SB 310-FN-A-LOCAL - AS AMENDED BY THE SENATE

03/21/2019 1202s

2019 SESSION

19-0865 08/03

SENATE BILL 310-FN-A-LOCAL

AN ACT relative to casino gambling.

SPONSORS: Sen. D'Allesandro, Dist 20; Sen. Soucy, Dist 18; Sen. Cavanaugh, Dist 16; Rep.

McBride, Rock. 8; Rep. Morrison, Rock. 9

COMMITTEE: Finance

ANALYSIS

This bill:

I. Allows the licensing and operation of 2 video lottery and table gaming facilities.

II. Requires the gaming regulatory oversight authority to select licensees for video lottery and table gaming facilities and oversee the operation of such facilities.

- III. Allows sports wagery and licenses sports wagering operators.
- IV. Establishes the gaming regulatory fund.
- V. Establishes the gaming enforcement division of the state police.
- VI. Establishes the gambling addiction prevention fund.

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

Matter removed from current law appears [in brackets and struckthrough.]

Matter which is either (a) all new or (b) repealed and reenacted appears in regular

type.

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complimentary service.

19-0865 08/03

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Nineteen

AN ACT relative to casino gambling.

Be it Enacted by the Senate and House of Representatives in General Court convened: 1 1 New Chapter; Video Lottery and Table Game Facilities. Amend RSA by inserting after 2 chapter 284-A the following new chapter: CHAPTER 284-B 3 VIDEO LOTTERY AND TABLE GAME FACILITIES 4 284-B:1 Definitions. In this chapter: 5 6 I. "Centralized data provider" means a provider of centralized gambling data, selected by 7 the gaming oversight authority. 8 II. "Collegiate sport or athletic event" means a sport or athletic event offered or sponsored 9 by or played in connection with a public or private institution that offers educational services beyond the secondary level 10 11 III. "Currency" means legal tender in the form of coins or paper which is officially issued by 12 the United States Treasury, but it shall not include any type of credit or debit card. 13 IV. "Facility applicant" means the entity, which will participate and apply for a facility 14 license, as applicable. 15 V. "Facility license" means the license issued by the gaming regulatory oversight authority 16 to a facility licensee. 17 VI. "Facility licensee" means an applicant who is issued a license by the gaming regulatory 18 oversight authority to provide facilities and support to state operated video lottery and table game 19 locations. 20 VII. "Gaming regulatory oversight authority" or "authority" means the authority 21established by RSA 284-A:1. 22 VIII.(a) "Gross table game revenue" means the total of: 23(1) Cash or cash equivalent wagers received in the playing of a table game less the 24total of: 25 (A) Cash or cash equivalents paid to players as a result of playing a table game; 26 (B) Cash or cash equivalents paid to purchase an annuity to fund a prize 27 payable to a player over a period of time as a result of playing a table game; and

(C) The actual cost paid by a facility licensee for any merchandise or other non-

cash prize distributed to a player as a result of playing a table game. This shall not include travel

expenses, food, refreshments, lodging, or services conferred as part of a promotion or as a

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1	(2) Contest or tournament fees or payments, including entry fees, buy-ins, re-buys,
2	and administrative fees, imposed by a facility licensee to participate in a table game contest or
3	tournament, less cash paid or actual costs paid by a facility licensee for prizes awarded to contest or
4	tournament winners.
5	(3) The total amount of rake collected by a facility licensee.
6	(b) Gross table game revenue shall not include:
7	(1) Counterfeit cash or chips;
8	(2) Currency of other countries received in the playing of a table game, except to the
9	extent that the coin or currency are readily convertible to cash; and
10	(3) Cash taken in a fraudulent act perpetrated against a gaming licensee for which
11	the gaming licensee is not reimbursed.
12	(c) A noncashable promotional credit shall be excluded from the calculation of gross
13	table game revenue.
14	IX.(a) "Gross video lottery machine revenue" means the total of:
15	(1) Cash or cash equivalent wagers received by a video lottery machine less the total
16	of:
17	(A) Cash or cash equivalents paid out to players as a result of playing a video
18	lottery machine, whether paid manually or paid out by the video lottery machine;
19	(B) Cash or cash equivalents paid to purchase an annuity to fund a prize
20	payable to player over a period of time as a result of playing a video lottery machine; and
21	(C) The actual cost paid by a facility licensee for any merchandise or other non-
22	cash prize distributed to a player as a result of playing a video lottery machine. This does not
23	include travel expenses, food, refreshments, lodging, or services conferred as part of a promotion or
24	as a complimentary service.
25	(2) Contest or tournament fees or payments, including entry fees and
26	administrative fees, imposed by a facility licensee to participate in a video lottery machine contest
27	or tournament, less cash paid or actual costs paid by a facility licensee for prizes awarded to contest
28	or tournament winners.
29	(b) Gross video lottery machine revenue shall not include;
30	(1) Counterfeit currency;
31	(2) Currency of other countries received in the playing of a video lottery machine
32	except to the extent that the currency is readily convertible to cash; and
33	(3) Cash taken in a fraudulent act perpetrated against a gaming licensee for which
34	the facility licensee is not reimbursed.
35	(c) A noncashable promotional credit shall be excluded from the calculation of gross
36	video lottery machine revenue.
37	X. "Internet sports pool operator" means an entity that holds a permit issued by the division

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to operate an online sports pool.

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- XI. "Net video lottery machine income" means all cash or other consideration used to play video lottery machine less all cash or other consideration paid to players of video lottery machines as winnings. Noncashable promotional credits shall be excluded from the calculation.
- XII. "Net table game income" means all cash or other consideration used to play a table game, less all cash or other consideration paid to players of table games as winnings. Noncashable promotional credits shall be excluded from the calculation.
- XIII. "Online sports pool" means a sports wagering operation in which wagers on sports events are made through computers or mobile or interactive devices and accepted at a facility licensee through an online gaming system.
- XIV. "Professional sport or athletic event" means an event at which 2 or more persons participate in sports or athletic events and receive compensation in excess of actual expenses for their participation in such event.
- XV. "Prohibited sports event" means any collegiate sport or athletic event that takes place in New Hampshire or a sport athletic event in which any New Hampshire college team participates regardless of where the event takes place. A prohibited sports event does not include the other games of a collegiate sport or athletic tournament in which a New Hampshire college team participates, nor does it include any games of a collegiate tournament that occurs outside NewHampshire even though some of the individual games or events are held in New Hampshire. A prohibited sports event includes all high school sports events but does not include international sports events in which persons under age 18 make up a minority of the participants.
- XVI. "Sports event" means any professional sport or athletic event and any collegiate sport or athletic event, or any portion thereof, including but not limited to, the individual performance statistics of athletes in a sports event or combination of sports events, except "sports event" shall not include a prohibited sports event or a fantasy sports contest as defined by RSA 287-H:1, IV.
- XVII. "Sports pool" means the business of accepting wagers on any sports event by any system or method of wagering, including but not limited to single-game bets, teaser bets, parlays, over-under, moneyline, pools, exchange wagering, in-game wagering, in-play bets, proposition bets, and straight bets.
- XVIII. "Technology provider" means any person or entity which designs, manufactures, installs, distributes, or supplies video lottery machines for lease to the state for conducting video lottery games.
 - XIX.(a) "Table game" means:

(1) A game in the form of baccarat, big 6 wheel, blackjack, craps, double attack blackjack, mini-baccarat, mini-craps, mini-dice, pai gow, red dog, roulette, sic bo, casino war, poker including Asia poker, Boston 5 stud poker, Caribbean stud poker, Colorado hold 'em poker, double cross poker, double down stud poker, fast action hold 'em, flop poker, four card poker, let it ride poker, pai gow poker, pokette, Spanish 21, Texas hold 'em bonus poker, 3-card poker, 2-card joker poker, ultimate Texas hold 'em, or winner's pot poker.

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(2) Any variations or composites of such games, provided that such variations or composites are found by the authority to be suitable for use after an appropriate test or experimental period under such terms and conditions as the authority shall deem appropriate.

- (3) Any other banking or percentage game played with cards, dice, tiles, dominoes, or other equipment or an electronic, electrical or mechanical device played for money or other representation of value which is determined by the authority to be compatible with the public interest and to be suitable for casino use after such appropriate test or experimental period as the authority shall deem appropriate.
- (b) The term "table game" shall not include games of chance pursuant to RSA 287-D, bingo and lucky 7 under RSA 287-E, pari-mutuel racing pursuant to RSA 284, raffles pursuant to RSA 287-A, or lottery pursuant to RSA 284:21-h and RSA 287-F.
- XX. "Table game device" includes, but is not limited to, a gaming table, cards, dice, chips, shufflers, tiles, dominoes, wheels, a drop box, or any other equipment used or consumed in connection with the operation of a table game in accordance with this chapter.
- XXI. "Token" means the coin, which is not legal tender, sold by a cashier in a face amount equal to the currency paid by a player for the sole purpose of playing a video lottery machine at a licensed facility, which can be exchanged for currency at the same facility where the video lottery machines are located, but shall not include any type of credit or debit card.
- XXII. "Video lottery employee" means a person employed by the state in the operation of a video lottery location, including without limitation, cashiers, floormen, machine mechanics, security personnel or inspectors, and supervisors or managers. Video lottery employees shall be hired, fired, trained, managed, and supervised by the division of gaming enforcement.
- XXIII. "Video lottery location" means a state operated facility, within a location provided by the facility licensee, authorized by a municipality that contains video lottery machines operated in accordance with this chapter.
- XXIV. "Video lottery machines" means an electronic, mechanical, or computerized machine licensed by the authority, 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, video lottery 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 shall 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.
- 284-B:2 Gaming Regulatory Oversight Authority. The gaming regulatory oversight authority, through delegation to the division of gaming enforcement, shall establish, staff, manage, and operate video lottery and table games at video lottery locations licensed under the provisions of this chapter. Facilities provided by the facility licensee shall contain nongaming resources such as,

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- dining, liquor, hotel, and any other support resource approved by the gaming regulatory oversight authority. The facility licensee shall, at a minimum, provide and pay for heat, electricity, water, sewer, maintenance, and security surveillance infrastructure for the video lottery location for which the facility licensee shall receive remuneration pursuant to RSA 284-B:16.
 - 284-B:3 Duties of the Gaming Regulatory Oversight Authority. The authority shall:

- I. Determine whether to use state funding to build gaming facilities and lease the facility to licensees or choose to require the licensees to build and operate the gaming facilities.
 - II. Issue licenses after completion of the investigations set forth in this chapter. All license applications shall be approved or denied no later than 150 days from the date of application. No license issued under the provisions of this chapter shall be assigned, transferred, or sold, without a complete application and the approval of the authority and payment of a \$150,000 application fee. No person or entity may own or have an interest in more than one facility license.
 - III. Collect all license fees imposed upon any applicant and all fees imposed by this chapter.
 - IV. Certify net machine income by inspecting records, conducting audits, having its agents on site, or by other reasonable means.
 - V. Establish a central computer system at a location of its choosing linking all video lottery machines to a central computer to ensure control over the video lottery machines.
 - VI. Enter into lease agreements with up to 3 technology providers to provide video lottery machines to the state. Lease agreements shall provide that the technology provider supply the quantity and quality of video lottery machines determined by the authority in a timely and efficient manner, and shall be paid with a percentage of the net machine income, as provided in RSA 284-B:16. The technology provider shall provide all maintenance and service of its video lottery machines at no additional charge or fee to the state. Each agreement shall also provide that the technology provider shall be required to replace 30 percent of its video lottery machines annually.
 - VII. 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 the operation.
 - VIII. Not later than November 1 in each calendar year of this program, provide a report to the fiscal committee of the general court regarding the generation of revenue of video lottery machines. Such report shall include any recommendations for legislation and any public concerns.
 - IX. Establish a list of approved table games and establish standards and testing processes for electronic table games.
- X. Have the authority to issue subpoenas and compel the attendance of witnesses, to administer oaths, and to require testimony of witnesses under oath.
- XI. Make and keep records of all proceedings of its public meetings. A copy of the transcript shall be made available to any person upon request and payment of the costs of preparing a copy.
- XII. Keep and maintain a list of all license applicants and a record of all actions taken with

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- respect to each applicant. A file and record of the actions by the gaming oversight authority shall be open to public.
 - XIII. Maintain such other files and records as it deems necessary. All records maintained by the gaming oversight authority may be maintained in digital format or other technology, provided that such information is capable of being produced in written form.
 - XIV. Maintain the confidentiality of all information and data obtained by the authority. Such information shall not be revealed in whole or in part except as otherwise provided by law, upon the lawful order of a court of competent jurisdiction, lawfully executed and served grand jury subpoenas, or with the approval of the attorney general, to a duly authorized law enforcement agency.
 - XV. Provide notice of the contents of any information or data released, except to a duly authorized law enforcement agency or grand jury subpoena pursuant to paragraph XIV, to any applicant, registrant, or licensee in a manner prescribed by the rules adopted by the authority.
 - XVI. If necessary, contract for and procure financial, economic, or security consultants and any other technical and professional services as the authority deem necessary.
 - XVII. Develop and provide an employee training program which shall include, but not be limited to, information on state law, criminal and civil liability, and management practices.
 - 284-B:4 Rulemaking.

- I. The authority shall have general responsibility for the implementation of this chapter and shall adopt rules under RSA 541-A relative to:
 - (a) Hearing and deciding all license applications or recommendations for the suspension or revocation of any license.
 - (b) Conducting all investigations required with regard to the application, suspension, or revocation of any licensee or applicant.
 - (c) Conducting hearings pertaining to administrative violations or rules and collecting all penalties assessed under the provisions of this chapter.
 - (d) Establishing standards and a reasonable fee structure for the licensing and renewal of licenses for technology providers.
 - (e) Establishing 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 operation.
 - (f) Establishing technical standards for approval of table games and electronic table games, 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 operation.
 - (g) Establishing criteria for licensing, suspension, and revocation.
- 37 (h) The value of prizes, which may be awarded, and the cost of play for each video lottery game played on a video lottery machine, as recommended by the technology provider.

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- (i) Establishing employee qualifications, training, and background investigations for prospective employees.
 - (j) Standards for the management, and operation, of all video lottery locations.
- II. Pending the adoption of rules under RSA 541-A, the authority shall adopt interim rules including provisions for the publication of public notice of the period of time for the submission of facility license applications and after public hearing and within 60 days of the effective date of this chapter. Such interim rules shall automatically expire upon the adoption of rules under RSA 541-A.
- 284-B:5 Restrictions. No member or employee of the authority shall have a fiduciary interest in any technology provider, facility licensee, or centralized data provider.
 - 284-B:6 Licensure of Technology Provider and Centralized Data Provider.
- I. No technology provider or centralized data provider shall engage in the business of providing, installing, or repairing video lottery machines used under this chapter without a license issued by the authority.
- II. The gaming authority shall require a criminal background check of all technology provider licenses and said applicants shall apply to the attorney general for a national criminal records check with fingerprinting. The applicant shall be responsible for the cost of said criminal records check. The attorney general shall send the results of such criminal records check to the authority. Once the results are received by the authority, the attorney general shall promptly destroy such fingerprint records.
- 284-B:7 Restriction on Technology and Centralized Data Provider. No technology provider or centralized data provider or their employees shall be entitled to operate video lottery machines within the state.
 - 284-B:8 Restriction of Minors.

- I. No person under the age of 21 shall be permitted access to a gaming floor or restricted area or to otherwise place a wager on a video lottery machine or table game.
- II. No member or employee of any video lottery location, department of safety, the attorney general's office, or the authority shall knowingly permit a person under the age of 21 shall be permitted access to a gaming floor or restricted area or to otherwise place a wager on a video lottery machine or table game.
- III. Each violation of this section shall be punishable by a fine of no more than \$1,000 and shall be payable by such person who violates paragraph I. If such violator is a state employee, then the employee shall also be subject to appropriate sanctions in conformance with the adopted policies and procedures of the division of gaming enforcement, and the department of administrative services, division of personnel.
- IV. Each violation of this section shall be punishable by a fine of no more than \$1,000 and shall be payable by the employee or facility licensee that is found to have violated paragraph II.
 - 284-B:9 Person Misrepresenting Age.
 - I. A person who falsely represents his or her age for the purpose of playing video lottery

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- machines or table games shall be guilty of a misdemeanor. Any person who violates any of the provisions of this section shall be fined for his or her first offense a minimum of \$250. No portion of this mandatory minimum fine shall be waived, continued for sentencing or suspended by the court.

 A second or subsequent offense shall carry a \$500 minimum fine.
 - II. Notwithstanding paragraph I any person who possesses, uses, or displays in any manner a false identification card, document, license, or any other document which represents such person's age for the purpose of playing video lottery machines or table games shall be fined a minimum of \$250. No portion of this mandatory minimum fine shall be waived, continued for sentencing, or suspended by the court. The provisions of this paragraph shall not reduce the maximum penalty which could be imposed for such an offense pursuant to paragraph I. A second or subsequent offense shall carry a \$500 minimum fine.
 - III. An identification card issued under the provisions of RSA 260:21 shall be withdrawn for violation of this section for 90 days. In addition, the director of the division of motor vehicles shall withdraw, for 90 days, the identification card of any person who allows his or her card to be used or displayed by another person for the purpose of playing video lottery machines.
 - 284-B:10 Penalty for Tampering or Manipulating. Any person who, with the intent to manipulate the outcome, payoff, or operation of a video lottery machine or table game, 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 class A felony.
 - 284-B:11 Video Lottery Machine Requirements.

- I. 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 and licensed for use by the authority.
- II. All video lottery machines in operation shall pay out as winnings at least 87 percent of their contents on an annual basis.
- III. The authority shall establish the days and hours of operation of video lottery locations and shall not be restricted by the facility licensee.
 - IV. No automatic teller machines shall be located within 150 feet of a video lottery machine. 284-B:12 Number of Facility Licenses.
- I. The authority shall award not more than one category 1 facility license and not more than one category 2 facility license, as defined in paragraphs II and III of this section, for 2 separate video lottery and table gaming locations.
 - II. The category 1 license shall authorize:
- (a) The operation of not more than 160 tables where table games are operated, provided that the licensee's application shall propose operation of at least 80 tables where table games are operated; and
- 37 (b) The operation of no more than 3,500 video lottery machines, provided that the licensee's application shall propose operation of at least 2,000 video lottery machines.

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1 (c) The operation of sports pools and online sports pools on premises. 2 III. The category 2 license shall authorize: 3 (a) The operation of no more than 80 tables where table games are operated, provided 4 that the licensee's application shall propose operation of at least 25 tables where table games are 5 operated; and (b) The operation of no more than 1,500 video lottery machines, provided that the 6 7 licensee's application shall propose operation of at least 750 video lottery machines. 8 (c) The operation of sports pools and online sports pools on premises 9 IV. No entity shall hold both a category 1 and a category 2 license. 10 V. After the issuance of 2 facility licenses authorized under this section, the commission 11 shall issue no facility licenses for 10 years from the date of the last license issued. 12 284-B:13 Facility License Application Requirements. 13 I. The authority shall issue a request for applications: 14 (a) For a category 1 facility license within 30 days of the adoption of licensing rules in accordance with RSA 284-B:4; and 15 16 (b) For the category 2 license within one year after the issuance of the request for 17 applications for the category 1 license. The request for applications shall require all facility license 18 applications to be submitted to the authority no later than 120 days after the publication of the 19 request, provided, however, an applicant who has paid the full application and investigation fees 20 required by this section may receive one extension of up to 30 days upon a finding of good cause 21shown by the authority. Applications received after the deadline shall not be reviewed by the 22authority. The authority shall approve, approve with conditions, or deny all applications submitted 23in accordance with the provisions of this chapter and any applicable rules adopted by the authority. 24II. Requests for applications pursuant to paragraph I of this section shall be advertised in a 25newspaper of general circulation in the state, in Commerce Business Daily or an equivalent 26 publication, and on the official Internet website of the authority. 27 An applicant for a facility license shall submit the following documentation, as reasonably applicable to status as an individual, corporation, limited liability company, or other 28 29 form of business enterprise, for consideration by the authority: 30 (a) A fully executed and complete application on forms prescribed by the authority which may include, but not be limited to, a multijurisdictional personal history and/or business 31 32entity disclosure form and any New Hampshire supplements to those forms. 33 (b) The application shall include any and all information requested by the authority including, but not limited to, information regarding: 34 35 (1) The applicant's criminal history including a sworn statement with regard to all 36 arrests and citations for non-traffic offenses that includes, at a minimum, a description of the 37 circumstances surrounding the arrest or issuance of the citation, the specific offense charged and

the ultimate disposition of the charge, including details of any dismissal, plea bargain, conviction,

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1 sentence, pardon, expungement, or other order or disposition;

- (2) Fingerprints for each individual applicant and a written consent for a criminal history record check for the applicant;
- (3) All civil actions, including bankruptcy filings, to which the applicant was a party during the past 10 years; including, but not limited to, actions resulting in a civil judgment;
- (4) Information and documentation demonstrating by clear and convincing evidence the applicant's financial stability including, but not limited to, bank references, business and personal income and disbursement schedules, tax returns and other reports and actions filed with government agencies, details with regard to any bankruptcy filing, whether or not dismissed, business and personal accounting check records and ledgers, and other relevant source documents covering at least the 10-year period immediately prior to the date of filing of the application;
- (5) Information and documentation demonstrating by clear and convincing evidence the applicant's good character, honesty, and integrity including, but not limited to, information pertaining to family, habits, character, reputation, criminal history, business activities, financial affairs, and business, professional, and personal associates, covering at least the 10-year period immediately prior to the date of filing of the application;
- (6) Information and documentation with regard to all contributions, donations, loans, or any other financial transactions to or from a gaming entity or operator in the past 5 years;
- (7) Full name, address, date of birth, a photograph, and other personal identifying information; and
- (8) Such other information as the authority shall deem relevant to its consideration of the application including documentation and information that predates the 10-year period immediately prior to the date of filing of the application.
- IV. An applicant for a facility license shall also submit the following documentation, as reasonably applicable to status as an individual, corporation, limited liability company, or other form of business enterprise, for consideration by the authority:
- (a) Information and documentation demonstrating by clear and convincing evidence that the applicant has sufficient business ability and experience to establish and maintain a successful gaming operation, including, but not limited to, information demonstrating the experience of the applicant in developing, constructing, and managing a gaming operation.
- (b) Information and documentation in the form of a payment bond, letter of credit, guaranty of private equity, or other funds which demonstrate cash and reserve availability supporting the applicant's ability to pay the license fee required pursuant to this chapter.
- (c) If the applicant held or holds a facility license in another jurisdiction that fact shall be disclosed to the authority and the applicant shall submit a letter of reference as appropriate from the relevant gaming enforcement or control agency which sets forth the experience of that agency with the applicant and the gaming operation with which the applicant was or is associated. If no letter of reference is issued and received within 30 days of a written request, a statement under

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oath that the person is or was during the period of licensure in good standing with the relevant gaming enforcement or control agency may be substituted in lieu of a letter of reference.

- (d) If directed to do so by the authority, an application to any federal or state agency deemed appropriate by the authority for agency records pertaining to the applicant under the Freedom of Information Act, 5 U.S.C. section 552, and the subsequent provision of the complete record received from said agency, provided, however, that nothing shall preclude the authority from awarding or issuing a license prior to receipt of any information so requested.
- (e) Documentation to support the applicant's ability to pay, exchange, refinance, or extend debts, including long-term and short-term principal and interest and capital lease obligations, which will mature or otherwise come due and payable during the facility license term, or to otherwise manage such debts and any default with respect to such debts.
- (f) Documentation supporting the applicant's recognition of its obligation to identify, address, and minimize any potential negative consequences associated with gambling and the operation of its gaming location including, but not limited to, the following:
- (1) Demonstration of an adequately funded commitment to combat problem gambling to include efforts directed at prevention, intervention, treatment, and research;
- (2) Provision of rent free on-site space for an independent substance abuse and mental health counseling service to be selected by the authority;
- (3) Commitment to the prominent display throughout the gaming location of information on the signs of problem gambling and how to access assistance;
- (4) Commitment to the full implementation of the exclusion and self-exclusion rules adopted by the authority;
- (5) Maintenance of a smoke-free environment within enclosed places within the gaming location consistent with RSA 155:66;
- (6) Commitment to the full implementation of other problem gambling and public health strategies deemed appropriate by the authority; and
- (7) Commitment to the full implementation of procedures and controls precluding the offer of alcoholic beverages free of charge for consumption at the gaming location; and
- (8) Commitment to the operation of a gaming location that provides or facilitates the availability of childcare services to employees but does not provide for or facilitate such services for the convenience of players.
- (g) A workforce development plan that advances job growth and positive economic development and fulfills the related purposes of this chapter by:
- (1) Incorporating an affirmative action program pursuant to which the applicant guarantees to provide equal opportunities to all persons qualified for licensure, registration, or permitting in all employment categories, including persons with disabilities;
- (2) Providing outreach to, and maximizing use of, the state's existing labor force and requiring an accurate estimate and encouragement of, the utilization of the existing labor force in

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1	New Hampshire;
2	(3) Providing an accurate estimate of the number of construction jobs the gaming
3	location will generate;
4	(4) Providing an equal opportunity plan for construction jobs, as delivered by a
5	contractor or subcontractor, that includes specific goals for utilization of women, minorities, and
6	veterans;
7	(5) Identifying and describing workforce training programs to be offered by the
8	applicant or its agents;
9	(6) Addressing the applicant's plan for providing childcare for children of employees
10	(7) Providing a plan for funding and maintaining hiring, training, and management
11	practices that promote the development of a skilled and diverse workforce;
12	(8) Providing a plan to achieve business participation by women, minorities, and
13	veterans; and
14	(9) Identifying a method for assessing on an annual basis the applicant's compliance
15	with its workforce development plan and the submission of a written assessment to the authority
16	and
17	(h) Such other information as the authority shall deem relevant to its consideration o
18	the application.
19	V. An applicant for a facility license shall also submit to the authority the following
20	documentation regarding the gaming location and gaming operation proposed by the applicant.
21	(a) Evidence that the applicant has obtained local approval in accordance with RSA 284
22	B:33.
23	(b) A complete description of the proposed gaming location, including architectura
24	renderings, a site plan and proposed gaming floor plan identifying type and number of video lottery
25	machines and table games, and the names and addresses of the architects, engineers, and designers
26	to be utilized.
27	(c) Documentation as to the assessed value of the land to be developed as a gaming
28	location as of the date of application as well as ownership of the land over the past 10 years
29	including all interests, options, and agreements related to the land during that period.
30	(d) A timeline on construction that includes details regarding each stage of construction
31	for the gaming location to include a completion date for each stage of construction as well as for
32	infrastructure improvements and representations with regard to the ability of the applicant to
33	comply with statutory, regulatory, and technical standards including, but not limited to, those
34	related to zoning, infrastructure, and environmental considerations applicable to the design and
35	development of the proposed gaming location.

(e) A description of the supporting amenities and ancillary entertainment services to be offered at the proposed gaming location, including the number of hotels and rooms, if any, restaurants and other amenities located within the proposed gaming location and how they measure

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in quantity and quality to other area amenities.

- (f) The number of employees and independent contractors required to operate the proposed gaming location, including detailed information as to the projected breakdown between full- and part-time employees and independent contractors and proposed pay ranges and benefit packages for each category of employee or contractor.
- (g) Documentation to support the applicant's ability to make necessary capital and maintenance expenditures in a timely manner that are adequate to ensure maintenance of a superior, first-class gaming location.
- (h) Evidence in the form of completed studies and/or reports issued by independent, recognized experts in the most relevant field to establish how the gaming location and gaming operation proposed by the applicant addresses or impacts the following:
- (1) The availability of local resources to support services and amenities necessary to accommodate projected guest volume in the form of transportation, regional geography, work force demographics, rooms and meals, utilities, and law enforcement;
- (2) The immediate and long range financial feasibility of the applicant's proposed gaming location and operation including a projection of the revenues to be produced by the operation of video lottery machines and table games at the gaming location, the ability to achieve positive gross operating profit on an annual basis in a specific time frame, and the estimated municipal and state tax revenue to be generated by the gaming location, as supported by an expert experienced in the field of gaming;
- (3) Economic and environmental benefits to the region and the state from the project, including the ability of the applicant's proposed gaming location and operation, both in its construction and its operation, to provide new and sustainable jobs for the community and to meet the highest practicable energy efficiency and environmental sustainability standards;
- (4) The accessibility of the proposed gaming location to public transportation and public highway infrastructures;
- (5) The ability of the design of the proposed gaming location to enhance tourism and development and to create commercial development opportunities for the community and its compatibility with historic uses, regional branding, and local zoning ordinances; and
 - (6) The impact on the local and regional community, including:
- (A) Impact on the local and regional economies, including but not limited to, cultural institutions and small businesses in the host community and surrounding communities; and
- (B) Costs and benefits to the host and surrounding communities in the form of jobs, revenues, business development, and social issues associated with the gaming location.
- (i) Such other information as the authority shall deem relevant to its consideration of the application.
- VI. If the applicant for a facility license is a corporation, limited liability company, or other

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form of business enterprise, the applicant shall also provide or ensure the submission of the following information:

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- (a) The ownership, organization, financial structure, and nature of all businesses operated by the applicant including the name of the state under the laws of which each business is formed and the location of its principal place of business.
- (b) The names and personal employment and criminal histories of all officers, directors, and key employees of the applicant.
 - (c) The names of all holding, intermediary, and subsidiary companies of the applicant.
- (d) With regard to any holding, intermediary, or subsidiary company the ownership, organization, financial structure and nature of all businesses operated by each company and, to the extent required by paragraph VII and the rules adopted by the authority, the names and personal employment and criminal histories of all officers, directors and key employees of such holding, intermediary, and subsidiary companies.
- (e) The rights and privileges acquired by the holders of different classes of authorized securities in the applicant including the names, addresses, and amounts held by all holders of such securities.
 - (f) The terms upon which securities in the applicant have been or are to be offered.
 - (g) Any other indebtedness or security devices utilized by the applicant.
- (h) The extent of the equity security holdings in the applicant of all officers, directors, and key employees together with their remuneration in the form of salary, wages, fees, or otherwise.
 - (i) A description of all bonus and profit-sharing arrangements.
- (j) Details with regard to any management or inter-company shared service agreements or functional equivalent thereof.
 - (k) A listing of stock options existing or to be created.
- (l) Documentation establishing that the applicant and any holding, intermediary, or subsidiary company required to qualify in conjunction with the facility license application pursuant to paragraph VII are qualified to do business in the state of New Hampshire.
- (m) If a direct or indirect interest in the applicant is a trust, the application shall disclose the names and addresses of all trustees and beneficiaries and shall provide details with regard to their respective interests.
- (n) Such other information as the authority shall deem relevant to its consideration of the application.
- VII. The authority shall refer applications to the attorney general who shall conduct an investigation. The investigation may be conducted through any appropriate state or federal law enforcement system and may seek information as to the applicant's financial, criminal, or business background, or any other information which the attorney general, in his or her sole discretion, may deem relevant to the subject's fitness to be associated with the ownership or management of the

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operation of a facility licensee 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 report the results of the investigation to the authority within 90 days after the receipt of the application. Notwithstanding any other law to the contrary, the results of any such investigation shall be confidential and shall not be subject to disclosure or to public inspection.

VIII. In any investigation conducted pursuant to paragraph VII, the attorney general or any duly authorized member of the attorney general's staff may subpoena the attendance of witnesses and require the production of such correspondence, documents, books and papers as deemed advisable, and for purposes of this section, may administer oaths and take the testimony of witnesses.

- IX. If the costs of the investigation conducted pursuant to paragraph VII exceed the cost of the application fee, the applicant shall pay the difference.
 - 284-B:14 Licensure Requirements.

- I.(a) No facility license shall be issued by the gaming oversight authority unless the applicant has proven to the satisfaction of the gaming oversight authority by clear and convincing evidence:
- (1) Financial stability based on audited financial statements, integrity, and responsibility, considering, without limitation, bank references, business and personal income and disbursement schedules, tax returns and other reports filed with governmental agencies, and business and personal accounting and check records and ledgers.
- (2) The trustworthiness and good reputation of all financial backers, investors, mortgagees, bondholders, and holders of indentures, notes, and other evidences of indebtedness of the applicant.
- (3) Good character, honesty, and integrity, considering, without limitation, information pertaining to reputation, criminal record, business activities, and financial affairs covering at least the 10-year period immediately preceding the filing of the application.
- (4) That each director, officer, or similar principal employee and each direct or indirect owner satisfies the standards for licensure contained in RSA 284-B:13.
- (b) The gaming oversight authority may, in its discretion, waive the qualification requirement for any such person who is not significantly involved in the activities of the applicant, does not have the ability to significantly influence or control the applicant, or for other good cause, only when written justification is provided.
- II. Except as provided in this chapter, no person who owns, directly or indirectly, legally or beneficially, 5 percent or less of the equity securities or 50 percent or less of the outstanding debt securities of a publicly traded holding company of an applicant for a facility license shall be required to be qualified pursuant to the provisions of this section prior to the issuance of such a license to the applicant.

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- III. If a facility licensee has 25 or fewer holders of its equity securities, either directly or indirectly, legally or beneficially, then each such holder shall satisfy the standards of this chapter.
- W. At least one facility licensee shall have a seating capacity of 8,000, whether inside or outside.
 - V. At least one facility licensee shall have a license to simulcast races under RSA 284:15.
 - VI. Each facility shall invest at least \$750,000

- VII. No technology provider's license shall be issued by the gaming oversight unless the applicant has demonstrated to the satisfaction of the gaming oversight authority by clear and convincing evidence that it satisfies the standards contained in paragraph I of this section. The authority shall establish the form of application that shall be completed by each applicant for a technology provider's license.
- VIII. All information and data required by the authority, or the division of gaming enforcement to be furnished pursuant to this chapter, or which may otherwise be obtained by the authority, or the division of gaming enforcement in the performance of their duties under this chapter, except information regarding net machine income, shall be considered to be confidential and shall not be revealed in whole or in part except as otherwise provided by law, or upon the lawful order of a court of competent jurisdiction, or with the approval of attorney general to a duly authorized law enforcement agency.
- IX. No licensee or any individual or entity that is an owner of, or has a financial interest in or with the licensee shall be permitted to make a political contribution as defined by RSA 664:2, VIII.
 - 284-B:15 Gaming License Fees; License Term.
- I. Upon an award of a gaming license, the authority shall collect an initial license fee of \$40,000,000 for the operation of the category 1 license and a fee of \$20,000,000 for the operation of a category 2 license. Such fees shall be paid to the gaming regulatory fund within 30 days of the award of the license.
- II. Upon payment of a license fee by a gaming licensee under this chapter, the general court shall determine the distribution of the balance of the initial license fee revenue, provided that distributions shall include the following:
- (a) Distributions to host or nearby municipalities deemed sufficient by the general court to offset costs incurred by such municipalities attributable to a gaming location's placement.
- (b) Revenue in an amount determined by the general court 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 fund baseline research into the prevalence of problem gambling in New Hampshire prior to the expansion of gaming as authorized by this chapter, to identify and assess the treatment needs of individuals with compulsive and problem gambling disorders, to identify effective programming to prevent and control compulsive and problem gambling, and to examine the connections between gambling disorders and drug and alcohol

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- (c) Distributions to the state treasurer for transfer to the authority, attorney general, and department of safety in amounts equal to any costs of regulatory control over a gaming licensee that are not covered by any other designated source of funding in this chapter.
- III. Upon receipt of the license fee, and satisfaction of any additional conditions precedent imposed by the authority, the authority shall issue the gaming license.
- IV. The distributions set forth in paragraph II shall be credited to the gaming regulatory fund and shall be available to the state in the fiscal year received.
- V.(a) A facility license shall expire 10 years from the date of issuance subject to renewal pursuant to this chapter.
- (b) The authority shall adopt rules consistent with this chapter relating to procedures for renewal of a gaming license, including an application and review process and such other procedures as are necessary to implement this paragraph.
- (c) The authority shall collect a license renewal fee in the amount of \$1,500,000 which shall be paid to the state treasurer by the facility licensee within 30 days of the award of the renewal of the license. Upon receipt of the renewal fee, and satisfaction of any additional conditions precedent imposed by the commission, the authority shall issue the gaming license renewal. The amount shall be credited to the gaming regulatory fund and shall be available to the state in the fiscal year received.
- VI. There is established in the office of the state treasurer a nonlapsing fund to be known as the gaming regulatory fund to be administered by the authority which shall be kept distinct and separate from all other funds. All moneys in the gaming regulatory fund shall be nonlapsing and continually appropriated to the authority for the purpose of distribution under this section.
 - 284-B:16 Gross Revenue Tax and Other Assessments Payable by a Facility Licensee.
- I. A facility licensee shall remit to the state treasurer a tax of 35 percent of gross video lottery machine revenue and 18 percent of gross table game revenue in a manner and time as provided for by this chapter.
- (a) Upon receipt of payment of taxes on gross video lottery machine revenue and gross table game revenue by a facility licensee under this chapter and in accordance with a schedule established by the state treasurer, the state treasurer shall:
- (1) Pay 3 percent of the gross video lottery machine revenue of the facility licensee located in the host municipality to the host municipality;
- 33 (2) Pay one percent of the gross video lottery machine revenue of the facility 34 licensee to the New Hampshire municipalities that abut the host municipality, dividing such one percent for payment in equal shares if there is more than one abutting municipality; provided, however, that if a municipality abuts more than one host municipality, such abutting municipality shall only receive a percentage of gross video lottery machine revenue pursuant to this paragraph from that facility licensee who operates a gaming location in closer proximity to the abutting

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1 municipality as measured by distance between the gaming location and the town line of such 2 abutting municipality;

- (3) Pay one percent of the gross video lottery machine revenue of the facility licensee to the county in which the host municipality is located;
- (4) Pay one percent of the gross video lottery machine revenue to the authorizer of the department of health and human services to support programs established by RSA 172 to identify, assess, prevent, and treat both compulsive and problem gambling and the related disorders of drug and alcohol addiction;
 - (5) Return that part of the gross video lottery machine revenue remaining after the distributions provided in subparagraphs (1) through (4) to cities and towns in New Hampshire equal to the amounts determined in accordance with RSA 31-A:4 or if the remaining gross video lottery machine revenue is less than the amounts that would otherwise be payable in accordance with RSA 31-A:4, then each such city's or town's pro rata share of the total available amount determined in accordance with RSA 31-A:4; and
- 15 (6) Credit the balance to the gaming regulatory fund established by RSA 284-B:15, VI.
 - (b) Upon payment of taxes on gross video lottery machine revenue and gross table game revenue by a facility licensee under this chapter, and subject to payment by the state treasurer of the amounts specified in subparagraph (a), the authority shall:
 - (1) Reimburse funds received by the authority from activities authorized by RSA 284, RSA 287-D, RSA 287-E, and RSA 287-F in proportion to the expenses of the authority required by each such activity in the administration of this chapter as authorized by RSA 284-B:3 prior to the payment of the license fee.
 - (2) Reimburse funds received by the gaming regulatory oversight authority from activities authorized by RSA 284 and RSA 287-F in proportion to the expenses of the authority required by each such activity in the administration of RSA 284-A.
 - (3) Make distributions to the state treasurer for transfer to the attorney general and the department of safety and local law enforcement agencies in amounts equal to any costs of regulatory control over a facility licensee that are not covered by any other designated source of funding in this chapter, provided that such distributions shall be in accordance with a budget approved by the general court.
 - II. The general court shall determine the distribution of the balance of tax payments on gross video lottery machine revenue or gross table game revenue remitted by a facility licensee that remains after provision for the distributions and charges provided for by paragraph I.
 - III. A facility licensee shall deliver to the state treasurer the amount due to the state treasurer provided for in this section in immediately available funds of the United States at least once a week in such manner and at such time as the state treasurer, with the concurrence of the authority, shall agree. At the time payment is delivered, a facility licensee shall provide to the state

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- treasurer a written accounting of gross table game revenue and gross video lottery machine revenue on an aggregate basis together with its calculation of the amount due to the state treasurer pursuant to this section. The facility licensee's written accounting shall be in a form satisfactory to the authority and shall be filed concurrently with the authority. A facility licensee shall pay a penalty of \$1,000 for each day that payment or the accounting is not delivered on time to the state treasurer and/or the authority.
- IV. A facility licensee shall remit to the authority a fee in the amount of \$600 per year per video lottery machine which fee shall be deposited in a public health trust fund administered by the authority dedicated to addressing problems associated with compulsive gambling, including, but not limited to, gambling prevention and addiction services, substance abuse services, educational campaigns to mitigate the potential addictive nature of gambling, research, and any studies and evaluations consistent with this chapter.
 - 284-B:17 Gaming Oversight.

- I. The division of gaming enforcement shall be present at all facility licensee location at which video lottery machines are operated by the state at all times whether the facility is open to the public or not.
- II. The division of gaming enforcement shall be present at all times when a video lottery machine is opened to remove or insert any drop box, hopper, or other mechanism containing money, tokens, or other items of value. The division of gaming enforcement shall be present in the count room at all times that money, tokens, or other items of value utilized in video lottery machines are counted.
- 22 284-B:18 Rulemaking; Hearings; Investigations; False Statement; Enforcement Policy.
 - I.(a) The gaming regulatory oversight authority shall adopt and publish rules pursuant to RSA 541-A, to govern its proceedings and to regulate the mode and manner of all investigations and hearings before it.
 - (b) All hearings before the authority shall be in accordance with RSA 541-A:31 through RSA 541-A:36. In any such investigation or hearing the authority shall not be bound by the technical rules of evidence.
 - (c) The authority, or any member, may subpoen witnesses and administer oaths in any proceeding or examination instituted before or conducted by it, and may compel, by subpoena, the production of any accounts, books, contracts, records, documents, memoranda, and papers of any kind whatever.
 - II. Witnesses summoned before the superior court, and such summons issued by any justice of the peace shall have the same effect as though issued for appearance before such court. Justices of the peace and all other magistrates empowered to issue subpoenas and compel the attendance of witnesses in the courts of this state shall have the same power to compel their attendance and the production of evidence in any proceeding before the authority.
 - III. The authority may apply to the superior court, under the provisions of RSA 491:19

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through RSA 491:20, to have punished for contempt any witness who refuses to obey a subpoena, or who refuses to be sworn or affirmed to testify, or who is guilty of any contempt after summons to appear.

- IV. If any false statement is knowingly made in any statement under oath which may be required by the provisions of this chapter or by the authority, the person making the same shall be deemed guilty of perjury. The making of any such false statement in any such application or in any such accompanying statements, whether made with or without the knowledge or consent of the applicant, shall, in the discretion of the authority, constitute sufficient cause for the revocation of the license.
- V.(a) The authority shall adopt by rule under RSA 541-A a formal enforcement policy for licensees under its jurisdiction. This policy shall specify the disciplinary action which the authority shall take for violations of various laws under its jurisdiction. The enforcement policy shall also specify mitigating and aggravating factors which the authority shall consider in determining penalties for specific actions. The authority shall not suspend or revoke a license until the licensee has been provided a hearing under RSA 541-A.
- (b) In applying its enforcement policy, the authority shall establish and enforce specific determinate penalties for specific offenses. The authority shall not apply penalties such as license suspensions for indefinite periods of time.
 - 284-B:19 Suspension or Revocation; Administrative Fines.
- I. If any licensee violates any of the provisions of law or any of the rules of the authority adopted under this chapter, the license may be suspended or revoked after notice and hearing, in accordance with RSA 541-A:31 through RSA 541-A:36. The authority, after the appropriate hearing, may impose a fine of a specific sum, which shall not be less than \$1,000 nor more than \$50,000 for any one offense. Such a fine may be imposed instead of, or in addition to, any suspension or revocation of a license by the authority.
- II. Notwithstanding any other provision of law, the authority may accept at any time, a petition from the governing body of a municipality who has voted to accept the provisions of RSA 284-B, to revoke a license held by a facility licensee who is located within that municipality. Any petition filed under this paragraph shall state with particularity all relevant facts and circumstances that sustain the opinion of the petitioner to revoke a license. A licensee against whom a petition is filed shall be entitled to a public hearing before any decision by the authority. All proceedings conducted in conjunction with this paragraph shall conform to the requirements of RSA 541-A.
- III. Appeals from a decision of the authority shall be in accordance with RSA 541.
- 35 284-B:20 Sports Wagering.

- I. A facility licensee which holds a sports wagering license issued by the commission may operate a sports pool in accordance with this chapter.
 - II. A facility licensee which holds a sports wagering license issued by the commission may

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also operate an online sports pool or may authorize an Internet sports pool operator or an applicant for such license to operate an online sports pool on its behalf provided that the terms of the agreement are approved by the commission. No online sports pool shall be opened to the public and no sports wagering, except for test purposes may be conducted therein, until an Internet sports pool operator receives from the commission a permit to conduct an online sports pool.

284-B:21 Sports Wagering License Required. No sports wagering license shall be issued by the commission to an entity unless it has established its financial stability, integrity and responsibility, and its good character, honesty, and integrity. A facility licensee shall not operate a sports pool or accept wagers via an online sports pool unless a sports wagering lounge is established and has commenced operation in its facility; provided however, that an applicant for a sports wagering license may petition the commission issuing the sports wagering license to commence operation of the sports pool at a temporary facility and/or an online sports pool during the construction of a sports wagering lounge at the gaming facility.

284-B:22 Operation of Sports Wagers.

- I. Sports wager operators shall establish or display the odds at which wager may be placed on sporting events.
- II. Sports wager operators shall accept wagers on sports events only from persons physically present in the sports wagering lounge; through self-service wagering machines located in its facility as authorized by the commission or through an online sports pool.
 - III. Only persons 21 years of age or older may place a wager.
- IV. Any person who is an athlete, coach, referee, team owner, employee of a sports governing body or its member teams, or a player or referee personnel member, on any sports event overseen by that person's sports governing body based on publicly available information, a person with access to certain types of exclusive information, or a person identified by any lists provided by the sports governing body to the commission shall not be permitted to have any ownership interest in, control of, or otherwise be employed by an operator or a facility in which a sports wagering lounge is located or place a wagger on a sports event. Any person who violates this paragraph shall be guilty of a violation and shall be fined not less than \$500 not more than \$1,000.
- V. Sports wager operators shall adopt procedures to prevent persons from wagering on sports events who are prohibited from placing sports wagers. A sports wager operator may not accept wagers from any person:
- (a) Whose name appears on the exclusion list maintained by the facility in accordance with RSA 284-B:13, IV.
 - (b) Whose name appears on any self-exclusion list.
- (c) Who is the operator, director, officer, owner, or employee of the operator or any relative thereof living in the same household as the operator.
 - (d) Who has access to nonpublic confidential information held by the operator.
- (e) Who is an agent or proxy for any other person.

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284-B:23 Report to Authority.

- I. A sports wagering operator shall immediately report to the division:
- (a) Any criminal or disciplinary proceedings commenced against the operator or its employees in connection with the operations of the sports pool or online sports pool.
- (b) Any abnormal betting activity or patterns that may indicate a concern about the integrity of a sports event or events.
- (c) Any potential breach of a sports governing body's rules or codes of conduct that pertain to sports wagering.
- (d) Any other conduct with the potential to corrupt a betting outcome of a sports event for the purposes of financial gain, including but not limited to match fixing.
- (e) Suspicious or illegal wagering activities, including the use of funds derived from illegal activity, wagers to conceal or launder funds derived from illegal activity, use of agents to place wagers, or use of false identification.
- II. The commission may share any information under this section with any law enforcement entity, team, sports governing body, or regulatory agency it deems appropriate.
- 284-B:24 Records. A sports wagering operator shall maintain records of all wagers, including personally identifiable information of the bettor, the amount and type of bet, the time and date that the bet was placed, the location where the bet was placed, including an IP address if applicable, the outcome of the bet, records of abnormal betting activity, and video camera recordings in the case of in-person wagers for a period of not less than 3 years from the date of the sports event on which the wager was placed. Records shall be confidential but shall be made available to the division upon request or to any party pursuant to a court order. If a sports governing body notifies the division that real-time information sharing for wagers paced on its sports events is necessary, an operator shall share in real time the information required by this subsection, other than video files, with the governing body or its designee.
- 284-B:25 Revenue. The sums actually received by the facility licensee less the total of all sums actually paid out as winnings to patrons shall be subject to a 12 percent tax to be collected by the division and paid to the general fund.
- 284-B:26 Rules of Wagering. Each operator shall adopt comprehensive house rules governing sports wagering transactions with its patrons. The rules shall specify the amounts to be paid on winning wagers and the effect of schedule changes. The house rules, together with any other information the commission deems appropriate shall be conspicuously displayed in the sports wagering lounge, posted on the operator's Internet website, and included in the terms and conditions of the account wagering system and all copies shall be made readily available to patrons.
 - 284-B:27 Sports Wagering Operator License.
- I. All license applications shall be made on the forms supplied by the lottery commission and shall be submitted to the authority by the individual applicant or an officer, director, or duly authorized official of the entity seeking a license.

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- II. Proof of authority to submit the application on behalf of the entity may be required by the authority.
- 3 III. The applicant shall provide written notice of an application submission to the chief of 4 police of each city or town where sports betting will occur.
 - IV. All applications shall include:

- (a) The type of license for which applied.
- (b) The name, address, and telephone number of the applicant.
- (c) A criminal history record release form, as provided by the New Hampshire division of state police, department of safety, which authorizes the release of his or her criminal history record, if any, to the lottery commission.
- (d) A complete set of fingerprints taken by a qualified law enforcement agency or an authorized employee of the department of safety. In the event that the first set of fingerprints is invalid due to insufficient pattern, a second set of fingerprints shall be necessary in order to complete the criminal history records check.
 - (e) The requisite fee for each license.
- (f) The requisite fee for the criminal records check and the fingerprint check as established by the department of safety.
- (g) Certification by the applicant under oath that the information provided on the application is accurate.
- (h) Certification under oath that the applicant has not, in any jurisdiction, been convicted of a felony within the previous 10 years which has not been annulled by a court, or a misdemeanor involving falsehood or dishonesty within the previous 5 years which has not been annulled by a court, nor violated the statutes or rules governing charitable gambling.
 - V. Incomplete applications shall be returned to the applicant for completion.
- 284-B:28 Sports Wagering Operator License. A sports wagering operator shall be licensed under this section. A sports wagering operator license application shall include, at a minimum, the following information provided that the authority may, by rule, establish additional items to be submitted on the application form or attached to it:
 - I. Certification of compliance with all of the requirements of RSA 284-B:27.
 - II. A certificate of good standing from the department of revenue administration.
 - III. Federal tax identification number.
- IV. Two passport quality photographs, if the applicant is an individual.
- 33 V. A description of the sports betting lounge where sports betting will be conducted.
 - VI. A bond conditioned upon the licensees running sports betting in conformity with this chapter and with the rules and regulations prescribed by the authority, in the amount of up to \$500,000 but not less than \$25,000. The amount of the bond in excess of \$25,000 established for each licensee shall be based on that licensee's normal outstanding obligations of charity payments and state taxes.

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284-B:29 Penalties. Any person who violates any of the provisions of this chapter or any of the rules adopted pursuant to this chapter shall be guilty of a misdemeanor if a natural person, or guilty of a felony if any other person. In case of appeal by a licensee, the license of such licensee may be suspended at the discretion of the authority during the pendency of such appeal.

284-B:30 Prosecutions. The authority shall appoint gaming investigators whose primary function shall be the proper prosecution of this chapter. The investigators shall have all the powers of the sheriff in any county, with reference to enforcement of all laws either in cooperation with, or independently of, the officers of any county or town. The authority shall have the primary responsibility for the enforcement of all video lottery gaming. Any person violating the provisions of any law may be prosecuted by the authority or any of its investigators as provided in this section, or by the attorney general, or by county or city attorneys, or by sheriffs or their deputies, or by police officials of towns.

284-B:31 Interference With Gaming Investigators. It shall be unlawful to resist or attempt to resist arrest by a gaming investigator, or to obstruct, or to intimidate or interfere with a gaming investigator in the performance of his or her duty. Any person who violates any of the provisions of this section shall be guilty of a misdemeanor.

284-B:32 Fines.

- I. All fines imposed by any court and collected for the violation of the provisions of this chapter shall be paid to the state, county, or town, the officials of which instituted the prosecution.
 - II. All fines imposed by the authority shall be credited to the general fund.
 - 284-B:33 Procedures for Adoption by Host Municipality.
- I. Any town or city in which a facility licensee location is situated may adopt the provisions of RSA 284-B, to allow the operation of electronic games of chance and table games, in the following manner:
- (a) In a town, the question shall be placed on the warrant of a special or annual town meeting under the procedures set out in RSA 39:3, and shall be voted on a ballot; provided, however, if the question is placed on the warrant at a special town meeting, it shall be the only question at such special town meeting. In a city, the legislative body may vote to place the question on the official ballot for any regular municipal election, or, in the alternative, shall place the question on the official ballot for any regular municipal election upon submission to the legislative body of a petition signed by 5 percent of the registered voters.
- (b) The selectmen, aldermen, or city council shall hold a public hearing on the question at least 15 days but not more than 30 days before the question is to be voted on. Notice of the hearing shall be posted in at least 2 public places in the municipality and published in a newspaper of general circulation at least 7 days before the hearing.
- (c) The wording of the question shall be substantially as follows: "Shall we adopt the provisions of RSA 284-B, allowing the operation of electronic games of chance and table games at the licensed facility located within the city or town and operated by the state?"

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- II. If a majority of those voting on the question vote "Yes," RSA 284-B shall apply within the city or town.
 - III. If the question is not approved, the question may later be voted upon according to the provisions of paragraph I, provided, however, that the town may consider the question at no more than one special town meeting and the annual town meeting in the same calendar year.
 - 284-B:34 Wagers; Table Games Gaming Guide.

- I. A facility licensee shall equip each gaming table with a sign indicating the permissible minimum and maximum wagers pertaining thereto.
- II. A facility licensee shall not accept a wager greater than the stated maximum or less than the stated minimum, provided, however, that a wager actually made by a player and not rejected by a facility licensee prior to the commencement of play shall be treated as a valid wager.
- III. A facility licensee shall make available to any player upon request the complete text of any rules adopted by the authority regarding table games and the conduct of play, the pay-off of a winning wager, an approximation of the odds of winning for each wager, and such other disclosures to the player as the authority shall require. If requested by the player, the information required by this paragraph shall be made available in hard copy form at no cost to the player.
- IV. A facility licensee shall prominently post on its gaming floor such information regarding the conduct of table game play, the pay-off of a winning wager, an approximation of the odds of winning for each wager, and such other disclosures to the player as the authority shall require.
 - 284-B:35 Gaming Ticket Expiration, Unclaimed Tickets, Cash, and Prizes.
- I. A facility licensee shall redeem a ticket issued by a video lottery machine for cash or a cash equivalent for a period of one year from the date of issuance of the ticket.
- II. Upon the expiration of the one-year period in paragraph I, the value of the expired ticket shall revert to the state as an unclaimed prize.
- III. A facility licensee shall retain unclaimed cash and winnings for a player for a one-year period from the date of the transaction generating the cash or winnings.
- IV. Upon the expiration of the one-year period in paragraph III, the value of the unclaimed cash or winnings shall revert to the state as unclaimed prizes.
- V. The authority shall issue rules consistent with this chapter and the efficient administration of a facility licensee's obligations hereunder with regard to the reversion of amounts to the state.
- 284-B:36 Declaration of Limited Exemption. 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," approved January 2, 1951, being Chapter 1194, 64 Stat. 1134, and also designated as 15 U.S.C. sections 1171-1177, 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 section 2 of that act of Congress shall not apply to any gambling device in this state where the

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- 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:37 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," approved January 2, 1951, being chapter 1194, 64 Stat. 1134, and also designated as 15 U.S.C. sections 1171-1172, shall be deemed legal shipments into this state.
 - 284-B:38 Gambling Addiction Prevention Fund.

- I. A gambling addiction prevention fund is established in the state treasury. The fund shall only be used for gambling addiction prevention projects and expenses relating to the projects and shall be administered by the department of health and human services. The commissioner of the department of health and human services shall adopt rules relative to the use of funds.
- II. All fees collected under RSA 284-B:16, I(a)(4) shall be credited to the fund established in paragraph I.
- 2 New Paragraph; Attorney General; Gaming Investigators. Amend RSA 21-M:3 by inserting after paragraph X the following new paragraph:
 - XI. The attorney general may hire investigators or contract for investigatory services to facilitate background investigations required under RSA 284-B, and said investigators shall be paid from licensing fees paid under RSA 284-B.
 - 3 New Sections; Division of Gaming Enforcement. Amend RSA 21-P by inserting after section 8 the following new sections:
 - 21-P:8-a Division of Gaming Enforcement.
 - I. There is hereby established a division of gaming enforcement under the supervision of an unclassified director of gaming enforcement who shall be responsible for the following functions, in accordance with applicable laws:
 - (a) Manage and hire employees for the day-to-day operation of all video lottery locations ensuring the integrity of the program. Gaming enforcement employees shall be assigned to all locations and shall be present at all times whether the location is open or closed.
- (b) Investigate violations of RSA 284 or RSA 284-B and the rules adopted under the provisions of RSA 284 or RSA 284-B.
- (c) Report the results of any investigation conducted to the gaming regulatory oversight authority established in RSA 284-A:1.
 - (d) Participate in any hearing conducted by the gaming regulatory oversight authority.
- II. The commissioner of safety shall organize the division into such units as the commissioner deems necessary.

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21-P:8-b Powers and Duties; Gaming Enforcement. The director of gaming enforcement shall be the chief administrative officer of the division of gaming enforcement and shall have the following powers and duties:

- I. The director shall manage all operations of the division of gaming enforcement and the daily operation of video lottery and table gaming locations and administer and enforce the laws with which the division is charged. The director shall report directly to the gaming regulatory oversight authority.
- II. The director shall have every power enumerated in the laws, whether granted to the director, the division, or any administrative unit of the division. In accordance with these provisions, the director shall:
- (a) Biennially compile a comprehensive program budget which reflects all fiscal matters related to the operation of the division and each program and activity of the division.
- (b) Adopt all rules of the division with approval of the gaming regulatory oversight authority, pursuant to RSA 541-A.
- (c) Exercise general supervisory and appointing authority over all division employees, subject to applicable personnel statutes and rules.
- (d) Delegate authority to subordinates as the director deems necessary and appropriate, except that rulemaking authority shall not be delegated. All such delegations shall be made in writing, shall be disseminated, shall clearly delineate the authority delegated and the limitations thereto, and shall be kept on file in the director's office.
- (e) Adopt practices which will improve the efficiency of the division and the provision of services to the citizens of the state.
- (f) Provide cooperation, at the request of the heads of administratively attached agencies in order to:
 - (1) Minimize or eliminate duplication of services and jurisdictional conflicts;
 - (2) Coordinate activities and resolve problems of mutual concern; and
- (3) Resolve by agreement the manner and extent to which the division shall provide budgeting, recordkeeping, and related clerical assistance to administratively attached agencies.
- (g) Give bond, and require division employees to give bond, to the state as specified in RSA 93-B.
- III. The director shall adopt such reasonable internal practices and procedures, which shall not be considered rules subject to the provisions of RSA 541-A, as may be necessary to carry out the duties of the division and its divisions, consistent with this chapter, including without limitation a comprehensive manual of procedures for the operation of video lottery locations.
- IV. The director shall may adopt rules, pursuant to RSA 541-A, necessary to assure the continuation or granting of federal funds or other assistance not otherwise provided for by law.
- V. The director may enter into contracts for services, supplies, or other needs of the division.

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VI. The director shall report annually to the gaming regulatory oversight authority with respect to the division's operation for the preceding year, and render such other reports as the governor and council, the general court, or the gaming regulatory oversight authority shall from time to time request.

- VII. The director shall develop, publish, and periodically revise an annual comprehensive plan for the division which shall indicate, among other things, the division's goals, objectives, resources, current conditions, and needs. The director shall annually submit such comprehensive plan to the gaming regulatory oversight authority.
- VIII. The director, the gaming regulatory oversight authority, the commissioner of the department of safety, and if necessary, the lottery commission shall jointly establish procedures for sharing data, background investigation, technology and technology providers, and facilities. These procedures shall not be considered rules subject to RSA 541-A and shall be established so as to ensure compliance with state and federal confidentiality and privacy laws.
- 4 Director of Gaming Enforcement; Salary. The salary for the unclassified position authorized in section 3 of this act shall be established as provided in RSA 14:14-c, RSA 17-A:7, and RSA 94:1-d.
- 5 New Subparagraph; Authorized Video Lottery of Games of Chance Machines Not Prohibited. Amend RSA 647:2, V by inserting after subparagraph (e) the following new subparagraph:
 - (f) Video lottery machines authorized pursuant to RSA 284-B.
- 6 New Paragraph; Facility Licensee; Cocktail Lounge License. Amend RSA 178:20, by inserting after paragraph V the following new paragraph:
- VI. The liquor commission may issue a special license to a person holding a facility license as defined by RSA 284-B:1, V. Such special license shall allow the sale of liquor, wine, and beverages within the facility licensee location, including dining room, function room, gaming room, lounge, or any other area designated by the authority, without regard to whether meals are served therein, but only during the time gaming is being conducted under RSA 284-B. A person licensed under this section shall comply with RSA 179:44.
- 7 New Subparagraph; Gaming Regulatory Oversight Authority. Amend RSA 284-A:2, I by inserting after subparagraph (e) the following new subparagraph:
 - (f) Establishing a procedure for choosing video lottery and table gaming facility licenses, and administering video lottery and table gaming facilities.
 - 8 New Subparagraphs; Application of Receipts. Amend RSA 6:12, I(b) by inserting after subparagraph (343) the following new subparagraphs:
- 33 (344) Moneys deposited in the gambling addiction prevention fund established in RSA 284-B:38.
- 35 (345) Moneys deposited in the gaming regulatory fund established under RSA 284-36 B:15.
- 9 Effective Date. This act shall take effect upon its passage.

SB 310-FN-A-LOCAL- FISCAL NOTE AS INTRODUCED

AN ACT relative to casino gambling.

FISCAL IMPACT: [X] State [X] County [X] Local [] None

	Estimated Increase / (Decrease)						
STATE:	FY 2020	FY 2021	FY 2022	FY 2023			
Appropriation	\$0	\$0	\$0	\$0			
Revenue	Indeterminable	Indeterminable	Indeterminable	Indeterminable			
Revenue	Increase	Increase	Increase	Increase			
Expenditures	Indeterminable	Indeterminable	Indeterminable	Indeterminable			
Expenditures	Increase	Increase	Increase	Increase			
Funding Source:	[X] General	[] Education	[] Highway	[X] Other -			

COUNTY:

Revenue	Indeterminable	Indeterminable	Indeterminable	Indeterminable
	Increase	Increase	Increase	Increase
Expenditures	Indeterminable	Indeterminable	Indeterminable	Indeterminable
	Increase	Increase	Increase	Increase

LOCAL:

Revenue	Indeterminable	Indeterminable	Indeterminable	Indeterminable
	Increase	Increase	Increase	Increase
Expenditures	Indeterminable	Indeterminable	Indeterminable	Indeterminable

METHODOLOGY:

This bill allows for video lottery machines and table games at two locations in the State, subject to local approval, pursuant to an application process. The bill authorizes a maximum of 5,000 video lottery machines and 240 table games at two separate locations operating under two types of licenses (Category 1 and Category 2). A Category 1 license will permit between 2,000 to 3,500 video lottery machines and between 80 to 160 table games, and a Category 2 license will permit between 750 to 1,500 video lottery machines and between 25 to 80 table games. The initial fee for either license is \$40,000,000 and the application fee is \$150,000. The initial licenses are valid for ten years and the renewal fee shall be \$1,500,000, which will also be valid for ten years. This bill also authorizes the Lottery Commission to license sports wagering operators.

This bill requires gaming licensees remit to the State a tax of 35% of gross video lottery machine revenue and 18% of gross table game revenue, with proceeds allocated as follows:

• 3% of gross video lottery machine revenue of the gaming licensee locating in the host

community to the host community;

- 1% of gross video lottery machine revenue of the gaming licensee to the New Hampshire community or communities that abut the host community, divided equally if more than one, with limitations if a community abuts more than one host community;
- 1% of gross video lottery machine revenue of the gaming licensee to the county in which the host community is located;
- 1% of the gross video lottery machine revenue to the Department of Health and Human Services to support programs relative to prevention and treatment of problem gambling;
- Up to \$25,216,054, or amount available, for "revenue sharing" payments to municipalities pursuant to RSA 31-A:4; and,
- The remainder deposited into the gaming regulatory fund.

In addition to facility license fees above, this bill imposes a video lottery machine fee of \$600 machine per year to be deposited in the public health trust fund.

The Lottery Commission makes the following assumptions in estimating the potential video and table gaming revenue impact of this bill:

- Two applicants will apply for each license category.
- The two gaming locations will include a total of 5,000 video lottery machines and 240 table games (3,500/160 at Category 1 facility and 1,500/80 at Category 2 facility);
- Siting of the casino locations is done for optimal revenue impact;
- There will be neither temporary facilities nor phased approaches to construction;
- · Each facility will have an approximate two year construction period; and
- Video lottery machines will average \$250 in gross machine income per day and \$2,200 in gross table game revenue per day, beginning around July 2022 (FY 2023) for the Category 1 facility and around July 2023 (FY 2024) for the Category 2 facility.

The Lottery Commission estimates the following activity related to application and license fees:

Fee Revenue	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Category 1 Applications (2 @ \$150,000) ¹	\$300,000	\$0	\$0	\$0	\$0
Category 2 Applications (2 @ \$150,000) ¹	\$0	\$300,000	\$0	\$0	\$0
Category 1 License Fee (1 @ \$40,000,000) 1	\$0	\$40,000,000	\$0	\$0	\$0
Category 2 License Fee (1 @ \$40,000,000) 1	<u>\$0</u>	<u>\$0</u>	\$40,000,000	<u>\$0</u>	<u>\$0</u>

Total (Gaming Regulatory Fund)	\$300,000	\$40,300,000	\$40,000,000	\$0	\$0
Video Lottery Machine Fee (3,500 @ \$600) ²	\$0	\$0	\$0	\$2,100,000	\$2,100,000
Video Lottery Machine Fee (1,500 @ \$600) ²	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$900,000
Total (Public Health Trust Fund)	\$0	\$0	\$0	\$2,100,000	\$3,000,000

¹ Revenue deposited in the gaming regulatory fund.

Based on the Commission's revenue estimates, under this bill gross video lottery machine and table game revenue would be distributed as follows:

Video Lottery Machine and Table Game Revenue	FY 2023	FY 2024
Gaming Revenue		
# Video Lottery Machines	3,500	5,000
Average Daily Gross Machine Revenue (Per Machine)	\$250	\$250
Average Daily Gross Machine Revenue (All Machines)	\$875,000	\$1,250,000
Estimated Annual Gross Machine Revenue (All Machines)	\$319,375,000	\$456,250,000
Gross Video Lottery Machine Tax Revenue (35%)	\$111,781,250	\$159,687,500
# Table Games	160	240
Average Daily Gross Table Game Revenue (Per Table)	\$2,200	\$2,200
Average Daily Gross Table Game Revenue (All Tables)	\$352,000	\$528,000
Estimated Annual Gross Table Game Revenue (All Tables)	\$128,480,000	\$192,720,000
Gross Table Game Tax Revenue (18%)	\$23,126,400	\$34,689,600
Total Tax Revenue	\$134,907,650	\$194,377,100
Distribution/Allocation of Revenue		
Host Community (3% of Gross Video Lottery Machine Revenue)	(\$3,353,438)	(\$4,790,625)
Abutting Communities (1% of Gross Video Lottery Machine Revenue)	(\$1,117,812)	(\$1,596,875)
Host County (1% of Gross Video Lottery Machine Revenue)	(\$1,117,812)	(\$1,596,875)
DHHS for Problem Gaming (1% of Gross Video Lottery Machine Revenue)	(\$1,117,812)	(\$1,596,875)
"Revenue Sharing" Payments to Communities	(\$25,216,054)	(\$25,216,054)
Subtotal	(\$31,922,928)	<u>(\$34,797,304)</u>

² Revenue deposited in public health trust fund administered by the Lottery Commission.

In addition to video lottery and table gaming activities licensed in this bill, the General Fund will receive a 12 percent tax of the sports wagering revenue less the amount paid out. In estimating the revenue from sports wagering, the Lottery Commission assumes each of the two facilities will have a yearly handle of \$70 million and a house hold percentage of 5 percent, making \$3.5 million subjected to taxes each year. The estimated increase in revenue is as follows:

Sports Wagering Revenue	FY 2023	FY 2024
Facility One Tax Revenue	\$420,000	\$420,000
Facility Two Tax Revenue	\$0	\$420,000
General Fund Revenue	\$420,000	\$840,000

Based on the above assumptions, the Lottery Commission estimates total tax revenue of \$135,327,650 in FY 2023 (full operation of Category 1 facility) and \$195,217,100 in FY 2024 (first full year of both facilities).

The Commission assumes two casinos operating in the state will decrease traditional lottery net revenue by approximately \$6,000,000 to \$7,600,000 per year, which is not reflected in the tables above. The Lottery Commission also estimates nearly \$6 million a year in operating expenditures once the facilities become operational. With respect to Lottery Commission expenditures, the Commission estimates it would incur the following expenditures:

Lottery Commission Estimated Expenditures	FY 2021	FY 2022	FY 2023	FY 2024
Salary and Benefits for 17 Employees Start Date 07/01/20 1. Director of Gaming Control, Compliance Supervisor, Administration	\$270,000	\$1,354,000	\$1,377,000	\$1,401,000
Start Date 07/01/21 1. Operations Managers, (6) Compliance Representatives, (2) Accounting Manager,				

(3) Security, Administration, Financial				
Controls Manager				
Central Gaming System	\$0	\$0	\$4,500,000	\$4,500,000
Equipment Expenses	\$0	\$0	\$500	\$500
<u>Total Expenditures</u>	\$270,000	\$1,354,000	\$5,877,500	\$5,901,500

The Department of Safety states this bill establishes a Gaming Enforcement Unit within the Division of State Police. The Unit will be charged with investigating violations of the bill's provisions, initiating proceedings before the Lottery Commission for such violations, participating in hearings conducted by the Commission, and reporting the results of investigations to the Commission. In addition, the Unit will investigate any crimes that occur at a gaming facility, and present its findings to the appropriate prosecuting authority for potential prosecution in a criminal court. Based on the assumption that once this legislation passes one casino would be operational in FY 2023 and the other in FY 2024, the Department assumes that prior to the actual opening of a casino significant efforts would be required to establish the gaming enforcement unit within the Division of State Police, including hiring and training of required personnel. This effort would require coordination with other state agencies and cannot be estimated at this time. The Department has provided the following costs assuming the two casinos open in FY 2023 and FY 2024, respectively (one year ramp up for the newly established gaming enforcement director position and a six month ramp-up for other personnel):

Department Estimated Expenditures	FY2021	FY2022	FY2023
Salary and Benefits for 33 Employees			
<u>Start Date 07/01/21</u>			
1. Director of Gaming Enforcement			
<u>Start Date 01/01/22</u>			
1. State Police Lieutenant, (1) State Police			
Sergeant, (13) Detectives, and (1)	\$0	\$1,232,000	\$1,746,000
Administrative Secretary			
<u>Start Date 01/01/23</u>			
1. State Police Lieutenant, (1) State Police			
Sergeant, (13) Detectives, and (1)			
Administrative Secretary			

Overtime, Part-Time Employee Costs, Equipment, Training, and Operating Expenses	\$0	\$1,122,000	\$1,196,000
Total Costs	\$0	\$2,354,000	\$2,942,000

<u>Note</u>: The Gaming Enforcement Unit would not be fully operational for a full FY until FY 2024 under the assumptions used in this table.

The New Hampshire Liquor Commission reports this bill will increase revenue by an indeterminable amount. The Commission reports the current types of licenses authorized by the Commission may not be adequate to implement this bill. No increase to Commission expenses are anticipated.

The Department of Health and Human Services states that based on current staffing levels for prevention and treatment service programs, it would need to establish new full-time positions to support expansion into gambling prevention, treatment, and recovery. The Department states additional funds will be used for media advertising and outreach, information development and dissemination, data collection and research to determine the scope of problem gambling and effectiveness of interventions and contracts for outpatient gambling addiction. This bill allocates one percent of gross video lottery machine income to the Department to support programs established under RSA 172 to treat problem gaming.

The Department of Justice reports their role in implementing this bill would be to: 1) contest any appeals of criminal convictions as a result of the punishments authorized in this bill; and 2) conduct investigations on applicants under this bill. While the Department estimates any increased appeals of criminal convictions as a result of this bill would be handled within the Criminal Justice Bureau's existing budget, the Department is not able to determine the impact on state expenditures as a result of the requirement to perform investigations on applicants. Depending on the number of hours needed to investigate and review applicants by attorneys, investigators, and legal assistants, the Department's expenditures may increase by an indeterminable amount.

This bill contains fines and penalties that may have an impact on the New Hampshire judicial and correctional systems. There is no method to determine how many charges would be brought as a result of the changes contained in this bill to determine the fiscal impact on expenditures and revenue. However, the entities impacted have provided the potential costs associated with these penalties below.

Judicial Branch	FY 2020	FY 2021
Violation Level Offense	\$51	\$52
Class B Misdemeanor	\$53	\$54

Class A Misdemeanor	\$76	\$77
Simple Criminal Case	\$296	\$301
Routine Criminal Felony Case	\$481	\$486
Appeals	Varies	Varies

It should be noted that average case cost estimates for FY 2020 and FY 2021 are based on data that is more than ten years old and does not reflect changes to the courts over that same period of time or the impact these changes may have on processing the various case types. An unspecified misdemeanor can be either class A or class B, with the presumption being a class B misdemeanor.

Judicial Council		
Public Defender Program	Has contract with State to provide services.	Has contract with State to provide services.
Contract Attorney – Felony	\$825/Case	\$825/Case
Contract Attorney – Misdemeanor	\$300/Case	\$300/Case
Contract Attorney – Major Crimes (aggravated felonious sexual assault, felonious sexual assault and first degree assault)	\$2,490/Case	\$2,490/Case
Assigned Counsel – Felony. Homicide (Including capital cases)	\$100/Hour up to \$20,000	\$100/Hour up to \$20,000
Assigned Counsel – Major Crimes (aggravated felonious sexual assault, felonious sexual assault and first degree assault)	\$100/Hour up to \$8,000	\$100/Hour up to \$8,000
Assigned Counsel – Felony	\$60/Hour up to \$4,100	\$60/Hour up to \$4,100
Assigned Counsel – Misdemeanor	\$60/Hour up to \$1,400	\$60/Hour up to \$1,400

It should be noted that a person needs to be found indigent and have the potential of being incarcerated to be eligible for indigent defense services. The majority of indigent cases (approximately 85%) are handled by the public defender program, with the remaining cases going to contract attorneys (14%) or assigned counsel (1%).

Department of Corrections		
FY 2018 Average Cost of Incarcerating an Individual	\$40,615	\$40,615
FY 2018 Annual Marginal Cost of a General Population Inmate	\$4,620	\$4,620
FY 2018 Average Cost of Supervising an Individual on Parole/Probation	\$571	\$571
NH Association of Counties		
County Prosecution Costs	Indeterminable	Indeterminable
Estimated Average Daily Cost of Incarcerating an Individual	\$105 to \$120	\$105 to \$120

Many offenses are prosecuted by local and county prosecutors. When the Department of Justice has investigative and prosecutorial responsibility or is involved in an appeal, the Department would likely absorb the cost within its existing budget. If the Department needs to prosecute significantly more cases or handle more appeals, then costs may increase by an indeterminable amount.

AGENCIES CONTACTED:

Lottery Commission, Department of Safety, Department of Justice, Liquor Commission, Department of Health and Human Services, Department of Corrections, Judicial Council, Judicial Branch, New Hampshire Association of Counties, and New Hampshire Municipal Association