.

IV. Requires charitable organizations to collect certain fees on lucky 7 deals and pay them to the racing and charitable gaming commission.

V. Allows private campgrounds and hotels to conduct certain bingo games without a license.

VI. Prohibits the racing and charitable gaming commission and the lottery commission from authorizing new gambling machines or devices in the state.

# Committee Minutes

## SENATE CALENDAR NOTICE WAYS AND MEANS

Senator Bob Odell Chairman Senator Jim Luther V Chairman Senator David Boutin Senator Lou D'Allesandro Senator Chuck Morse Senator Jim Rausch

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For Use by Senate Clerk's Office ONLY					
Bill Status					
Docket					
Calendar					
Proof: Calendar Bill Status					

## Date: March 30, 2011

### HEARINGS

	<u></u> /]	luesday	4/5/2011	
WAYS AI	ND MEANS		SH 100	2:30 PM
(Name of	Committee)		(Place)	(Time)
		EXECUTIVE SES	SION MAY FOLLOW	
2:30 PM	HB187-FN-A	-	rd periods for the business entern	orise tax credit against the business
2:45 PM HB557-FN-A		for reasonable compensation		o the business profits tax deduction nerships, limited liability companies,
3:00 PM	and sole proprietorships. I HB348-FN transferring the duties of the racing and charitable gaming concentration commission and abolishing the racing and charitable gaming devices without statutory authorization.			
Sponsor				
HB187-J Rep. Frank Rep. Larry	k Sapareto / Emerton	Rep. Kenneth Weyler	Rep. Norman Major	Rep. John Graham
HB557-1 Rep. Frank Rep. Paul	k Sapareto Mirski	Rep. Kenneth Weyler Sen. John Gallus	Rep. Norman Major Sen. John Barnes, Jr.	Rep. Gene Chandler
HB348-FN Rep. Neal Kurk		Rep. David Hess		

Sonja Caldwell 271-2117

Sen. Bob Odell

Chairman

# Ways and Means Committee

# **Hearing Report**

To: Members of the Senate

From: Sonja Caldwell Legislative Aide

**Re: HB348-FN** – transferring the duties of the racing and charitable gaming commission to the lottery commission and abolishing the racing and charitable gaming commission, and prohibiting new electronic gaming devices without statutory authorization.

Hearing date:	April 4, 2011
Members present:	Sen. Odell, Sen. Luther, Sen. D'Allesandro, Sen. Morse, Sen. Rausch
Members absent:	Sen. Boutin

Sponsor(s): Rep. Kurk, Hills 7; Rep. Hess, Merr 9

**What the bill does:** This bill eliminates the racing and charitable gaming commission and transfers all of its duties, personnel, rules, and budget to the state lottery commission. The bill also prohibits the use of new electronic gaming devices in the state without specific statutory authorization.

Who supports the bill: Sen. Ray White, Colin Daniels (Self), Ellen Kolb (Cornerstone Action), Rep. David Hess, Henry Veilleux (Granite State Coalition Against Expanded Gambling)

Who opposes the bill: Fran Wendelboe (NH Charity Fundraisers LLC), Jay Ward (SEA), Rep. L. Perkins, Ed Callahan (Rockingham Park), Dan Callaghan (Rockingham Venture Inc. Yankee Greyhound Racing Inc.), Rep. Ken Weyler, Lynn Presby (Racing and Gaming Comm.), George B. Roberts (Yankee Racing), Rep. Edmond Gionet,

**Taking no position:** Ted Connors (CHM Racing and Gaming), Charles McIntyre (Lottery Comm.), Susan Geiger (Technology Exclusive), Rep. Timothy Horrigan

### Summary of testimony received:

**Rep Hess** – this bill transfers the duties of the Racing and Charitable Gaming Commission to the Lottery Commission. It also prohibits the use of new electronic gaming devices in the state without specific statutory authorization.



He said the objective is to consolidate functions into the Lottery Commission for cost savings. He said the fiscal note suggests the only cost savings will be from the Racing and Charitable Gaming commissioners. He thinks that assumption is not right. Given the size of the Racing and Charitable Gaming Commission and the revenues it receives, it doesn't make sense to have a stand alone entity. He provided a handout, which he said portrays inefficiencies.

Senator Odell said he thinks the comparisons Rep. Hess made in his handout are misleading as the Legislature determines what the tax will be on charitable gaming. He said that's our fault and has nothing to do with efficiencies. The lottery commission has a different kind of businesses and you cant compare the two. You're not comparing equal entities.

Senator Luther asked for more detail on how he sees the efficiencies coming about. Rep. Hess said we should be able to consolidate functions in terms of locations, positions, and bookkeeping functions.

Senator Rausch asked what the intent was of the language at top of page 4. Rep. Hess said the intent was that no new game or no game which increased speed or repetition of a gambling event could become effective without statutory approval.

Senator White introduced Colin Daniels. He said he is an employee of the Racing and Charitable Gaming Commission and has a good perspective on the agency.

**Colin Daniels** said he was a state police gaming enforcement investigator. He has been in this position since 2001. In 2005, he was part of the state police transfer to the Parimutuel Commission. He noted that he is speaking for himself today, not his agency. He said he has seen things he thinks are concerning. He said the agency is very lax in enforcement. Instances of charities being taken advantage of still occur. He supports the bill because he thinks it will help enforcement yet he says he thinks enforcement should not go to the Lottery Commission. He thinks it should go to state police or liquor enforcement. He thinks his agency is fat when it comes to operations.

Senator Odell said he is suggesting his agency is lax in enforcement. He asked Mr. Daniels if he has reported these instances to his agency or to the attorney general if no action was taken.

Mr. Daniels responded that his agency has pushed things off to other agencies that don't look at them quickly enough.

Senator Odell asked him if he was prepared to tell us the particulars of his claims, like what charities have been taken advantage of and the dollar amounts. Mr. Daniels said no.

Senator Rausch asked for clarity on his statement that he favors moving Racing and Charitable Gaming into the Lottery Commission but then said he favors enforcement being taken from Lottery and put into State Police or Liquor enforcement. Mr. Daniels said that was just a suggestion. Senator Rausch asked if was saying we still need another agency for enforcement. Mr. Daniels said he doesn't know the lottery directors background.

#### Rep. Weyler - opposed

He said he was forbidden to oppose this bill on the House floor. He referred to the bill as a mixture of oil and water. He said the Lottery Commission convinced the Racing and Charitable Gaming Commission to take over Bingo and Lucky 7, which they didn't want to do. He said audits have shown no problems. What the bill proposes is very little savings. This bill would disrupt operations of the two agencies. The product marketed by the Lottery Commission is information technology intensive, whereas the Charitable Gaming Commission is human intensive. This is mixing a regulator with a marketer. He likened it to mixing the chamber of commerce with the police department. He said he is also opposed to the unnecessary prohibition on gaming devices. He said it was put in just to show a bias against gambling by his two friends, who he happens to disagree with on the subject of gaming.

**Ted Connors** - Chairman of Racing and Charitable Gaming Commission Opposed to the bill as presently written. He said this would throw 6 commissioners with 100 years of experience out the window. This needs more study. He said the Lottery Commission never had charitable gaming. It came out of the Attorney General's Office when they took it over.

#### Ed Callahan - Rockingham Park

He files 6 applications annually with the racing commission. He is opposed to the bill. He said it's possible it could be fixed. The language on the electronic gaming and reducing the amount of time a wager can be made concerns him as they use a vendor to provide ticketing machines and if they come out with a quicker machine, they would have to come to the legislature to do that. Their industry has been so regulated by legislature over years they are no longer competitive.

**Dan Callaghan** – said he has no clue what lines 1-4 on pg 4 mean and it could prevent a variety of pari-mutuel wagering that is currently allowed in the state. People have forgotten pari-mutuel is part of the Racing and Charitable Gaming Commission that would go over to the Lottery Commission. These are good corporate citizens who have provided jobs and to put burdens (that would come with the transfer) on a business today doesn't make sense. Bingo licenses are due on July 1, which is when this bill would require the transfer to happen.

**Lynn Presby** - Racing and Charitable Gaming Commissioner - opposed. He has been on the commission for the last 12 years. He is a retired Director of State Police. He said he is not opposed to studying this further but he is opposed to the bill as written. They take regulation very seriously. It's a higher priority in their agency than it would be with State Police where they have so many other responsibilities. The commission meets regularly and they've had no information that things aren't going as they should be. Susan Geiger - Orr and Reno - Technology Exclusive Inc She is concerned about the prohibition of use of Technology Exclusive machines, which

are more modern machines that produce Lucky 7 tickets,. The machines can be remotely audited and are very secure.

**Henry Veillieux** - Granite State Coalition Against Expanded Gambling No position on the part of the bill that merges the commissions. They are speaking to the section on new electronic gaming machines. They think its important for the legislature to retain that authority.

### Fran Wendelboe - opposed - NH Charitable Fundraising LLC

She said the Commissioners are appointed positions with terms and we might have to pay them so there might not be any savings. She pointed to Pg. 5 line 12 and said the language doesn't eliminate any positions. She said the location of the Racing and Charitable Gaming Commission is leased and the state will have to pay the lease whether they are there or not. She thinks a study of a future transfer might be good idea.

# Speakers

# SENATE WAYS & MEANS COMMITTEE

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Date	4/5/11	·····	Time 3:00 p.m.	Public He	aring on	HB348-FN	
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# SENATE WAYS & MEANS COMMITTEE

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Date	4/5/11		Time 3:	00 p.m.	Public He	aring on	HB348-FN
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Testimony

1cBUit HB 348 RACING the Chambol Soming (ompaission Call in Millions int-Fisca 13 Yane 2011Cast 2012 (A 2013(est) Ravena Troom 699 2.300 2.300 2700 (本 1) FNETAJEC 1.84 1.87/ 1.965 1.972 8 439 8.529 41 \$ ,234 Met intrevue do State. Patio of exponses \$2,67781 to net weaker 4.2461 6.46 to 1 3,53 6 ] From the cose Resolution 11: Roverne Streaks 12 From the Governor's Executive : Grances BUDGET Survey Rep. David Willass - bring 18, 2011

34 Milliono FISCA! YOAR 2010 2013(00) 204200 Revencies gonara ted 66.184 66.200 44,20 67.400 7.277 7498 7,895 8,718 Exponses 58,702 57.466 58.702 0.15401 80.12401 58,423 59,505 to SATE : Not 8.3 tor 80.3 tog teo do Ratio . BRS N A.S. 1 The states S 54 . 44 a proper and and 

# Voting Sheets

# Senate Ways & Means Committee EXECUTIVE SESSION

					Bill#HBRUX	
Executive	ate: <u>4-5-11</u> session date:	<u>.</u>			use - Room 100 VOTE:	
<u>Made by</u> <u>Senator:</u>	Odell D'Allesandro Luther Boutin Morse Rausch		<u>Seconded</u> by Senator:	Odell D'Allesandro Luther Boutin Morse Rausch		
<u>Committee</u> Senator Od Senator D'A		Present		<u>NO</u>	<u>Reported out by</u>	
Senator Lut		<u>ज</u>				•
Senator Boi	•				· · · · · · · · · · · · · · · · · · ·	
Senator Mo		$\overline{\mathbf{M}}$				
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NOTES:			<b>** • • • • • • • • • • • • • • • • • • </b>		· .	
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## Senate Ways & Means Committee EXECUTIVE SESSION Bill # 43348 Hearing date: Room: State House - Room 100 4-19 Executive session date: VOTE:\_6-0 Motion of: \_\_\_\_\_\_ Made by Odell Seconded Odell D'Allesandro Senator: by Senator: D'Allesandro Luther Luther Boutin Boutin Morse Morse Rausch Rausch <u>YES</u> टि Committee Member <u>Present</u> NO <u>Reported</u> out by enator Odeli Senator D'Allesandro D'Allesandro U Senator Luther IC t Senator Boutin 2 Ū Senator Morse $\overline{\mathbf{U}}$ Senator Raysch \*Amendments: 1388 - Rausch - Morrie 6-0 NOTES: abod Droduct, Lot of Dol revuewed it. replaces definition - makes it broader Doks not authorize electronic gamines? - Dan

# Committee Report

## STATE OF NEW HAMPSHIRE

## SENATE

## **REPORT OF THE COMMITTEE**

Date: April 19, 2011

## THE COMMITTEE ON Ways and Means

to which was referred House Bill 348-FN

AN ACT transferring the duties of the racing and charitable gaming commission to the lottery commission and abolishing the racing and charitable gaming commission, and prohibiting new electronic gaming devices without statutory authorization.

Having considered the same, the committee recommends that the Bill:

### OUGHT TO PASS WITH AMENDMENT

BY A VOTE OF: 6-0

AMENDMENT # 1490s

Senator Lou D'Allesandro For the Committee

Sonja Caldwell 271-2117

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### New Hampshire General Court - Bill Status System

# **Docket of HB348**

Docket Abbreviations

**Bill Title:** (New Title) relative to games of chance and prohibiting the racing and charitable gaming commission and the lottery commission from authorizing new gambling machines or devices.

#### Official Docket of **HB348**:

Date	Body	Description
1/21/2011	Н	Introduced 1/6/2011 and referred to Executive Departments & Administration; HJ 11, PG. 183
2/3/2011	' H	===CANCELLED=== Public Hearing: 2/17/2011 10:00 AM LOB 306
2/3/2011	н	Public Hearing: 2/17/2011 1:30 PM LOB 306
2/24/2011	н	Subcommittee Work Session: 3/1/2011 2:00 PM LOB 306
2/24/2011	Н	Executive Session: 3/2/2011 2:00 PM or 45 mins after House session LOB 306
3/3/2011	H	Majority Committee Report: Ought to Pass with Amendment #0538h for Mar 15 (Vote 9-6; RC); <b>HC 22</b> , PG.553-554
3/3/2011	Η	Proposed Majority Committee Amendment <b>#2011-0538h; HC 23,</b> PG.609
3/3/2011	Н	Minority Committee Report: Inexpedient to Legislate; HC 22, PG.553-554
3/15/2011	H	Special Order to First Order of Business Mar 16 (Rep C.McGuire): MA VV; HJ 26, PG.801
3/16/2011	Ъ	Amendment #0538h Adopted, VV; HJ 28, PG.856
3/16/2011	Н	Ought to Pass with Amendment #0538h: MA DIV 263-69; HJ 28, PG.856
3/23/2011	S	Introduced and Referred to Ways & Means; SJ 11, Pg.191
3/31/2011	S	Hearing: 4/5/11, Room 100, State House, 3:00 p.m.; SC18
4/20/2011	S	Committee Report: Ought to Pass with Amendment <b>#2011-1490s</b> , NT, 4/27/11; <b>SC21</b>
4/27/2011	S	Committee Amendment 1490s, NT, Not Voted On; SJ 14
4/27/2011	S	Sen. Bradley Moved Laid on Table, MA, VV; SJ 14
6/1/2011	S	Sen. Odell Moved Remove From Table, MA, VV; SJ 19, Pg.527
6/1/2011	S	Committee Amendment 1490s, NT, AA, VV; SJ 19, Pg.533
6/1/2011	S	Sen. Groen Floor Amendment <b>#2011-2172s</b> , AA, VV; SJ 19, Pg.535
6/1/2011	S	Ought to Pass with Amendments 1490s, NT, 2172s, MA, VV; OT3rdg; <b>SJ</b> 19, Pg.535
6/1/2011	S	Passed by Third Reading Resolution; SJ 19, Pg.539
6/8/2011	Н	House Non-Concurs with Senate AM 1490s(NT), 2172s and Requests C of C (Rep C.McGuire): MA VV; HJ 51, PG.1714
6/8/2011	Н	Speaker Appoints: Reps Hawkins, C.Vita, C.McGuire, and Hansen; HJ 51, PG.1714
6/8/2011	S	Sen. Odell Accedes to House Request for Committee of Conference, MA, VV
6/9/2011	S	President Appoints: Senators Odell, Groen and D'Allesandro
6/13/2011	Ħ	Conference Committee Meeting: 6/15/2011 1:00 PM LOB 307

http://www.gencourt.state.nh.us/bill\_status/bill\_docket.aspx?lsr=141&sy=2011&sortoptio... 7/14/2011

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	NH Ho	NH Senate
6/22/2011	Н	Enrolled
6/22/2011	S	Enrolled
6/22/2011	н	Enrolled Bill Amendment #2011-2533e Adopted
6/22/2011	S	Enrolled Bill Amendment #2533e Adopted
6/22/2011	н	Conference Committee Report #2490c Adopted, RC 203-155
6/22/2011	5	Conference Committee Report 2490c; Adopted, VV
6/16/2011	S	Conference Committee Report <b>#2011-2490c</b> ; Senate Amendment + New Amendment, Filed
6/16/2011	S	Conferee Change; Senator Boutin Replaces Senator Groen
6/16/2011	Н	Conferee Change: Rep Bowers Replaces Rep C.Vita; HJ 51, PG.1727
6/15/2011	н	Conferee Change: Rep Kurk Replaces Rep K.Hawkins; HJ 51, PG.1727
6/15/2011	Н	Conferee Change: Rep Winter Replaces Rep C.McGuire; HJ 51, PG.1727

# Other Referrals

# **COMMITTEE REPORT FILE INVENTORY**

<u>HB348</u> original referral

**RE-REFERRAL** 

1. THIS INVENTORY IS TO BE SIGNED AND DATED BY THE COMMITTEE AIDE AND PLACED INSIDE THE FOLDER AS THE FIRST ITEM IN THE COMMITTEE FILE.

- **2.** PLACE ALL DOCUMENTS IN THE FOLDER FOLLOWING THE INVENTORY IN THE ORDER LISTED.
- 3. THE DOCUMENTS WHICH HAVE AN "X" BESIDE THEM ARE CONFIRMED AS BEING IN THE FOLDER.
- 4. THE COMPLETED FILE IS THEN DELIVERED TO THE CALENDAR CLERK.

<u>X</u>	DOCKET	(Submit only	the latest do	cket found in [	Bill Status)

**COMMITTEE REPORT** 

**CALENDAR NOTICE** 

**HEARING REPORT** 

PREPARED TESTIMONY AND OTHER SUBMISSIONS HANDED IN AT THE PUBLIC HEARING

**SIGN-UP SHEET(S)** 

ALL AMENDMENTS (passed or not) CONSIDERED BY COMMITTEE:

- X- AMENDMENT #1490s- AMENDMENT #X- AMENDMENT #388s- AMENDMENT #

- FINAL VERSION

ALL AVAILABLE VERSIONS OF THE BILL:XAS INTRODUCEDXAS AMENDED BY THE HOUSE AS AMENDED BY THE SENATE

OTHER (Anything else deemed important but not listed above, such as amended fiscal notes):

**DATE DELIVERED TO SENATE CLERK** 

By:

-22-11

COMMITTEE AIDE