

Minutes  
Gaming Study Commission  
Meeting: Tuesday, September 15, 2009

Commissioners Present: Andy Lietz, Chair; Jim Craig, Tom Ferrini, Mark MacKenzie, Bob Odell, Joe Foster, David Babson, David Bailey, Bonnie Newman (via telephone), Lew Feldstein, Micheline Dufort, Maggie Pritchard, Ned Densmore, Mary Heath, Karen Pollard.

Staff Present: Gail Wolek

Commission Chair, Andy Lietz, called the meeting to order at 1:00 p.m.

Chairman Lietz asked Gail Wolek to conduct the roll call. Chairman Lietz then asked for a motion to approve the minutes of the September 1, 2009 meeting. Jim Craig motioned for the minutes to be approved, seconded by Tom Ferrini. There being no further discussion Chairman Lietz called for a vote to approve the minutes. The minutes of the September 1, 2009 meeting of the commission were approved by unanimous vote.

Chairman Lietz introduced Phil Primack to the commissioners and recommended that Mr. Primack be hired as the project writer. Several commissioners questioned Mr. Primack's previous writings on the topic of gaming/gambling and Mr. Primack responded that his articles have been criticized by both opponents and proponents of gambling. Mr. Primack assured the commissioners that his job was to write the report, not to analyze the data, and that he would remain objective in completing that task. Chairman Lietz assured the commissioners that all drafts and final proofs of the interim and final reports would have to pass muster with them as a consensus of the commission's findings prior to publication. With that assurance the commission agreed with retaining Mr. Primack as writer for the project.

Chairman Lietz asked Andy Smith of the UNH Survey Center to speak briefly to the type of questions he would recommend be included relative to gaming/gambling in NH as part of the quarterly Granite State Poll due out in early October. Mr. Smith thought that 2-6 questions relative to a) general awareness of gaming in NH today, b) current activities related to NH gaming, and c) beliefs and concerns of the public relative to gaming activities (as an open-ended question) would be useful to the commission's work at this early stage of the project. Mr. Smith suggested a small sub-group of interested commissioners could help him develop a set of questions for the full commission to review which would allow for the survey to proceed on schedule. The commission agreed this was an acceptable solution. Maggie Pritchard, Micheline Dufort, and Dave Bailey volunteered to work with Andy Smith and his staff to develop the survey questions and bring them back to the full commission for review and approval.

Chairman Lietz announced that Governor Lynch had appointed Joe Foster to serve as Vice Chairman of the Commission and welcomed Mr. Foster into his new and expanded role on the commission.

Chairman Lietz introduced Steve Norton, Executive Director of the New Hampshire Center for Public Policy Studies. With Steve from the Center were Dennis Delay, Economist, and Ryan Tappin, Research Associate, who assisted in the PowerPoint presentation (attached) outlining "Gaming in NH Today". Steve emphasized that Center staff were not gaming experts but are very good at gathering, analyzing, and synthesizing data. Steve said the priority is to enrich the conversation as well as to provide legitimate and creditable data to the commission for its report of findings. Steve noted that the Center is funded by NH Charitable Foundation as well as unrestricted donations from people around the state. In the interest of full disclosure, Andy Lietz said he has been a contributor to the Center in the past. Commissioner MacKenzie mentioned that a new group, the NH Fiscal Policy Institute, was starting up. Steve responded that he was aware of the nascent group though not fully informed of its make-up or mission. Steve did agree that peer-review of all information/data produced would be very important to the Center's work. Dennis Delay presented the PowerPoint and advised that there were four sources for the information included in the presentation: NH Lottery Commission, NY Racing and Charitable Gaming Commission, the UMass/Dartmouth study, and NH DRA. Commissioner MacKenzie suggested that a disclaimer be included on this and future presentations where data is reported but not necessarily confirmed or supported. Mr. Delay agreed that all data presented to the commission should be critically examined.

Gaming Study Commission, Meeting Minutes 09/15/2009, Page Two

Chairman Lietz introduced Paul Kelley, Director of the NH Racing and Charitable Gaming Commission who provided a report on the "Status of Pari-Mutuel and Charitable Gaming in New Hampshire" (PowerPoint attached). Mr. Kelley opened his presentation with a demonstration using his cell phone of how gambling is available both as an internal game application or as an external Internet option. Mr. Kelley confirmed that there are no filters restricting minors from accessing these links. Commissioner Bailey inquired as to the agency's enforcement capability with hundreds of organizations licensed to conduct gaming/gambling activities in the state. Mr. Kelley replied that their function is primarily administrative and that misbehaviors or illegal activities they come across are generally reported to the AG's office for enforcement follow-up. Mr. Kelley said that his agency was charged with making sure that licensing requirements are applied equally across the state but they don't have the charge or the resources to handle enforcement. Mr. Kelley further said that his agency has no control over illegal gambling activities which are difficult to regulate even with undercover surveillance. Charitable gaming is also very difficult to manage and control because it is mostly accomplished through volunteers.

Chairman Lietz introduced Rick Wisler, Executive Director of the NH Lottery Commission, who provided information (distributed separately) and reported on the history, performance, challenges, and potential future of lottery activities in the state. Supporting information can be found at: [www.nhlottery.com/AboutUs/AboutUs.aspx](http://www.nhlottery.com/AboutUs/AboutUs.aspx) (NH Lottery's 2008 Comprehensive Financial Report); [www.nhlottery.com/AboutUs/SupportingEducation.aspx](http://www.nhlottery.com/AboutUs/SupportingEducation.aspx) (NH Lottery's historical revenues report); and [www.nhlottery.com/AboutUs/AboutUs.aspx](http://www.nhlottery.com/AboutUs/AboutUs.aspx) (NH Lottery's 2008 Annual Report). Mr. Wisler noted that New Hampshire began the first lottery in the nation 45 years ago and since then has contributed \$1.3 billion to education in the state. Sales are, however, starting to stagnate and the lottery commission believes that it may be time to restructure the lottery to appeal to a younger market looking for instant returns. Also, Mr. Wisler noted that the glamour of on-line gambling has more appeal and is likely to attract more participants. The agency currently licenses 1200 retailers throughout the state to sell its products and 29 cents of every purchase dollar is returned to education. Commissioner MacKenzie asked if the Lottery Commission has put together a strategic plan that would incorporate new ideas for expanded lottery offerings. Mr. Wisler said a strategic plan had not been developed but that he would be happy to provide the commission with a report on what types of new lottery possibilities might be available for future expansion. Commissioner Craig asked how lottery and gaming affect each other. Mr. Wisler responded that expanded gaming in other states has not significantly affected lottery sales. Commissioner Odell asked how the Lottery Commission addresses the "Play Responsibly" issue. Mr. Wisler said all his agency can do is address the issue via its marketing message but is not authorized to provide funding for counseling or other mediation services.

Chairman Lietz introduced Will Delker, Sr. Assistant Attorney for the Criminal Justice Bureau with the State Attorney General's office. Mr. Delker provided a report titled "Overview of Law Enforcement Issues and Experience in New Hampshire" with (attached) PowerPoint presentation confirming the agency's forty-year opposition to gambling and expanded gaming in New Hampshire. He provided information (source unidentified) showing that Nevada was listed as the most dangerous state in the country and New Hampshire as the least dangerous questioning the potential impact of gambling on quality of life concerns. Mr. Delker reviewed the State of New Hampshire v. Uno Kim case which he prosecuted in 2006. Mr. Delker provided further examples of cases involving gambling-related crimes in New Hampshire and said that increased crime is not the only social cost of gambling which would also include suicide, bankruptcy, illness, divorce, spousal and child abuse, as well as increased social service and regulatory costs. Commissioner MacKenzie suggested that the commission invite Col. Paul O'Leary to speak to them relative to his experience with a former commission that also looked at these issues during the Gallen administration.

Roundtable discussion notes: capacity problem under existing laws; costs of existing programs and potentially expanded programs; concern about the depth of illegal gambling; need for more balanced report from the AG's office; need to put money into treatment and education, not just prisons and enforcement; legislation and governance pertinent to expansion of lottery games; need for hard data on what would be new money and what would be cannibalization of existing revenue streams; economic data still insufficient.

At 4:00 p.m. a motion was made, seconded, and approved to adjourn the meeting.

**NEXT MEETING, TUESDAY, OCTOBER 6, 2009, 1:00 pm, NHHEAF**

Respectfully submitted: Gail Wolek, Executive Director