

Senate Ways and Means Committee

Sonja Caldwell 271-2117

HB 247-LOCAL, authorizing municipalities to hold a referendum on whether to allow historic horse racing.

Hearing Date: April 2, 2025

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

Members of the Committee Absent : Senator Sullivan

Bill Analysis: This bill authorizes municipalities to hold a referendum on whether to allow the sale of pari-mutuel wagers on historic horse racing.

Sponsors:

Rep. Ohm
Sen. Rosenwald

Rep. Almy
Sen. Avarad

Rep. Manohar

Who supports the bill: Dr. Deborah Warner, Rep. Timothy Horrigan, Rep. Bill Ohm, Rep. Tom Schamberg, Alicia Preston (NH Charitable Gaming Operators Assoc.), Brodie Deshaies (NHMA), Sen. Rosenwald, Daniel Richardson

Who opposes the bill: Ray Chadwick

Who is neutral on the bill: NH Lottery Commission

Summary of testimony presented:

Rep. Bill Ohm

- This is a bill that authorizes municipalities to hold a referendum on whether to allow historical horse racing (HHR). In the past, expanded gaming required a referendum to implement, including keno. HHR does not have that provision, so this bill intends to put that back into the statute.
- Most of the bill is taken from the keno RSA 284:51. What's new is exempting the existing licenses of HHR facilities so they may continue to operate without the referendum provision. The bill as introduced exempts any existing HHR licensees until January 1, 2026, to avoid having the referendum requirement. The House amended the bill to extend that exemption to entities who have license in process and entities who are eligible for that process going forward.

Sen. Lang asked Rep. Ohm to clarify that this is an opt-in provision and asked if it makes the assumption that any town that currently doesn't have games of chance or an HHR license would then have to vote to allow it, otherwise it is deemed prohibited.

Rep. Ohm said that was correct.

Sen. Lang asked Rep. Ohm why he only included this form of gaming.

Rep. Ohm responded that this was written up before VLTs became a likely possibility, so it's a bit outdated in that it only covers HHR. He stated that a better bill would add VLT onto this.

Sen. Rosenwald stated that she will be bringing forward an amendment to add VLT's if they are authorized. She asked Rep. Ohm if he would be in favor of making the bill effective on passage since cities only vote every two years, so that they could place this question on their ballots this coming fall.

Rep. Ohm responded that he thinks that's an excellent idea.

Rep. Timothy Horrigan

- The issue he wanted to underline is the fact that VLTs are coming in and existing HHR machines have nothing to do with horse racing. These machines were created in areas that had a large horse racing industry as a way to make up for lost revenue due to the decline in the popularity of the sport.
- When HHR machines were added there was a racetrack in Salem, which no longer exists. There isn't a horse racing industry here in NH.
- HHR machines are basically slot machines.
- He agrees the bill should be amended to include all types of slot machines.

Dr. Deborah Warner

- Dr. Warner is in favor of HB 247. She said that it is great to give towns and cities the option to welcome or not welcome HHR machines. She agrees it would be great to broaden this to VLT machines as well.

Sen. Lang stated that this bill is an opt in bill, in making it illegal across the entire state unless a town wants to allow it. He asked Dr. Warner what her opinion is on the inverse of that.

Dr. Warner said that opt in is more natural. She thinks it makes sense to the people of the towns, and that they should be asked first, before someone comes in and makes a presumption they want it. She agreed that with an opt out provision is an ok option as residents still have a voice.

Charlie McIntyre, Director of the NH Lottery Commission

- Stated that this is a policy decision of the legislature; the Lottery Commission doesn't have a position on HB 247.

Sen. Lang stated that if the law goes into effect with an opt in provision, HHR would be prohibited unless a town allows it. He asked Director McIntyre how that would affect revenue and the growth of industry.

Mr. McIntyre said that since this bill doesn't affect the existing operations, it wouldn't impact existing revenue estimates for the legislature for this biennium or the

next biennium. The way this is drafted now, it wouldn't really have an impact until 2031 when the moratorium would no longer be in effect.

Sen. Lang followed up asking if this bill goes into effect there would be no new growth or new operators anyway until 2031 because of the fact that we have put a moratorium on the licenses for HHR. He also stated that if VLTs pass, they're tied into that HHR moratorium as well, so, they couldn't go into effect until 2031 either.

Director McIntyre said he was correct. He also stated that based on the existing spread of where the operators are and their planned expansions and growth, that he would expect that by the time the moratorium expired the market would be saturated at that point.

Sen. Murphy stated there is a local option for keno currently and asked if there is a process in place by which a city or town may revoke permission for keno.

Mr. McIntyre responded to Senator Murphy saying that there is no provision in the law one way or the other. He said it's one of those things the Lottery Commission and legislature would address when necessary. He said that in the history of the state, the opt in provision was first passed in 1963 when the lottery was passed. He added that there were 20 communities that said no at the time, however, several of them forgot and licensed retailers anyways. He stated that no one has ever undone that in the 60 years they have been doing it. He couldn't tell Senator Murphy what they would do, but they would seek the advice of the council.

Sen. Rosenwald asked if he could give the committee context as to why they went with opt in on keno rather than opt out and asked if the Lottery Commission took a position.

Director McIntyre responded to Senator Rosenwald saying that he thinks it was based on the original language from the 1963 passage of the law which allowed towns to say yes or no to a lottery. That was the first modern lottery in the US, and it was considered a radical step at the time.

Sen. Lang stated that he knew from serving on Ways and Means in the House that it was how they got the bill passed. They wanted the towns to have a say.

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Date Hearing Report completed: April 4, 2025