**SB 60-FN - AS AMENDED BY THE SENATE**

02/13/2025 0374s

2025 SESSION

25-0430
02/11

SENATE BILL ***60-FN***

AN ACT relative to advanced deposit account wagering.

SPONSORS: Sen. Lang, Dist 2; Sen. Murphy, Dist 16; Sen. Pearl, Dist 17; Sen. Gannon, Dist 23; Rep. Moffett, Merr. 4

COMMITTEE: Ways and Means

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Twenty Five*

AN ACT relative to advanced deposit account wagering.

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

1 New Section; Pari-Mutuel Pools, and Distribution of Tax Theron; Advanced Deposit Account Wagering. Amend RSA 284 by inserting after section 22-b the following new section:

284:22-c Advanced Deposit Account Wagering.

I. Advance deposit wagering is authorized for pari-mutuel betting on horse racing under this chapter if conducted in compliance with this section and the Interstate Horseracing Act of 1978, United States Code, Title 15, section 3001 et seq.

II. It is unlawful for any person or entity to accept an advance deposit wager from a New Hampshire resident unless the person or entity is a licensed advance deposit wagering provider in the state of New Hampshire.

III. Before accepting an advance deposit wager from a New Hampshire resident, a licensed advance deposit wagering provider shall demonstrate evidence of financial responsibility in a format prescribed by the commission through a surety bond executed and issued by an insurer authorized to issue surety bonds in this state, an irrevocable letter of credit, or other form of financial guarantee in an amount to be determined by the commission. The commission may also accept, as evidence of financial responsibility, a surety bond, an irrevocable letter of credit, or other form of financial guarantee in accordance with this subdivision filed with one or more states where the applicant is licensed as an advance deposit wagering provider. The commission may ask for additional evidence of financial responsibility at any time the commission deems necessary. Any surety bond, an irrevocable letter of credit, or other form of financial guarantee issued under this subdivision shall be in favor of this state and shall specifically authorize recovery by the commission for the payment of all revenues required by this chapter.

IV. The commission shall not license or authorize a person or entity to conduct advance deposit wagering under this section unless the person or entity has submitted, and the commission approved, a plan of operation for advance deposit wagering. At a minimum, the plan of operation shall provide for:

(a) Methods of resolving disputes with account holders;

(b) Procedures to protect the security of account holders' accounts and information;

(c) Methods to verify the identity of account holders and ensure that all account holders are natural persons who are at least 18 years of age;

(d) Procedures to ensure that wagers are only accepted from account holders who have sufficient funds on deposit and that no credit is extended by the person to an account holder;

(e) Procedures for keeping accurate records of all contests, wagers, and payouts;

(f) Annually contracting with an independent third-party to conduct a financial audit and submit the results of the audit to the commission. If the licensed advanced deposit wagering provider is a wholly-owned subsidiary of a publicly traded company, submission of audited financial statements of the publicly-traded parent company contained in a public filing with the United States Securities and Exchange Commission shall satisfy this requirement;

(g) Annually contracting with an independent third-party cyber security audit and submit the results of the audit to the commission; and

(h) Other requirements established by the commission in rule.

V. The plan of operation may only be amended with the approval of the commission. The commission may withdraw approval of a plan of operation for cause.

VI. Advanced deposit wagers from New Hampshire residents shall be subject to a revenue sharing plan. Licensees shall provide the commission payment in the amount of 1.25 percent of all wagers accepted from New Hampshire residents in a manner prescribed by the commission. The revenues received from the commission pursuant to this section, less the administrative costs of the commission, shall be deposited in the education trust fund established in RSA 198:39.

VII. Persons or entities that offered advanced deposit wagering services to New Hampshire residents as of July 1, 2022 may request permission from the commission to continue offering these services during the pendency of the licensing process. Any such person or entity shall make the request to continue offering services in writing detailing how the person or entity will meet the protections set forth in this section during the interim period before licensure. The commission may grant such request for unlicensed operation for a period not to exceed six months where the requestor has adequately documented acceptable financial responsibility and patron protection standards. In no event shall this permission extend past January 1, 2026.

2 Rulemaking. Amend RSA 284:12, IV to read as follows:

IV. The sale of pari-mutuel pools as authorized under RSA 284:22, RSA 284:22-a, [~~and~~] RSA 284:22-b***, and RSA 284:22-c***.

3 Effective Date. This act shall take effect July 1, 2025.

LBA
25-0430
2/25/25

**SB 60-FN- FISCAL NOTE**

AS AMENDED BY THE SENATE (AMENDMENT #2025-0374s)

AN ACT relative to advanced deposit account wagering.

**FISCAL IMPACT:**

| Estimated State Impact | | | | |
|---|---|---|---|---|
| | **FY 2025** | **FY 2026** | **FY 2027** | **FY 2028** |
| **Revenue** | $0 | $106,250 | $212,500 | $212,500 |
| *Revenue Fund(s)* | Lottery Fund/Education Trust Fund - Lottery revenue is credited to the lottery fund, with net revenue after expenditures being credited to the state education trust fund. | | | |
| **Expenditures*** | $0 | $0 | $0 | $0 |
| *Funding Source(s)* | | | | |
| **Appropriations*** | $0 | $0 | $0 | $0 |
| *Funding Source(s)* | | | | |

***Expenditure = Cost of bill** ***Appropriation = Authorized funding to cover cost of bill**

**METHODOLOGY:**

This bill allows advanced deposit wagering on pari-mutuel betting on horse racing, which currently already takes place in New Hampshire and is not subject to the regulation in this state. The Lottery Commission states this bill establishes a revenue sharing agreement where licensed advanced deposit wagering will pay the state 1.25 percent (1.25%) of handle on advanced deposit wagers from New Hampshire residents. While this bill is effective July 1, 2025, the Commission states it permits current unlicensed operators to continue their operations during the rulemaking and licensing process until January 1, 2026. The Commission assumes approximately $17,000,000 in advanced deposit wagering handle per year based on estimates of current operations, therefore this bill would increase state lottery revenue by $212,500 per year ($17,000,000 x 1.25%). The impact in FY 2026 would be $106,250 (half year) considering the implementation date of January 1, 2026, and the full $212,500 in FY 2027 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