

# Senate Ways and Means Committee

*Sonja Caldwell 271-2117*

**SB 60-FN**, relative to advanced deposit account wagering.

**Hearing Date:** February 5, 2025

**Members of the Committee Present:** Senators Lang, Murphy, Sullivan and Fenton

**Members of the Committee Absent :** Senator Rosenwald

**Bill Analysis:** This bill allows advanced deposit wagering on pari-mutuel betting on horse racing and authorizes the lottery commission to adopt rules governing the license and regulation of such wagers.

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**Sponsors:**

Sen. Lang  
Sen. Gannon

Sen. Murphy  
Rep. Moffett

Sen. Pearl

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**Who supports the bill:** Sen. Lang, Peter Bragdon (Churchill Downs), Charlie McIntyre (NH Lottery Commission), Sen. Murphy, Sen. Gannon

**Who opposes the bill:** Curtis Howland

**Who is neutral on the bill:** no one

**Summary of testimony presented:**

**Senator Tim Lang**

- In NH there was a history with horse racing and betting on horse racing with 4 racetracks. Right now, if one wants to bet on horse racing they would have to physically go to one of two locations.
- This bill would allow individuals to place the bet digitally from any location in New Hampshire. Additionally, this bill allows individuals to utilize advanced deposit wagering.
- This bill falls in line with the federal government's interstate compact on horse racing, setting uniform standards across horse race betting.
- The current NH statute is antiquated because it still deals with phone lines, whereas now everything is digital and online.
- This bill would help modernize the NH statutes.
- Senator Lang said that the Ways and Means committee has passed this bill before, however it did not make it through the House of Representatives.

**Senator Sullivan** asked if Senator Lang knew what the issue that the House had with last year's bill was.

**Senator Lang** said that last year's bill had a higher tax rate. This bill, on page 2 line 12, sets the tax rate at 1.25%, which is consistent with the rate for in-person betting.

**Charlie McIntyre, Executive Director, NH Lottery Commission and Cooley Arroyo**

- This bill cleans up an area where there has been activity that is not regulated.
- The Lottery Commission does not currently receive funds from horse race betting.
- Director McIntyre said that this is similar to what happened with fantasy sports, which was an activity that was not quite legal but was happening in the state. The AG's office recommended that the Lottery Commission file a bill to make fantasy sports legal, which they did. It is now regulated, there are consumer protections around it, and if there is a problem they are able to address the customers' complaints.

**Senator Lang** stated that this was a grey area in our state law and there was a question over whether we could provide consumer protections.

**Director McIntyre** said he was right and explained that when people call the Lottery Commission, they had no recourse over the operators because they aren't regulated. Director McIntyre validated Senator Lang's concerns that right now if someone in New Hampshire had a problem with this type of betting, there is nothing the Lottery Commission could do about it.

**Senator Murphy** asked about the number of complaints they get or if they have received any complaints at all regarding this type of betting.

**Director McIntyre** said they have yet to receive any complaints about this type of betting.

**Senator Fenton** noted there is no funding in the bill for oversight. He asked if they were concerned that enforcement could be under resourced.

**Ms. Arroyo** said that she did not think so, especially with the volume of participation with the program already. She thinks the opportunity to put guardrails around this would get ahead of any issues that may arise in the future.

**Director McIntyre** added that the Lottery Commission isn't an agency that packs on people for no reason, they feel their current staff is sufficient to handle this activity.

**Peter Bragdon, Churchill Downs**

- Churchill Downs is a publicly traded corporation with more than 30 racetracks and gaming facilities in about a dozen states, including Chasers poker room in Salem.
- Churchill Downs also has the Twin Spires app which offers advanced deposit wagering (ADW).
- Churchill Downs offers ADW and live video from all the major racetracks around the world.
- SB60 would give certainty and predictability to the regulation of ADW in NH. It would provide a consistent and level playing field for all of the operators and help ensure a secure experience for consumers.
- Mr. Bragdon stated that the federal Interstate Horse Racing Act of 1978 allowed for betting on horse racing via electronic means. Prior to this the only way to do it was to go to the race track in person. So, in 1978 Congress passed a law which allowed electronic betting, which started as telephone bets and has progressed to internet betting.
- The Interstate Horse Racing Act also allowed states to regulate this electronic betting on racing. Many states have passed legislation to regulate ADW that is similar to what is being proposed here. About a dozen states passed laws to say you cannot do it at all. 15 or 20 states did not take any action, including NH.
- It is currently a grey area in NH because the federal law supersedes anything not specifically talked about in state law.
- In 2022 Churchill Downs approached the NH Lottery Commission about buying the Chasers poker room in Salem. The Lottery Commission and Attorney General are very strict on who can operate charitable gaming facilities, and there is very little room for grey areas. Understanding the concern Churchill Downs voluntarily shut down their ADW operations in NH. Churchill Downs is the leading operator of ADW in the nation.
- Mr. Bragdon stated that they pledged to work with the Lottery Commission to support legislation that addresses this grey area.
- Mr. Bragdon referenced Senator Lang's testimony saying right now you can't place a bet on the Kentucky derby in NH on your phone and said that you can. All of their other competitors are still operating in NH, while Churchill Downs voluntarily stepped aside. Their competitors remain able to operate freely in the state.
- The bill was requested by the Lottery Commission and the Attorney General and gives a solid base to regulation to allow a level playing field for all competitors.

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Date Hearing Report completed: February 6, 2025