

**CHAPTER 229**  
**SB 191-FN - FINAL VERSION**

03/30/2017 1190s  
4May2017... 1516h  
1Jun2017... 2022h  
06/22/2017 2369CofC

2017 SESSION

17-0138  
04/06

SENATE BILL                    ***191-FN***

AN ACT                    establishing keno and relative to funding for kindergarten.

SPONSORS:            Sen. Watters, Dist 4; Sen. D'Allesandro, Dist 20; Sen. Feltes, Dist 15; Sen. Hennessey, Dist 5; Sen. Kahn, Dist 10; Sen. Lasky, Dist 13; Sen. McGilvray, Dist 16; Sen. Reagan, Dist 17; Sen. Soucy, Dist 18; Sen. Ward, Dist 8; Sen. Woodburn, Dist 1; Rep. Gile, Merr. 27; Rep. Grenier, Sull. 7; Rep. Bates, Rock. 7

COMMITTEE:          Education

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AMENDED ANALYSIS

      This bill establishes keno in New Hampshire and establishes a program to provide grants to kindergarten students.

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                         Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Seventeen*

AN ACT                    establishing keno and relative to funding for kindergarten. .

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

1            229:1 New Subdivision; Keno. Amend RSA 284 by inserting after section 40 the following new  
2 subdivision:

Keno

4            284:41 Definition. In this subdivision, “keno” means any game where a player purchases a  
5 ticket from a field of 80 numbers and selects a specific amount of numbers. A random number  
6 generator employed by the lottery commission chooses 20 numbers at random and the player is paid  
7 out against his or her original wager.

8            284:42 Administration and Enforcement. The lottery commission shall administer and enforce  
9 this subdivision in any town or city that has voted to allow such gaming.

10           284:43 Rulemaking. The lottery commission shall adopt rules, pursuant to RSA 541-A, relative  
11 to:

- 12           I. The application procedure for keno licenses.  
13           II. Information to be required on license applications.  
14           III. Procedures for a hearing following the revocation of a license.  
15           IV. The operation of keno games, including types and amounts of wagers.  
16           V. Information required and forms for submission of financial reports.  
17           VI. Guidelines for licensees under this subdivision to set transaction limits for daily,  
18 weekly, and monthly play of keno for individual keno players.

19           284:44 License Fees.

20           I. The license fee for a commercial premises keno license issued under RSA 284:46 shall be  
21 \$500 per year. Such fee shall be submitted to the lottery commission at the time the application is  
22 made and shall be refunded if the application is denied.

23           II. All net proceeds collected by the lottery commission under this section shall be deposited  
24 in the education trust fund established in RSA 198:39.

25           284:45 License Applications.

26           I. Applications shall be submitted to the lottery commission by the licensee. Proof of  
27 authority to submit the application on behalf of the licensee may be required.

28           II. Applications shall be made only on the forms supplied to the licensee by the lottery

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1 commission.

2 III. The application form shall be fully completed by the licensee.

3 IV. Applicants for commercial premises keno licenses shall be submitted at least 30 days  
4 before the first game date.

5 V. The applicant shall certify under oath that:

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

7 (b) Neither the applicant nor any employee will operate keno games if such person has  
8 been convicted of a felony within the previous 10 years which has not been annulled by a court, or a  
9 misdemeanor involving falsehood or dishonesty within the previous 5 years which has not been  
10 annulled by a court, or has violated the statutes or rules governing charitable gaming in this or any  
11 state.

12 (c) The applicant and any employee who will be participating in the operation of the  
13 keno games is aware of all statutes and rules applicable to the operation of keno games.

14 VI. To be eligible for licensure under this subdivision an applicant shall:

15 (a) Document that it is one of the following:

16 (1) A restaurant or hotel holding a valid liquor license under RSA 178:20, II,  
17 RSA 178:21, II(a) or (b), or RSA 178:22, V(q).

18 (2) A brew pub holding a valid liquor license under RSA 178:13.

19 (3) A ballroom holding a valid liquor license under RSA 178:22, V(c).

20 (4) A veterans' club, private club, or social club holding a valid liquor license under  
21 RSA 178:22, V(h).

22 (5) A convention center holding a valid liquor license under RSA 178:22, V(i).

23 (6) A hotel holding a valid liquor license under RSA 178:22, V(k).

24 (7) A racetrack holding a valid liquor license under RSA 178:22, V(n).

25 (8) A sports recreation facility holding a valid liquor license under RSA 178:22, V(v).

26 (b) Document that the keno games will only be operated in towns and cities that have  
27 voted to allow the operation of keno games pursuant to RSA 284:51.

28 (c) Maintain a current list of employees.

29 (d) Document that no minor under the age of 18 shall be allowed to purchase or redeem  
30 a keno ticket.

31 VII. A suspension or revocation of a liquor license shall result in the immediate suspension  
32 of the keno license issued under this chapter.

33 284:46 License; Issuance.

34 I. Upon receipt of an application under RSA 284:45 the lottery commission shall review the  
35 application and shall, in writing, grant or deny the application within 45 days of receipt.

36 II. The lottery commission shall deny a license application for any one of the following  
37 reasons:

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1 (a) The license of the applicant has been previously revoked by the commission.

2 (b) The applicant has been convicted of a crime provided for in this chapter or in any  
3 other chapter for any gaming offense.

4 (c) The applicant loses his or her liquor license after submitting the application.

5 III. No person who has been convicted of a felony or class A misdemeanor within the  
6 previous 10 years which has not been annulled by a court, or a class B misdemeanor within the past  
7 5 years which has not been annulled by a court, or who has violated any of the statutes or rules  
8 governing charitable gambling in the past in this or in any other state shall be licensed under this  
9 subdivision, or rent, lease, sublease, or otherwise provide any hall or keno paraphernalia for the  
10 conduct of keno licensed under this subdivision.

11 IV. The lottery commission shall only issue a license for an eligible location where keno  
12 tickets shall be sold and the game played within the area apportioned to distribute beverages  
13 pursuant to RSA 284:45. The lottery commission shall control the installation of the keno ticket  
14 terminals and ensure that the sale of the tickets is limited to the area apportioned to distribute  
15 beverages pursuant to RSA 284:45.

16 284:47 Operation of Keno Games.

17 I. A licensee may operate keno games at its business between the hours of 11 a.m. and 11  
18 p.m.

19 II. A licensee may retain 8 percent of the proceeds from keno games. Of the remaining 92  
20 percent:

21 (a) One percent shall be paid to the department of health and human services to  
22 support research, prevention, intervention, and treatment services for problem gamblers.

23 (b) The remainder, less the administrative costs of the lottery commission and prize  
24 payouts, shall be deposited in the education trust fund established in RSA 198:39.

25 III. No person who has been convicted of a felony or class A misdemeanor within the  
26 previous 10 years which has not been annulled by a court, or a class B misdemeanor within the past  
27 5 years which has not been annulled by a court, or who has violated any of the statutes or rules  
28 governing charitable gambling in the past in this or any other state shall operate a keno game  
29 licensed under this subdivision, or rent, lease, sublease, or otherwise provide any hall or keno  
30 paraphernalia for the conduct of keno licensed under this subdivision.

31 IV. No one under the age of 18 years shall be allowed to purchase or redeem a keno ticket.

32 284:48 Financial Reports and Inspection Required.

33 I. Any person which has been licensed to conduct keno games shall submit a complete  
34 financial report to the lottery commission for each license issued under RSA 284:46 within 15 days  
35 after the expiration of each license, provided, however, a complete monthly financial report shall be  
36 submitted in a timely fashion to the commission for each month covered by a license issued under  
37 RSA 284:46 on a form to be approved by the lottery commission.

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1           II. All licensees shall maintain a separate checking account for the deposit and  
2 disbursement of all income relating to keno, except cash prizes awarded at the games. All expenses  
3 shall be paid by check, and all prizes of \$500 or more shall be paid by check. No keno funds shall be  
4 commingled with other funds of the licensee. The licensee shall retain all canceled checks for the  
5 payment of expenses and prizes for at least 2 years from the date of the check. The licensee shall  
6 not cash checks which it issues.

7           III. All financial reports filed by the licensee shall be maintained by the lottery commission  
8 for a period of one year from the date of filing and shall be open to public inspection.

9           IV. All financial records pertaining to the operation of keno games shall be maintained by  
10 the licensee and shall be made available to representatives of the lottery commission or of the  
11 commissioner of the department of safety upon request.

12           V. A licensee which has been licensed to conduct keno games shall maintain complete and  
13 accurate documentation of all revenues and expenses contained in the financial reports for at least 2  
14 years from the date the financial report is filed.

15           284:49 Suspension; Revocation. The commission may suspend or revoke the license of any  
16 licensee who violates any provision of this subdivision. Any licensee whose license is revoked shall  
17 not be eligible for licensure for a period of up to one year from the date of revocation.

18           284:50 Rehearing and Appeal. Any person aggrieved by a decision of the commission to deny or  
19 revoke a keno license may apply to the commission for a rehearing within 15 business days of the  
20 decision. Rehearings and appeals shall be governed by RSA 541.

21           284:51 Local Option.

22           I. Any town or city may allow the operation of keno games according to the provisions of  
23 this subdivision, in the following manner:

24           (a) In a town, the question shall be placed on the warrant of an annual town meeting  
25 under the procedures set out in RSA 39:3, and shall be voted on a ballot. In a city, the legislative  
26 body may vote to place the question on the official ballot for any regular municipal election, or, in  
27 the alternative, shall place the question on the official ballot for any regular municipal election  
28 upon submission to the legislative body of a petition signed by 5 percent of the registered voters.

29           (b) The selectmen, aldermen, or city council shall hold a public hearing on the question  
30 at least 15 days but not more than 30 days before the question is to be voted on. Notice of the  
31 hearing shall be posted in at least 2 public places in the municipality and published in a newspaper  
32 of general circulation at least 7 days before the hearing.

33           (c) The wording of the question shall be substantially as follows: "Shall we allow the  
34 operation of keno games within the town or city?"

35           II. If a majority of those voting on the question vote "Yes," keno games may be operated  
36 within the town or city.

37           III. If the question is not approved, the question may later be voted upon according to the

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provisions of paragraph I at the next annual town meeting or regular municipal election.

IV. A municipality that has voted to allow the operation of keno games may consider rescinding its action in the manner described in paragraph I of this section.

V. The lottery commission shall maintain a list of municipalities where keno is available.

229:2 Application of Receipts; Education Trust Fund. Amend RSA 6:12, I(b)(65) to read as follows:

(65) Money received under RSA 77-A, RSA 77-E, RSA 78, RSA 78-A, RSA 78-B, RSA 83-F, ***RSA 284:44 and RSA 284:47***, and from the sweepstakes fund, which shall be credited to the education trust fund under RSA 198:39.

229:3 Education Trust Fund; Keno Profits Added. Amend RSA 198:39, I(k) to read as follows:

***(k) Funds collected and paid over to the state treasurer by the lottery commission pursuant to RSA 284:44 and RSA 284:47.***

***(l)*** Any other moneys appropriated from the general fund.

229:4 New Section; School Money; Kindergarten Grants. Amend RSA 198 by inserting after section 48-b the following new section:

198:48-c Kindergarten Grants.

I.(a) For fiscal year 2019, in addition to any funds received pursuant to RSA 198:40-a, in the first year that a school district or chartered public school that operates an approved full-day kindergarten program, the commissioner of the department of education shall calculate and distribute a grant of \$1,100 per kindergarten pupil based on the enrollment number of eligible full-day kindergarten pupils on the first day of the school year. The superintendent, or designee, shall certify the enrollment number of kindergarten pupils to the commissioner.

(b) For fiscal year 2019, once pupils enrolled in an approved full-day kindergarten program have been counted in the school district's average daily membership in attendance as defined in RSA 198:38, I, a school district, or a chartered public school based on its kindergarten average daily membership enrollment number, shall receive, in addition to any funds received pursuant to RSA 198:40-a, an additional grant of \$1,100 per kindergarten pupil attending a full-day kindergarten program. The commissioner shall certify the amount of the grant to the state treasurer and direct the payment thereof from the education trust fund established in RSA 198:39 to the school district or chartered public school.

(c) Grants shall be disbursed to a school district pursuant to the distribution schedule in RSA 198:42 and to a chartered public school pursuant to the distribution schedule in RSA 194-B:11, I(c).

(d) The amount necessary to fund the grants under this section is hereby appropriated to the department from the education trust fund. The governor is authorized to draw a warrant from the education trust fund to satisfy the state's obligation under this section.

II. A school district or chartered public school that operates an approved full-day

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1 kindergarten program for which it receives funding under this section shall permit a pupil to attend  
2 kindergarten for a half-day.

3       III.(a) For fiscal year 2020 and each fiscal year thereafter, in addition to any funds received  
4 pursuant to RSA 198:40-a, the department of education shall distribute a total kindergarten grant,  
5 pursuant to RSA 198:40-a, for the remaining 1/2 of each average daily membership not counted  
6 under RSA 198:40-a to each school district or chartered public school that operates an approved full-  
7 day kindergarten program. If the amount of revenue raised through keno is insufficient to fully  
8 fund the distribution of grants under this section, the revenue shall be prorated proportionally  
9 based on entitlement among the districts entitled to a grant. The prorated portion of this grant  
10 shall not be less than the per pupil amount disbursed under paragraph I(b).

11       (b) Grants shall be disbursed to a school district pursuant to the distribution schedule  
12 in RSA 198:42 and to a chartered public school pursuant to the distribution schedule in RSA 194-  
13 B:11, I(c).

14       (c) The amount necessary to fund the grants under this paragraph is hereby  
15 appropriated to the department from the education trust fund. The governor is authorized to draw  
16 a warrant from the education trust fund to satisfy the state's obligation under this section.

17       229:5 Applicability. Kindergarten grants pursuant to RSA 198:48-c as inserted by section 4 of  
18 this act shall not be disbursed before July 1, 2018.

19       229:6 Effective Date. This act shall take effect July 1, 2017.

Approved: July 12, 2017  
Effective Date: July 01, 2017

