

Senate Ways and Means Committee

Sonja Caldwell 271-2117

SB 73-FN, relative to the operation of bingo games.

Hearing Date: January 29, 2025

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

Members of the Committee Absent : None

Bill Analysis: This bill revises the definition and operational rules of "carry-over coverall" bingo games and increases the amount of prizes that may be awarded on a single game date.

Sponsors:

Sen. Lang

Who supports the bill: Sen. Lang, Dee Luszcz (American Legion Jutras Post 43), Jan DiMarzio (Community Bingo Center), Chris Melche (Maron Gerrish Community Center), Dick Bouley (Diamond Distributors), Mike McLaughlin (Community Bingo), Oliver Matte

Who opposes the bill: Dee Luszcz (American Legion Jutras Post 43), Curtis Register

Who is neutral on the bill: No one

Summary of testimony presented:

Sen. Lang

- Sen. Lang introduced SB73 as a modernization bill that would change the number of balls for a coverall game from 50 to 49 and increase the maximum prize limit from \$4,000 to \$6,000. He described the bill as an industry-driven effort to keep bingo operations relevant.

Dick Bouley – Diamond Distributors

- He voiced strong support for the bill, explaining that Diamond Distributors serves over 50 New Hampshire bingo and lucky 7 clients. He emphasized bingo's historical role in the state and how the industry has always provided an enjoyable experience at reasonable costs. Bingo can be played in clubs and churches as well as commercial halls. Bingo halls rely on volunteers, which can be challenging. SB73 would allow them to remain competitive with casinos by offering their players bigger prizes.

Jan DiMarzio – General Manager, Community Bingo Center, Manchester, NH

- Ms. DiMarzio stated that she signed up in support of the bill, however she has some concerns about the proposed increase in maximum prize money.
- While she acknowledged that the \$4,000 limit had not been updated in decades, she explained that most bingo games do not even reach this cap. Some larger bingo games on a busy weekend night can reach that number. The freestanding bingo games that are not in a commercial hall are struggling.
- She rejected the comparison between bingo halls and casinos, explaining most bingo halls have very limited hours whereas the games of chance casinos are open 22 hours a day.
- She warned that increasing the limit to \$6,000 could force all of the smaller venues to close. They don't have the foot traffic to compete with a commercial hall.
- She asked the committee not to raise the \$4,000 prize limit.
- She said that out of 9 bingo games a week at her hall, only one is reaching the \$4,000 mark.

Sen. Rosenwald asked if she agreed with the change in the number of coveralls.

Ms. DiMarzio said that she agreed with that change as most bingo games rely on a large jackpot game to drive the foot traffic to their game.

Senator Fenton asked about the number of independent bingo halls in the state.

Ms. DiMarzio said they are considered just a bingo game. She stated she was unsure but mentioned three that she knew of: Franklin, Concord, and the Seabrook fire station. She added that they would be directly impacted by the prize increase.

Dee Luszczyk – American Legion Jutras Post 43

- Ms. Luszczyk holds a bingo consultant license.
- She explained that when the law was first developed, they didn't have computers. Bingo is not just dopping any longer, they have handheld computers, which drastically changes the number of cards in play.
- She suggested amending the bill to reduce the ball count further, from 49 to 48.
- Ms. Luszczyk explained that the players love playing for a large jackpot. She argued that larger jackpots increase sales, which in turn increases tax revenue for New Hampshire and the charities make more money because they sell more pull tab tickets.
- She stated that going down one number would hurt no one and added that they have 450% more cards in play today than they did before computers.
- Ms. Luszczyk concurred with Jan DiMarzio that increasing the maximum prize to \$6,000 would be detrimental to smaller bingo halls. She added that even as a commercial hall operator, her games rarely get more than 65 players.
- Regarding the coverall rules, she opposed a proposed second chance coverall game outlined in section 3(f), arguing that coverall should be preserved solely for the jackpot or one designated consolation prize. She said existing law allows for the playing of other game patterns before hitting the coverall and if they want to pay out more prizes on the carry-over they can do that now.

Chris Melche – Maron Gerrish Community Center

- He explained that they have four charities in their bingo hall in Hudson.
- With regard to the carry-over coverall, he described it as a change that is not really a change as bingo has operated with 49 balls for the carry-over coverall for at least 40 years. In 2014, a bill was introduced to establish a new shared carryover system, and at that time, the number of balls was changed to 50. However, bingo halls continued using 49 balls until last summer, when the Lottery Commission informed them that they were in violation of the law.
- He agreed with Ms. Luszcz that going to 48 balls would help charities. He also noted that the Lottery Commission does not consider it legal to play additional games on a carry-over and suggested that would need to be in the legislation.
- He described second chance coverall as a “gimme” to the players and something to get them coming into the hall.
- Regarding the prize increase, he said that the games of chance casinos have had an impact on bingo. The casinos are able to give away cars and other prizes, but bingo is limited to \$4,000 every night. He said that if they give away a turkey for Thanksgiving, they have to account for that and deduct the cost from the \$4,000 limit.
- He said the last time the limit was increased was 2007 and before that it was 1991. He said no one is suggesting that bingo give away \$6,000 every night, rather it is a tool for them for a special event likely on a weekend. He feels it is a reasonable increase. He acknowledged that it might harm smaller halls but argued that many of those halls only offer bingo one day a week and that competition is a natural part of business.

Senator Rosenwald asked him to clarify that he said the carry-over coverall was changed in 2014 but that the Lottery Commission offered no guidance until last summer.

Mr. Melche confirmed that bingo operators were unaware of the rule change until the lottery commission notified them last summer.

Mike McLaughlin – Community Bingo Center, Arrow Distribution, Ohio

- He supported the bill, particularly the clarification that the ball count should be 49. He also endorsed the proposed additional “come along” prizes in the second part of the bill, which he said would help maintain player engagement.

Valorie King - Lottery Commission

- Ms. King stated that she started with the Lottery Commission in 2014 and couldn't speak to what occurred prior to that. She also noted it was a separate commission then, the Racing and Charitable Gaming Commission. She explained that when the statute was reviewed last summer, the commission realized that the legal requirement was 50 balls and advised the bingo operators. She went on to say that she didn't believe anyone was aware and that the 2014 change to 50 balls appeared to have been unintentional.

Senator Rosenwald asked what an “unintentional statutory change” looked like to the lottery commission.

Ms. King responded that when it went from 49 to 50 it was “within 50” and some interpreted that to mean 49, which is not how the Lottery Commission interpreted it. She cannot speak to the intent of the legislation, but she thinks it had gone unnoticed at the time that there was a change to 50 balls.

Senator Fenton said that when we raise the pot, we create higher stakes gambling and asked if this change would trigger more safeguards in terms of gambling addiction and asked if the Commission would give more money toward those services.

Ms. King explained that gambling addiction services are funded elsewhere in statute, and they are significant funds, but they are not tied to certain types of gambling nor would a prize increase in bingo trigger an increase in funding.

Senator Lang noted that the money that has been allocated for problem gaming over the last four years has not been spent. No one is coming forward seeking gambling addiction services.

Senator Sullivan inquired about the potential harm to smaller bingo halls, particularly those supporting veterans.

Ms. King stated there are 11 licensed commercial halls in NH. She said she couldn’t speak to how this will impact them but noted they don’t have to go up to \$6,000 and they probably won’t, but this gives them the opportunity to do so if resources allow.

Dick Bouley – Diamond Distributors

- Mr. Bouley pointed out that the \$4,000 maximum prize has been in place since 2007 and given the evolution of electronic games like Lucky 7, he believed it was time for an update. He refuted concerns that the increase to \$6,000 would harm smaller halls, asserting that bingo is a social activity for many people, and he doesn’t believe they will stop going where they like to go.
- He added that most bingo revenue comes from Lucky 7 tickets rather than bingo itself.