

REGULAR CALENDAR

November 9, 2023

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Committee on Ways and Means to which was referred SB 112-FN,

AN ACT relative to pari-mutuel pools and historic horse racing. Having considered the same, report the same with the following amendment, and the recommendation that the bill OUGHT TO PASS WITH AMENDMENT.

Rep. Fred Doucette

FOR THE COMMITTEE

COMMITTEE REPORT

Committee:	Ways and Means
Bill Number:	SB 112-FN
Title:	relative to pari-mutuel pools and historic horse racing.
Date:	November 9, 2023
Consent Calendar:	REGULAR
Recommendation:	OUGHT TO PASS WITH AMENDMENT 2023-2444h

STATEMENT OF INTENT

This bill, as amended, repeals the current law that allows charitable gaming operators to charge charities rent. The ability to charge rent was first allowed by the old pari mutuel commission when HB 1744 of 2006 was adopted. At that time, the maximum bet was \$2 by statute. Subsequently, the legislature added a provision to RSA 287-D to allow rent but limited the amount to fair market value. Over the years, the maximum bet amount has been increased through legislative action to the point that revenue at charity gaming rooms is at a level where a rental charge is outdated. The gaming operators testified in favor of this change and charities who benefit from charitable gaming also support it. This provision will increase charity revenue significantly. The bill, as amended, also repeals the current requirement that 75% of employees at race tracks must be NH residents. There are no race tracks left in NH as greyhound racing was abolished by the legislature years ago and Rockingham Park is no more. The provision regarding employees is obsolete as well as the requirement that race tracks file an annual audited financial report. That requirement is repealed by this bill. Lottery testified that they support repealing that requirement as it is no longer needed. Another section of the bill extends the limitation on eligible rooms that can be licensed to offer Historic Horse Racing (HHR). If no action is taken on this issue, the current limitation expires on July 1, 2024. This bill repeals that expiration, but does allow any applicant already in the process to continue to be considered for an HHR license. Any applicant currently in the process is eligible but still has to meet the criteria to be granted a license. There are currently 14 eligible rooms for HHR in NH. Lottery testified that there are five additional applicants going through the process that potentially could receive a license under this section. The bill also repeals the sunset of simulcast racing which has been allowed since the 1930's. The sunset provision has been moved many times over the years and is really no longer needed.

Vote 18-1.

Rep. Fred Doucette
FOR THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

REGULAR CALENDAR

Ways and Means

SB 112-FN, relative to pari-mutuel pools and historic horse racing. **OUGHT TO PASS WITH AMENDMENT.**

Rep. Fred Doucette for Ways and Means. This bill, as amended, repeals the current law that allows charitable gaming operators to charge charities rent. The ability to charge rent was first allowed by the old pari mutuel commission when HB 1744 of 2006 was adopted. At that time, the maximum bet was \$2 by statute. Subsequently, the legislature added a provision to RSA 287-D to allow rent but limited the amount to fair market value. Over the years, the maximum bet amount has been increased through legislative action to the point that revenue at charity gaming rooms is at a level where a rental charge is outdated. The gaming operators testified in favor of this change and charities who benefit from charitable gaming also support it. This provision will increase charity revenue significantly. The bill, as amended, also repeals the current requirement that 75% of employees at race tracks must be NH residents. There are no race tracks left in NH as greyhound racing was abolished by the legislature years ago and Rockingham Park is no more. The provision regarding employees is obsolete as well as the requirement that race tracks file an annual audited financial report. That requirement is repealed by this bill. Lottery testified that they support repealing that requirement as it is no longer needed. Another section of the bill extends the limitation on eligible rooms that can be licensed to offer Historic Horse Racing (HHR). If no action is taken on this issue, the current limitation expires on July 1, 2024. This bill repeals that expiration, but does allow any applicant already in the process to continue to be considered for an HHR license. Any applicant currently in the process is eligible but still has to meet the criteria to be granted a license. There are currently 14 eligible rooms for HHR in NH. Lottery testified that there are five additional applicants going through the process that potentially could receive a license under this section. The bill also repeals the sunset of simulcast racing which has been allowed since the 1930's. The sunset provision has been moved many times over the years and is really no longer needed. **Vote 18-1.**

Original: House Clerk
Cc: Committee Bill File

Amendment to SB 112-FN

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

2
3 1 Pari-Mutuel Pools. RSA 284:22 is repealed and reenacted to read as follows:

4 284:22 Pari-Mutuel Pools.

5 A licensee under this chapter may sell pari-mutuel pools in accordance with this chapter and
6 rules adopted by the lottery commission. Pari-mutuel pools shall be sold within the enclosure of the
7 racetrack where a licensed race or race meet is held or as provided in RSA 284:22-a, and not
8 elsewhere.

9 2 Pari-Mutuel Pools on Historic Horse Racing. RSA 284:22-b, II is repealed and reenacted to
10 read as follows:

11 II. In order to be eligible for a license to sell pari-mutuel pools on historic races, an applicant
12 shall have been either:

13 (a) A game operator employer licensed under RSA 287-D as of May 1, 2020, and still
14 licensed as of June 8, 2021. For licensees qualified under this subparagraph, the sale of pari-mutuel
15 pools on historic horse races must take place within the enclosure of a facility at which the licensee
16 holds its licensed gaming activities under RSA 287-D, and that such facility is located within the city
17 or town in which the licensee held its license on May 1, 2020; or

18 (b) An entity that applied for a game operator employer license between January 1,
19 2023, and October 18, 2023, provided that the applicant is subsequently approved, and the applicant
20 entity has the same ownership and officers as the time of their initial application. For licensees that
21 are qualified under this subparagraph, the sale of pari-mutuel pools on historic horse races must
22 take place within the enclosure of a facility at which the applicant entity holds its licensed gaming
23 activities under RSA 287-D, and that such facility is located within the city or town identified on the
24 original application filed with the lottery commission within the time frame identified under this
25 subparagraph.

26 3 New Paragraph; Pari-Mutuel Pools on Historic Horse Races; Transfer or Sale of Licenses
27 Prohibited. Amend RSA 284:22-b by inserting after paragraph VII the following new paragraph:

28 VIII. An application that is approved by the lottery commission, and a license that is
29 granted shall not be permitted to be transferred or sold.

30 4 Rights of Licensee. Amend RSA 284:39, I to read as follows:

31 I. Any licensee under this chapter may refuse admission to, or eject from, the grounds or the
32 enclosure of the racetrack or facility where a licensed live race or race meet or is being held or where

Amendment to SB 112-FN
- Page 3 -

2023-2444h

AMENDED ANALYSIS

This bill changes the redistribution of pari-mutuel wagers, changes license eligibility requirements, prohibits the sale or transfer of licenses, amends the rights of licensees, changes the calculation of the percentage paid to charitable organizations, eliminates employee state residency restrictions, and eliminates annual financial statement requirements.

HOUSE COMMITTEE ON WAYS AND MEANS

EXECUTIVE SESSION on SB 112-FN

BILL TITLE: relative to pari-mutuel pools and historic horse racing.

DATE: November 9, 2023

LOB ROOM: 202-204

MOTIONS: OUGHT TO PASS WITH AMENDMENT

Moved by Rep. Doucette Seconded by Rep. Almy AM Vote: 18-1

Amendment # 2023-2444h

Moved by Rep. Doucette Seconded by Rep. Almy Vote: 18-1

Respectfully submitted,

Rep Fred Plett, Clerk



STATE OF NEW HAMPSHIRE
OFFICE OF THE HOUSE CLERK

1/10/2023 9:55:04 AM
Roll Call Committee Registers
Report

2023 SESSION

Ways and Means

Bill #: SB 02FR Motion: BTPA AM #: _____ Exec Session Date: 1/10/23

Members	YEAS	Nays	NV
Sanborn, Laurie J. Chairman <i>Pratt, Kevin</i>	146		
Janigian, John C. Vice Chairman	1		
Ulery, Jordan G.	2		
Doucette, Fred G.	3		
Spilsbury, Walter	4		
Plett, Fred R. Clerk	5		
Hynes, Dan <i>Walter, Jeanine</i>		1	
Soti, Julius F.	6		
Aures, Cyril Nicholas	7		
Rocheffort, David	8		
Almy, Susan W.	9		
Ames, Richard	10		
Southworth, Thomas L.	11		
Malloy, Dennis J.	12		
Schamberg, Thomas C.	13		
Fellows, Sallie D.	13		
Bolton, Bill R	14		
Elberger, Susan A	15		
Leapley, Nicole M	16		
Smith, Geoffrey			
TOTAL VOTE:	148	1	1



STATE OF NEW HAMPSHIRE
OFFICE OF THE HOUSE CLERK

1/10/2023 9:55:04 AM
Roll Call Committee Registers
Report

2023 SESSION

Ways and Means

Bill #: SP1126 Motion: OTR AM #: 2044 Exec Session Date: 11/9/23

Members	YEAS	Nays	NV
Sanborn, Laurie J. Chairman <i>Pratt, Kevin</i>	16		
Janigian, John C. Vice Chairman	1		
Ulery, Jordan G.	2		
Doucette, Fred G.	3		
Spilsbury, Walter	4		
Plett, Fred R. Clerk	5		
Hynes, Dan <i>Notus, Sean</i>	6	1	
Soti, Julius F.	7		
Aures, Cyril Nicholas	8		
Rocheffort, David	9		
Almy, Susan W.	10		
Ames, Richard	11		
Southworth, Thomas L.	12		
Malloy, Dennis J.	13		
Schamberg, Thomas C.	14		
Fellows, Sallie D.	15		
Bolton, Bill R	16		
Elberger, Susan A	17		
Leapley, Nicole M			
Smith, Geoffrey			
TOTAL VOTE:	18	1	1

HOUSE COMMITTEE ON WAYS AND MEANS

PUBLIC HEARING ON SB 112-FN

BILL TITLE: relative to pari-mutuel pools and historic horse racing.

DATE: November 9, 2023

LOB ROOM: 202-204 **Time Public Hearing Called to Order:** 9:40 a.m.

Time Adjourned: 10:30 a.m.

Committee Members: Reps. Janigian, Doucette, Ulery, Spilsbury, Soti, Aures, Rochefort, Almy, Ames, Southworth, Malloy, Schamberg, Fellows, Bolton, Elberger and Leapley

Bill Sponsors:

Sen. Ricciardi
Rep. O'Brien

Sen. Soucy
Rep. Doucette

Sen. Bradley

TESTIMONY

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

Rep. Doucette - Amendment# 2023-2358h to SB112-FN puts a total moratorium on Historic Horse Racing. Big players are moving in. It does not negate anybody from Charitable gaming. Four charitable gaming operators, Rep. Doucette hears of a possible 5th.

The Amendment that Representative Doucette introduced was actually 2023-2358h for the public hearing. Amendment 2023-2444h was talked about during the public hearing, but only in the context that it needed to be introduced during the Executive Session because it contains 2023-2358h in its entirety, but with a couple of corrections dealing with "rent". 2358h removes rent and there were a couple of references to rent that needed to be removed to make the amendment consistent.

Rick Newman – NH Charitable gaming – in support. This amendment would prohibit rent. It used to be \$2 maximum bet. Raised in steps to \$50 today, rent not necessary. Permanent moratorium beyond those who applied for HHR.

Rep. Almy – to Rep. Doucette – rights of licensee – does Charitable gaming operators have the ability to kick people out? Rick Newman – Yes.

Rep. Notter – Different Amendment #? Not in calendar – can we have a hearing? Rep. Ames - Same substance, just tweaks. If tweak, can have a hearing.

Rick Newman – we are having a hearing on 2358H but a friendly amendment to create 2444H. No substantive change.

Rep. Ulery – Temporary or permanent moratorium? Permanent. Rick Newman – limit to 14 and possibly another 4 with paperwork in process.

Rep. Ames – Straying from public hearing on amendment.

Rep. Almy – Line 26, no transfer or sale of license – does this help with chicanery going on? Rep. Ames – no change, just a move.

Rep. Elberger – Nothing in language that prefers NH over out of state businesses? Rep. Doucette – Correct.

Valerie King – NH Lottery. Rep. Fellows – is there any paperwork difference between games of chance and HHR paperwork? First is Charitable gaming license, then HHR – we determine suitability, then goes to Attorney General, then back to NH Lottery, we issue license when they are fully ready to open.

Rep. Shamburg – If the investigation has been completed, is it still confidential? Yes, until license is issued.

Rep. Shamburg – Statute 287(d).

Mr. Charles McIntyre – NH Lottery Commission Chair – Suitability review by NH Lottery is why it is confidential. Names released when approved for license.

Rep. Fellows – Looking at amendment, exclusion for applicants who have already applied – How extensive is application/ could they just put in their names for a placeholder?

John Conforti – Chief Compliance Officer - Application not extensive, not complete without additional documents. There is a fifth applicant in July, we just learned about this week.

Rep. Elberger – no public input process? True. Rep. Plett – if there were, would it not negate confidentiality? True.

The confidentiality of name as well as process is NH Lottery Commission's interpretation of law, they are happy to check with the Attorney General. Town would have oversight only as to other businesses, could have zoning prohibiting or allowing.

Respectfully submitted,

Rep. Fred Plett, Clerk

HOUSE COMMITTEE ON WAYS AND MEANS

PUBLIC HEARING ON SB112-FN

BILL TITLE: relative to pari-mutuel pools and historic horse racing

DATE: April 25, 2023

ROOM: 202-204 **Time Public Hearing Called to Order:** 10:02 AM

Time Adjourned: 10:39 PM

(please circle if present)

Committee Members: Reps. L. Sanborn, Janigian, Plett, Ulery, Doucette, Spilsbury, Hynes, Soti, Aures, Rochefort, Almy, Ames, Southworth, Malloy, Schamberg, Fellows, Bolton, Elberger, Leapley (Rep. Lloyd substituted) and G. Smith – Yellow not present.

Bill Sponsors: Sen. Ricciardi, Dist 9; Sen. Soucy, Dist 18; Sen. Bradley, Dist 3; Rep. O'Brien, Hills. 10; Rep. Doucette, Rock. 25

TESTIMONY

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

Maya Harvey on behalf of Senator Ricciardi. Makes changes to RSA 284. Removes a buffer to historic horse racing facility. Forty-mile perimeter deleted. This bill removes simulcast 40 mile bumper. Removes Section 1. Ulery – Regarding background checks include NH or nationwide? One hundred percent in odd cents goes to problem gaming. Rep. Almy – Put in an amendment to put breakage in to a dedicated fund.

Rick Newman – Lakes Region Casino. One of two facilities eligible to have simulcast racing. Belmont eligible. Breakage a problem. Retain bill – technical corrections – nothing earth-shattering about it. Brook keeps 50% breakage. Not a lot of profit in simulcasting. Page 1 line 17 – based on each dollar wager. Employee state residency is when there was live racing. It is now outdated. Rep. Almy – line 3 of page 3 – Why are we repealing requirements for annual financial statements. Redundant. Other parts of law cover. If each winner is supposed to get \$2.09, they get \$2, the rest being breakage. Rep. Ulery – Please explain how breakage works currently? If we have money in prize pool, certain # have winners – pool divided by winners. If it comes to other than 10 cents, say 3.09, breakage is 9 cents. If \$3.19, breakage is 9 cents. Now 50% goes to state – about \$70,000 which would double. Significant sum.

Peter Bragdon, representing Churchill downs. The own Chasers in Salem, and in 10 states – manufactures machines. P. 2, line 23, breakage, 100% to state, is a concern. Machines are not programmed – works now, but can't calculate. Request bill be retained. It isn't an objection to paying, it is calculating. Rep. Almy - Do you understand what each wager means? Say \$1 is put in, split 3 separate bets – 3 races. On some machines spread across 3 races. Rep. Spillsbury – if all of changes – page 1, lines 16-23, if all were kept, but that is where the problem is? He's familiar with simulcast, not HHR.

Valerie King Charles McIntyre, NH Lottery Commission. If payout is not rounded to 10 cents, excess is breakage. If the payout is less than \$1, no breakage now. Rep. Fellows - Changing so any wager has breakage. Breakage on win, not wager. Rep. Southworth - What is advantage of change – increase funding for problem gaming. Rep. Almy – no dedicated fund – contained in their budget. Rep. Ulery – being administratively attached to lottery, if in dedicated fund – how much spent on problem gaming. Historically

legislature assigned us tasks, no funds – come out of operating budget. \$35,000 is a rounding error. Plett – breakage question – breakage on HHR different than simulcast, he thinks the concern is on simulcast. Commission did not ask for 100% of breakage. \$180 million budget, \$35,000 is rounding error. Rep. Almy – we should talk with Senator.

To Register Opinion If Not Speaking

Date: 4/25/23Committee: WAYS AND MEANS

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

[illegible]

House Remote Testify

Ways and Means Committee Testify List for Bill SB112 on 2023-04-25

Support: 1 Oppose: 1 Neutral: 0 Total to Testify: 0

[Export to Excel](#)

<u>Name</u>	<u>City, State</u> <u>Email Address</u>	<u>Title</u>	<u>Representing</u>	<u>Position</u>	<u>Testifying</u>	<u>Non-Germane</u>	<u>Phone</u>
Richardson, Daniel	Nashua, NH daniel6_22@comcast.net	A Member of the Public	Myself	Oppose	No	No	603-882-1234
Soucy, Donna	manchester, NH donna.soucy@leg.state.nh.us	An Elected Official	SD 18	Support	No	No	603-882-1234

Register Your Opinion If Not Testifying

Date: November 9, 2023

[illegible]

SB 112-FN - AS AMENDED BY THE SENATE

02/09/2023 0139s

2023 SESSION

23-0827

02/10

SENATE BILL ***112-FN***

AN ACT relative to pari-mutuel pools and historic horse racing.

SPONSORS: Sen. Ricciardi, Dist 9; Sen. Soucy, Dist 18; Sen. Bradley, Dist 3; Rep. O'Brien, Hills. 10; Rep. Doucette, Rock. 25

COMMITTEE: Ways and Means

AMENDED ANALYSIS

This bill changes the redistribution of pari-mutuel wagers, eliminates employee state residency restrictions, and eliminates annual financial statement requirements.

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.

02/09/2023 0139s 23-0827

02/10

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Three

AN ACT relative to pari-mutuel pools and historic horse racing.

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

1 Pari-Mutuel Pools. Amend RSA 284:22 to read as follows:

284:22 Pari-Mutuel Pools. [~~During the calendar years of 1941-2029, a~~] A licensee under this chapter may sell pari-mutuel pools in accordance with this chapter and rules adopted by the lottery commission. Pari-mutuel pools shall be sold within the enclosure of the racetrack where a licensed race or race meet is held or as provided in RSA 284:22-a, and not elsewhere.

I. The commission on all win, place, and show pari-mutuel pools at tracks or race meets at which running horse races are conducted for public exhibition shall be uniform throughout the state at the rate of 19 percent of each dollar wagered in such pools, and the commission on all other pari-mutuel pools at such tracks or race meets shall be at the rate of not less than 26 percent of each dollar wagered in such pools and not more than 27 percent of each dollar wagered in such pools as determined from time to time by the licensee which conducts live running horse races after written notice to the lottery commission and, in the absence of written notice, at the rate of 26 percent of each dollar wagered in such pools. Except as provided in RSA 284:22-a, the amount of the purse at such tracks or race meets at which running horse races are conducted shall be 8 1/4 percent of each dollar wagered in all pari-mutuel pools, said 8 1/4 percent to be paid by the licensee out of the lottery commission on such pools. ~~[In addition to the above commission, 1/2]~~ **One hundred percent** of the odd cents of all redistribution **of each wager** ~~[based on each dollar wagered]~~ exceeding a sum equal to the next lowest multiple of 10, known as "breakage," ~~[shall be retained by the licensee, 1/4 paid to the state treasury for the use of the state in accordance with the provisions of RSA 284:2 and 1/4]~~ shall be paid to the lottery commission **and used as payment for problem gaming**. ~~[The lottery commission shall distribute such breakage to the licensee which paid such breakage to supplement purses of live races conducted by the licensee at the location from which such breakage was paid.]~~ Each licensee shall pay the tax provided for in RSA 284:23.

II. The commission on all win, place, and show pari-mutuel pools at tracks or race meets at which harness horse races are conducted for public exhibition, including those conducted by agricultural fairs, shall be uniform throughout the state at the rate of 19 percent of each dollar wagered in such pools, and the commission on all other pari-mutuel pools at such tracks or race meets shall be at the rate of not less than 25 percent of each dollar wagered in such pools and not more than 26 percent of each dollar wagered in such pools as determined from time to time by the licensee which conducts live harness horse racing after written notice to the lottery commission and, in the absence of such written notice, at the rate of 25 percent of each dollar wagered in such pools. ~~[In addition to the above commission, 1/2]~~ **One hundred percent** of the odd cents of all redistribution ~~[based on each dollar wagered]~~ **of each wager** exceeding a sum equal to the next lowest multiple of 10, known as "breakage," ~~[shall be retained by the licensee, 1/4 paid to the state treasury for the use of the state in accordance with the provisions of RSA 284:2 and 1/4]~~ shall be paid to the lottery commission **and used as payment for problem gambling services**. ~~[The lottery commission shall distribute such breakage to the licensee which paid such breakage.]~~ Each licensee shall pay the tax provided for in RSA 284:23.

III. For the purposes set forth in this section, an "agricultural fair" means an association which provides for and pays premiums of \$5,000 or more, annually, as is determined by the commissioner of agriculture, markets, and food, in accordance with RSA 284:25.

IV. Subject to the provisions of RSA 284:22-a, V, the commission on all win, place, and show pari-mutuel pools at tracks or race meets at which simulcast dog races are conducted for public exhibition shall be uniform throughout the state at the rate of 19 percent of each dollar wagered in such pools; and the commission on all other pari-mutuel pools at such tracks or race meets shall be at the rate of 27 percent of each dollar wagered in such pools. ~~[In addition to the above commission, 1/2]~~ **One hundred percent** of the odd cents of all redistribution ~~[based on each dollar wagered]~~ **of each wager** exceeding a sum equal to the next lowest multiple of 10, known as "breakage," ~~[shall be retained by the licensee, 1/4 paid to the state treasury for the use of the state and 1/4]~~ shall be paid to the lottery commission **and used as payment for problem gambling services**. Each licensee shall pay the tax provided for in RSA 284:23.

2 Pari-Mutuel Pools on Simulcast Racing. Amend the introductory paragraph of RSA 284:22-a, II(a) to read as follows:

II.(a) ~~[During the calendar years 1941-2029, a]~~ A licensee may sell pari-mutuel pools on races held at racetracks other than at the facility of the licensee, if any, provided:

3 Pari-Mutuel Pools on Historic Horse Races. Amend RSA 284:22-b, V to read as follows:

V. The licensee commission on all historic horse race pari-mutuel pools shall be at a rate of not greater than 12 percent. In addition to the above commission, 100 percent of the odd cents of all redistribution ~~[based on each dollar wagered]~~ **of each wager** exceeding a sum equal to the next lowest

multiple of 10, known as breakage, shall be paid to the lottery commission and used as payment for problem gaming services.

4 Rights of Licensee. Amend RSA 284:39, I to read as follows:

I. Any licensee under this chapter may refuse admission to, or eject from, the grounds or the enclosure of the racetrack or facility where a licensed live race or race meet or is being held or where licensed simulcasting ***or historic horse racing*** is held, any person or persons whose presence or conduct, in the sole judgment of the licensee, is inconsistent with the orderly and proper conduct of the ***historic horse racing***, live or simulcast race meet, or is detrimental to the sport of racing, whether or not such presence or offensive conduct is associated with gambling.

5 Repeal. The following are repealed:

I. RSA 284:3, relatives to employee residency.

II. RSA 284:32-a, relative to annual financial statements.

6 Effective Date. This act shall take effect July 1, 2023.

LBA
23-0827
Amended 2/14/23

SB 112-FN- FISCAL NOTE
AS AMENDED BY THE SENATE (AMENDMENT #2023-0139s)

AN ACT relative to pari-mutuel pools and historic horse racing.

FISCAL IMPACT: ☒ State ☐ County ☐ Local ☐ None

STATE:	Estimated Increase / (Decrease)			
	FY 2023	FY 2024	FY 2025	FY 2026
Appropriation	\$0	\$0	\$0	\$0
Revenue	\$0	(\$70,000) GF Decrease \$105,000 Lottery Increase	(\$70,000) GF Decrease \$105,000 Lottery Increase	(\$70,000) GF Decrease \$105,000 Lottery Increase
Expenditures	\$0	\$0	\$0	\$0
Funding Source:	☒ General Lottery Fund ☒ Education ☐ Highway ☒ Other -			

METHODOLOGY:

The Lottery Commission states this bill:

- Requires all breakage to be used by the agency “as payment for problem gaming”. Currently, breakage from simulcast wagers is split between the racetrack, the State Treasury, and the Lottery Commission.

- Removes the residency requirement for employees of the gaming facility (repeal of RSA 284:3).
- Removes the requirement that the facility submit an annual financial statement (repeal of RSA 284:32-a). This requirement applies to individuals and entities “conducting a race or race meet” and is not specific to simulcast racing.

The Lottery Commission makes the following assumptions relative to this bill:

- Only one facility (The Brook, a former dog track in Seabrook) currently offers simulcast wagering. The only other facility currently eligible for a simulcast license is Lakes Region Casino, a former dog track located in Belmont.
- The State receives simulcast revenue through taxes, breakage, and unclaimed tickets.
- The tax for simulcast horse and dog races is equal to 1.25% and 1.5% of total contributions respectively. This money is paid to the State Treasury (in calendar year 2022, the state received \$431,068 in revenue from simulcast racing).
- Under current law, breakage from simulcast and live racing wagers are split with 50% being retained by the facility, 25% going to the State Treasury and 25% going to the Lottery Commission. Total breakage in calendar year 2022 was \$140,193, of which the Lottery Commission and the State Treasury each received approximately \$35,048.
- Under this bill, the Lottery Commission will receive 100% of breakage to be used for problem gambling services. Based on calendar year 2022 data, this would result in an overall annual increase in state revenue of approximately \$70,000 (\$105,000 increase to Lottery and \$35,000 decrease to Treasury revenue (general fund)).
- Unclaimed ticket money is retained by the State Treasury on January 31st of the calendar year (24 months after the year of the unclaimed voucher). Therefore, revenue from unclaimed tickets purchased July 1 through December 31 of 2023 will not be retained by the State Treasury until January 31, 2026 (FY 2026). In FY 2022, the state received \$172,813 in unclaimed ticket revenue.

Considering all the information and assumptions stated above, the Lottery Commission estimates this bill will increase Lottery revenue by \$105,000 and decrease general fund revenue (Treasury Department) by \$70,000 in FY 2024 and each year thereafter. Lottery revenue is credited to the lottery fund, with net revenues after expenditures being credited to the state education trust fund.

AGENCIES CONTACTED:

Lottery Commission