

# LEGISLATIVE COMMITTEE MINUTES

Bill as  
Introduced

HB 665-FN-A-LOCAL - AS INTRODUCED

2013 SESSION

13-0506

08/09

HOUSE BILL

**665-FN-A-LOCAL**

AN ACT

relative to video lottery and table gaming.

SPONSORS:

Rep. Gionet, Graf 5; Rep. R. Walsh, Hills 11; Rep. Weyler, Rock 13; Rep. H. Richardson, Coos 4; Sen. Stiles, Dist 24

COMMITTEE:

Ways and Means

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ANALYSIS

This bill:

I. Allows the construction and operation of 2 destination casinos in the state; one in the White Mountains and one in a county bordering Massachusetts.

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

III. Distributes proceeds of video lottery machines and from table games into the highway fund.

IV. Requires the lottery commission to regulate, license, and enforce the provisions for video lottery and table games operated at a destination casino.

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Explanation:

Matter added to current law appears in ***bold italics***.

Matter removed from current law appears [~~in brackets and struck through~~].

Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Thirteen*

AN ACT relative to video lottery and table gaming.

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

1 1 New Chapter; Video Lottery Machines and Table Games, Amend RSA by inserting after  
2 chapter 284-A the following new chapter:

3 CHAPTER 284-B

4 VIDEO LOTTERY MACHINES AND TABLE GAMES

5 284-B:1. Definitions. In this chapter:

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

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

17 III. "Destination casino" means any applicant licensed by the lottery commission under this  
18 chapter.

19 IV. "Key employee" means any individual who is employed in a director or department head  
20 capacity and who is authorized to make discretionary decisions that regulate video lottery machine and  
21 or table games operations, including the general manager and assistant manager of the operator  
22 licensee or technology provider, director of operations, director of cage and/or credit operations, director  
23 of surveillance, director of marketing, director of management information systems, director of  
24 security, comptroller, and any employee who supervises the operations of these departments or to  
25 whom these department directors or department heads report and such other positions which the  
26 lottery commission shall determine based on detailed analyses of job descriptions as provided in the  
27 internal controls of the licensee. All other gaming employees shall be considered as non-key employees.

28 V. "Net machine income" means all cash or other consideration utilized to play a video  
29 lottery machine at a facility licensee, less all cash or other consideration paid to players of video  
30 lottery machines as winnings. Noncashable promotional credits shall be excluded from the  
31 calculation.

1 VI. "Operator applicant" means the applicant applying for an operator's license to operate  
2 video lottery machines in accordance with this chapter.

3 VII. "Operator's license" means the license issued by the lottery commission to an operator  
4 licensee which allows the operator licensee to possess, conduct, and operate video lottery machines in  
5 accordance with this chapter.

6 VIII. "Operator licensee" means an operator applicant who is issued a license by the lottery  
7 commission to procure and operate video lottery and operate table games.

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

11 X. "Progressive system" means one or more video lottery machines linked to one or more  
12 common progressive jackpots.

13 XI. "Table games" means games authorized by the lottery commission pursuant to RSA 287-H.

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

18 XIII. "Technology provider license" means the license issued by the lottery commission to a  
19 technology provider licensee which allows the technology provider licensee to design, manufacture,  
20 install, distribute, or supply video lottery machines for sale or lease to the operator licensees.

21 XIV. "Technology provider licensee" means a technology provider that is licensed by the  
22 lottery commission.

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

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

35 XVII. "Video lottery" means any lottery conducted with a video lottery machine or linked  
36 video lottery machines with an aggregate progression prize or prizes. Video lottery conducted  
37 pursuant to this chapter shall not be considered a state-run lottery.

1 284-B:2 Video Lottery Oversight and Facility Location Licensure.

2 I. No license shall be issued to any person under this chapter without prior approval of the  
3 lottery commission pursuant to this chapter and RSA 284:21-w. The lottery commission shall only  
4 issue licenses to persons who operate video lottery machines at a destination casino after meeting  
5 the requirements of RSA 284-B:6. The lottery commission shall have the authority to license and  
6 regulate the installation, operation, and conduct of video lottery machines at a destination casino.

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

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

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

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

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

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

21 (f) Establishing standards for licensing under RSA 284-B:6.

22 (g) Establishing standards for reviewing any structure at a destination casino.

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

26 (i) Ensuring that any destination casino seeking to host or operate table games at a  
27 destination casino location has appropriate approvals for table games pursuant to RSA 287-H.

28 III. Pending the adoption of rules under RSA 541-A, the lottery commission shall adopt  
29 interim rules pursuant to RSA 541-A:19 after public hearing and within 90 days after enactment of  
30 this chapter. Such interim rules shall implement the provisions of this chapter, including an  
31 approval process for selecting the provider of the central computer system and a process for  
32 reviewing, selecting, and granting licenses for no more than 2 destination casino, with one in the  
33 White Mountains and one in a county bordering Massachusetts.

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

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

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

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

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

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

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

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

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

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

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

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

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

24 (b) The lottery commission shall keep and maintain a list of all applicants for licenses it  
25 receives under this chapter together with a record of all actions taken with respect to such  
26 applicants. Subject to subparagraphs (d) and (e), a file and record of the actions by the lottery  
27 commission shall be open to public inspection provided, however, that the information regarding any  
28 applicant whose license has been denied, revoked, or not renewed shall be removed from such list  
29 after 5 years from the date of such action.

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

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

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

6 (f) Notice of the contents of any information or data to be released, except to a duly  
7 authorized law enforcement agency pursuant to subparagraph (d) or (e), shall be given to any  
8 applicant or licensee in a manner prescribed by the rules adopted by the lottery commission so that  
9 the applicant or licensee has the opportunity to object to such release.

10 VIII. The lottery commission and the attorney general may from time to time contract for  
11 such financial, economic, or security consultants, and any other technical and professional services  
12 as the lottery commission deems necessary for the discharge of its duties.

13 IX. The lottery commission shall establish standards for reviewing, selecting, and granting  
14 licenses for no more than 2 destination casinos in the state, one of which shall be in the White Mountains  
15 and the other shall be in a county which borders Massachusetts. Applications requesting review and  
16 approval of any destination casino must be received by the lottery commission by July 1, 2014 or no  
17 license shall be granted for any destination casino under this chapter. Standards shall specify the  
18 process for licensure and the criteria which shall be met by applicants shall include:

19 (a) The availability of local resources to support services and amenities necessary to  
20 accommodate projected guest volume in the form of transportation, rooms and meals, utilities, and  
21 law enforcement.

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

23 (c) The character and fitness of the owners of the destination casino.

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

26 (e) A minimum capital investment of \$10,000,000 in the construction or renovation of the  
27 destination casino.

28 (f) An agreement with an operator to operate video lottery at the proposed destination  
29 casino consistent with this chapter.

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

31 X.(a) Construction plans for the destination casinos shall be approved by all appropriate local  
32 and state agencies and all necessary state and local permits shall be obtained before the commencement  
33 of the construction of the destination casinos. The operator of each destination casino shall be selected  
34 according to procedures determined by the lottery commission. The selected operators shall pay a fee of  
35 \$100,000 to the commission to fund construction oversight and initial regulatory oversight. The selected  
36 operator shall apply for necessary construction permits within 6 months of selection by the commission  
37 and shall begin construction within one year of obtaining necessary permits.



1 (b) If an operator does not begin construction as required by subparagraph (a), and  
2 cannot show good cause for delay, the operator shall forfeit his or her license and the lottery  
3 commission shall select another operator according to procedures determined by the commission.

4 (c) Temporary operation prior to completion of construction may be permitted as agreed  
5 during contract negotiation.

6 284-B:3 Authorization for Video Lottery Machines.

7 I. An operator licensee may install, operate, and conduct video lottery machines at a  
8 destination casino in accordance with the provisions of this chapter.

9 II. A destination casino may enter into one or more agreements with an operator licensee to  
10 manage or participate in the operation of video lottery machines at its licensed destination casino in  
11 accordance with the provisions of this chapter.

12 284-B:4 License Required; Number of Video Lottery Machines.

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

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

16 (b) Local approval as provided in RSA 284-B:9 has been obtained.

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

19 284-B:5 License Requirements for Operators and Technology Providers.

20 I. Operators.

21 (a) A destination casino or other operator applicant shall obtain an operator's license  
22 from the lottery commission to possess, conduct, and operate video lottery machines. In the event  
23 that a destination casino enters into an agreement with another person or entity to manage and  
24 operate video lottery machines at its location, that person or entity shall apply as the operator  
25 licensee applicant. An applicant shall complete and sign an application on forms prescribed by the  
26 lottery commission, and include information regarding the applicant's criminal history background,  
27 civil judgments, and financial affairs. The application shall include the full name, address, date of  
28 birth, and other personal identifying information of the applicant and all key employees, and if a  
29 corporation or other form of business enterprise, the same information shall be provided with respect  
30 to each partner, trustee, officer, and director, and any shareholder or other holder who owns more  
31 than 10 percent of the legal or beneficial interests of such entity. The lottery commission shall not  
32 accept applications from an operator applicant after December 31, 2013, unless the operator  
33 applicant has an agreement with a facility licensee that has previously maintained video lottery  
34 machine operations consistent with this chapter.

35 (b) If the applicant or any owner has held or holds a gaming or video lottery machine  
36 license in a jurisdiction where video lottery machine activities are permitted, the applicant shall so  
37 state and may produce either a letter of reference from the gaming or lottery enforcement or control

1 agency which sets forth the experience of that agency with the applicant, the applicant's associates,  
2 and gaming operations, or a statement under oath that the applicant is or was during the period the  
3 activities were conducted in good standing with the agency.

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

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

35 (e)(1) The lottery commission shall impose an application fee of \$100,000 which shall be  
36 used to defray the cost of processing the application. If the cost of processing the application exceeds  
37 \$100,000, the applicant shall pay the difference.

1 (2) The attorney general shall impose an investigation fee of \$50,000 which shall be  
2 used to defray the cost of the background investigation. If the cost of the background investigation  
3 exceeds \$50,000, the applicant shall pay the difference.

4 (3) Upon approval of an operator licensee, the lottery commission shall charge an  
5 initial license fee of \$10,000,000 for an operator licensee, and a fee of \$1,000,000 for renewal of an  
6 operator license; however, such person seeking renewal of such license shall pay all costs incurred by  
7 the attorney general to conduct an investigation with regard to such application to renew the  
8 operator's license.

9 II. Technology Providers.

10 (a) A technology provider licensee applicant shall secure a technology provider license  
11 from the lottery commission. An applicant shall complete and sign an application on forms  
12 prescribed by the lottery commission, and include information regarding the applicant's criminal  
13 history background, civil judgments and financial affairs. The application shall include the full  
14 name, address, date of birth, and other personal identifying information of the applicant and all key  
15 employees, and if a corporation or other form of business enterprise, the same information shall be  
16 provided with respect to each partner, trustee, officer, and director, and any shareholder or other  
17 holder who owns more than 10 percent of the legal or beneficial interests of such entity.

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

24 (c) The attorney general shall conduct a background review of each technology provider  
25 applicant and any of its owners and key employees. The review may be conducted through any  
26 appropriate state or federal law enforcement system and may seek information as to the subject's  
27 financial, criminal, or business background, or any other information which the attorney general, in  
28 his or her sole discretion, may find relevant the subject's fitness to be associated with the  
29 distribution of video lottery machines in New Hampshire, including, but not limited to, the subject's  
30 character, personal associations, and the extent to which the subject is properly doing business in the  
31 manner in which it purports to operate. The attorney general shall take into consideration as  
32 evidence of fitness a letter of reference or sworn statement of good standing produced pursuant to  
33 subparagraph (b). The attorney general shall report the results of the review to the lottery  
34 commission within 60 days. Notwithstanding any other law to the contrary, the information  
35 provided to the attorney general and the results of any such review shall be confidential and shall  
36 not be subject to disclosure or to public inspection, except that the attorney general, in the attorney  
37 general's sole discretion, shall determine the extent to which and the manner in which said results

1 may be reported to the lottery commission or other state agency or official and, if reported, whether  
2 such results are to retain their confidential character; provided, however, that whenever the attorney  
3 general conducts such a review, the attorney general shall notify the lottery commission whether or  
4 not in his or her opinion such person is fit to be associated with the distribution of video lottery  
5 machines in this state. The attorney general may conduct a background review on the attorney  
6 general's motion into the background of the license applicant or holder, or any person or entity upon  
7 whom the license applicant or holder relies for financial support.

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

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

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

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

24 284-B:6 Licensure Requirements.

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

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

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

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

1 (d) The applicant's business ability and experience in the operation of video lottery  
2 machines, as appropriate, so as to establish the likelihood of a successful and efficient operation.

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

6 III. No license shall be issued by the lottery commission to any applicant if the applicant,  
7 any key employee, or any individual who has an ownership or financial interest in or with the  
8 applicant or its facility location is an elected official of the general court or executive branch of the  
9 state of New Hampshire, or is employed in the attorney general's office or the lottery commission on  
10 a full or part-time or contractual basis at any time during the previous 2 years. If any such  
11 applicant, key employee, or any individual who has an ownership or financial interest in the  
12 applicant becomes such an elected official or employee, the applicant shall be subject to sanctions  
13 pursuant to RSA 284-B:14.

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

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

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

29 284-B:7 Exclusion of Minors.

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

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

37 284-B:8 Distribution of Net Machine Income.

1 I. Forty-nine percent of the net machine income generated by video lottery machines at a  
2 destination casino shall be paid to the state treasurer. After the deduction of the reasonable costs of  
3 administration as provided in this chapter, the moneys received shall be disbursed as follows:

4 (a) The sum of \$75,000 shall be credited in each fiscal year to the commissioner of the  
5 department of health and human services to support programs established by RSA 172 to treat  
6 problem gambling.

7 (b) Three percent of the net machine income generated by video lottery machines  
8 operated by a destination casino in any specific municipality shall be paid to the municipality in  
9 which the destination casino operates video lottery machines.

10 (c) The remainder of the moneys received in each state fiscal year shall be deposited in  
11 the highway fund to be expended for highway and bridge construction and repair by the department  
12 of transportation as provided by law.

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

15 III. The operator licensee shall deliver the amounts payable to the state as provided in  
16 paragraph I in immediately available funds of the United States on a weekly basis on the third  
17 business day following the end of each week. At the time payment is delivered, the operator licensee  
18 shall provide a written accounting of net machine income generated from the video lottery machines  
19 by the operator licensee on an aggregate basis and the calculation of amounts due to the state  
20 separately for distribution pursuant to paragraph I and the balance of net machine income retained  
21 by the operator licensee. The operator licensee shall pay a penalty of \$1,000 for each day that  
22 payment or the accounting is not delivered on time to the state.

23 284-B:9 Procedures for Adoption by Local Community.

24 I. Any municipality in which a destination casino is or will be situated may adopt the  
25 provisions of RSA 284-B to allow the operation of video lottery machines in the following manner:

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

29 (b) In a city or town that has adopted a charter pursuant to RSA 49-C or RSA 49-D, upon  
30 request of a destination casino to authorize the operation of video lottery machines within the  
31 municipality in accordance with the provisions of RSA 284-B, the governing body shall place the  
32 question on the ballot to be voted upon at the next regularly scheduled municipal or biennial election  
33 unless such election is more than 90 days from the request. In such circumstance, the governing  
34 body shall place the question on the ballot for a special election called for the purpose of voting on  
35 said question and which special election shall occur within 75 days after the request is made. Such  
36 special election shall be held at the usual town or ward polling places by the regular election officials.

37 (c) If a majority of those voting on the question vote "Yes," RSA 284-B shall apply in such  
38 town or city and the operation of video lottery machines shall be permitted within such town or city.

1 in accordance with RSA 284-B. If a majority of those voting on the question vote "No" the question  
2 may be voted on at a subsequent time in accordance with this section provided, however, the town  
3 may consider the question at no more than one special meeting and the annual town meeting in the  
4 same calendar year after a "No" vote. A city or town subject to paragraph II may consider the  
5 question at no more than one special election and a regular municipal or biennial election in the  
6 same calendar year after a "No" vote.

7 (d) The wording of the question shall be substantially as follows: "Shall we adopt the  
8 provisions of RSA 284-B allowing the operation of video lottery machines at [insert the name of the  
9 destination casino] located within the town/city?"

10 II. When a destination casino requests a town or city to act under paragraph I, the  
11 destination casino shall pay all costs associated with carrying out the actions under this section.

12 284-B:10 Inspection of Video Lottery Machines; Penalty for Tampering or Manipulating.

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

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

18 284-B:11 Video Lottery Machines.

19 I. An operator of video lottery machines shall provide to the lottery commission, by diagram  
20 or narrative, a description of the following, which shall be approved by the lottery commission prior  
21 to commencing the operation of any video lottery machines:

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

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

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

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

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

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

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

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

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

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

8 VI. All video lottery machines in operation at a destination casino shall provide a payoff of  
9 an average of at least 87 percent.

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

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

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

19 X. All table games operated by a destination casino shall be approved in advance by the  
20 lottery commission as provided in RSA 287-H and operated consistent with the approval.

21 284-B:12 Term of License. Any license issued pursuant to this chapter and any renewal thereof  
22 shall be valid for 5 years unless earlier suspended or revoked by the lottery commission. The lottery  
23 commission shall adopt procedures for license renewal that take into consideration whether the  
24 applicant has been previously licensed in good standing under this chapter. No license issued by the  
25 lottery commission may be transferred to a separate entity without approval by the lottery  
26 commission consistent with this chapter.

27 284-B:13 Presence of the Lottery Commission. The lottery commission may be present at any  
28 destination casino at which video lottery machines are operated at all times when the facility is open  
29 to the public. The destination casino may be required by the lottery commission to provide such  
30 office space and equipment which the commission shall determine is reasonably necessary or proper.

31 284-B:14 Sanction Powers of the Lottery Commission.

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

35 (a) Revocation or suspension of a license.

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



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

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

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

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

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

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

12 (b) The seriousness of the conduct of the person and whether the conduct was purposeful  
13 or with knowledge that it was in contravention of the provisions of this chapter or the rules of the  
14 lottery commission.

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

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

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

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

21 (g) If a person receives 3 civil penalties during the term of such person's license, the  
22 lottery commission may subject such person to enhanced fines or other disciplinary action.

23 284-B:15 Declaration of Limited Exemption from Operation of Provisions of 15 U.S.C. sections  
24 1171-1178. Pursuant to section 2 of an act of Congress of the United States entitled "An Act to  
25 Prohibit Transportation of Gambling Devices in Interstate and Foreign Commerce," designated as 15  
26 U.S.C. sections 1171-1178, the state of New Hampshire, acting by and through the duly elected and  
27 qualified members of its legislature, does hereby, in accordance with and in compliance with the  
28 provisions of that section 2 of that act of Congress, declare and proclaim that it is in the state's best  
29 interest to benefit from limiting gambling device revenues but prevent the proliferation of gambling  
30 devices by limiting approved facility locations and therefore that section 2 of that act of Congress  
31 shall not apply to any gambling device in this state where the transportation of such a device is  
32 specifically authorized by and done in compliance with the provisions of this chapter and any rules  
33 adopted pursuant to it, and that any such gambling device transported in compliance with state law  
34 and rules shall be exempt from the provisions of that act of Congress.

35 284-B:16 Legal Shipment of Gaming Devices into New Hampshire. All shipments into this state  
36 of gaming devices, the registering, recording, and labeling of which has been duly made by the  
37 manufacturer or dealer in accordance with sections 3 and 4 of an act of Congress of the United States

1 entitled "An Act to Prohibit Transportation of Gambling Devices in Interstate and Foreign  
2 Commerce," designated as 15 U.S.C. sections 1171-1178, shall be deemed legal shipments into this  
3 state.

4 2 New Section; Lottery Commission; Administration of Video Lottery. Amend RSA 284 by  
5 inserting after section 21-v the following new section:

6 284:21-w Video Lottery; Duties of the Lottery Commission; Administration of Video Lottery.

7 I. The lottery commission shall:

8 (a) Collect all license fees imposed upon any applicant and all taxes imposed by  
9 RSA 284-B.

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

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

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

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

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

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

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

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

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

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

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

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

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

6 II. The lottery commission may employ assistants to carry out the provisions of this section,  
7 RSA 284-B, and RSA 287-H, and may employ such additional assistants and employees as the  
8 governor and council shall authorize. Such assistants and employees shall receive compensation at  
9 rates to be established by the department of administrative services, division of personnel. No  
10 employee of the lottery commission shall have any pecuniary or other interest in any supplier or  
11 agent to the commission or in any destination casino or licensee licensed under RSA 284-B.

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

14 IV. No later than November 1 of each calendar year, the lottery commission shall provide a  
15 report to the fiscal committee of the general court regarding the generation of revenues of video  
16 lottery machines and table games by destination casinos.

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

18 (a) The lottery commission shall notice all proceedings and shall make and keep a record  
19 of all proceedings held at public meetings of the lottery commission. A verbatim transcript of those  
20 proceedings shall be prepared by the lottery commission upon the request of any commissioner or  
21 upon the request of any other person and the payment by that person of the costs of preparation. A  
22 copy of the transcript shall be made available to any person upon request and payment of the costs of  
23 preparing the copy.

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

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

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

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

4 3 New Paragraph; Destination Casino; Cocktail Lounge License. Amend RSA 178:22, by  
5 inserting after paragraph V the following new paragraph:

6 VI. The commission may issue a special license to a person holding a pari-mutuel license or  
7 an operator's license at a destination casino under the provisions of RSA 284-B provided the  
8 destination casino has an existing liquor license. Such special license shall allow the sale of liquor,  
9 wine, and beverages within the destination casino, including dining room, function room, gaming  
10 room, lounge, or any other area designated by the commission, without regard to whether meals are  
11 served therein, but only during the time gaming is being conducted under RSA 284-B.

12 4 New Subparagraph; Authorized Video Lottery Machines. Amend RSA 647:2, V by inserting  
13 after subparagraph (c) the following new subparagraph:

14 (d) Video lottery machines authorized pursuant to RSA 284-B and table games  
15 authorized pursuant to RSA 287-H.

16 5 Rehabilitation of Problem Gaming. Amend RSA 172:2-a to read as follows:

17 172:2-a Program Established. The commissioner shall provide for the scientific care, treatment,  
18 and rehabilitation of *gambling*, alcohol, and drug abusers, and work towards the prevention of, and  
19 assist in the control of, alcohol and drug abuse within the state through education, treatment,  
20 community organization, and research.

21 6 Rehabilitation of Problem Gaming. Amend RSA 172:8 to read as follows:

22 172:8 Duties of Commissioner. The commissioner shall:

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

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

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

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

34 V. [Repealed.]

35 VI. Render biennially to the governor and council a report of his *or her* activities including  
36 recommendations for improvements therein by legislation or otherwise.

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

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

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

8 X. [Repealed.]

9 7 Problem Gaming Added. Amend RSA 172:8-a to read as follows:

10 172:8-a Confidentiality of Client Records. No reports or records or the information contained  
11 therein on any client of the program or a certified *gambling*, alcohol, or drug abuse treatment  
12 facility or any client referred by the commissioner shall be discoverable by the state in any criminal  
13 prosecution. No such reports or records shall be used for other than rehabilitation, research,  
14 statistical, or medical purpose, except upon the written consent of the person examined or treated.  
15 Confidentiality shall not be construed in such manner as to prevent recommendation by the  
16 commissioner to a referring court, nor shall it deny release of information through court order  
17 pursuant to appropriate federal regulations.

18 8 Problem Gaming Added. Amend RSA 172:8-b to read as follows:

19 172:8-b Rulemaking. The commissioner shall adopt rules under RSA 541-A relative to the  
20 following:

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

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

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

- 26 (a) Program content;  
27 (b) Qualifications of program staff; and  
28 (c) Type of substance abuse treatment offered.

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

- 31 (a) Peer review of applicants.  
32 (b) Minimum qualifications and competency.  
33 (c) Education and continuing education.  
34 (d) Experience required.  
35 (e) Required knowledge of *gambling*, alcohol, and drug abuse counseling.  
36 (f) Such other matters as the commissioner may deem necessary to carry out the

37 purposes of this chapter.

1 V. Voluntary admissions under RSA 172:13.

2 9 Acceptance of Funds; Treatment of Problem Gamblers. Amend RSA 172:9 to read as follows:

3 172:9 Acceptance of [~~Grants~~] **Funds**. The commissioner is authorized to accept in the name of  
4 the state special grants or money or services from the federal or state governments or any of their  
5 agencies and may accept gifts to carry on the functions provided for in this chapter.

6 10 New Chapter; Table Games. Amend RSA by inserting after chapter 287-G the following new  
7 chapter:

8 CHAPTER 287-H

9 TABLE GAMES

10 287-H:1 Definitions. In this chapter:

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

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

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

20 (a) Travelers checks.

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

22 (c) Personal checks or drafts.

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

25 (e) Any other instrument that the commission deems a cash equivalent. Other than  
26 recognized credit cards or credit extended by the table game certificate holder, all instruments that  
27 constitute a cash equivalent shall be made payable to the table game certificate holder, to the bearer,  
28 or to cash. An instrument made payable to a third party shall not be considered a cash equivalent  
29 and shall be prohibited.

30 IV. "Certificate holder" means a video lottery operator licensee issued a table game  
31 operation certificate by the commission to operate the table games at a destination casino.

32 V. "Commission" means the lottery commission.

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

35 VII. "Destination casino" means any facility licensed by the lottery commission pursuant to  
36 RSA 284-B.

37 VIII.(a) "Gross table game revenue" means the total of cash or equivalent wagers received in  
38 the playing of a table game minus the total of:

1 (1) Cash or cash equivalents paid out to patrons as a result of playing a table game;  
2 (2) Cash paid to purchase annuities to fund prizes payable to patrons over a period of  
3 time as a result of playing a table game; and

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

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

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

15 X. "Table game" means any banking or percentage game in which there is an opportunity for  
16 the player to use his or her reason, foresight, or other strategy to increase the expected return,  
17 including roulette, baccarat, blackjack, poker, craps, big 6 wheel, mini-baccarat, red dog, pai gow,  
18 casino war, Asia poker, Boston 5 stud poker, Caribbean stud poker, Colorado hold 'em poker, double  
19 attack blackjack, double cross poker, double down stud poker, fast action hold 'em, flop poker, 4 card  
20 poker, let it ride poker, mini-craps, mini-dice, pai gow poker, pokette, Spanish 21, Texas hold 'em  
21 bonus poker, 3 card poker, 2 card joker poker, ultimate Texas hold 'em, winner's pot poker, and sic  
22 bo, and any other games approved by the commission. The term includes any variations or  
23 composites of approved games, provided that the commission determines that the new table game,  
24 variations, or composites are suitable for use after an appropriate test or experimental period under  
25 such terms and conditions as the commission may deem appropriate, and any other game which the  
26 commission determines to be suitable for use in a licensed facility after an appropriate test or  
27 experimental period as the commission may deem appropriate. The term shall also include gaming  
28 contests or tournaments in which players compete against one another in any table game authorized  
29 for use in a licensed facility by the commission. The term shall not include wagering on pari-mutuel  
30 racing regulated by the racing and charitable gaming commission pursuant to RSA 284, raffles  
31 regulated pursuant to RSA 287-A, lotteries regulated by the lottery commission pursuant to  
32 RSA 284:21-a and RSA 287-F, and bingo and lucky 7 games regulated by the racing and charitable  
33 gaming commission pursuant to RSA 287-E. Table games which are operated as games of chance  
34 pursuant to RSA 287-D shall not be subject to the provisions of this chapter.

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

1 XII. "Table game operation certificate" means a certificate issued by the commission that  
2 certifies that the table gaming operation of a destination casino conforms to the requirements of this  
3 chapter and rules adopted under this chapter and that authorizes the holder of a video lottery  
4 operator license to conduct table gaming under this chapter.

5 XIII. "Table game operator" means:

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

9 (b) "Secondary game operator" which means any person involved in dealing, running a  
10 roulette wheel, or handling chips at a destination casino.

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

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

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

26 287-H:3 General and Specific Powers.

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

31 II. The commission shall:

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

34 (b) Determine at its discretion the suitability of any person, including technology  
35 providers not licensed pursuant to RSA 284-B, who furnishes or seeks to furnish to a certificate  
36 holder directly or indirectly any services or property related to the table games or associated  
37 equipment or through any arrangements under which that person receives payment based directly



1 or indirectly on earnings, profits, or receipts from table games and associated equipment. Any  
2 criminal background checks shall be conducted by the division of state police, and any other  
3 background investigations shall be conducted by the attorney general's office. The commission may  
4 require any such person to comply with the requirements of this chapter and the rules of the  
5 commission and may prohibit the person from furnishing the services or property.

6 III. The commission shall not issue or renew a table game operation certificate unless it is  
7 satisfied that the applicant is an operator licensee in good standing operating video lottery machines  
8 under RSA 284-B.

9 IV. The commission shall publish on the commission's Internet website a complete list of all  
10 persons or entities who applied for or held a table game operation certificate at any time during the  
11 preceding calendar year and all affiliates, intermediaries, subsidiaries, and holding companies  
12 thereof and the status of the application or certificate; however, information regarding any applicant  
13 whose approval or certificate has been denied, revoked, or not renewed shall be removed from such  
14 list after 5 years from the date of such action.

15 287-H:4 Enforcement. The commission, with the assistance of the attorney general, shall  
16 administer and enforce the provisions of this chapter.

17 287-H:5 Rulemaking.

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

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

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

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

25 (d) The operation of table games.

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

27 (f) Procedures for approving technology providers not licensed by RSA 284-B, and  
28 associated fees.

29 (g) Accountability controls to ensure game integrity, including, but not limited to, cash,  
30 attendance, prizes, income, expense, and financial reporting, and recordkeeping to be implemented  
31 by licensed table game operators in addition to requirements set forth in this chapter.

32 (h) Enforcement of this chapter.

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

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

1       287-H:6 Table Games Authorized. A person licensed to operate video lottery pursuant to  
2 RSA 284-B may operate table games at a destination casino in the manner hereinafter provided and  
3 not otherwise:

4           I. Persons holding a current license in good standing from the lottery commission to operate  
5 video lottery pursuant to RSA 284-B may petition for a table game operation certificate for the  
6 operation of table games at a destination casino and upon confirmation by the commission that it  
7 meets the criteria set forth in this chapter shall be granted a certificate for the operation of table  
8 games.

9           II. The certificate shall not be transferable.

10          III. The destination casino shall not permit games of chance conducted by charitable  
11 organizations under RSA 287-D.

12       287-H:7 Authorization to Conduct Table Games and Licensure.

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

17           II. A video lottery operator who is issued a table games operation certificate may only be  
18 permitted to operate table games at a destination casino consistent with the permission granted by  
19 the certificate.

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

22           (b) A petition shall include the following:

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

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

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

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

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

36           (6) The details of any financing that will be obtained or has been obtained to fund  
37 the expansion of the destination casino to accommodate the operation of table games.

1 (7) Detailed site plans identifying the petitioner's proposed table game area within  
2 the destination casino. The proposed table game area shall be reviewed by the commission to  
3 determine the adequacy of the proposed internal controls and external security and proposed  
4 surveillance measures and submit a finding regarding adequacy to the commission.

5 IV. The petitioner shall certify under oath that:

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

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

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

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

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

18 II. If necessary, the petitioner has secured adequate financing to fund the expansion of the  
19 petitioner's destination casino to accommodate the operation of table games.

20 III. The proposed internal and external security and proposed surveillance measures within  
21 the petitioner's proposed table game area within the destination casino are adequate.

22 287-H:9 Commencement of Table Game Operations. A video lottery operator licensee may not  
23 operate or offer table games for play at a destination casino until:

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

25 II. The video lottery operator license pays the fee under RSA 287-H:14.

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

28 287-H:10 Term of Table Game Authorization. After payment of the fee under RSA 287-H:14,  
29 authorization to conduct table games shall be in effect unless suspended, revoked, or not renewed by  
30 the commission upon good cause consistent with the license requirements provided in this chapter.  
31 Video lottery operator licensees shall be required to update the information in their initial table  
32 games petition at times prescribed by the commission, but at least as frequently as the operator is  
33 required to renew its video lottery operator's license. An additional license fee of no more than  
34 \$1,000,000 shall be imposed for renewal of a table game operation certificate every 5 years. The  
35 commission shall be entitled to use such funds to support staff and resources necessary to implement  
36 this chapter.

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

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

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

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

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

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

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

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

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

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

22           (d) Establish procedures for all the following:

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

25               (2) Check cashing.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

35 287-H:13 Wagering Policies.

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

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

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

9           287-H:14 Table Game Authorization Fee.

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

14           II. All table game authorization fees received by the commission under this section, less  
15 amounts allowed under paragraph I, shall be deposited in the highway fund to be expended by the  
16 department of transportation for highway and bridge construction and repair.

17           287-H:15 Distribution of Table Game Revenues.

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

20           (a) Eight percent of daily gross table revenue to the state to be deposited into the  
21 highway fund to be expended by the department of transportation for highway and bridge  
22 construction and repair.

23           (b) The balance of the daily gross table game revenue to the video lottery operator  
24 licensee that operates the table games.

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

32           287-H:16 Authorization of Suppliers and Manufacturers of Table Game Devices. Any person  
33 seeking to supply table game devices for use at a licensed facility shall obtain approval by the  
34 commission for authority to manufacture or supply table games, table game devices, or other  
35 equipment associated with table games, and shall pay such fees as the commission deems reasonable  
36 and appropriate. Upon approval, the manufacturer or supplier shall pay a fee of \$50,000. A fee of  
37 \$25,000 shall be paid for the annual renewal of a supplier approval.

1           287-H:17 Equipment; Wagering; Prizes.

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

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

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

10          287-H:18 Sanction Powers of the Lottery Commission.

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

14           (a) Revocation or suspension of a certificate.

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

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

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

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

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

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

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

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

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

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

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

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

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

1        287-H:19 Declaration of Limited Exemption from Operation of Provisions of 15 U.S.C. sections  
2 1171-1178. Pursuant to section 2 of an act of Congress of the United States entitled "An Act to  
3 Prohibit Transportation of Gambling Devices in Interstate and Foreign Commerce," designated as 15  
4 U.S.C. sections 1171-1178, the state of New Hampshire, acting by and through the duly elected and  
5 qualified members of its legislature, does hereby, in accordance with and in compliance with the  
6 provisions of that section 2 of that act of Congress, declare and proclaim that it is in the state's best  
7 interest to benefit from limiting gambling device revenues but prevent the proliferation of gambling  
8 devices by limiting approved facility locations and therefore that section 2 of that act of Congress  
9 shall not apply to any gambling device in this state where the transportation of such a device is  
10 specifically authorized by and done in compliance with the provisions of this chapter and any rules  
11 adopted pursuant to it, and that any such gambling device transported in compliance with state law  
12 and rules shall be exempt from the provisions of that act of Congress.

13        287-H:20 Legal Shipment of Gaming Devices into New Hampshire. All shipments into this state  
14 of gaming devices, the registering, recording, and labeling of which has been duly made by the  
15 manufacturer or dealer in accordance with sections 3 and 4 of an act of Congress of the United States  
16 entitled "An Act to Prohibit Transportation of Gambling Devices in Interstate and Foreign  
17 Commerce," designated as 15 U.S.C. sections 1171-1172, shall be deemed legal shipments into this  
18 state.

19        11 Effective Date. This act shall take effect upon its passage.



LBAO  
13-0506  
01/29/13

**HB 665-FN-A-LOCAL - FISCAL NOTE**

AN ACT relative to video lottery and table gaming.

**FISCAL IMPACT:**

The Office of Legislative Budget Assistant is unable to complete a fiscal note for this bill, as introduced, as it is awaiting information from the Lottery Commission, Departments of Justice, Health and Human Services, Transportation, and the New Hampshire Municipal Association. When completed, the fiscal note will be forwarded to the House Clerk's Office.

# Speakers

# SIGN UP SHEET

To Register Opinion If Not Speaking

Bill # HB 665- M-A-R Date 2/21/13

Committee Ways & Means

\*\* Please Print All Information \*\*

Name	Address	Phone	Representing	(check one)	
				Pro	Con
Rep Kevin Waterhouse	Windsor	865-3458	Windsor	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Rep. John R. Crotter	Claremont	542-6190	Sull. #10	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SYLVAIN VAAKPY Senator Stiles	Manchester		SD 24	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Rep Gene Chandler			House Republican Office	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Rep DAVID MILZ			HRO	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Rep MARK McCunkey			Carroll 3	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Elizabeth Edwards	Manchester	703-6926	self	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Rep Peter Ramsey, Manchester,				<input checked="" type="checkbox"/>	<input type="checkbox"/>
Keith Carlson	Keene	997-1446	Self	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Darren Tapp	Chichester		Self	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Caitlin Appell	Manchester, NH		Self	<input type="checkbox"/>	<input checked="" type="checkbox"/>
William Buchanan	Concord NH		self	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Rep Raymond Gagnon	SU #5 Claremont		SU 5	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Rep Patricia Higgins	Hannover		Grafton 12	<input checked="" type="checkbox"/>	<input type="checkbox"/>
LYLE WELLS	Littleton			<input checked="" type="checkbox"/>	<input type="checkbox"/>
Robert Theberge	COOS 3		Berlin	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Rep Barbara Shaw	Hills 16			<input checked="" type="checkbox"/>	<input type="checkbox"/>
Rep Maura Mann	Roc 1			<input checked="" type="checkbox"/>	<input type="checkbox"/>
Rep Tom Buro	Carroll #2			<input checked="" type="checkbox"/>	<input type="checkbox"/>
Rep Leon H Bibeau	COOS 7			<input checked="" type="checkbox"/>	<input type="checkbox"/>
Rep DAVID CAMPBELL	Hills 37			<input checked="" type="checkbox"/>	<input type="checkbox"/>
Rep Virginia Irwin	Sullivan			<input checked="" type="checkbox"/>	<input type="checkbox"/>



# Hearing Minutes

HOUSE COMMITTEE ON WAYS AND MEANS

PUBLIC HEARING ON HB 665-FN-A-LOCAL

**BILL TITLE:** relative to video lottery and table gaming.

**DATE:** February 21, 2013

**LOB ROOM:** Rm. 202 **Time Public Hearing Called to Order:** 1:13 PM

**Time Adjourned:** 3:43 PM

(please circle if present)

**Committee Members:** Reps. Almy, Lovejoy, Cooney, Davis, Butynski, J. Kelley, Shattuck, Young, Ames, Karrick, Schamberg Major, R. Ober, Ulery, Sanborn, Hess, Abram, Griffin, Azarian and Sapareto.

**Bill Sponsors:** Rep. Gionet, Graf 5; Rep. R. Walsh, Hills 11; Rep. Weyler, Rock 13; Rep. H. Richardson, Coos 4; Sen. Stiles, Dist 24

TESTIMONY

\* Use asterisk if written testimony and/or amendments are submitted.

**\*Rep. E. Gionet, Prime Sponsor** - Supports the bill ... lot of people are unemployed and this bill would create jobs and put people to work ... see Handout of three items including a K. Landrigan article and a map ... DRED and University of Massachusetts study support recreation and a casino in the White Mountains ... would not compete with a casino in southwest NH ... addicted gamblers would receive help from this bill ... the bill does not make provisions for charitable gaming, but does help the north country ... casinos will increase the Rooms and Meals tax and help in other areas ... areas with casinos like them and the areas with casinos have growth ... casino operators take on all the risk ... best formula for NH includes two casinos as indicated in Handout ... once company receives a license, casino construction must start within six months or the license will be taken away ... bill provides for \$10M licensing fee and renewals of \$1M, but Lottery Commission could come up with a different licensing fee using their expertise ... this was created to create jobs and fix the infrastructure, not to balance the budget ... average background check time is 180 days for other states regarding casinos ... a destination casino is where people travel to.

**Rep. Ken Weyler, Co-Sponsor** - Supports the bill ... see Handout testimony ... lottery indicates need for 26 new employees to deal with the two casinos and the taxes/fees may need to be adjusted ... monies do need to go to fix our highways and infrastructure ... this bill has a \$10M licensing fee for each of the two casinos ... there is no constitutional problem since more than one casino is authorized ... more casinos draw more people in ... destination casino has enough to draw you there for purposes other than gambling ... would take three years to build the casino and get it fully operational ...

**Rep. R. Walsh, Co-Sponsor** - Supports the bill ... Manchester has a reputation for sending many busloads of people to CT casinos ... I'm all for money going to the State of NH from gambling ...

like the Lottery Commission doing regulations, investigations, and mandated internal controls ... segregated bank accounts ...

**Ann Rice, Attorney General's Office** – Opposes the bill ... my comments apply to this bill and to the following bill (HB 678) ... there is an increase in crime related to bringing in a casino ... crimes are associated with problem and pathological gambling, particularly within a 50-mile radius ... increased bankruptcies, physical assaults, etc. ... not worth the cost to the state ... in 2010 legislators passed bill for gambling and regulatory oversight authority that was established, but no report has been issued and our state is not ready ... only 180 days to review and grant an application ... no rules are promulgated, only interim rules are included ... are no specific law enforcement provisions such as state police ... potential for corruption with casino gambling and would be pressures on legislators to increase the number of casinos ... NH already has problems related to gambling and this would bring in more crime, including murder, that we have already had ... need rules and standards on selecting applicants, rules on how casino must handle their money ... rules need to be promulgated first ... 60 days is optimistic ... problem gambling treatment should be funded ... should be a self-exclusion possibility for pathological gambling ... last time we did an investigation like this it took six months (60 days is not enough) ...

**Jim Demers, Millennium Gaming** – Neutral on this bill ... some of concerns raised on things not in this bill are in the Senate bill ... NH Public Policy Center says that NH revenue will drop by \$48M if NH does nothing relative to casinos ... 41 states have casino gambling, MA was the 41<sup>st</sup> state ... bill in Senate was crafted after learning Governor's position ... Senate bill has \$80M licensing fee and Millennium and others have said they would bid for the NH casino ... License fee revenue would be awarded around Labor Day of 2014 if all goes according to plan ... high end casino is in Senate bill and that requires \$425M investment ... size matters ... larger casino generates more revenue ... not all law enforcement is opposed to casino gambling ... NH State Troopers Association and NH Police Association support casino gambling ... look at DE which required State Police to provide an annual report on crime ,, I encourage you to call the Police Chief in Bangor, ME ... look at this Senate bill that established three regulatory agencies ... if a casino were located in southern tier of NH, 65 percent of patrons would come from MA ... large casino would generate \$130M (?) annually ... are no federally recognized Indian tribes on land in NH ... realistic time for licensing monies would be Labor Day of 2015 if bill passed in June of 2013 ... could get fee in 15 months if all went well ... access is important for casinos ... cost to administer a large casino equals \$5M per year to Lottery Commission and State Police...

**Lyle Bulis, former State Rep.** – Supports the bill ... this bill has merits easy to describe ... questions on what is a "high end casino" ... a "destination casino" is somewhere you go to for a day ... look at Oxford, ME casino with 400 new jobs and \$75M impact on state ... \$7.8M (or \$14.8M) tax revenue over seven months ... 791 slot machines and 21 table games ... this bill benefits the entire state through monies for infrastructure ... Atlantic City revenues have decreased ,, possibly should look at online gaming as passed by DE ...

**Henry Veilleux, Granite State Coalition Against Expanded Gambling** – Opposes the bill for four reasons: (1) NH cannot support a destination casino; (2) a small casino would cannibalize local businesses; (3) casinos result in an increase in addicted persons; (4) recipe for disaster to rely on casino revenue in current biennium ... this market is already saturated by casinos ... local businesses will be cannibalized with 50 to 60 percent of monies coming from local businesses ... addiction: a single Salem casino would cause 10,000 gambling addicts and ... cannot do a rush job and have a highly regulated casino ... rules need to be developed and background checks done ... details of this bill have many problems ... suggest you just kill this bill rather than retaining it ... comments apply to next bill, too ... will provide some written materials in the near future ... casino will result in higher taxes in the future.

\***Charlie McIntyre, NH Lottery** - Neutral on the bill ... see Handout which Mr. McIntyre spoke from ... Lottery Commission is already dedicating some effort to ramp up to prepare for casino gaming.

**Rep. E. Gionet, Prime Sponsor** - lot of information on American Gaming Association website ... town of Lincoln has an article in its warrant and also moving forward with opening to partner with a casino gaming organization ... this is a jobs bill not a budget bill ... Lottery Commission has expertise and should use those numbers ... there are no recognized Indian Tribes or Indian lands in NH ... we need the money.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "William Butynski".

Rep. William Butynski, Clerk



HOUSE COMMITTEE ON WAYS AND MEANS

PUBLIC HEARING ON HB 665-FN-A-LOCAL

BILL TITLE: relative to video lottery and table gaming.

DATE: 2/21/13

LOB ROOM: Rm. 202 Time Public Hearing Called to Order: 1:13PM

Time Adjourned: 3:43 PM

(please circle if present)

Committee Members: Reps. Almy, Lovejoy, Cooney, Davis, Butynski, J. Kelley, Shattuck, Young, Ames, Karrick, Schamberg, Major, R. Ober, Ulery, Sanborn, Hess, Abram, Griffin, Azarian and Sapareto.

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TESTIMONY

\* Use asterisk if written testimony and/or amendments are submitted.

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Respectfully submitted,

Rep. William Butynski, Clerk

... average background check time is 180 days from other states regarding casinos ... a destination casino is where people travel to.

Rep. Ken Wesley, Co-Sponsor - Support the bill ... see Hancock testimony ... lottery indicated need for <sup>new</sup> employees to deal with the 2 casinos and the taxes/fees may need to be adjusted ... money do need to go to fix our highways and infrastructure ... this bill has \$10 million licensing fee for each of 2 casinos ... ~~is~~ there is no constitutional problem since ~~the~~ more than 1 casino is authorized ... more casinos draw more people in ... destination casino has enough to draw you there for purposes other than gambling ... would take 3 years to build the casino and get it fully operational ...

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Law Gambling and Regulatory Oversight Authority that was established, but no report had been issued and our state is not ready... only 180 days to review and grant an application... no rules are promulgated, only interim rules are included... are no specific law enforcement provisions such as State Police... potential for corruption with casino gambling and would be pressure on legislators to increase the number of casinos... NH already has problems related to gambling and this would bring in more crime, including murder that we have already had... need rules and standards on selecting applicants, rules on how casinos must handle their money... rules need to be promulgated first... 60 days is optimistic... problem gambling treatment should be funded... should be a self-exclusion possibility for pathological gambling... last time we did an investigation like this it took 6 months (60 days is not enough)...

Jim Demers, Millenium Gaming - Neutral <sup>the</sup> official... some of concerns raised on things not in the bill are in the Senate bill... NH ~~Public Policy~~ Public Policy Center says that NH revenue will drop by \$48M if NH does nothing relative to casinos... 41 states have casino gambling, NH was the 41st state... bill in Senate was crafted after hearing Governor's opposition... Senate bill has \$80M licensing fee and Millenium and others have said they would bid for the NH casino... <sup>performance</sup> license would be awarded around Labor Day 2014 if all goes according to plan... high end casino is in Senate

bill that requires \$425M investment in size matters. Large casino generates more revenue... not all law enforcement is opposed to casino gambling... NH State Troopers Association and NH Police Association support casino gambling... look at VE which required State Police to provide an annual report on crime... I encourage you to call the Police Chief in Bangor, ME... look at the Senate bill that establishes 3 regulatory agencies... if a casino were ~~located~~ located in southern tier of NH, 65% of patrons would come from MA... large casinos would ~~generate~~ generate \$130M (?) annually... are no federally recognized Indian Tribes on land in NH... hearing time for licensing ~~fees~~ money would be Labor Day of 2015 if bill passed in June 2013... could get fee in 13 months if all went well... access is important for ~~casinos~~ casinos... cost to administer a large casino \$5M/year to Lottery Commission and State Police...

Lyle Bullis, former State Rep. — Support the bill... this bill has mentioned to describe... question on what is a "high end casino"... a "destination casino" is somewhere you go to for a day... look at Oxford, ME casino with 400 employees and \$25M report on state ~~revenue~~ revenue per 7 months... 791 slot machines and 21 table games... this ~~bill~~ bill benefits the entire state through increased job infrastructure... Atlantic City revenue ~~has~~ decreased... possibly should look at online gaming as passed by DE...

Henry Veilamp Granite State Coalition Against Expanded Gambling -

Oppose the bill for 4 reasons: (1) NH cannot support a  
 dedicated casino; (2) a small casino would cannibal local businesses  
 (3) casinos result in <sup>increased</sup> addicted persons; (4) reliance on casino revenue in current biennium ...  
 this market is already saturated by casinos ... local businesses  
 will be cannibalized ~~to~~ into 50% & 60% of monies coming  
 from local businesses ... addition; a single Salem casino  
 would cause 10,000 gambling addicts and ... cannot do a public  
 job and have a highly regulated casino ... rules need to  
 be developed and background checks done ... details of this  
 bill have many problems ... suggest you just kill this  
 bill rather than retaining it ... comments applied to  
 reject bill, too ... will provide some written materials  
 in the near future ... casino will result in higher taxes  
 in the future.

\* Charles McIntyre, NH Lottery - Neutral on the bill ... see Hornsby  
 which Mr. McIntyre spoke from ... Lottery Commission is already  
 dedicating some effort to ramp up to prepare for casino gaming

Rep. E. Gionet - lot of information on American Gaming Association  
 website ... town of Lincoln has an article in its warrant  
 and also moving forward with gaming to partner with a  
 casino gaming organization ... this is a job bill not a  
 budget bill ... Lottery Commission ~~and~~ has expertise  
 and ~~the~~ should use those numbers ... there are no required  
 Indian Tribes on Indian lands in NH ... we need the money

# Sub-Committee Actions

HOUSE COMMITTEE ON WAYS AND MEANS  
SUBCOMMITTEE WORK SESSION ON HB 665-FN-A-LOCAL

**BILL TITLE:** relative to video lottery and table gaming.

**DATE:** February 28, 2013

**Subcommittee Members:** Reps. Lovejoy, Butynski, Davis, Abrami, Hess, Young

**Comments and Recommendations:**

**Amendments:**

Sponsor: Rep.

OLS Document #:

Sponsor: Rep.

OLS Document #:

Sponsor: Rep.

OLS Document #:

**Motions:** Recommended or Not Recommended for Future Legislation (Please circle one.)

Moved by Rep. Hess

ITL

Seconded by Rep. Young

Vote: 5-1

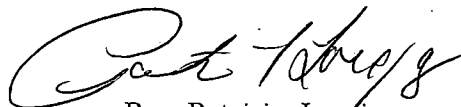
**Motions:** Recommended or Not Recommended for Future Legislation (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:

Respectfully submitted,



Rep. Patricia Lovejoy  
Subcommittee Chairman

HOUSE COMMITTEE ON WAYS AND MEANS

SUBCOMMITTEE WORK SESSION ON HB 665-FN-A-LOCAL

BILL TITLE: relative to video lottery and table gaming.

DATE: 2-28-13

Subcommittee Members: Reps. Lougoy, Butynski, Davis, Abrami, Hays, Young

Comments and Recommendations:

Amendments:

Sponsor: Rep.

OLS Document #:

Sponsor: Rep.

OLS Document #:

Sponsor: Rep.

OLS Document #:

Motions: Recommended or Not Recommended for Future Legislation (Please circle one.)

Moved by Rep. Hays

ITL

Seconded by Rep. Young

Vote: 5-1

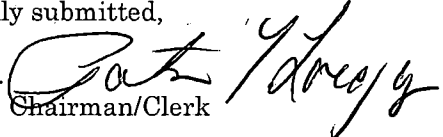
Motions: Recommended or Not Recommended for Future Legislation (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:

Respectfully submitted,

Rep.   
Subcommittee Chairman/Clerk



# Testimony

Testimony of Rep. Ken Weyler

Feb. 21, 2013; Room 202








Committee on Ways and Means

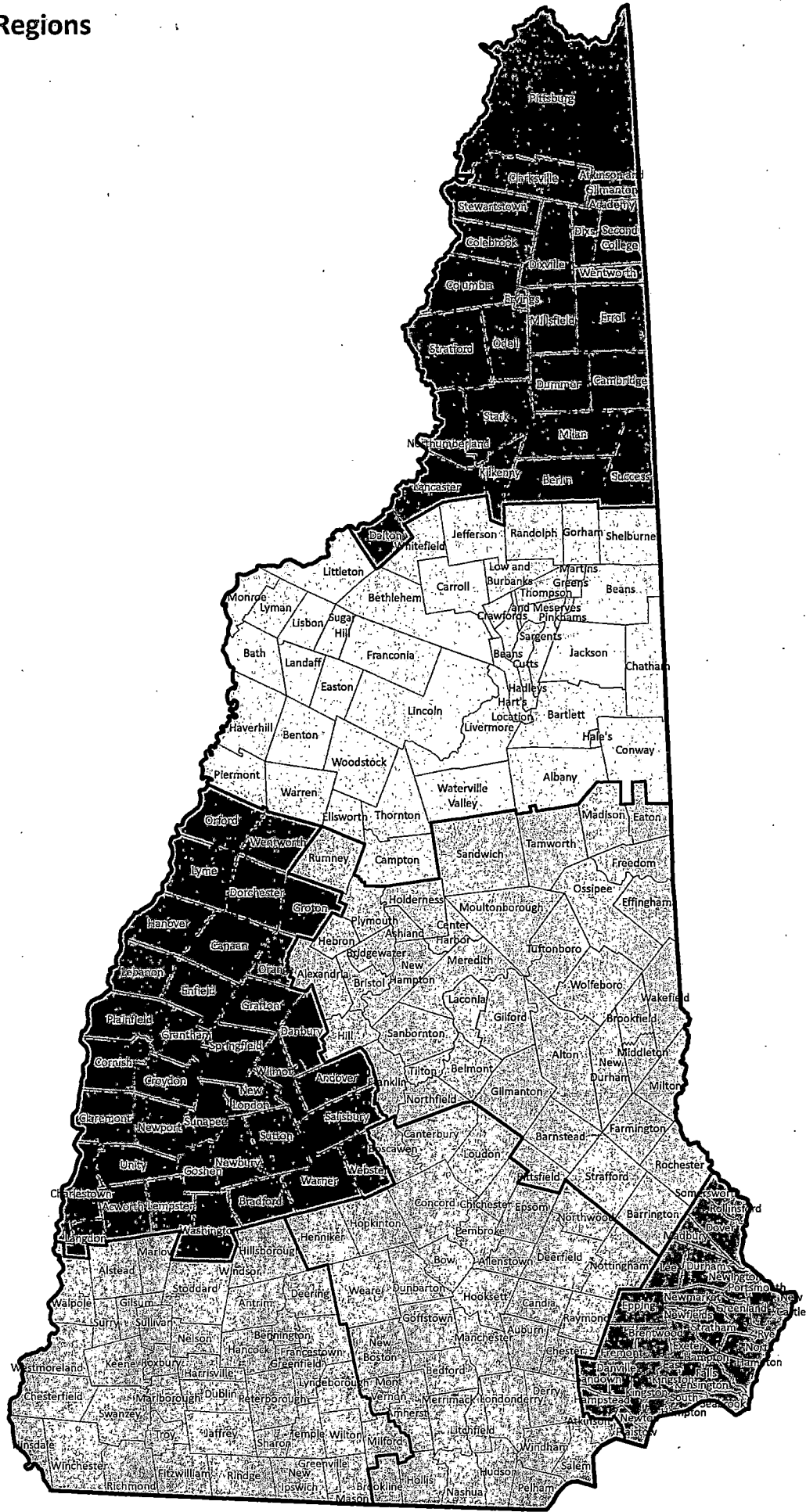
1. The landscape has changed. We can no longer look at casino bills and decide if they fit in our plans. We are looking at substantial losses of our citizens discretionary spending.
2. Massachusetts has passed gambling bills and the competition has begun as to where they will be located. The Director of our lottery has identified that the 10 highest yielding Keno locations for Mass. Are all on the border with New Hampshire. They know where they can attract the money.
3. This bill proposes to allow two casinos. One will be on our border with Mass. The other in the North Country.
4. Some of you have heard the speeches in the Public Works Committee about how our roads and bridges are deteriorating. Our reliance on the gas tax and licenses and registration fees are not producing the money needed to pave 500 miles per year and get bridges off the red list.
5. This bill will devote the money to our infrastructure, and provide the entertainment that most of our citizens say they will support.
6. Failure to pass this bill will mean 24 million per year loss in our revenues from Meals and Rooms Tax and Lottery. That will all go south.
7. License and renewal fees will go to the Education Trust Fund, 8% of the table revenue will go to the highway fund and 49% of net video lottery machine revenue will go there also.
8. The revenue will not be immediately available in FY 2014, but unless there are any unforeseen problems, we should get the money flowing in this next biennium.
9. We are just now seeing the projected costs of the Lottery. We need to amend the bill to allow the recovery of those costs.

2/21/13 - HB 655 - Rep. Girard

# New Hampshire Tourism Regions

## Legend

-  Dartmouth-Lake Sunapee
-  Great North Woods
-  Lakes
-  Merrimack Valley
-  Monadnock
-  Seacoast
-  White Mountains



## New Hampshire Cities, Towns, and Unincorporated Places by Tourism Region

### **Dartmouth-Lake Sunapee**

Acworth  
Andover  
Bradford  
Canaan  
Charlestown  
**Claremont**  
Cornish  
Croydon  
Danbury  
Dorchester  
Enfield  
Goshen  
Grafton  
Grantham  
Groton  
Hanover  
Langdon  
**Lebanon**  
Lempster  
Lyme  
New London  
Newbury  
Newport  
Orange  
Orford  
Plainfield  
Salisbury  
Springfield  
Sunapee  
Sutton  
Unity  
Warner  
Washington  
Webster  
Wentworth  
Wilmot

### **Great North Woods**

Atkinson & Gilmanton Academy  
Grant\*  
**Berlin**  
Cambridge\*  
Clarksville  
Colebrook  
Columbia  
Dalton

Dix's Grant\*  
Dixville\*  
Dummer  
Errol  
Erving's Location\*  
Kilkenny\*  
Lancaster  
Milan  
Millsfield\*  
Northumberland  
Odell\*  
Pittsburg  
Second College Grant\*  
Stark  
Stewartstown  
Stratford  
Success\*  
Wentworth's Location\*

### **Lakes**

Alexandria  
Alton  
Ashland  
Barnstead  
Barrington  
Belmont  
Bridgewater  
Bristol  
Brookfield  
Center Harbor  
Eaton  
Effingham  
Farmington  
**Franklin**  
Freedom  
Gilford  
Gilmanton  
Hebron  
Hill  
Holderness  
**Laconia**  
Madison  
Meredith  
Middleton  
Milton  
Moultonborough  
New Durham

New Hampton  
Northfield  
Ossipee  
Pittsfield  
Plymouth  
**Rochester**  
Rumney  
Sanbornton  
Sandwich  
Strafford  
Tamworth  
Tilton  
Tuftonboro  
Wakefield  
Wolfboro

### **Merrimack Valley**

Allenstown  
Amherst  
Atkinson  
Auburn  
Bedford  
Boscawen  
Bow  
Brookline  
Candia  
Canterbury  
Chester  
Chichester  
**Concord**  
Deerfield  
Derry  
Dunbarton  
Epsom  
Goffstown  
Henniker  
Hollis  
Hooksett  
Hopkinton  
Hudson  
Litchfield  
Londonderry  
Loudon  
**Manchester**  
Merrimack  
Mont Vernon  
**Nashua**

New Boston  
Northwood  
Nottingham  
Pelham  
Pembroke  
Raymond  
Salem  
Weare  
Windham

### **Monadnock**

Alstead  
Antrim  
Bennington  
Chesterfield  
Deering  
Dublin  
Fitzwilliam  
Francestown  
Gilsum  
Greenfield  
Greenville  
Hancock  
Harrisville  
Hillsborough  
Hinsdale  
Jaffrey  
Keene  
Lyndeborough  
Marlborough  
Marlow  
Mason  
Milford  
Nelson  
New Ipswich  
Peterborough  
Richmond  
Rindge  
Roxbury  
Sharon  
Stoddard  
Sullivan  
Surry  
Swanzy  
Temple  
Troy  
Walpole  
Westmoreland  
Wilton  
Winchester

Windsor

### **Seacoast**

Brentwood  
Danville  
**Dover**  
Durham  
East Kingston  
Epping  
Exeter  
Fremont  
Greenland  
Hampstead  
Hampton  
Hampton Falls  
Kensington  
Kingston  
Lee  
Madbury  
New Castle  
Newfields  
Newington  
Newmarket  
Newton  
North Hampton  
Plaistow  
**Portsmouth**  
Rollinsford  
Rye  
Sandown  
Seabrook  
**Somersworth**  
South Hampton  
Stratham

### **White Mountains**

Albany  
Bartlett  
Bath  
Bean's Grant\*  
Bean's Purchase\*  
Benton  
Bethlehem  
Campton  
Carroll  
Chandler's Purchase\*  
Chatham  
Conway  
Crawford's Purchase\*

Cutt's Grant\*  
Easton  
Ellsworth  
Franconia  
Gorham  
Green's Grant\*  
Hadley's Purchase\*  
Hale's Location\*  
Hart's Location  
Haverhill  
Jackson  
Jefferson  
Landaff  
Lincoln  
Lisbon  
Littleton  
Livermore\*  
Low & Burbank's Grant\*  
Lyman  
Martin's Location\*  
Monroe  
Piermont  
Pinkham's Grant\*  
Randolph  
Sargent's Purchase\*  
Shelburne  
Sugar Hill  
Thompson & Meserve Purchase\*  
Thornton  
Warren  
Waterville Valley  
Whitefield  
Woodstock

*\* Unincorporated Places  
Cities are in bold.*

## Pair of casinos beats all, expert says

KEVIN LANDRIGAN  
Staff Writer

CONCORD - A gambling industry consultant recommended Tuesday that the state authorize up to two, full-blown **casinos** - not glorified slot-machine parlors - if lawmakers want to expand legalized gambling. The **casino** resort should be near an interstate highway but away from a large city, consultant G. Michael Brown told the Gaming Study Commission.

"If you do choose to introduce **casino** style gaming, I think you should get beyond a racino on the water and go to a full **casino**," said Brown. "

If you are going to do it, introduce a full **casino**."

A racino refers to a gaming site with hundreds or even thousands of slot machines near or on a racetrack property.

Brown said gambling-table games, restaurants, hotels and retail shops with a **casino** would deliver more net profit to the state and more easily withstand competition from **casinos** in neighboring states than a racino.

Millennium Gaming has proposed a \$450 million development that would only feature slot machines at Rockingham Park horse racing track in Salem, while the owners of the Greenmeadow Golf Course had proposed a **casino** on property in Hudson near Nashua.

Social costs from addicted gambling and increased crime are less for **casinos** outside city limits, Brown said.

"That may be an old bias of mine but that's been my experience," said Brown, a former state gambling enforcement official in New Jersey, who once managed security at the Foxwoods **Casino** in Connecticut.

Rich Killion, a spokesman for Millennium, said he had been looking forward to more empirical information from gaming enforcement officials in states with **casinos** or racinos.

"As informed as someone may be, that counts more than one man's opinion - which is what the commission is hearing today," Killion said.

Millennium executives have been invited to speak to the commission Oct. 20, when it next meets.

In this economy, each **casino** would bring in about \$140 million in total profit each year, Brown said. The same project would have guaranteed \$180 million in net proceeds a few years ago.

New Hampshire would get a percentage of that total profit depending on the tax rate lawmakers would set; Connecticut gets about 25 percent of profit from its two **casinos** while Rhode Island gets more than 70 percent from two racinos that operate in that state.

Gambling revenue for states in 2008 saw its first, absolute decline after 30 years of consistent growth, according to Robert Ward from the Nelson A. Rockefeller Institute of Government in Albany, N.Y.

Total gambling revenue fell 2.6 percent compared to an estimated 8.2 percent dip in all other state revenues in 2008, Ward added.

The revenue from existing gaming sites rose 43 percent from 1999-2008, which is less than the 65 percent growth from all other states and fees nationwide, he said.

"The bottom line is that clearly expanded gambling operations will generate more revenue," said Ward, the institute's deputy director of fiscal studies.

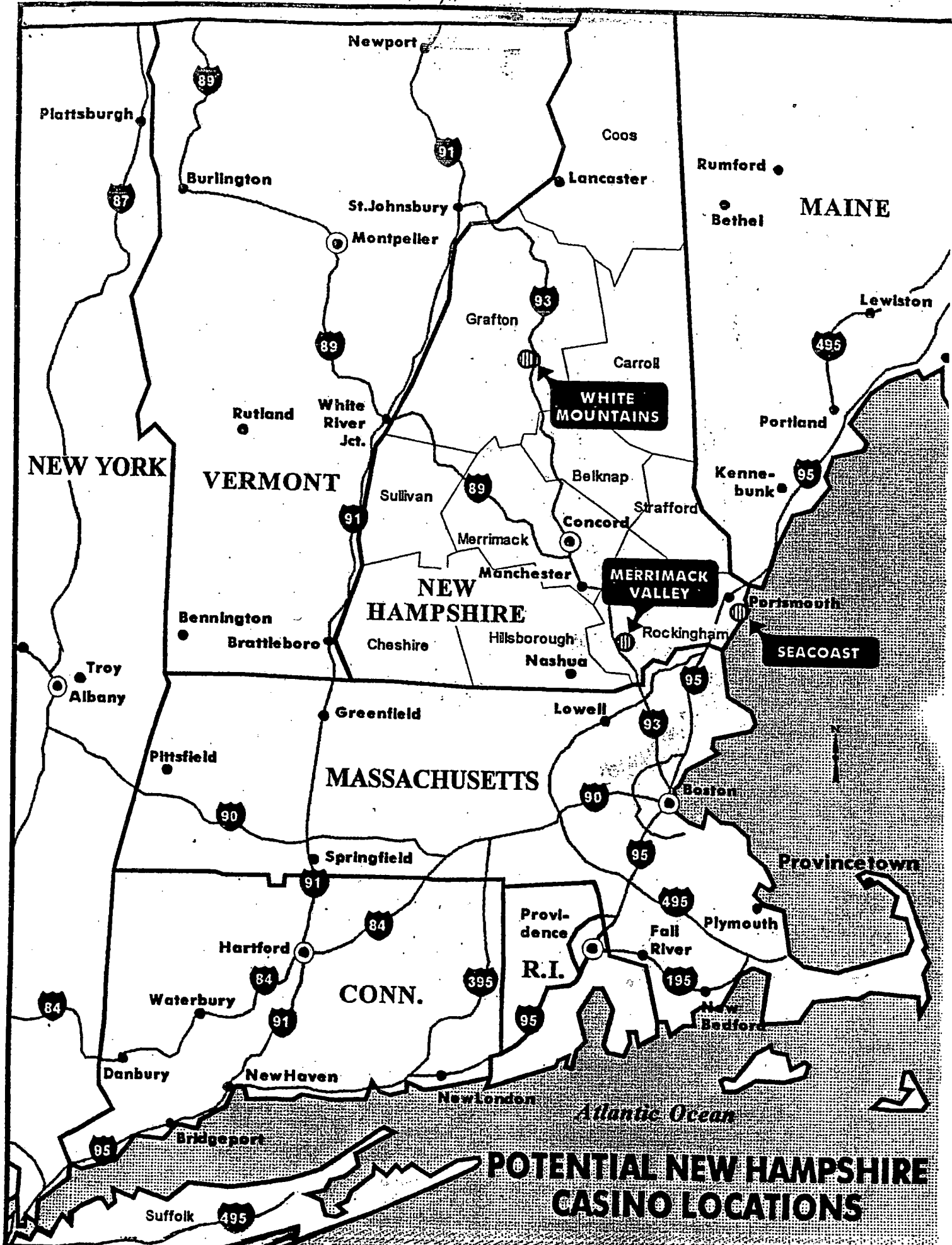
"The revenue, however, over time will likely lag the overall increase in state tax revenues and expenditures."

Gov. John Lynch handpicked this commission to examine the pros and cons of expanded gaming. The commission will issue a draft report by the end of this year and will complete its work before the end of May.

The lottery and betting at charity gambling events generated state profits of \$78 a person in 2008, Ward added. That puts New Hampshire right in the middle for gaming revenue, 25th among the 50 states.

Rhode Island (third), Connecticut (fifth) and Massachusetts (11th) are in the upper echelon nationally with Maine (27th) and Vermont (33rd) trailing New Hampshire in this category. Kevin Landrigan can be reached at 321-7040 or [klandrigan@nashuatelegraph.com](mailto:klandrigan@nashuatelegraph.com).

2/21/13 - HB 665 - Rep. Gionet



# POTENTIAL NEW HAMPSHIRE CASINO LOCATIONS





# The Impact of Lottery Revenues with the Advent of Casino Gaming in Massachusetts

Charlie McIntyre  
Executive Director  
New Hampshire Lottery

**NH Lottery**

Over \$1.5 billion to education

## I. Research

- The New Hampshire Lottery, through the Harvard affiliated research firm SocialSphere, conducted a benchmark study during the fall of 2012 (n=1002, margin for error approx. 3.1%)
- The results suggest the following visitation patterns to casinos:
  - 27% of the of-age citizens in New Hampshire have been to a casino in the past year; 13% once, 14% more than once
  - 10% of New Hampshire residents have been to Foxwoods and 9% have been to Mohegan Sun within the past year
  - 44% of the New Hampshire Lottery regular players have been to a casino in the past year; 15% once, 29% more than once

## II. Likelihood to Visit a Massachusetts Casino

- Of-age New Hampshire citizens, half said they would be likely to visit a casino in Massachusetts:
  - 22% very likely, 28% somewhat likely
    - The 22% who are “very likely” to visit a casino, represent 59% of New Hampshire Lottery sales
    - The 50% who are either “very likely” or “somewhat likely” represents 87% of Lottery Sales
- Of regular New Hampshire Lottery players, more than three quarters (76%) said they would be likely to visit a casino in Massachusetts:
  - 36% very likely, 40% somewhat likely

### III. Oxford Casino Impact on Lottery Sales

- A small regional casino opened in Oxford Maine in June 2012.
- The facility is the closest casino to the New Hampshire Border.
- The northernmost Lottery Sales Territory (#208), which is the territory closest to the Oxford Casino, spans from Littleton to Conway.
- In July 2012, the Lottery noticed a significant drop in sales in that Sales Rep territory
- When that territory is split East/West, the growth rate is:
  - West: 17.45% East: 5.75% (Total Lottery Ticket Sales)
  - West: 16% East: 2% (Instant Ticket Sales only)

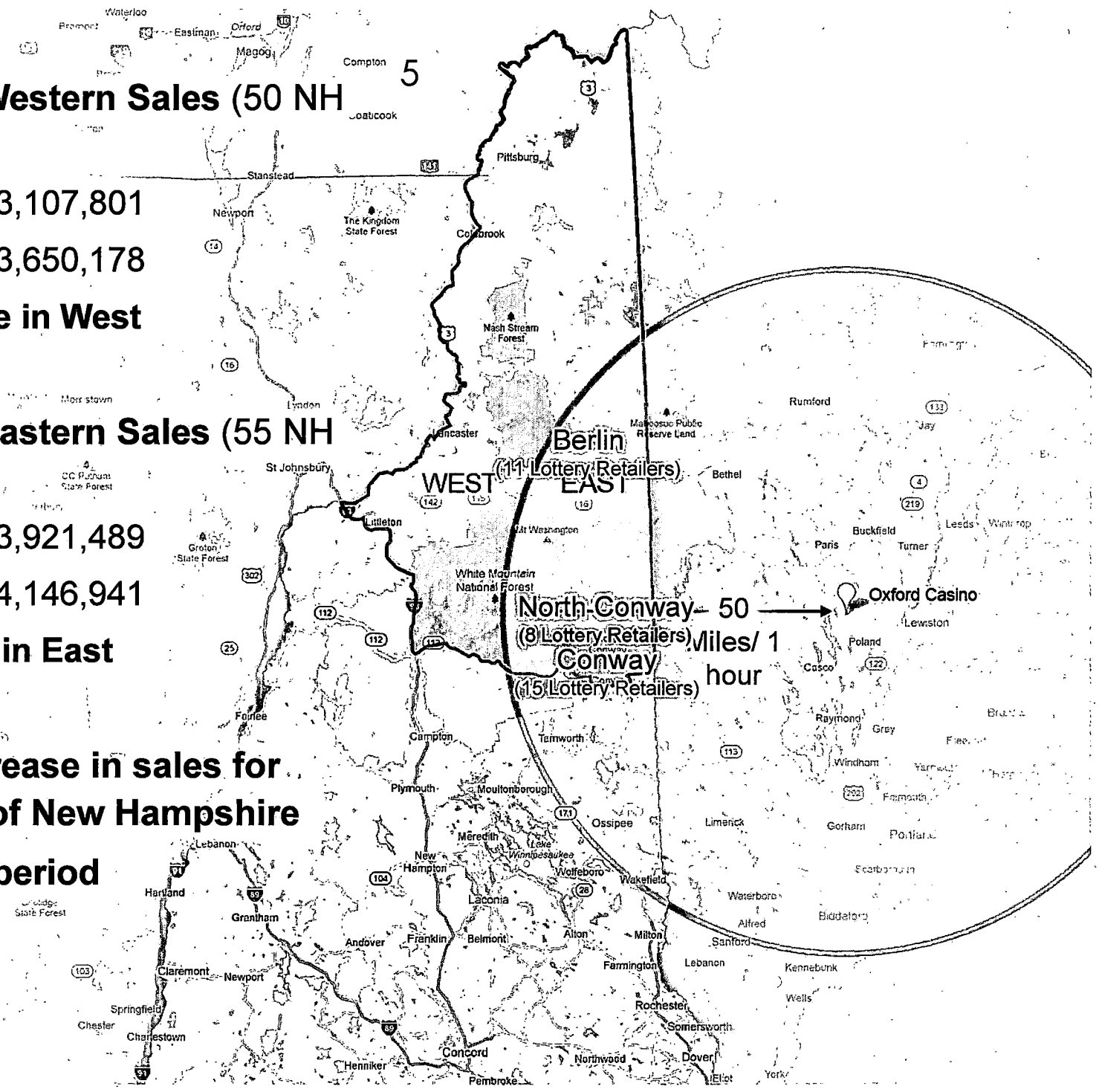
**North Country/Western Sales (50 NH Lottery Retailers)**

- FY'12, Q1/Q2: \$3,107,801
- FY'13, Q1/Q2: \$3,650,178
- **17.45% increase in West**

**North Country/Eastern Sales (55 NH Lottery Retailers)**

- FY'12, Q1/Q2: \$3,921,489
- FY'13, Q1/Q2: \$4,146,941
- **5.75% increase in East**

**16% Overall increase in sales for the entire state of New Hampshire during the time period**



## IV. Proposed Massachusetts Casinos

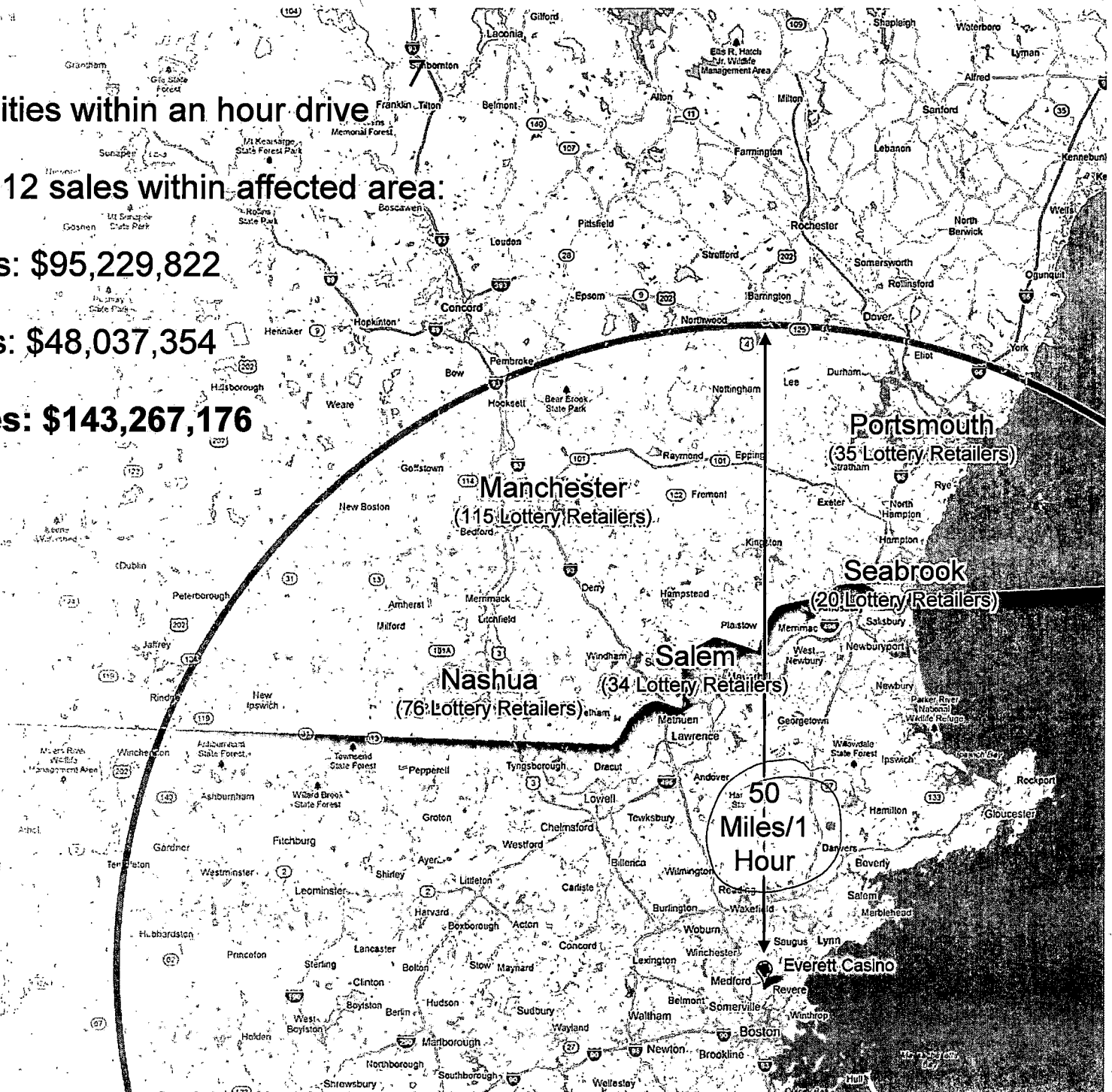
- There are currently three proposed casino locations in the Metro Boston area.
- Using the accepted 50 mile/1 hour drive measure, the New Hampshire region affected constitutes the majority of lottery sales.

Calendar Year 2012: \$143,267,176.



- Over 60 Towns/Cities within an hour drive
- Calendar year 2012 sales within affected area:

- Instant Sales: \$95,229,822
- Online Sales: \$48,037,354
- **TOTAL Sales: \$143,267,176**



## V. Estimated Impact *with MA casinos*

- Annual loss of 7% to 9% of gross sales statewide
- A loss of \$5 to \$6.5 million based on FY 2013 planned transfer to education.

*30 Miles North of Boston  
could be Rhode Island the casino  
which would limit NH*

*Any funds received to 1998 law returned to  
state getting land + casino*



# Voting Sheets

HOUSE COMMITTEE ON WAYS AND MEANS  
EXECUTIVE SESSION on HB 665-FN-A-LOCAL

**BILL TITLE:** relative to video lottery and table gaming.

**DATE:** March 5, 2013

**LOB ROOM:** Room 202

**Amendments:**

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

**Motions:**      <sup>RETAINED</sup> OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. Davis

Seconded by Rep. Sapareto

Vote: 10-8 (Please attach record of roll call vote.)

**Motions:**      OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

**CONSENT CALENDAR VOTE:** {Type VOTE}

(Vote to place on Consent Calendar must be unanimous.)

**Statement of Intent:**      Refer to Committee Report

Respectfully submitted,



Rep. William Butynski, Clerk

HOUSE COMMITTEE ON WAYS AND MEANS  
EXECUTIVE SESSION on HB 665-FN-A-LOCAL

BILL TITLE: relative to video lottery and table gaming.

DATE: ~~2/25/13~~ 3/5/13

LOB ROOM: Room 202, LOB

Amendments:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Motions: <sup>Retained</sup> OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. *Davis*

Seconded by Rep. *Sapavito*

Vote: *10/6/8* (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE: {Type VOTE}

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. William Butynski, Clerk



STATE OF NEW HAMPSHIRE  
OFFICE OF THE HOUSE CLERK

1/10/2013 11:00:11 AM  
Roll Call Committee Registers  
Report

2013 SESSION

WAYS AND MEANS

Bill #: HB 665-PA-R Title: relative to video lottery and table gaming.

PH Date: 2/27/13

Exec Session Date: 3/5/13

Motion: Return by Davis & Sapareto

Amendment #: \_\_\_\_\_

MEMBER	YEAS	NAYS
Almy, Susan W, Chairman	✓	
Lovejoy, Patricia T, V Chairman		✓
Butynski, William, Clerk	✓	
Davis, Frank W	✓	
Shattuck, Gilman C	<del>✓</del>	✓
Kelley, John D	✓	
Cooney, Mary R		✓
Ames, Richard	✓	
Karrick, David B	✓	
Schamberg, Thomas C	✓	
Young, Harry L		✓
Major, Norman L,		✓
Griffin, Mary E	✓	
Hess, David W		✓
Sapareto, Frank V	✓	
Ulery, Jordan G <i>Absent</i>		
Ober, Russell T,		✓
Abrami, Patrick F <i>Absent</i>		
Azarian, Gary S	✓	
Sanborn, Laurie J		✓
<b>TOTAL VOTE:</b>	<b>10</b>	<b>8</b>

HOUSE COMMITTEE ON WAYS AND MEANS  
EXECUTIVE SESSION on HB 665-FN-A-LOCAL

**BILL TITLE:** relative to video lottery and table gaming.

**DATE:** March 6, 2013

**LOB ROOM:** Room 202

Amendments:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

MOTION FOR RECONSIDERATION

Motions: OTP, OTP/A, IFL, Interim Study (Please circle one.)

Moved by Rep. Davis

Seconded by Rep.

Vote: 12-6 (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. Lovejoy

Seconded by Rep. Davis

Vote: 12-6 (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE:

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,



Rep. William Butynski, Clerk

HOUSE COMMITTEE ON WAYS AND MEANS  
EXECUTIVE SESSION on HB 665-FN-A-LOCAL

**BILL TITLE:** relative to video lottery and table gaming.

**DATE:** 3/6/13

**LOB ROOM:** Room 202, LOB

Amendments:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Motions: *→ Motion for reconsideration*  
OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. *Davis*

Seconded by Rep.

Vote: *12 to 6* (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. *Lovejoy*

Seconded by Rep. *Davis*

Vote: *12 to 6* (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE: {Type VOTE}

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. William Butynski, Clerk



STATE OF NEW HAMPSHIRE  
OFFICE OF THE HOUSE CLERK

1/10/2013 11:00:11 AM  
Roll Call Committee Registers  
Report

2013 SESSION

WAYS AND MEANS

Bill #: 665

Title: relative to video lottery and table gaming

PH Date: 2, 21, 13

Exec Session Date: 3, 6, 13

Motion: Reconsider by Davis

Amendment #: —

MEMBER	YEAS	NAYS
Almy, Susan W, Chairman	✓	
Lovejoy, Patricia T, V Chairman	✓	
Butynski, William, Clerk		✓
Davis, Frank W	✓	
Shattuck, Gilman C		✓
Kelley, John D		✓
Cooney, Mary R	✓	
Ames, Richard	✓	
Karrick, David B	✓	
Schamberg, Thomas C	✓	
Young, Harry L	✓	
Major, Norman L,	✓	
Griffin, Mary E		✓
Hess, David W	✓	
Sapareto, Frank V		✓
Ulery, Jordan G		✓
Ober, Russell T, <i>Absent</i>		
Abrami, Patrick F	✓	
Azarian, Gary S <i>Absent</i>		
Sanborn, Laurie J	✓	
<b>TOTAL VOTE:</b>	<u>12</u>	<del>6</del> <u>6</u>



STATE OF NEW HAMPSHIRE  
OFFICE OF THE HOUSE CLERK

1/10/2013 11:00:11 AM  
Roll Call Committee Registers  
Report

2013 SESSION

WAYS AND MEANS

Bill #: 665 Title: relative to video lottery and table gaming

PH Date: 21 21 13 Exec Session Date: 31 6 13

Motion: FTL by Lovejoy and Davis Amendment #: —

MEMBER	YEAS	NAYS
Almy, Susan W, Chairman	✓	
Lovejoy, Patricia T, V Chairman	✓	
Butynski, William, Clerk		✓
Davis, Frank W	✓	
Shattuck, Gilman C	✓	
Kelley, John D		✓
Cooney, Mary R	✓	
Ames, Richard	✓	
Karrick, David B	✓	
Schamberg, Thomas C		✓
Young, Harry L	✓	
Major, Norman L,	✓	
Griffin, Mary E		✓
Hess, David W	✓	
Sapareto, Frank V		✓
Ulery, Jordan G		✓
Ober, Russell T, <i>Absent</i>		
Abrami, Patrick F	✓	
Azarian, Gary S <i>Absent</i>		
Sanborn, Laurie J	✓	
<b>TOTAL VOTE:</b>	<b>13</b>	<b>6</b>



# Committee Report

**REGULAR CALENDAR**

**March 7, 2013**

**HOUSE OF REPRESENTATIVES**

**REPORT OF COMMITTEE**

The Committee on WAYS AND MEANS to which was referred HB665-FN-A-L,

**AN ACT** relative to video lottery and table gaming.

Having considered the same, report the same with the following Resolution: **RESOLVED**, That it is **INEXPEDIENT TO LEGISLATE**.

**Rep. Patricia T Lovejoy**

**FOR THE COMMITTEE**

## COMMITTEE REPORT

Committee:	WAYS AND MEANS
Bill Number:	HB665-FN-A-L
Title:	relative to video lottery and table gaming.
Date:	March 7, 2013
Consent Calendar:	NO
Recommendation:	INEXPEDIENT TO LEGISLATE

### STATEMENT OF INTENT

This bill contains a number of significant defects. First, this bill would allow two casinos in consideration for a flat licensing fee fixed at the very low, arbitrary amount of \$10M each for a video slot license and \$10M for a table game license. In Massachusetts, which is targeting substantially the same market, the minimum bid must be at least \$85M. There is no competitive bid process as in many other states. This bill specifies where these two casinos must be located, "one in the White Mountains and one in a county bordering Massachusetts." The bill does not define which towns would be included in the definition of "white mountain." The prime sponsor did circulate a map showing the towns he thought should be included. The bill does not specify how many video slot machines and gambling table games are permitted, nor does it require a minimum number of each. The bill does set the state's take at a reasonable competitive rate of 49 percent of net machine income. Although the bill talks in terms of "destination casinos", it requires a minimum capital investment of only \$10M per casino – barely enough to construct or renovate a so-called "slots barn." Timelines in the bill are unreasonable – only 60 days for the Attorney General to conduct all background checks. The Lottery Commission has to issue the licenses for the casinos within 180 days after the application deadline whether or not it has adopted either final or interim rules. There is no specific provision for either regulation of, or law enforcement involvement in, the casino operations – only generic statements to the effect that the lottery commission shall adopt rules relative to "establishing standards." The committee believes the NH House will have further opportunity to discuss and debate the possibility of casinos in New Hampshire later in this session. The minority on the committee was not in favor of ought to pass but wanted to retain it.

Vote 12-6.

Original: House Clerk  
Cc: Committee Bill File

Rep. Patricia T Lovejoy  
FOR THE COMMITTEE

Original: House Clerk  
Cc: Committee Bill File

## REGULAR CALENDAR

### WAYS AND MEANS

**HB665-FN-A-L**, relative to video lottery and table gaming. **INEXPEDIENT TO LEGISLATE.**  
Rep. Patricia T Lovejoy for WAYS AND MEANS. This bill contains a number of significant defects. First, this bill would allow two casinos in consideration for a flat licensing fee fixed at the very low, arbitrary amount of \$10M each for a video slot license and \$10M for a table game license. In Massachusetts, which is targeting substantially the same market, the minimum bid must be at least \$85M. There is no competitive bid process as in many other states. This bill specifies where these two casinos must be located, "one in the White Mountains and one in a county bordering Massachusetts." The bill does not define which towns would be included in the definition of "white mountain." The prime sponsor did circulate a map showing the towns he thought should be included. The bill does not specify how many video slot machines and gambling table games are permitted, nor does it require a minimum number of each. The bill does set the state's take at a reasonable competitive rate of 49 percent of net machine income. Although the bill talks in terms of "destination casinos", it requires a minimum capital investment of only \$10M per casino – barely enough to construct or renovate a so-called "slots barn." Timelines in the bill are unreasonable – only 60 days for the Attorney General to conduct all background checks. The Lottery Commission has to issue the licenses for the casinos within 180 days after the application deadline whether or not it has adopted either final or interim rules. There is no specific provision for either regulation of, or law enforcement involvement in, the casino operations – only generic statements to the effect that the lottery commission shall adopt rules relative to "establishing standards." The committee believes the NH House will have further opportunity to discuss and debate the possibility of casinos in New Hampshire later in this session. The minority on the committee was not in favor of ought to pass but wanted to retain it. **Vote 12-6.**

Original: House Clerk  
Cc: Committee Bill File



HB 665

ITL

Regular 12-6 Rep. Lovejoy

Without ~~annual~~ fee of \$100,000 for 4 years for \$200,000 per year.

This bill contains a number of significant defects. First this bill would allow two casinos in consideration for a Flat Licensing Fee fixed at the very low, arbitrary amount of \$10 million each for a video slot license and \$10 million for a table game license. In Massachusetts, which is targeting substantially the same market the minimum bid must be at least \$85 million. There is no competitive bid process as in many other states. ~~However~~ This bill specifies where these two casinos must be located, "one in the White Mountains and one in a county bordering Massachusetts." The bill does not define which towns would be included in the definition of "white mountains". The prime sponsor did circulate a map showing the towns he thought should be included.

The bill does not specify how many video slot machines and gambling table games are permitted, nor does it require a minimum number ~~of~~ of each. This bill does set the state's take at a reasonable, competitive rate of 44% of net machine income. Although the bill talks in terms of "destination casinos" it requires a minimum capital investment of only \$10 million per casino - barely enough to construct or renovate a so-called "slot barn." Timelines in the bill are unreasonable - only 60 days for the Attorney General to conduct all background checks. The Lottery Commission has to issue

The licenses for the casinos within 180 days after the application deadline. Whether or not it has adopted either final or interim rules. There is no specific provisions for either regulation of, or law enforcement involvement in, the casino operations - only generic statements to the effect that the lottery commission shall adopt rules relative to "establishing standards." The committee believes the Mt Hearl will have further opportunity to discuss and debate the possibility of casinos in New Hampshire later in this session. The minority on the committee was not in favor of <sup>and</sup> ought to pass but wanted to retain it.

SUN



## MAJORITY REPORT

HB 665-FN-A-LOCAL 12-6 Reg ITL

This bill contains a number of significant defects. First, this bill would allow two casinos in consideration for a flat licensing fee fixed at the very low, arbitrary amount of \$10M each for a video slot license and \$10M for a table game license. In Massachusetts, which is targeting substantially the same market, the minimum bid must be at least \$85M. There is no competitive bid process as in many other states. This bill specifies where these two casinos must be located, "one in the White Mountains and one in a county bordering Massachusetts." The bill does not define which towns would be included in the definition of "White Mountain." The prime sponsor did circulate a map showing the towns he thought should be included. The bill does not specify how many video slot machines and gambling table games are permitted, nor does it require a minimum number of each. The bill does set the state's take at a reasonable competitive rate of 49 percent of net machine income. Although the bill talks in terms of "destination casinos", it requires a minimum capital investment of only \$10M per casino – barely enough to construct or renovate a so-called "slots barn." Timelines in the bill are unreasonable – only 60 days for the Attorney General to conduct all background checks. The Lottery Commission has to issue the licenses for the casinos within 180 days after the application deadline whether or not it has adopted either final or interim rules. There is no specific provision for either regulation of, or law enforcement involvement in, the casino operations – only generic statements to the effect that the lottery commission shall adopt rules relative to "establishing standards." The committee believes the NH House will have further opportunity to discuss and debate the possibility of casinos in New Hampshire later in this session. The minority on the committee was not in favor of ought to pass but wanted to retain it.

Respectfully submitted,

Rep. Patricia T. Lovejoy

