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10/04

Amendment to HB 593-FN-A-LOCAL

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

1 Statement of Purpose. The general court finds that:

I. Regulation of all forms of gaming is vitally important to the economy of the state and the general welfare of New Hampshire citizens.

II. By virtue of New Hampshire's unique location, natural resources, and development, tourism is a critically important and valuable asset in the continued viability of the state and strength of its communities.

III. New Hampshire has an interest in promoting economic recovery, small business development, tax relief, and job creation, as soon as possible, through the development of regulated gaming in order to preserve the quality of life for New Hampshire residents.

IV. New Hampshire has an interest in ensuring the financial stability and integrity of gaming operations in the state.

V. New Hampshire must limit the proliferation of gaming by controlling the number of gaming sites in New Hampshire and choosing gaming sites based on potential for job growth and revenue generation, access to appropriate transportation, suitability for tourism, local resources, and development opportunities.

VI. Any license issued or permission granted pursuant to the provisions of RSA 284-B is a revocable privilege and no holder acquires any vested right in such license or permission.

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

CHAPTER 284-B

VIDEO LOTTERY MACHINES AND TABLE GAMES

284-B:1 Definitions. In this chapter:

I. “Affiliated” means a person who directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, a specified person.

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

III. “Associated equipment” means any equipment or mechanical, electromechanical, or electronic contrivance, component, or machine used in connection with video lottery machines and/or table gaming, including linking devices, replacement parts, equipment which affects the proper reporting of gross revenue, computerized systems for controlling and monitoring table games, including, but not limited to, the central control computer, and devices for weighing or counting money.

IV. “Cash” means United States currency and coin or foreign currency and coin that have been exchanged for its equivalent in United States currency and coin.

V. “Cash equivalent” means an asset that is readily convertible to cash, including, but not limited to, any of the following:

- (a) Travelers checks.
- (b) Certified checks, cashier’s checks, and money orders.
- (c) Personal checks or drafts.
- (d) Credit extended by the gaming licensee, a recognized credit card company, or a banking institution.
- (e) Any other instrument that the New Hampshire lottery commission deems a cash equivalent. Other than recognized credit cards or credit extended by the gaming licensee, all instruments that constitute a cash equivalent shall be made payable to the gaming licensee, to the bearer, or to cash. An instrument made payable to a third party shall not be considered a cash equivalent.

VI. “Central computer system” means a central monitor and control system provided and monitored by the lottery commission to which video lottery terminals communicate for purposes of information retrieval, retrieval of the win and loss determination from video lottery machines, and programs to activate and disable video lottery machines.

VII. “Certificate holder” means a gaming licensee issued a table game operation certificate by the commission to operate the table games at a gaming location.

VIII. “Charitable gaming” means games of chance and other gaming as permitted under RSA 287-A, RSA 287-D, and RSA 287-E.

IX. “Count room” means the room designated for counting, wrapping, and recording of table game receipts.

X. “Gaming applicant” means the person or entity applying for approval by the lottery commission as a gaming licensee.

XI. “Gaming license” means the license issued to a gaming licensee to operate table games and video lottery machines at a gaming location pursuant to this chapter.

XII. “Gaming licensee” means the person or entity licensed by the lottery commission to possess, conduct, and operate video lottery machines and table games at a gaming location.

XIII. “Gaming location” means the premises approved under a gaming license which includes the land, buildings, structures, and any portion thereof approved by the lottery commission as the gaming area and any nongaming structure related to the gaming area.

XIV.(a) “Gross table game revenue” means the total of cash or cash equivalent wagers received in the playing of a table game minus the total of:

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

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

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

(4) Any promotional credits provided to patrons.

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

XV. “Key employee” means any individual who is employed in a director or department head capacity and who is authorized to make discretionary decisions that regulate video lottery machine and/or table game operations, including the general manager and assistant manager of the gaming licensee or technology provider, director of operations, director of table games, director of cage or credit operations, director of surveillance, director of marketing, director of management information systems, director of security, comptroller, pit bosses, shift bosses, credit supervisors, cashier supervisors, table game facility managers and assistant managers, and any employee who supervises the operations of these departments or to whom these department directors or department heads report, and such other positions which the lottery commission shall determine based on detailed analyses of job descriptions as provided in the internal controls of the licensee. All other gaming employees shall be considered nonkey employees.

XVI. “Licensee” means any individual or entity required to be licensed pursuant to this chapter.

XVII. “Lottery commission” or “commission” means the commission created pursuant to RSA 284:21-a.

XVIII. “Net machine income” means all cash or other consideration utilized to play a video lottery machine at a gaming location, less all cash or other consideration paid to players of video lottery machines as winnings. Noncashable promotional credits shall be excluded from the calculation.

XIX. “Nonkey gaming employee” means an employee of a gaming licensee who is not a key employee and is directly connected to the operation or maintenance of a video lottery machine or table game taking place in a gaming location.

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

XXI. “Progressive system” means one or more video lottery machines linked to one or more common progressive jackpots.

XXII. “Request for application” means a request for applications to be submitted by applicants to the lottery commission pursuant to RSA 284-B:3.

XXIII. “Table game” means any banking or percentage game in which there is an opportunity for the player to use his or her reason, foresight, or other strategy to increase the expected return, including roulette, baccarat, blackjack, poker, craps, big six wheel, mini-baccarat, red dog, pai gow, casino war, Asia poker, Boston 5 stud poker, Caribbean stud poker, Colorado hold ’em poker, double attack blackjack, double cross poker, double down stud poker, fast action hold ’em, flop poker, four card poker, let it ride poker, mini-craps, mini-dice, pai gow poker, pokette, Spanish 21, Texas hold ’em bonus poker, 3-card poker, 2-card joker poker, ultimate Texas hold ’em, winner’s pot poker, and sic bo or any multi-station electronic version of the games described in this paragraph, and any other games approved by the lottery commission. The term includes any variations or composites of approved games, provided that the lottery commission determines that the new table game, variations, or composites are suitable for use after an appropriate test or experimental period under such terms and conditions as the lottery commission may deem appropriate, and any other game which the lottery commission determines to be suitable for use in a gaming location after an appropriate test or experimental period as the lottery commission may deem appropriate. The term shall also include gaming contests or tournaments in which players compete against one another in any table game authorized for use in a gaming location by the lottery commission. The term shall not include wagering on pari-mutuel racing regulated by the racing and charitable gaming commission pursuant to RSA 284, raffles regulated pursuant to RSA 287-A, lotteries regulated by the lottery commission pursuant to RSA 284:21-h and RSA 287-F, and bingo and lucky 7 games regulated by the racing and charitable gaming commission pursuant to RSA 287-E. Table games which are operated as games of chance pursuant to RSA 287-D shall not be subject to the provisions of this chapter.

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

XXV. “Table game operation certificate” means a certificate issued by the commission that certifies that the table gaming operation of a gaming licensee conforms to the requirements

of this chapter and rules adopted under this chapter and that authorizes a gaming licensee to conduct table games under this chapter.

XXVI. “Table game operator” means:

(a) “Primary game operator” which means any consultant or any person involved in conducting, managing, supervising, directing, or running the table games at a gaming location and shall include the banker, the auditor, the counter, and persons involved in the cage; or

(b) “Secondary game operator” which means any person involved in dealing, running a roulette wheel, or handling chips at a gaming location.

XXVII. “Technology provider” means any person or entity which designs, manufactures, builds or rebuilds, programs, installs, modifies, distributes, or supplies video lottery machines or table games for sale or lease to the gaming licensees, and which are for use by a gaming licensee for conducting video lottery games or table games in accordance with this chapter.

XXVIII. “Technology provider license” means the license issued by the lottery commission to a technology provider licensee which allows the technology provider licensee to design, manufacture, install, distribute, or supply video lottery machines for sale or lease to the gaming licensees.

XXIX. “Technology provider licensee” means a technology provider that is licensed by the lottery commission.

XXX. “Token” means the coin or coupon, which is not legal tender, sold by a cashier in a face amount equal to the cash paid by a player for the sole purpose of playing a video lottery machine at the gaming location or paid to a player of a video lottery machine, which can be exchanged for cash at the gaming location.

XXXI. “Video lottery” means any lottery conducted with a video lottery machine or linked video lottery machines with an aggregate progression prize or prizes. Video lottery conducted pursuant to this chapter shall not be considered a state-run lottery.

XXXII. “Video lottery machine” means an electronic, mechanical, or computerized machine which, upon the insertion of bills, coins, tokens, or any representative of value is available to be played where, by chance or skill, or both, the player may receive cash, cash equivalents, or tokens. Video lottery machines include, but are not limited to, slot machines, video poker machines, and other lottery machines. A machine shall be considered a video lottery machine notwithstanding the use of an electronic credit system making the deposit of bills, coins, or tokens unnecessary. Video lottery machines do not include any redemption slot machines and redemption poker machines as defined in RSA 647:2 or video poker machines or other similar machines used for amusement purposes only.

I. The lottery commission shall only issue licenses to persons who operate video lottery machines and table games at a gaming location meeting the requirements of this chapter. The lottery commission shall have the exclusive authority to license and regulate the authorization, installation, operation, and conduct of video lottery machines and table games.

II. The lottery commission shall have general responsibility for the implementation of this chapter and shall adopt rules, that include as a minimum guidance from the North American Gaming Regulators Association, under RSA 541-A relative to:

(a) Issuing requests for applications, and reviewing and deciding all license applications and renewals, and making recommendations for the suspension or revocation of any license issued under this chapter.

(b) Conducting all investigations in conjunction with the attorney general required under this chapter with regard to the application of any applicant for any license.

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

(d) Establishing standards for licensure and a reasonable fee structure for the licensing and renewal of licenses for gaming licensees, technology providers, and key employees consistent with this chapter.

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

(f) Establishing a process for the review of gaming applicants pursuant to RSA 284-B:4.

(g) Establishing an approval procedure for table game operation certificates including the classification of primary game operators and secondary game operators.

(h) Establishing a process for verifying the training and experience of nonkey gaming employees.

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

(j) Prescribing the methods and forms of application which any applicant shall follow and complete prior to consideration of the application by the lottery commission and the information to be included in or submitted with the application.

(k) Prescribing the methods, procedures, and form for delivery of information concerning any person's family, habits, character, associates, criminal record, business activities, and financial affairs.

(l) Prescribing procedures for the fingerprinting of an applicant, key employee or employee of a licensee, or other methods of identification which may be necessary in the judgment of the lottery commission to accomplish effective enforcement of restrictions to access to the gaming location.

(m) Prescribing the manner and procedure of all hearings conducted by the lottery commission or any hearing examiner, including special rules of evidence applicable thereto and notices thereof.

(n) Prescribing the method of collection of payments of taxes, fees, and penalties.

(o) Defining and limiting the areas of operation, the rules of authorized games, odds, and devices permitted, and the method of operation of such games and devices.

(p) Prescribing grounds and procedures for the issuing of sanctions, including but not limited to, the revocation or suspension of licenses.

(q) Governing the manufacture, distribution, sale, and servicing of video lottery machines and table game devices and associated equipment.

(r) Prescribing minimum procedures for the exercise of effective control over the internal fiscal affairs of a gaming licensee, including provisions for the safeguarding of assets and revenues, the recording of cash and evidence of indebtedness, and the maintenance of reliable records, accounts, and reports of transactions, operations, and events, including reports to the lottery commission.

(s) Providing for a minimum standard of accountancy methods, procedures, and forms; a uniform code of accounts and accounting classifications; and such other standard operating procedures as may be necessary to assure consistency, comparability, and effective disclosure of all financial information.

(t) Requiring quarterly financial reports and the form thereof, and an annual audit prepared by a certified public accountant licensed to do business in this state, attesting to the financial condition of a licensee and disclosing whether the accounts, records, and control procedures examined are maintained by the licensee as required by this chapter.

(u) Governing the gaming-related advertising of gaming licensees and their employees and agents, with the view toward assuring that such advertisements are in no way deceptive and promote the purposes of this chapter; provided, however, that such rules shall require the words "Bet with your head, not over it," or some comparable language approved by the lottery commission, to appear on all billboards, signs, and other on-site advertising of a licensee operation and shall require the words "If you or someone you know has a gambling

problem and wants help, call 1-800-GAMBLER,” or some comparable language approved by the lottery commission, provided such language shall include the words “gambling problem” and “call 1-800-GAMBLER,” which shall appear legibly on all print, billboard, and sign advertising of a gaming location.

(v) Providing for the establishment and maintenance by the lottery commission of a list of persons who are to be excluded or ejected from any gaming location, because of the person’s criminal background or presence in a gaming location would be, in the opinion of the lottery commission, inimical to the interests of the state, including standards relating to persons to be excluded, and providing for a self-exclusion program to be established by gaming licensees, whereby persons who are problem gamblers can be excluded or ejected from a gaming location.

(w) Establishing the licensing process and approval process for selecting the provider of the central computer system.

(x) Regulating the operation of table games consistent with RSA 284-B:12, including requiring proper accountability controls to ensure game integrity.

III. Pending the adoption of rules under RSA 541-A, the lottery commission shall adopt interim rules pursuant to RSA 541-A:19 relative to the licensing process within 90 days of the effective date of this chapter. Notwithstanding any law to the contrary such interim rules shall remain in effect until final rules relative to standards set forth in RSA 284-B:2, II are adopted pursuant to RSA 541-A, which shall be no later than June 1, 2013.

IV. The lottery commission shall provide and operate a central computer system into which all licensed video lottery machines shall be connected.

(a) The central computer system shall be capable of:

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

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

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

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

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

(b) The central computer system shall employ a widely accepted gaming industry communications protocol, as approved by the Gaming Standards Association, to facilitate the

ability of video lottery machine manufacturers to communicate with the central computer system.

(1) Except as provided in subparagraph (b)(2), the lottery commission shall not allow a gaming licensee to have access to, or obtain information from, the central computer system.

(2) If the access does not in any way affect the integrity or security of the central computer system, the lottery commission may allow a gaming licensee to have access to the central computer system that allows the licensee to obtain information pertinent to the legitimate operation of its video lottery machines.

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

VI. No later than November 1 of each year, the lottery commission shall submit a report to the fiscal committee of the general court, regarding the operation of video lottery machines.

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

(b) The lottery commission shall keep and maintain a list of all applicants for licenses it receives under this chapter, together with a record of all action taken with respect to such applicants. Except as expressly provided in subparagraphs (d) and (e), a file, including the criminal records of each applicant, its officers, directors, partners, members, shareholders, and key employees, and record of the actions of the lottery commission shall be open to public inspection provided, however, that information regarding any applicant whose license or registration has been denied, revoked, or not renewed shall be removed from the list after 5 years from the date of such action.

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

(d) All personal and financial proprietary information and data of an applicant, its officers, directors, partners, members, shareholders or key employees, other than their criminal records, required by the lottery commission to be furnished to it, or which may otherwise be obtained, shall be considered confidential and shall not be disclosed in whole or in part except in the course of the necessary administration of this chapter, or upon the lawful order of a court of competent jurisdiction, or, with the approval of the attorney general, to a duly authorized law enforcement agency. Notwithstanding this subparagraph, the state police may share information with the lottery commission and the attorney general as is appropriate under this chapter.

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

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

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

284-B:3 Number of Gaming Licenses.

I. There shall be 3 distinct classifications of gaming licenses designated by category. The lottery commission shall review, select, and grant licenses for no more than 4 gaming locations, including 2 category 1 gaming licenses, one category 2 gaming license, and one category 3 gaming license.

(a) A gaming licensee holding a category 1 gaming license shall operate no more than 150 table games consistent with RSA 284-B:12 and no more than 5,000 video lottery machines at its gaming location.

(b) A gaming licensee holding a category 2 gaming license shall operate no more than 60 table games consistent with RSA 284-B:12 and no more than 2,000 video lottery machines at its gaming location.

(c) A gaming licensee holding a category 3 gaming license shall operate no more than 60 table games consistent with RSA 284-B:12 and no more than 2,000 video lottery machines at its gaming location, which shall be in a municipality in a qualifying community under the federal New Markets Tax Credit Program established in Section 45D of the Internal Revenue Code.

II. In order to facilitate the timely and orderly deployment of licensed gaming operations in New Hampshire, the lottery commission shall adopt a schedule by which applications for gaming licenses and technology provider licenses shall be accepted, reviewed, granted, or denied in accordance with the provisions of this section.

III. The lottery commission shall issue a request for applications for all gaming licenses pursuant to the process set forth in this section. The lottery commission shall approve, approve with conditions, or deny all applications submitted. The first request for applications shall be issued simultaneously and within 30 days of the adoption of interim rules by the lottery commission pursuant to RSA 284-B:2, III. The first request for applications shall include a request for applications for the award of 2 category 1 gaming licenses, a request for applications for the award of one category 2 gaming license and a request for applications for the award of one category 3 gaming license. The requests for applications shall require all applications to be submitted within 90 days of the publication of the request.

284-B:4 License Requirements for Gaming Licensees.

I. A gaming applicant shall obtain a gaming license from the lottery commission to possess, conduct, and operate video lottery machines and table games as follows:

(a) An applicant shall complete and sign an application on forms, in a manner and providing the information prescribed by the lottery commission.

(b) The applicant shall include information regarding:

(1) The applicant's criminal history background including authorization for a criminal background and records check, and an attested disclosure of all arrests and citations for nontraffic offenses;

(2) Civil judgments;

(3) Financial affairs;

(4) The full name, address, date of birth, and other personal identifying information of the applicant and all key employees;

(5) If a corporation or other form of business enterprise, the information listed in subparagraphs (b)(1)-(4) shall be provided with respect to each partner, trustee, officer, and director, and any shareholder or other holder who owns more than 10 percent of the legal or beneficial interests of such entity; and

(6) The identity of the owners of the gaming location along with information listed in subparagraphs (b)(1)-(4) shall be provided with respect to each owner, partner, principal, trustee, officer, and director, and any shareholder or other holder who owns more than 10 percent of the legal or beneficial interest of such gaming location. If the owner of the gaming location is not an affiliate of the applicant, the applicant shall also submit a copy of the proposed lease agreement and executed letter of intent between the gaming location and the applicant.

(c) The lottery commission shall not accept applications from applicants except within the timeframe prescribed by the request for applications issued by the lottery commission.

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

(e) The application shall be accompanied by a complete description of the proposed project including a description of the gaming location and all supporting amenities, type and number of video lottery machines, and type and number of table games.

(f) The application shall include information explaining how the proposed project meets the following criteria:

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

(2) The immediate and long range financial feasibility of the applicant's proposed project including a projection of the revenues to be produced by the operation of the video lottery machines and table games at the gaming location, as supported by an expert experienced in the field of gaming.

(3) A licensing fee payment bond, letter of credit, or guaranty on private equity or other fund with demonstrated cash and reserve availability supporting the applicant's ability to pay the licensing fee.

(4) The ability of the applicant's proposed gaming location to provide new and sustainable jobs for the community.

(5) The ability of the applicant's proposed gaming location to efficiently generate and sustain an acceptable level of revenue and revenue growth.

(6) The ability of the applicant to comply with statutory, regulatory, and technical standards applicable to the design of the proposed location.

(7) The demonstrated experience of the owners of the gaming applicant in developing, constructing, and managing a similar enterprise.

(8) The character and fitness of the principals and key employees of the gaming applicant.

(9) The accessibility of the proposed gaming location to public access and public highway infrastructures.

(10) The suitability of the proposed gaming location and facility design for tourism and development, including compatibility of local zoning ordinances, commercial development opportunities, the applicant's plan to meet community needs, and, if the applicant is responding to a request for applications for a category 3 gaming license, evidence confirming that the prospective gaming location is in a municipality which is a qualifying community under the federal New Markets Tax Credit Program established in Section 45D of the Internal Revenue Code.

(11) Whether the applicant has support of the municipality in which the project is proposed by local referendum consistent with RSA 284-B:9.

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

(13) A proposed system of internal security and accounting controls.

(g) The application shall be accompanied by a petition for a table game operation certificate consistent with RSA 284-B:12.

II. The lottery commission shall be available to provide technical assistance to any applicant submitting an application in response to a request for applications.

III. Every application shall contain such information as is required pursuant to RSA 284-B:4 and such information as the lottery commission requires by rule. In addition to the information required for submission to the lottery commission, any applicant may submit, and the commission shall duly consider, any other information.

IV.(a) The lottery commission shall examine every application for form and completeness, and the information required by RSA 284-B as well as any specifications and standards outlined in the request for application. If an application is determined incomplete by the lottery commission, it shall notify the applicant by certified mail within 30 days of receipt of the application. Such notification shall include a full explanation of the reasons for incompleteness. If no request for additional information is made by the commission within the 30 days, the application shall be considered complete. All applications and accompanying submissions shall be maintained as confidential during completeness review.

(b) An applicant whose application is incomplete shall be allowed a maximum of 15 business days from the date of receipt of notification of incompleteness to provide the required additional information. The applicant shall not provide more than the required additional information. The lottery commission shall then review the additional information provided by the applicant; and, if satisfactory, the application shall be considered complete and the applicant shall be notified by certified mail. If the application is still found to be incomplete, the commission shall mail the applicant a notification within 10 business days of receipt of the additional information. If no such notification is mailed to the applicant by the commission within the 10 business days' period, the application shall be considered complete. Within 5 business days of the receipt of any information submitted pursuant to the second completeness notice, the commission shall notify the applicant as to whether such information is satisfactory and the application shall be considered complete, or the applicant shall be provided 3 business days to provide any additional information, however, the applicant shall not provide more than the required additional information. The commission shall review and notify the applicant whether the application is complete within 2 business days of receipt of any additional information.

(c) An applicant whose application is incomplete and who fails to provide the additional required information within the time specified shall be deemed to waive any right to have its application reviewed.

(d) An applicant may withdraw an application at any time thereby terminating the review process.

(e) The lottery commission shall require the applicant who has been notified of a complete application to proceed to a background review by the attorney general pursuant to paragraph V.

V.(a) Upon a request by the lottery commission, the attorney general shall conduct a background review of each gaming applicant and any of its principals, owners, and key employees. The background review may be conducted through any appropriate state or federal law enforcement system and the authorized reviewers may seek information as to the subject's financial, criminal, or business background, or any other information which the attorney general, in his or her sole discretion, may find relevant to the subject's fitness to be associated with the ownership or management of the operation of video lottery machines in New Hampshire, including, but not limited to, the subject's character, personal associations, and the extent to which the subject is properly doing business in the manner in which it purports to operate. If the applicant is a pari-mutuel licensee licensed and authorized to conduct racing, whether live, simulcast, or both, as provided in RSA 284:16 or RSA 284:16-a at a pari-mutuel licensee location, and the attorney general has conducted a background investigation pursuant to RSA 284:15-b within the 12 months prior to the application filing, the attorney general may rely on the results of the previous investigation to the extent the applicant's circumstances have not materially changed. The attorney general shall also take into consideration as evidence of fitness a letter of reference or sworn statement of good standing produced pursuant to subparagraph I(d). The attorney general shall report the results of the background review to the lottery commission within a reasonable time not to exceed 120 days unless a request for additional time has been granted by the lottery commission for good cause. Notwithstanding any other law to the contrary, the information provided to the attorney general and the results of any such review shall be confidential and shall not be subject to disclosure or to public inspection, except that the attorney general, in the attorney general's sole discretion, shall determine the extent to which and the manner in which said results may be reported to the lottery commission or other state agency or official and, if reported, whether such results are to retain their confidential character; provided, however, that whenever the attorney general conducts such a review, the attorney general shall notify the lottery commission whether or not in his or her opinion such person is fit to be associated with participation in the ownership or management of the operation of video lottery machines in this state. The attorney general may conduct such review on the attorney general's motion into the background of the gaming applicant or gaming licensee, or any person or entity upon whom the gaming applicant or gaming licensee relies for financial support.

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

VI.(a) Upon receipt of the report of the attorney general on any and each applicant who has been notified of a complete gaming application, the lottery commission shall make a

determination as to whether the gaming applicant demonstrates it meets the standards for licensure in RSA 284-B:6 according to the time line set forth in this subparagraph (b) or (c).

Such a determination shall be made by majority vote of eligible commission members. Any commission member who has a personal or business conflict with any application shall not vote on such application. The decision shall be in the form of an approval, denial, or an approval with conditions. The decision of the lottery commission approving the application is a final, binding, non-appealable determination which is not subject to legal challenge except by a competing applicant whose application was denied consistent with RSA 284-B:6, XIV.

(b) If there is only one complete application pending for any one classification of gaming licenses, the lottery commission shall make its licensing determination within 60 days of receiving the report of the attorney general.

(c) If there is more than one complete application pending for any one classification of gaming licenses, the lottery commission shall consider competing applicants in relationship to each other. The lottery commission shall schedule a hearing within 30 days of receiving the final attorney general's report pursuant to the hearing process set forth in RSA 541-A regarding adjudicative proceedings. Competing applicants shall serve prehearing memoranda as prescribed by the lottery commission which shall include at a minimum a summary of evidence each applicant intends to present in support of its application for licensure. Competing applications shall be heard separately by the lottery commission at one hearing. There will be no right for an applicant to cross-examine witnesses of a competing applicant. Upon conclusion of the hearing, based on the evidence submitted, the lottery commission shall determine which applicant demonstrates superiority in meeting the standards in RSA 284-B:6.

VII. No gaming applicant who withdraws an application or is denied approval by the lottery commission shall be prevented from responding to subsequent requests for applications.

VIII.(a) The lottery commission shall impose a non-refundable application fee of \$500,000 on all applicants submitting an application for a gaming license which shall be used to defray the cost of processing and reviewing the application. If the cost of processing and reviewing the application exceeds the \$500,000 application fee, the applicant shall pay the difference to the lottery commission within 15 days of receiving a detailed invoice.

(b) The attorney general shall impose an investigation fee of \$100,000 on all applicants for a gaming license which shall be used to defray the cost of the background investigation. If the cost of the background investigation exceeds the \$100,000 applicable amount, the applicant shall pay the difference.

(c) Upon approval of a gaming licensee, the lottery commission shall charge an initial license fee of \$50,000,000 for a gaming licensee approved for a category 1 gaming license, and \$20,000,000 for a gaming licensee approved for a category 2 or category 3 license. The license shall expire after 5 years. The lottery commission shall charge a license fee of \$1,500,000 to renew a category 1 gaming license, and \$600,000 to renew a category 2 or category 3 gaming license; however, the person seeking renewal of a gaming license shall pay all costs incurred by

the attorney general to conduct an investigation with regard to such application to renew the gaming license.

284-B:5 Technology Provider Licensee Applications. A technology provider licensee applicant shall obtain a technology provider license from the lottery commission, as follows:

I. An applicant shall complete and sign an application on forms and in a manner prescribed by the lottery commission.

II. The applicant shall include information regarding:

(a) The applicant's criminal history background including authorization for a criminal background and records check, and an attested disclosure of all arrests and citations for nontraffic offenses;

(b) Civil judgments;

(c) Financial affairs using a multi-jurisdictional personal history disclosure form;

(d) The full name, address, date of birth, and other personal identifying information of the applicant and all key employees; and

(e) If the applicant is a corporation or other form of business enterprise, the same information shall be provided with respect to each partner, trustee, officer, director, and any shareholder or other holder who owns more than 10 percent of the legal or beneficial interests of such entity.

III. If the applicant or any owner has held or holds a technology provider, manufacturer, or supplier's license in a jurisdiction where video lottery machine activities are permitted, the applicant shall so state and may produce either a letter of reference from the gaming or lottery enforcement or control agency in such jurisdiction which sets forth the experience of that agency with the applicant, the applicant's associates, and gaming operation, or a statement under oath that the applicant is or was during the period the activities were conducted in good standing with the agency.

IV. Upon a request by the lottery commission, the attorney general shall conduct a background review of each technology provider applicant and any of its owners and key employees. The review may be conducted through any appropriate state or federal law enforcement system and may seek information as to the subject's financial, criminal, or business background, or any other information which the attorney general, in his or her sole discretion, may find relevant the subject's fitness to be associated with the distribution of video lottery machines in New Hampshire, including, but not limited to, the subject's character, personal associations, and the extent to which the subject is properly doing business in the manner in which it purports to operate. The attorney general shall take into consideration as evidence of fitness a letter of reference or sworn statement of good standing. The attorney general shall report the results of the review to the lottery commission within a reasonable time not to exceed

120 days unless a request for additional time has been granted by the lottery commission for good cause. Notwithstanding any other law to the contrary, the information provided to the attorney general and the results of any such review shall be confidential and shall not be subject to disclosure or to public inspection, except that the attorney general, in the attorney general's sole discretion, shall determine the extent to which and the manner in which said results may be reported to the lottery commission or other state agency or official and, if reported, whether such results are to retain their confidential character; provided, however, that whenever the attorney general conducts such a review, the attorney general shall notify the lottery commission whether or not in his or her opinion such person is fit to be associated with the distribution of video lottery machines in this state. The attorney general may conduct a background review on the attorney general's motion into the background of the technology provider applicant or licensee, or any person or entity upon whom the technology provider applicant or licensee relies for financial support.

V. In any review conducted pursuant to paragraph IV, the attorney general or any duly authorized member of the attorney general's staff may require by subpoena or otherwise the attendance of witnesses and the production of such correspondence, documents, books, and papers as he or she deems advisable, and for purposes of this section, may administer oaths and take the testimony of witnesses.

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

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

(c) Upon approval of a technology provider licensee, the lottery commission shall charge an initial license fee of \$50,000. Licenses shall expire after 5 years. The lottery commission shall charge a fee of \$50,000 to renew a license to a technology provider licensee provided, however, such person seeking renewal of its license shall pay all costs incurred by the attorney general to conduct an investigation with regard to such application to renew the technology provider's license.

284-B:6 Licensure Requirements for All Licenses.

I. No license shall be issued by the lottery commission unless the applicant demonstrates it meets the standards set forth in this section. The lottery commission shall consider the applicant's ability to meet the criteria set forth in RSA 284-B:4, I(f) and (g), and any letter of reference or sworn statement of good standing from the gaming or lottery enforcement or control agency in any jurisdiction where the applicant has held or holds a gaming license.

II. The applicant must demonstrate the following:

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

(b) The trustworthiness of all financial backers, investors, mortgagees, bondholders, and holders of indentures, notes, and other evidences of indebtedness of the applicant, its affiliated persons, subsidiaries, or holding companies that bears a relation to the application.

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

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

(e) Disclosure of any material administrative or enforcement actions pending against the applicant in other jurisdictions.

III. The lottery commission shall not issue a license to any applicant unless the applicant proves that each owner, director, officer, and key employee of the applicant, its principals, subsidiaries, and affiliated entities complies with the criteria for licensure contained in this section. The lottery commission may waive the requirements of this section for a person directly or indirectly holding ownership of securities in a publicly traded corporation if the board determines that the holder of the securities is not significantly involved in the activities of the corporation and does not have the ability to control the corporation or elect one or more directors thereof. The lottery commission may determine whether the licensing standards of another jurisdiction within the United States or Canada in which an applicant, its affiliated entity, intermediary, subsidiary, or holding company for a gaming license or technology provider license is similarly licensed are comprehensive and thorough and provide similar adequate safeguards as those required by this chapter. If the lottery commission makes that determination, it may determine that the gaming applicant or technology provider meets the standards set forth in RSA 284-B:6, II if an applicant holds a similar license in such other jurisdiction after conducting an evaluation of the information relating to the applicant from such other jurisdiction, as updated by the lottery commission, and evaluating other information related to the applicant received from that jurisdiction and other jurisdictions where the applicant may be licensed. The lottery commission may incorporate such information, in whole or in part, into its or the attorney general's evaluation of the applicant.

IV. The lottery commission shall not issue a license to any applicant if the applicant, any key employee, or any individual who has an ownership or financial interest in or with the applicant or its gaming location or an affiliated entity, is an employee of the attorney general's office or the lottery commission on a full or part-time or contractual basis at any time during the previous 2 years. If any such applicant, key employee, or any individual who has an ownership

or financial interest in the applicant becomes an employee of the attorney general's office or the lottery commission on a full or part-time or contractual basis, the applicant shall be subject to sanctions pursuant to RSA 284-B:18.

V. If the lottery commission finds that an individual who is a principal or has an interest in the applicant does not meet the eligibility requirements of paragraph II, and on this basis the applicant shall be denied a license, the lottery commission may afford the individual the opportunity to completely divest his or her interest in the applicant and after such divestiture reconsider the applicant's suitability for licensure in an expedited proceeding and may, after such proceeding, issue the applicant a license.

VI. No license shall be issued to a gaming applicant unless the applicant has obtained local approval as provided in RSA 284-B:9.

VII.(a) The lottery commission shall approve, approve with conditions, or deny each application according to the time frames set forth in RSA 284-B:4. No gaming licensee may begin operations until the lottery commission has adopted final rules. Once final rules have been adopted, a gaming licensee may commence operations in a temporary gaming location while completing construction of the permanent gaming location. Upon issuance of a license, the gaming licensee shall commence construction of the permanent gaming location within 6 months thereafter.

(b) The lottery commission may impose reasonable requirements upon a gaming licensee with respect to the completion of construction of the permanent gaming location, provided that the lottery commission may amend, modify, or waive such conditions upon good cause shown by the gaming licensee and determined by the lottery commission.

VIII. The lottery commission shall not consider an incomplete application and shall notify the applicant in writing if an application is incomplete consistent with RSA 284-B:4, IV. An application shall be considered incomplete if it does not include all applicable fees and all information and accompanying documentation required by the commission, including, but not limited to, a current tax lien certificate issued by the department of revenue administration at the time of filing the application. Any unpaid taxes identified on the tax lien certificate shall be paid before the application is considered complete. A notification of incompleteness shall state the deficiencies in the application that must be corrected prior to consideration of the merits of the application.

IX. Notwithstanding any law to the contrary, the lottery commission shall not consider any application for a license if the applicant or any person affiliated with or directly related to the applicant is a party in any ongoing civil proceeding in which the party is seeking to overturn or otherwise challenge a decision or order of the lottery commission pertaining to the approval, denial, or conditioning of a license to operate video lottery machines. This paragraph shall not be interpreted to affect the rights of applicants to seek judicial enforcement of mandatory obligations of boards or commissions as may be required by this chapter.

X. Each applicant at all times shall have the burden of establishing its eligibility and suitability for licensure. If an applicant or licensee does not meet the requirements for licensure, the lottery commission may deny, revoke, suspend, or condition the license until the applicant or licensee meets the requirements.

XI. Following approval of an application for a license and receiving notice from the lottery commission that the decision is final and not subject to an appeal pursuant to RSA 284-B:6, XIII, the applicant shall pay any applicable licensing fee. The applicant shall provide formal notification to the commission as soon as it fulfills all required conditions for issuance of the license. Upon receipt of such formal notification, upon conducting any necessary verification, and payment of the license fee, the lottery commission shall issue a license to the applicant.

XII. During the course of review of any application for a gaming license, the lottery commission shall take reasonable measures to prohibit and prevent all ex parte communication relating to the merits of such application.

XIII. Applicants may appeal the denial of a license to the New Hampshire supreme court, pursuant to RSA 541. Such appeal shall be filed with the clerk of the supreme court within 5 days after the lottery commission has denied any request for reconsideration. Such appeal shall be limited to questions of law. Findings of fact made by the commission shall be final. The supreme court may hold a special session to consider such appeal if it considers such action necessary.

284-B:7 Exclusion of Minors.

I. No person under 21 years of age shall play a video lottery machine or table game authorized by this chapter. Each violation of this paragraph shall be punishable by a fine of no more than \$2,400 and shall be payable by such person who violates this section.

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

284-B:8 Distribution of Net Machine Income.

I.(a) Forty percent of the net machine income generated by video lottery machines operated by a gaming licensee shall be paid as follows:

(1) Thirty-five percent of the net machine income generated by video lottery machines shall be paid to the state from which the state shall pay for the costs of regulation administration, enforcement of this chapter, and the operation of the central computer system, and the balance shall be deposited in the education trust fund and used first to reduce the rate of the business enterprise tax for the succeeding year to a minimum of $\frac{1}{4}$ of one percent as provided under RSA 77:E:2. Any balance remaining after the business enterprise tax rate has been

reduced to $\frac{1}{4}$ of one percent shall be deposited into the general fund of the state and used to reduce the rate of the business profits tax for the succeeding year.

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

(3) One percent of the net machine income generated by video lottery machines operated by a gaming licensee shall be paid in equal portions to each of the municipalities of New Hampshire which abut the municipality in which the gaming licensee operates video lottery machines; provided, however, that if a municipality abuts more than one municipality in which a gaming licensee operates video lottery machines, such municipality shall only receive net machine income pursuant to this paragraph from the gaming licensee who operates video lottery machines in the same county as the abutting municipality.

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

(b) The balance of the funds from the net machine income from video lottery machines shall be retained by the gaming licensee that operates such video lottery machines, subject to any adjusted charitable benefit amount or gaming location charitable benefit amount due to the racing and charitable gaming commission from the gaming licensee pursuant to RSA 284:6-b, III.

II. The gaming licensee shall deliver the amounts payable to the state or municipality as provided in paragraph I in immediately available funds of the United States on a daily basis. At the time payment is delivered, the gaming licensee shall provide a written accounting of net machine income generated from the video lottery machines by the gaming licensee on an aggregate basis and the calculation of amounts due to the state separately for distribution pursuant to subparagraphs I(a)(1) and (5), the amount due the municipality pursuant to subparagraph I(a)(2), the amount due certain municipalities pursuant to subparagraph I(a)(3), and the balance of net machine income retained by the gaming licensee. The gaming licensee shall pay a penalty of \$1,000 for each day that payment or the accounting is not delivered on time to the state, and a penalty of \$1,000 for each day that payment or the accounting is not delivered to the municipality on time.

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

I. Any municipality in which a gaming location is or proposes to be situated may adopt the provisions of RSA 284-B to allow the operation of video lottery machines and table games at a specific location in the following manner:

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

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

(c) In any unincorporated place, and notwithstanding any other provision of law to the contrary, upon the request of a gaming applicant to authorize the operation of video lottery machines and table games at a specific location within the unincorporated place to either the moderator of the unincorporated place if the unincorporated place is organized to vote pursuant to RSA 668:1, or the clerk of the designated town if the unincorporated place is not organized for voting as provided in RSA 668:2, and the moderator or the clerk shall place the question on the ballot to be voted upon at the next regularly scheduled biennial election. The ballot shall be given to the individuals who are domiciled in such unincorporated place who are registered to vote.

(d) If a majority of those voting on the question vote “Yes,” RSA 284-B shall apply in such town or city and the operation of video lottery machines and table games shall be permitted at a specific location within such town, city, or unincorporated place in accordance with RSA 284-B. If a majority of those voting on the question vote “No” the question may be voted on at a subsequent time in accordance with this section provided, however, the town may consider the question at no more than one special meeting and the annual town meeting in the same calendar year after a “No” vote. A city or town subject to paragraph I(b) may consider the question at no more than one special election and a regular municipal or biennial election in the same calendar year after a “No” vote.

(e) The wording of the question shall be substantially as follows: “Shall we adopt the provisions of RSA 284-B allowing the operation of video lottery machines and table games at [insert the name of the proposed gaming location] located within the [insert name of town, city, or unincorporated place]”?

II. When a gaming licensee requests a town, city, or unincorporated place to act under paragraph I, the gaming licensee shall pay all costs associated with carrying out the actions under this section.

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

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

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

284-B:11 Video Lottery Machines.

I.(a) A gaming licensee shall provide to the lottery commission prior to commencing operations of any video lottery machines, by diagram or narrative, a description of:

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

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

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

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

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

(6) All internal control systems as required by RSA 284-B:15.

(b) The provisions of subparagraphs (a)(1)-(6) shall be approved by the lottery commission prior to a gaming licensee's commencing the operation of any video lottery machine.

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

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

IV. The drop boxes and other devices shall not be brought into a gaming location or removed from a video lottery machine, locked or unlocked, except at such specific times and

such places and according to such procedures as the lottery commission may require to safeguard such boxes and devices and their contents.

V. No video lottery machine shall be used to conduct gaming unless it is identical in all electrical, mechanical, and other aspects to a model which has been specifically tested by the lottery commission and licensed for use by the lottery commission. In conducting such tests, the lottery commission shall use the services of an independent laboratory, and the cost of such independent laboratory shall be paid by the technology provider.

VI. Video lottery machines in operation at a gaming location shall provide a payoff of an average of at least 90 percent, except that progressive jackpots shall have a payoff of an average of at least 87 percent.

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

VIII. A gaming licensee shall not be restricted in the days of operation of video lottery machines.

IX. Video lottery machines shall be operated only at times when the public is allowed access to the gaming locations.

X. No automatic teller machines shall be located within 50 feet of video lottery machines.

XI. All table games operated by a gaming licensee shall be approved in advance by the lottery commission consistent with RSA 284-B:12 and operated consistent with such approval.

284-B:12 Table Game Certificates.

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

II.(a) The lottery commission shall:

(1) Issue, approve, renew, revoke, suspend, condition, or deny issuance or renewal of a table game operation certificate permitting a gaming licensee to operate table games at gaming locations consistent with this chapter.

(2) Determine at its discretion the suitability of any person, including technology vendors not licensed pursuant to this chapter, who furnishes or seeks to furnish to a certificate

holder directly or indirectly any services or property related to the table games or associated equipment or through any arrangements under which that person receives payment based directly or indirectly on earnings, profits, or receipts from table games and associated equipment. Any criminal background checks shall be conducted by the division of state police, gaming enforcement unit, and any other background investigations shall be conducted by the attorney general's office. The commission may require any such person to comply with the requirements of this chapter and the rules of the commission and may prohibit the person from furnishing the services or property.

(3) Publish on the commission's Internet website a complete list of all persons or entities who applied for or held a license, certificate, or approval pursuant to this chapter, or racetrack license at any time during the preceding calendar year and all affiliates, intermediaries, subsidiaries, and holding companies thereof and the status of the application or license, however, information regarding any applicant whose approval or certificate has been denied, revoked or not renewed shall be removed from such list after 5 years from the date of such action.

(b) The certificate shall only permit the operation of table games at a gaming location of a gaming licensee that operates or permits the operation of games of chance for or on behalf of charitable organizations pursuant to RSA 287-D. The space allocated for games of chance at the facility of a gaming licensee holding a category 1 gaming license shall be at least 5,000 square feet within the principal gaming area of the gaming location, and the number of tables used for table games shall be limited to no more than 150 tables. The space allocated for games of chance at the facility of a gaming licensee holding a category 2 or category 3 gaming license shall be at least 2,000 square feet within the principal gaming area of the gaming location and the number of tables used for table games shall be limited to no more than 60 tables.

(c) The certificate shall not be transferable.

III. The lottery commission shall only permit the operation of table games and the system of wagering associated with table games at a gaming location. Authorization to conduct table games shall be contingent upon the gaming applicant's agreement to conduct table games in accordance with this section.

IV.(a) A gaming licensee may seek approval to operate table games by filing a petition with the lottery commission consistent with this chapter.

(b) A petition shall include the following:

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

(2) The estimated number of full-time and part-time employment positions that will be created at the gaming location if table games are authorized.

(3) Information and authorizations sufficient to allow the commission to confirm that any person providing services as a table game operator has not, in any jurisdiction, been

convicted of a felony or class A misdemeanor within the previous 10 years which has not been annulled by a court, or a class B misdemeanor within the previous 5 years which has not been annulled by a court, or has violated any statutes or rules governing gambling or gaming of any kind.

(4) The details of any financing that will be obtained or has been obtained to accommodate the operation of table games.

(5) Detailed site plans identifying the petitioner's proposed table game area within the gaming location including reference to the area reserved for charitable games of chance and affirmation that the petitioner agrees to permit the operation of charitable games of chance consistent with RSA 284-B:12, II(b). The proposed table game area shall be reviewed by the lottery commission to determine the adequacy of the proposed internal controls and external security and proposed surveillance measures and submit a finding regarding adequacy to the commission.

V. The applicant shall certify under oath that:

(a) The information provided on the petition is accurate.

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

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

(d) The proposed internal and external security and proposed surveillance measures within the petitioner's proposed table game area within the gaming location are adequate.

(e) The petitioner's proposed internal controls and audit protocols shall:

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

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

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

(4) Establish procedures for all the following:

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

(B) Check cashing.

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

(D) The recording of transactions pertaining to table gaming.

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

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

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

(8) Establish procedures and security for the counting and recording of table gaming revenue.

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

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

(11) Establish procedures and rules governing the conduct of particular games and the responsibility of nonkey gaming employees.

(12) Establish procedures for the collection and recording of revenue from poker when it is a nonlicensee bank game, including the type of rake utilized, the methodology for calculating the rake, and the amount of maximum permissible rake.

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

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

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

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

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

VI.(a) Each gaming licensee shall, prior to being approved for a table game operation certificate, submit to the commission a detailed description of its administrative and accounting procedures related to table games, including its written system of internal controls. Each written system of internal controls shall include:

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

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

(3) The record retention policy of the applicant.

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

(b) Gaming licensees shall maintain a detailed narrative description of the administrative and accounting procedures which meet the requirements of this section.

(c) A gaming licensee with a table game operation certificate may accept a check from a patron in exchange for cash or chips, provided that each check is deposited with the financial institution upon which the check is drawn within 10 days of receipt by the gaming licensee.

(d) A gaming licensee with a table game operation certificate may make credit card advances and debit card withdrawals available to table game patrons at a gaming location. All fees charged for cash advances, check cashing, and debit card withdrawals shall be disclosed. Notwithstanding any other provision of law, a gaming licensee with a table game operation certificate may provide credit to patrons for the purpose of playing table games in accordance with this section. No third party checks shall be permitted.

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

(a) Be maintained separately and apart from all books, records, and documents of the video lottery machine operations;

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

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

VIII. A gaming licensee shall distribute its daily gross table revenue as follows:

(a) Eight percent of daily gross table revenue to the state to be deposited into the general fund; and

(b) The balance of the daily gross table game revenue shall be retained by the gaming licensee that operates the table games.

IX. The distribution due to the state pursuant to subparagraph VIII(a) shall be due and payable to the state treasurer on a daily basis and shall be based upon gross table game revenue derived during the previous day. All funds owed to the state under this section shall be held in trust by the certificate holder until the funds are paid or transferred and distributed by the certificate holder. Unless otherwise agreed to by the lottery commission, a certificate holder shall establish a separate bank account to maintain table gaming proceeds until such time as the proceeds are paid or transferred under this section.

X. Any person seeking to supply table game devices for use at a gaming location shall obtain approval by the commission for authority to manufacture or supply table games, table game devices, or other equipment associated with table games, and shall pay such fees as the commission deems reasonable and appropriate. Upon approval, the manufacturer or supplier shall pay a fee of \$50,000. A fee of \$25,000 shall be paid for the annual renewal of an approval.

XI.(a) No table games shall be conducted with any equipment except such as is owned or leased from a supplier or manufacturer of such equipment who has been approved by the commission pursuant to RSA 284-B:12 and who has registered with the secretary of state in such manner and on such form as the secretary of state prescribes.

(b) All devices and equipment used to conduct table games shall be subject to inspection by duly authorized law enforcement officials of the commission.

(c) The amount of any wager permitted to be played by a player, on any table game, shall be prominently posted.

284-B:13 Term of License; Limits on Transfer.

I. Any license issued pursuant to this chapter and any renewal thereof shall be valid for 5 years unless earlier suspended or revoked by the lottery commission. The lottery commission shall adopt procedures for license renewal that take into consideration whether the applicant has been previously licensed in good standing under this chapter.

II. No license issued by the lottery commission may be transferred to a separate person or entity without the prior approval of the lottery commission consistent with this chapter. Any proposed transferee of a license issued pursuant to this chapter shall pay an application fee to the lottery commission and an investigation fee to the attorney general as specified in RSA 284-B:4 or RSA 284-B:5, as applicable. Any transfer of a license approved by the lottery commission shall be for the balance of the term of the license. The transferee approved by the lottery commission shall not pay any additional fee at the time of the approval. The transferee shall be subject to the provisions of this chapter with regard to renewal of the license.

III. For purposes of this section, a transfer includes the transfer of 50 percent or more of the ownership of the entity which holds the license issued by the lottery commission, whether such proposed transfer occurs in one transaction or a series of transactions over the course of 12 consecutive months. Any transfer without the approval of the lottery commission shall result in the immediate and automatic termination of the license. The lottery commission shall adopt rules and procedures to implement consideration of a proposed transfer of a license.

284-B:14 Presence of the Lottery Commission. The lottery commission and the division of state police gaming enforcement unit may be present at any gaming location at which video lottery machines and table games are operated at all times when the gaming location is open to the public. The gaming licensee may be required by the lottery commission or gaming enforcement unit to provide such office space and equipment which the commission or unit shall determine is reasonably necessary or proper.

284-B:15 Duties and Authority of the Lottery Commission.

I. The lottery commission, with the assistance and cooperation of the attorney general and the division of state police gaming enforcement unit, shall administer and enforce the provisions of this chapter. The lottery commission shall have the authority to request any and all records maintained by local, municipal, state, or federal agencies relative to gaming applicants or gaming licensees.

II. The lottery commission shall:

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

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

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

(d) Require gaming licensees to submit all contracts for services where the annual amount to be expended by the gaming licensee is over \$500,000 to the lottery commission, and provide any further information to the lottery commission regarding vendors and suppliers as is requested.

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

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

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

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

(4) Provide for accurate and reliable financial records.

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

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

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

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

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

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

(g) Require all holders of licenses issued by the lottery commission pursuant to RSA 284-B to comply with any exclusion program established by the lottery commission and maintained pursuant to RSA 284-B:2, II(v) and to establish and implement a self-exclusion program whereby a person who acknowledges that he or she is a problem gambler and who requests to be placed on a self-exclusion list shall be excluded or ejected from a licensed facility.

III. The lottery commission may employ certain assistants, and contract with certain individuals or entities experienced in the regulation of gaming to carry out the provisions of this section and RSA 284-B. Such assistants and employees shall receive compensation at rates to be established by the department of administrative services, division of personnel. Compensation of assistants, employees, and contractors shall be funded by proceeds paid or received by the lottery commission pursuant to RSA 284-B. No employee of the lottery commission shall have any pecuniary or other interest whatsoever in any supplier or agent to the commission or in any gaming location or license licensed under RSA 284-B.

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

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

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

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

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

(c) All information and data required by the commission, to be furnished to the commission, or which may otherwise be obtained, shall be maintained as confidential consistent with RSA 284-B:2, VII.

(d) All records, information, or data maintained or kept by the lottery commission may be maintained or kept at the office of the gaming enforcement unit.

284-B:16 Declaration of Limited Exemption from Operation of Provisions of 15 U.S.C. sections 1171-1178. Pursuant to section 2 of an act of Congress of the United States entitled "An Act to Prohibit Transportation of Gambling Devices in Interstate and Foreign Commerce," designated as 15 U.S.C. sections 1171-1178, the state of New Hampshire, acting by and through the duly elected and qualified members of its legislature, does hereby, in accordance with and in compliance with the provisions of that section 2 of that act of Congress, declare and proclaim that it is in the state's best interest to benefit from limiting gambling device revenues but prevent the proliferation of gambling devices by limiting approved facility locations and therefore that section 2 of that act of Congress shall not apply to any gambling device in this state where the transportation of such a device is specifically authorized by and done in compliance with the provisions of this chapter and any rules adopted pursuant to it, and that any such gambling

device transported in compliance with state law and rules shall be exempt from the provisions of that act of Congress.

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

284-B:18 Sanction Powers of the Lottery Commission.

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

- (a) Revocation or suspension of a license.
- (b) Civil penalties as may be necessary to punish misconduct and to deter future violations, which penalties may not exceed \$50,000 for each violation.
- (c) Order restitution of any moneys or property unlawfully obtained or retained by a person.
- (d) Issuance of a cease and desist order which specifies the conduct which is to be discontinued, altered, or implemented by the person.
- (e) Issuance of letters of reprimand or censure, which shall be made a permanent part of the file of each person so sanctioned.
- (f) Imposition of any or all of the foregoing sanctions in combination with each other.

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

- (a) The risk to the public and to the integrity of video lottery machine or table game operations created by the conduct of the person.
- (b) The seriousness of the conduct of the person and whether the conduct was purposeful or with knowledge that it was in contravention of the provisions of this chapter or the rules of the commission.
- (c) Any justification or excuse for such conduct.

(d) The prior history of the person involved.

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

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

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

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

284:21-w Administration of Video Lottery and Table Games. The lottery commission shall administer and enforce the provisions of RSA 284:B.

4 New Sections; Department of Safety; Gaming Enforcement Unit Established. Amend RSA 21-P by inserting after section 7-c the following new sections:

21-P:7-d Division of State Police; Gaming Enforcement Unit.

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

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

(b) Participate in any hearing conducted by the lottery commission.

(c) Investigate crimes which may involve a violation of RSA 284-B that occur at a gaming location.

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

21-P:7-e Enforcement Expenditures. The governor and council with the prior approval of the fiscal committee of the general court, upon request from the commissioner of the department of safety, may authorize the transfer of general funds as authorized in RSA 284-B:8, I(a)(1) to the department of safety to implement and enforce RSA 21-P:7-d and RSA 284-B.

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

284:6-b Duties of the Racing and Charitable Gaming Commission. The racing and charitable gaming commission shall:

I. Provide to the lottery commission, attorney general, or division of state police gaming enforcement unit, all records pertaining to the licensing of a pari-mutuel licensee to the extent a pari-mutuel licensee is an applicant or gaming location relevant to the lottery commission's approval process under RSA 284-B within 30 days after the racing and charitable gaming commission receives a request. All records provided to the lottery commission shall be confidential in accordance with RSA 284:B-15, VI.

II. Notice of the contents of any information or data released, except to a duly authorized law enforcement agency pursuant to paragraph I, shall be given to any applicant, registrant, or licensee in a manner prescribed by the rules adopted by the racing and charitable gaming commission.

III.(a) The racing and charitable gaming commission shall determine the total dollars awarded to charities pursuant to RSA 287-D and RSA 287-E during the fiscal year ended June 30, 2013 ("FY 13"), and deduct from that total any amount awarded to charities pursuant to RSA 287-D and RSA 287-E during FY 13 at a charitable gaming facility that becomes licensed as a gaming licensee location pursuant to RSA 284-B. This adjusted amount shall be referred to as the "adjusted FY 13 charitable benefit."

(b)(1) Within 60 days after the close of any fiscal year during which fiscal year a gaming licensee has operated video lottery machines and table games pursuant to RSA 284-B, the racing and charitable gaming commission shall determine the aggregate amount actually awarded to all charities throughout the state from the operation of games during that fiscal year pursuant to RSA 287-D and RSA 287-E, which aggregate amount shall be referred to as the "annual charitable benefit." The racing and charitable gaming commission shall deduct from the annual charitable benefit the amount awarded to charities by any gaming licensee at any gaming location during the same year. This amount shall be referred to as the "adjusted annual charitable benefit."

(2)(A) The racing and charitable gaming commission shall determine whether the adjusted FY 13 charitable benefit exceeds the adjusted annual charitable benefit, and such excess, if any, shall be referred to as the "adjusted charitable benefit amount." The racing and charitable gaming commission shall notify the lottery commission and each gaming licensee of the adjusted charitable benefit amount.

(B) If there is only one gaming licensee, the gaming licensee shall pay the adjusted charitable benefit amount to the racing and charitable gaming commission within 30 days of receipt of the notice. If two or more gaming licensees are in operation, then each gaming licensee shall pay its pro rata share of the adjusted charitable benefit amount within 30 days of receipt of the notice.

(C) A gaming licensee's pro rata share shall be determined by the racing and charitable gaming commission by multiplying the charitable benefit amount by a fraction; the numerator of which is the net machine income produced by such gaming licensee for such fiscal year and the denominator of which is the total net machine income produced by all gaming licensees for such fiscal year.

(D) The racing and charitable gaming commission shall notify the lottery commission in writing that the racing and charitable gaming commission has received the payments due hereunder in accordance with this paragraph.

(3) To the extent a gaming licensee has operated video lottery machines and table games for only a portion of a fiscal year, its share of any adjusted charitable benefit amount for that year shall be proportionally prorated.

(c)(1) In the event that the gaming location of a gaming licensee was licensed as a charity gaming facility for FY 13, the racing and charitable gaming commission shall determine the amount awarded to charities at such gaming location in FY 13. This amount is referred to as the "gaming location FY 13 charitable benefit."

(2)(A) Within 60 days after the close of any fiscal year, the racing and charitable gaming commission shall compare the gaming location FY 13 charitable benefit to the amount actually awarded to charities at such gaming location in a fiscal year. The amount by which the gaming location FY 13 charitable benefit exceeds the amount actually awarded to charities at such gaming location in a fiscal year shall be referred to as the "gaming location charitable benefit amount." The racing and charitable gaming commission shall notify the lottery commission and the gaming licensee of the gaming location charitable benefit amount.

(B) The gaming licensee at such gaming location shall pay the gaming location charitable benefit amount to the racing and charitable gaming commission within 30 days of receipt of notice by such gaming licensee. The obligation of a gaming licensee hereunder is in addition to the obligation of the licensee under subparagraph III(b).

(C) The racing and charitable gaming commission shall notify the lottery commission that the racing and charitable gaming commission has received the payment due hereunder.

(3) The payment due under this paragraph is subject to no credits or offsets. This paragraph shall apply to the gaming licensee at whose gaming location the facility was licensed pursuant to RSA 287-D or RSA 287-E as a charitable gaming facility for FY 13.

(d) The racing and charitable gaming commission shall adopt rules with respect to the calculation, collection, and distribution of any adjusted charitable benefit amount and any gaming location charitable benefit amount, consistent with this paragraph.

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

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

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

VI. The commission may issue a special license to a person holding a gaming license under the provisions of RSA 284-B, provided the gaming location has an existing liquor license. Such special license shall allow the sale of liquor and beverage within the gaming location, including dining room, function room, gaming room, lounge, or any other area designated by the commission, without regard to whether meals are served therein, but only during the time gaming is being conducted under RSA 284-B.

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

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

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

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

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

172:8 Duties of Commissioner. The commissioner shall:

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

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

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

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

V. [Repealed.]

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

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

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

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

X. [Repealed.]

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

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

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

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

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

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

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

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

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

- (a) Peer review of applicants.
- (b) Minimum qualifications and competency.
- (c) Education and continuing education.
- (d) Experience required.
- (e) Required knowledge of **gambling**, alcohol, and drug abuse counseling.

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

V. Voluntary admissions under RSA 172:13.

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

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

14 New Subparagraph; Gambling Offenses; Minors. Amend RSA 647:2, I by inserting after subparagraph (c) the following new subparagraph:

- (d) Violates the provisions of RSA 284-B:7.

15 Business Enterprise Tax; Imposition of Tax. Amend RSA 77-E:2 to read as follows:

77-E:2 Imposition of Tax.

I. For tax years prior to the tax year beginning July 1, 2013, a tax is imposed at the rate of 3/4 of one percent upon the taxable enterprise value tax base of every business enterprise. Beginning July 1, 2013, the commissioner shall annually establish a tax rate at a maximum of 3/4 of one percent and a minimum of 1/4 of one percent upon the taxable enterprise value tax base of every business enterprise based on the amount allocated to the education trust fund under RSA 284-B:8, I(a)(1).

II. The commissioner shall notify the governor, the speaker of the house, and the senate president of the tax rate established under paragraph I prior to July 1 of each year.

16 Business Enterprise Tax; Distribution of Funds. Amend RSA 77-E:14 to read as follows:

77-E:14 Distribution of Funds.

I. The commissioner shall determine the ~~[additional amounts]~~ **amount** of revenue produced by ~~[an increase of]~~ .50 percent ~~[in]~~ **of** the rate of tax imposed by RSA 77-E:2 for each fiscal year and shall certify such amounts to the state treasurer by October 1 of that year for deposit in the education trust fund established by RSA 198:39.

II. The commissioner shall make quarterly estimates of the amount of ~~[additional]~~ revenues that will be produced by ~~[the increase in]~~ **.50 percent of the** tax rate for the next fiscal year and shall certify such amounts to the state treasurer for deposit in the education trust fund established by RSA 198:39. Such estimates shall be certified on June 1, September 1, December 1, and March 1 of each year.

17 Business Profits Tax; Imposition of Tax. Amend RSA 77-A:2 to read as follows:

77-A:2 Imposition of Tax.

I. For tax years prior to the tax year beginning July 1, 2013, a tax is imposed at the rate of 8.5 percent upon the taxable business profits of every business organization. Beginning July 1, 2013, the commissioner shall annually establish a tax rate not to exceed 8.5 percent upon the taxable business profits of every business organization based on the amount allocated to the education trust fund and general fund under RSA 284-B:8, I(a)(1).

II. The commissioner shall notify the governor, the speaker of the house, and the senate president of the tax rate established under paragraph I prior to July 1 of each year.

18 Business Profits Tax; Distribution of Funds. Amend RSA 77-A:20-a to read as follows:

77-A:20-a Distribution of Funds.

I. The commissioner shall determine the ~~[additional amounts]~~ **amount** of revenue produced by ~~[an increase of]~~ 1.5 percent ~~[in]~~ **of** the rate of tax imposed by RSA 77-A:2 for each fiscal year and shall certify such amounts to the state treasurer by October 1 of that year for deposit in the education trust fund established by RSA 198:39.

II. The commissioner shall make quarterly estimates of the amount of ~~[additional]~~ revenues that will be produced by ~~[the increase in]~~ **1.5 percent of the** tax rate for the next fiscal year and shall certify such amounts to the state treasurer for deposit in the education trust fund established by RSA 198:39. Such estimates shall be certified on June 1, September 1, December 1, and March 1 of each year.

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

2012-0917h

AMENDED ANALYSIS

This bill:

I. Allows video lottery machines and table games at 4 gaming locations in the state pursuant to a competitive application process.

II. Distributes proceeds of video lottery machines and table games to the municipalities where the facility is located and abutting communities, and to the education trust fund and general fund to offset business taxes.

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

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