

HB 390-FN - AS INTRODUCED

2019 SESSION

19-0373

08/10

HOUSE BILL ***390-FN***

AN ACT relative to the amount retained by a Keno operator.

SPONSORS: Rep. Cahill, Rock. 17; Rep. DiSilvestro, Hills. 9; Rep. Morrison, Rock. 9; Rep. Nutting, Hills. 32

COMMITTEE: Ways and Means

ANALYSIS

This bill lowers the commission paid to Keno operators.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Nineteen

AN ACT relative to the amount retained by a Keno operator.

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

1 1 Keno Operators; Commission. Amend the introductory paragraph of RSA 284:47, II to read
2 as follows:

3 II. A licensee may retain [8] 5 percent of the proceeds from keno games. Of the remaining
4 [92] 95 percent:

5 2 Effective Date. This act shall take effect July 1, 2019.

HB 390-FN- FISCAL NOTE
AS INTRODUCED

AN ACT relative to the amount retained by a Keno operator.

FISCAL IMPACT: ☒ **State** ☐ **County** ☐ **Local** ☐ **None**

STATE:	Estimated Increase / (Decrease)			
	FY 2020	FY 2021	FY 2022	FY 2023
Appropriation	\$0	\$0	\$0	\$0
Revenue	Indeterminable	Indeterminable	Indeterminable	Indeterminable
Expenditures	Indeterminable	Indeterminable	Indeterminable	Indeterminable
Funding Source:	<input type="checkbox"/> General <input checked="" type="checkbox"/> Education <input type="checkbox"/> Highway <input checked="" type="checkbox"/> Other - Restricted revenue to Department of Health and Human Services			

METHODOLOGY:

This bill reduces the amount of commission licensees receive from keno games from 8 percent to 5 percent. The Lottery Commission predicts this bill will reduce the financial incentive for licenses to operate keno games, will likely lead to fewer businesses choosing to operate keno games, and will negatively impact keno sales. Since the effect this bill will have on keno sales is unknown, revenues and expenditures will be impacted by an indeterminable amount.

Keno games have been operational since December 2017 and the Lottery Commission has collected 11 months of sales data to date. Below is a table showing currently available historical data on keno sales with the current commission and the estimated net difference if the proposed change in commission was effective as of December 2017.

Month	Gross Ticket Sales	Current 8% Commission	Estimated Proposed 5% Commission	Estimated Net Difference In Commission
December 2017	\$388,725.00	\$31,201.76	\$19,436.25	\$11,765.51
January 2018	\$683,650.00	\$54,929.94	\$34,182.50	\$20,747.44
February 2018	\$890,648.00	\$71,401.84	\$44,532.40	\$26,869.44
March 2018	\$1,380,266.00	\$ 110,421.28	\$69,013.30	\$41,407.98
April 2018	\$1,447,566.00	\$115,805.28	\$72,378.30	\$43,426.98
May 2018	\$1,472,292.00	\$117,933.36	\$73,614.60	\$44,318.76
June 2018	\$2,008,742.00	\$160,699.36	\$100,437.10	\$60,262.26
July 2018	\$1,593,740.00	\$127,699.20	\$79,687.00	\$48,012.20

August 2018	\$1,740,639.00	\$139,244.40	\$87,031.95	\$52,212.45
September 2018	\$2,293,531.00	\$183,482.48	\$114,676.55	\$68,805.93
October 2018	\$1,884,947.00	\$150,895.76	\$94,247.35	\$56,648.41
Total	\$15,784,746.00	\$1,263,714.66	\$789,237.30	\$474,477.36

After a licensee retains their commission, one percent of remaining revenue is paid to the Department of Health and Human Services to support research, prevention, intervention, and treatment for problem gamblers. The remaining funds, less the administrative costs of the Lottery Commission and prize payouts, are deposited into the Education Trust Fund.

AGENCIES CONTACTED:

Lottery Commission