AN ACT relative to existing gaming in New Hampshire.

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

1 Games of Chance. RSA 287-D is repealed and reenacted to read as follows:

Games of Chance

287-D:1 Definitions. In this chapter:

I. “Applicant” means an individual applying for a license under this chapter. In the case of a legal entity, “applicant” means every member, partner, or shareholder by whatever name or title, which has an interest in the legal entity.

II. "Bona fide member” means a person who has held full and regular membership in the charitable organization for a period of not less than 60 days immediately prior to the games of chance in which such person intends to participate. To qualify as a "full and regular” member of a charitable organization, a person shall:

(a) Satisfy all criteria for membership in the charitable organization.

(b) Pay all lawful fees or dues required by the charitable organization.

(c) Not have become a member solely for the purpose of operating games of chance.

III. "Games of chance" means any game involving gambling as defined by RSA 647:2, II, or any lottery prohibited by RSA 647:1, but shall not include any game involving the use of a slot machine or any other device in the nature of a slot machine, 50/50 raffles as defined in RSA 287-A:1, III, or ice-out contests as defined in RSA 287-D:1, VI.

IV. (a) "Charitable organization" means any bona fide religious, charitable, civic, veterans', or fraternal or church organization, including police and firemen's organizations which shall have been registered with the secretary of state for at least 2 years and in existence for at least 2 years in a town or city in this state, provided that the primary activities conducted by the organization were for the purpose for which the organization was established and have not included charitable gambling operations; which is organized under the laws of this state; and to which contributions are exempt from federal income tax. To be eligible for licensure under this chapter, a charitable organization shall do all of the following:

(1) Document that it is exempt from federal income tax.
(2) Establish that the purposes for which it was organized, other than charitable gambling, are furthered through activities conducted in the town or city in which the games of chance are conducted.

(3) Register with the secretary of state and, if required under RSA 7:19-32, with the director of charitable trusts.

(4) Maintain a current list of bona fide members.

(b) A charitable organization shall not include auxiliary units, committees, or other entities organized under the auspices of a charitable organization eligible for licensure under this chapter, when such auxiliary unit, committee, or other entity is organized for the primary purpose of conducting games of chance.

V. “Commission” means the racing and charitable gaming commission established under RSA 284:6-a.

VI. "Ice-out contest" means a contest conducted by a charitable organization whereby a marker is placed on a frozen lake and the person most closely estimating the day and time the marker falls through the ice wins 1/2 the contest proceeds collected by the charitable organization.

VII. "Game operator" means:

(a) "Primary game operator" which means any person other than a bona fide member of the charitable organization, involved in conducting, managing, supervising, directing, or running games of chance; or

(b) "Secondary game operator" which means any person other than a bona fide member of the charitable organization, involved in dealing, running a roulette wheel, handling chips, or providing accounting services or security functions.

VIII. "Game operator employer" means a primary game operator or a business entity who employs, supervises, and controls game operators and who is hired by a charitable organization to operate games of chance on its behalf. The owner of 10 percent or more of the entity, partner, managing member, or chief executive of a business entity who serves as a game operator employer must be licensed as a primary game operator.

IX. "Wager" means a monetary agreement between 2 or more persons that a sum of money or other valuable thing, shall be paid to one of them on the happening or not happening of an uncertain event. Wager may be used synonymously with the term "bet."
287-D:2 Enforcement. The commission, with the assistance of the attorney general and the chief of police of any city or town where games of chance are held, shall administer and enforce the provisions of this chapter.

287-D:3 Rulemaking. The commission shall adopt rules, pursuant to RSA 541-A, relative to:

I. The application procedure for games of chance licenses for charitable organizations.

II. Information to be required on license applications for games of chance licenses for charitable organizations.

III. The application procedure for games of chance licenses for game operators.

IV. Information to be required on license applications for games of chance licenses for game operators.

V. Procedures for a hearing following revocation of any license issued pursuant to this chapter.

VI. The operation of games of chance.

VII. The rental or lease of facilities and the leasing or purchasing of equipment for use in games of chance.

VIII. Accountability controls to ensure game integrity, including, but not limited to, cash, attendance, prizes, income, expense and financial reporting, and record-keeping to be implemented by licensed charitable organizations and licensed game operators in addition to requirements set forth in RSA 287-D:22.

IX. Enforcement of this chapter pursuant to RSA 287-D:23 and RSA 287-D:24.

X. Background and criminal records checks pursuant to RSA 287-D:25.

XI. The issuance of subpoenas pursuant to RSA 287-D:26.

XII. Administrative orders and fines pursuant to RSA 287-D:23.

XIII. Badge specifications, requirements, and fees pursuant to RSA 287-D:13.

XIV. Game operator fees pursuant to RSA 287-D:13.

XV. Surveillance requirements pursuant to RSA 287-D:15.


XVI. Other matters related to the proper administration of this chapter.

287-D:4 Games of Chance Authorized.
I. A charitable organization may conduct games of chance to promote the purpose for which it was organized, and shall be licensed as provided in this chapter.

II. The license shall authorize games of chance of a specified type on specified dates at specified times and at a specified location including agricultural fairs and other locations where nonprofit fundraising activities are conducted.

III. The license shall not be transferable.

IV. No person shall be a party to, engage in, or supervise others in the operation of games of chance in any capacity, unless that person is licensed according to this chapter.

287-D:5 License Applications; General Requirements and Process.

I. All license applications shall be made only on the forms supplied by the commission and shall be submitted to the commission by an officer, director, or duly authorized official of the entity seeking a license.

II. Proof of authority to submit the application on behalf of the entity may be required by the commission.

III. The applicant shall send copies of the application submitted to the commission to the chief of police of each city or town where games of chance are held.

IV. All applications shall include:

   (a) The type of license for which applied.

   (b) The name, address, and telephone number of the applicant.

   (c) A notarized criminal history record release form, as provided by the New Hampshire division of state police, department of safety, which authorizes the release of his or her criminal history record, if any, to the commission; and,

   (d) A complete set of fingerprints taken by a qualified law enforcement agency or an authorized employee of the department of safety. In the event that the first set of fingerprints is invalid due to insufficient pattern, a second set of fingerprints shall be necessary in order to complete the criminal history records check.

   (e) The requisite fee for each license.

   (f) The requisite fee for the criminal records check and the fingerprint check as established by the department of safety.

   (g) The applicant shall certify under oath that the information provided on the application is accurate.
(h) The applicant shall certify under oath that the applicant has not, in any
jurisdiction, been convicted of a felony within the previous 10 years which has not been
annulled by a court, or a misdemeanor involving falsehood or dishonesty within the
previous 5 years which has not been annulled by a court, or has violated the statutes or
rules governing charitable gambling.

(i) Incomplete applications shall be returned to the applicant for completion.

V. Applicants for facilities licenses, game operator employer licenses, primary game
operator licenses, and game equipment dealer licenses shall comply with the provisions of RSA
287-D:12.

VI. All licenses, except secondary operators licenses under RSA 287-D:10, shall expire
on June 30 of each year.

287-D:6 Charitable Organization License Application; Specific Requirements. In addition to
the general requirements under RSA 287-D:5, a charitable organization license application shall
include, at a minimum, the following information provided that the commission may, by rule,
establish additional items to be submitted on the application form or attached to it:

I. Each bona fide member of the charitable organization who will participate in the
operation of the games of chance who shall comply with the provisions of RSA 287-D:5.

II. A list of the names and addresses of the current bona fide members of the charity.

III. The name of the financial institution with at least one branch in New Hampshire and
the corresponding bank account number for the account in which money from the game of
chance will be deposited and withdrawn.

IV. If known, the date or dates and location or locations of each game of chance to be
sponsored by the charity.

V. The identity of the licensed primary game operator who will operate the games of
chance for the charity, if applicable.

VI. The identity of the licensed facility at which the proposed games will be held, if
applicable.

VII. The identity of the licensed game equipment dealer from whom the charitable
organization is buying or renting any equipment, if applicable.

VIII. Document that it is exempt from federal income tax.
IX. Establish that the religious, civic, fraternal, veterans, or charitable purposes for which it was organized, other than charitable gambling, are furthered through activities conducted in the town or city in which the charitable organization is organized.

X. Document registration with the director of charitable trusts, if required under RSA 7:19-RSA 7:32.

XI. Applications shall be received by the commission no fewer than 60 days before the first game date of the year. This requirement may be waived by the commission for good cause shown.

XII. In addition to the certification under RSA 287-D:5, the applicant shall certify under oath that:

(a) Only bona fide members of the charitable organization or persons complying with the requirements of RSA 287-D:13, II, will operate the games of chance.

(b) The applicant or any member of the charitable organization who will be participating in the operation of the games of chance is aware of all statutes and rules applicable to the operation of games of chance.

XIII. Only one license shall be issued to each applicant per year to operate games of chance for 10 days, which 10 days need not be consecutive.

287-D:7 Facilities License Application; Specific Requirements. Any person or entity other than a charitable organization or governmental subdivision with a facility at which games of chance are held for five or more game dates per calendar year shall be licensed. In addition to the general requirements under RSA 287-D:5, a facilities license application shall include, at a minimum, the following information provided that the commission may, by rule, establish additional items to be submitted on the application form or attached to it:

I. Each applicant shall comply with all of the requirements of RSA 287-D:5. This paragraph shall not apply to publicly traded companies.

II. Only one license shall be issued to each applicant per year.

III. The applicant shall provide shall provide a certificate of good standing from the department of revenue administration.

IV. Two passport quality photographs, if the applicant is an individual.
287-D:8 Game Operator Employer License Application; Specific Requirements. Any person or entity other than a charitable organization that employs primary game operators shall be licensed under this section. In addition to the general requirements under RSA 287-D:5, a game operator employer license application shall include, at a minimum, the following information provided that the commission may, by rule, establish additional items to be submitted on the application form or attached to it:

I. Each applicant shall comply with all of the requirements of RSA 287-D:5. This section shall not apply to publicly traded companies.

II. The applicant shall provide shall provide a certificate of good standing from the department of revenue administration.

III. Federal tax identification number.

IV. Two passport quality photographs, if the applicant is an individual.

287-D:9 Primary Game Operator License Application; Specific Requirements.

I. Other than members of a charitable organization, any person who supervises, manages, advises, or provides consulting to secondary game operators or other primary game operators shall be licensed under this section. In addition to the general requirements under RSA 287-D:5, a primary game operator license application shall include, at a minimum, the following information provided that the commission may, by rule, establish additional items to be submitted on the application form or attached to it:

(a) The identity of the facilities licensee in which games of chance are operated, if any.

(b) The identity of the game operator employer for whom the applicant works.

(c) A list of any other states in which the game operator has been registered or licensed as a professional fundraiser, professional game operator, or other similar position;

(d) Whether a registration or license listed in subparagraph (a) has been denied, suspended, revoked, or enjoined by a court or state agency, or if such proceedings are pending;

(e) The names and addresses of any individuals with whom the applicant is affiliated in the fundraising or game operating business;
(f) The name of the financial institution with at least one branch in New Hampshire and the corresponding bank account number for the account in which money from the game of chance will be deposited and withdrawn.

(g) The application shall include a description of the licensed premises.

(h) A list of the known game dates on which the game operator will participate including the name of the game, the location of the game, and the charitable organization holding the game; and,

(i) The primary game operator shall submit a bond for each location where the game operator is conducting games of chance, conditioned upon the game operator running games of chance in conformity with this chapter and with the rules and regulations prescribed by the commission, in the amount of up to $500,000 but not less than $25,000 to the commission. The amount of the bond in excess of $25,000 established for each licensee shall be based on that licensee's normal outstanding obligations of charity payments and state taxes.

(j) Two passport quality photographs.

II. The bank account identified in subparagraph I(f) shall be the only account in which the primary game operator shall deposit and withdraw moneys from games of chance.

III. Concurrent with the charitable organization, primary game operators who operate games of chance on behalf of a charitable organization shall be responsible for all requirements for which the charitable organization is responsible when a charitable organization operates games of chance themselves.

IV. Unless a provision to the contrary is part of a written agreement in place prior to the commencement of a game date between the charitable organization and the game operator or game operator employer, all moneys due to the charitable organization shall be paid over to the organization no later than 5 business days following the date on which a game was conducted. Notwithstanding the provisions of any agreement with the charitable organization, the game operator or game operator employer shall pay over all moneys due to the charitable organization no later than 15 business days following a game date.

V. The provisions of RSA 7:28-c shall not apply to primary game operator licensees.

VI. Nothing in this section shall prevent a licensee from working for another game operator employer. A licensee who works for more than one game operator employer during the
licensed period shall submit a supplemental application with a separate licensing fee and have a separate badge for each game operator employer and pay a separate fee for each badge.

287-D:10 Secondary Game Operator License Application; Specific Requirements. Other than members of a charitable organization, any person who is employed by a game operator employer or a primary game operator shall be licensed under this section. In addition to the general requirements under RSA 287-D:5, a secondary game operator license application shall include, at a minimum, the following information provided that the commission may, by rule, establish additional items to be submitted on the application form or attached to it:

I. A list of any other states in which the game operator has been registered or licensed as a professional fundraiser, professional game operator, or other similar position;

II. Whether a registration or license listed in paragraph I has been denied, suspended, revoked, or enjoined by a court or state agency, or if such proceedings are pending;

III. The identity of the primary game operators for whom the applicant works.

IV. Two passport quality photographs.

V. A secondary game operator license shall expire on the last day of the month of the licensee's birthday.

VI. The provisions of RSA 7:28-c shall not apply to secondary game operator licensees.

VII. Nothing in this section shall prevent a licensee from working for different licensed entities. A licensee who works for more than one game operator employer during the licensed period shall submit a supplemental application with a separate licensing fee and have a separate badge for each game operator employer and pay a separate fee for each badge.

287-D:11 Game Equipment Dealer License Application; Specific Requirements. Any person or entity that engages in the sale or rental of gaming machines of devices shall be licensed. In addition to the general requirements under RSA 287-D:5, a game equipment dealer license application shall include, at a minimum, the following information provided that the commission may, by rule, establish additional items to be submitted on the application form or attached to it:

I. Each owner, partner, trustee, or otherwise of the entity, or in the case of a corporation, each officer, director, or shareholder, or in the case of a limited liability company, each manager or member, shall comply with all of the requirements of RSA 287-D:5. This section shall not apply to publicly traded companies.
II. The applicant shall provide a certificate of good standing from the department of revenue administration.

III. Federal tax identification number.

IV. Two passport quality photographs, if the applicant is an individual.

287-D:12 Background Investigations.

I. This section shall apply to applicants for a:

(a) Facilities license;
(b) Game operator employer license;
(c) Primary game operator license;
(d) Game equipment dealer license.

I. Any person, association, corporation, or any other type of entity applying for or holding a license issued pursuant to the provisions of this chapter shall file annually, not later than December 31, with the attorney general a complete and detailed written statement, signed under oath, by the applicant or holder of such license, if an individual, or by the officers of the applicant or holder, if a corporation or an association, containing the following information:

(a) The name, residence address, and nature of the ownership interest, including where applicable the number of shares of stock held and, if known, how obtained, of every person who possesses an ownership interest in such license applicant or holder;
(b) The name, address, present principal occupation or employment, and the name and principal business of any corporation or other organization in which such employment is carried on of every director, officer, and holder of 10 percent or more ownership interest in such license applicant or holder;
(c) The name and all information which a license applicant or holder has or might reasonably be expected to have as to any felony convictions of any officer, director, or holder of an ownership interest of any degree; provided, that if the license applicant or holder is an association or corporation in which 25 or fewer individuals or organizations hold an ownership interest or stock, then the information required by subparagraphs (a) and (b) shall be provided by each such interest holder or stockholder, who shall be further required to submit a detailed statement of assets and liabilities on forms prescribed by the attorney general; and
(d) Such information as the commission may prescribe by rule or rejection.
II. The attorney general shall have the authority to conduct an investigation on the
attorney general's motion into the background of the license applicant or holder, of any person
included in paragraph I or of any person or entity upon whom the license applicant or holder
relies for financial support. In addition, whenever the commission shall receive an application, it
shall refer the application to the attorney general who shall conduct such an investigation. The
investigation may be conducted through any appropriate state or federal law enforcement system
and may seek information as to the subject's financial, criminal or business background, or any
other information which the attorney general, in the attorney general's sole discretion, may find
to bear on the subject's fitness to be associated with racing in New Hampshire, including, but not
limited to, the subject's character, personal associations, and the extent to which the subject is
properly doing business in the manner in which it purports to operate. When the commission
requests such an investigation, the attorney general shall report the results of such investigation
to the commission within 90 days after the receipt of the request. Notwithstanding any other law
to the contrary, the results of any such investigation shall be confidential and shall not be subject
to disclosure or to public inspection, except that the attorney general shall have sole discretion to
determine the extent to which and the manner in which the results may be reported to the
commission or other state agency or official and, if reported, whether such results are to retain
their confidential character; provided, however, that whenever the attorney general conducts
such an investigation, the attorney general shall notify the commission whether or not in the
attorney general's opinion such person is fit to be associated with racing in New Hampshire.
Notwithstanding any other provision of law, no person shall be issued or hold a license if in the
opinion of the attorney general such person is not fit to be associated with racing in this state.

III. The expenses of the commission and the office of attorney general in conducting any
investigation authorized in this section, including the services of consultants, experts,
accountants, and other assistants, shall be a direct charge against the applicant or holder. Total
expenses under this paragraph shall not exceed $50,000, except with the approval of the fiscal
committee of the general court.

IV. In any investigation conducted pursuant to paragraph II, the attorney general or any
duly authorized justice department staff member may require, by subpoena or otherwise, the
attendance of witnesses and the production of such correspondence, documents, books, and
papers as the attorney general or staff member deems advisable, and for purposes of this section,
may administer oaths and take the testimony of witnesses. No person shall be excused from
testifying or from producing any book or paper in any investigation conducted pursuant to paragraph II upon the ground that such testimony or documentary evidence might tend to incriminate such person; provided that if, after a claim of privilege, the attorney general, in writing, orders such person to testify or produce documentary evidence, that person shall not be prosecuted, punished, or subjected to any penalty or forfeiture for or on account of any act, transaction, matter, or thing which such person, under oath, disclosed or produced. No person so testifying shall be exempt from prosecution or punishment for any perjury committed by such person in such testimony.

287-D:13 License Fees. The application fee for:

I. A charitable gaming license is $25 per game date.
II. A facility license is $250 per year.
III. A game operator employer license is $750 per year.
IV. A primary game operator license is $500 per year.
V. A secondary game operator license is $30 per year.
VI. Each original or replacement identification badge is $10.

287-D:14 Operation of Games of Chance.

I. No more than 2 licensed charitable organizations may conduct games of chance at any one location on any specified date.

II. No agreement between a charitable organization and any other licensee shall be valid unless such agreement is in writing and has been approved by the Commission. The commission shall create standardized contracts, the unaltered use of which shall be deemed approved.

III. (a) Only persons licensed under this chapter shall operate games of chance; except that, if all bona fide members of a charitable organization are under 18 years of age, adult officers or directors of the charitable organization or parents or legal guardians of bona fide minor members, who have been authorized by the officers or directors of the charitable organization, shall operate the games. Proof of bona fide membership shall be required for any person not subject to licensure.

(b) Notwithstanding subparagraph (a), if, by reason of the established criteria for membership, all bona fide members of the charitable organization are physically or mentally disabled, or both, the officers, directors, or authorized officials of the charitable
organization may designate individuals to conduct the operation of games of chance on behalf of said charitable organization. Individuals so designated are subject to all applicable provisions of this chapter, and the designation of such individuals is subject to the approval of the commission.

(c) Notwithstanding subparagraph (a), all charitable organizations that conduct games of chance for charitable purposes may allow spouses, sons, and daughters of bona fide members who are at least 18 years of age to assist with the operation of the games of chance. These spouses, sons, and daughters are subject to all applicable provisions of this chapter, and are subject to the approval of the commission.

(d) Notwithstanding subparagraph (a), all charitable organizations that conduct games of chance for charitable purposes may employ, by means of a written agreement, a licensed game operator employer or a licensed primary game operator.

IV. No compensation shall be paid to any operator of a game of chance unless agreed to in advance in writing by the charity. Compensation shall include, but is not necessarily limited to, money or any other thing of value. If the paid game operator's compensation is contingent upon the amount of revenue received from a game of chance, the compensation shall be a fixed percentage of the gross revenue from the game of chance excluding the paid game operator's expenses.

V. No operator shall require additional fees not specifically allowed under this chapter as a condition of contracting with the operator for game dates.

VI. No one under the age of 18 years shall be admitted to the premises on which games of chance are being conducted, except when the games are being conducted at a carnival. Proof of age shall be produced upon request of the commission or commission’s agents. When games of chance are conducted at a carnival, persons under the age of 18 years may be admitted to the premises on which the games are being conducted when accompanied and supervised by a parent or legal guardian; but persons under the age of 18 shall not be permitted to play games of chance at a carnival.

VII. No games of chance shall be conducted prior to 11:00 a.m. on a weekday or a Saturday, prior to noon on a Sunday, or after 1:00 a.m. on any day.

VIII. No person operating a game of chance and no person who has leased out a facility or sold or leased game of chance paraphernalia or related equipment to a charitable organization
for use during games of chance shall participate or play in any game conducted at that location on that date.

IX. No person who has in any jurisdiction, been convicted of a felony within the previous 10 years which has not been annulled by a court, or a misdemeanor involving falsehood or dishonesty within the previous 5 years which has not been annulled by a court, or has violated the statutes or rules governing charitable gambling in the past shall operate a game of chance licensed under this chapter, or rent, lease, sublease, or otherwise provide any hall or game of chance paraphernalia for the conduct of games of chance licensed under this chapter.

X. Only the treasurer of the charitable organization or a bona fide member of the charitable organization designated by the treasurer, shall handle any monetary transactions related to the game of chance.

XI. Notwithstanding any other provision of law, a member of the sponsoring charitable organization shall be present and on site at least once per day during the operation of any game of chance and shall file with the commission an affidavit attesting to the member’s presence at the site during the operation of any games of chance. The sponsoring charitable organization member shall not be employed by the game operator.

XII. (a) On game dates where the charitable organization operates the games, the charitable organization shall deposit cash and proceeds from a game of chance into the account required under this chapter. All expenses, including prizes of $500 or more and equipment and hall rental fees shall be paid by check from said account. The treasurer of the charitable organization shall document all prizes awarded as prescribed in rules adopted by the commission.

(b) On game dates where the licensed game operator operates the games, the licensed game operator shall deposit cash and proceeds from a game of chance into the account required under this chapter. All expenses, including equipment and hall rental fees shall be paid by check or electronic fund transfers from the account established in RSA 287-D:2-c, VI. The licensed game operator shall document all prizes awarded as prescribed in rules adopted by the commission. Prizes of $500 or more shall be paid by check from the account established in RSA 287-D:2-c, VI.

XIII. All game of chance paraphernalia or related equipment used in conducting games of chance shall be subject to inspection and approval by the commission.
XIV. The charitable organization shall keep a record of all persons participating in the operation of a game of chance, including but not limited to, the date and location of the game and the person’s name, address, telephone number, and type of participation in the game.

XV. For games of chance where chips have no monetary face value, the charitable organization may offer any number of games per licensed event in which each player may spend up to $150 per game including buy-ins and re-buys.

XVI. Notwithstanding paragraph XI, the charitable organization may offer one game per licensed event in which each player may spend up to $250 for the game including buy-ins and re-buys.

XVII. For games of chance where chips have no monetary face value, the payback in prizes shall not exceed 80 percent of the total amount collected from players.

XVIII. A games of chance licensee shall not play any games of chance on a licensed game date unless all games of chance to be played have been approved by the commission and have been identified on an approved game schedule.

XIX. The charitable organization may amend or supplement the list of members who will participate in the operation of a game of chance up to 10 working days prior to any particular game.

XX. At least 45 days prior to each game date, the charitable organization shall submit the date and location of the game of chance, if this information has not already been submitted to the commission under RSA 287-D:6.

XXI. Every game operator employer shall develop house rules and submit said rules to the commission for approval.

287-D:15 Surveillance Requirements.

I. (a) A game operator employer conducting games of chance at a facility that is required to be licensed pursuant to RSA 287-D:7 shall conduct and record, at the expense of the game operator employer, video surveillance that allows clear, unobstructed views of cashier transactions, table games where cash wagers are accepted, and the counting of money from storage boxes removed from a gaming table. The game operator employer shall be responsible for all costs and expenses associated with implementation of the alternative method of oversight as approved by the commission.
(b) Surveillance shall include the customer, the employee, and the surrounding area and shall monitor and record with sufficient clarity to identify employees and customers in all areas where currency is counted, verified, sorted, stacked, or stored, including monitoring and recording all table game drop boxes, safes, and counting surfaces, and all cashier personnel. The counting surface area shall be continuously monitored and recorded by a dedicated camera during the count.

(c) Access to the surveillance equipment shall be limited to management personnel, designated employees, state regulators, and other persons authorized in accordance with the surveillance policy.

(d) The game operator employer shall ensure at least one person at the facility while games of chance are being conducted is trained in the use of the equipment, knowledge of the games, and all applicable regulations.

(e) Each camera required by these regulations shall be installed in a manner that will prevent it from being readily obstructed, tampered with, or disabled by customers or employees.

(f) Reasonable effort shall be made to repair each malfunction of surveillance system equipment required by the standards in this section within 72 hours after the malfunction is discovered.

(g) In the event of a dedicated camera malfunction, the game operator employer or the surveillance person shall immediately provide alternative camera coverage or other security measures.

II. The surveillance system, at a minimum, shall:

(a) Have an auxiliary or backup power source available and capable of providing immediate restoration of power to all elements of the surveillance system.

(b) Include date and time generators that possess the capability to display the date and time of recorded events on all digital recordings. The displayed date and time shall not significantly obstruct the recorded view.

(c) Utilize cameras that possess the capability of having a picture displayed on a monitor and recorded.

(d) Include sufficient numbers of monitors and recorders to simultaneously display and record multiple table games and count room activities, and record the views of all dedicated cameras and motion-activated cameras.
(e) Record at 30 frames per second or its equivalent.

III. (a) All digital records of coverage provided by cameras required by the standards in this section shall be retained for a minimum of 90 days.

(b) Recordings involving suspected or confirmed gaming crimes, unlawful activity, or actions of investigations by management personnel shall be retained for a minimum of 90 days.

(c) Duly authenticated copies of digital records shall be provided to the commission upon request.

(d) Multiple recordings shall be made to avoid any loss of images in the event of a hardware failure.

(e) A recording library log, or comparable alternative procedure approved by the commission, shall be maintained to demonstrate compliance with the storage, identification, and retention standards required in this section.

(f) All recordings may be destroyed after a period of 45 days, provided prior written notice is given to the commission by the game operator employer and the game operator employer receives written approval from the commission.

287-D:16 Wagers. No single wager by a player, on any game of chance, shall exceed the amount of $4.

287-D:17 Equipment; Inspection.

I. All devices and equipment used to conduct said games of chance shall be subject to inspection by duly authorized law enforcement or racing and charitable gaming officials.

II. No mechanism or device, which can be used to regulate odds, will be permitted to operate said games of chance and no progression in any form shall be permitted in the operation of any such game.

287-D:18 Equipment; Ownership and Rental.

I. If a charitable organization operates games of chance itself, such game of chance shall be conducted with equipment that is:

(a) Owned absolutely;
(b) Used without payment or any compensation therefor by the charitable organization; or,

(c) Rented at a fixed fee only from a dealer in such equipment who has his principal place of business in this state and who is licensed by the commission.

(d) Any contract for the rental of equipment for games of chance shall be independent of any contract for the rental of a facility. Those contracts shall not be contingent upon the charitable organization's agreement that it will contract with a particular business for a particular facility or equipment.

II. If a charitable organization’s games of chance are operated through a primary game operator, the charitable organization shall not be charged for the use of any equipment.

287-D:19 Facilities; Rental.

I. If a charitable organization operates games of chance itself, said games of chance shall be conducted within a facility that is:

(a) The charitable organization’s primary meeting place, whether owned absolutely or rented;

(b) Used by the charitable organization without payment or any compensation; or,

(c) Rented by the charitable organization for the express purpose for conducting games of chance; provided,

(1) The charitable organization shall only rent a facility by means of a fixed rental payment, and such agreement shall be approved by the commission.

(2) The fixed rental payment shall not be based on a percentage of what the charitable organization receives from the game of chance and it shall reflect fair rental value of the property for any use, not just as a place to hold a game of chance.

(3) Any contract for the rental of a facility for a game of chance shall be independent of any contract for the rental of equipment. Those contracts shall not be contingent upon the charitable organization's agreement that it will contract with a particular business for a particular facility or equipment.

II (a) If a charitable organization contracts for services from a licensed game operator employer under RSA 287-D:8, the game operator employer shall provide a facility and equipment and shall not charge the charitable organization for facility rent or equipment fee.
Under no circumstance shall the charity receive less than 35 percent of the gross revenues from any games of chance minus any prizes paid.

(b) Any service agreement entered into by the charitable organization shall be submitted with the charitable organization's license application for review by the commission.

(c) Under no circumstances shall a charitable organization sustain any loss from games of chance, such that its share of the gross revenues minus any prizes paid is less than zero dollars, on each game day.

(d) All contracts between a game operator employer and a charitable organization to conduct games of chance under this chapter shall contain the following language: "This agreement represents the entire agreement between the parties hereto. No charge or fee of any kind that is not contained in this agreement shall be paid by the charity."

(e) No fee for any service which is required by or provided by the game operator employer or primary game operator shall be allowed.

### 287-D:20 Prizes.

I. In games where chips have no monetary value, 3 percent of all funds collected from players, less moneys used by the commission to fund authorized personnel expenses and related costs, shall be paid to the state treasurer to be deposited into the special fund established in RSA 284:21-j. Such payments shall be made once per month not later than the 5th day of the month for the funds collected in the previous month.

II. In games where chips have monetary value, 10 percent of the rake or house winnings and other moneys collected by the game operator that are not paid out as prizes to players, less moneys used by the commission to fund authorized personnel expenses and related costs, shall be paid to the state treasurer for deposit into the special fund established in RSA 284:21-j. Such payments shall be made once per month not later than the 5th day of the month for the funds collected in the previous month.

### 287-D:21 Agency Not Permitted.

No charitable organization shall act as an agent for conducting a game of chance, where it is unlawful for the charitable organization's principal to conduct such a game.

### 287-D:22 Financial Reports, Inspections, and Other Records.
I. (a) A charitable organization shall submit a complete financial report for all game dates licensed under RSA 287-D:2 and RSA 287-D:2-a to the commission on forms approved by the commission within 15 days of the end of each month during which a game of chance was held. Such report shall be completed by the treasurer of the charitable organization or a duly authorized officer, director, or official of the charitable organization who shall certify such accounting under oath; or

(b) A licensed primary game operator under contract to conduct games of chance on behalf of a charitable organization shall prepare and submit the financial reports required under subparagraph (a). In such case the charitable organization shall not be required to submit such report. Such report shall be completed by the primary game operator who shall certify such accounting under oath.

II. The financial report shall include:

(a) A complete statement of all revenues and expenses.

(b) A record of the amount of prizes awarded.

(c) The names and addresses of the members who participated in the games of chance.

(d) The name and address of any fundraising counsel or game operator involved in conducting the games of chance.

III. The charitable organization shall retain canceled checks for the payment of expenses and prizes for a period of 2 years.

IV. All financial reports filed by charitable organizations shall be maintained by the commission for a period of one year from the date of filing and shall be open to public inspection.

V. All records pertaining to the games of chance shall be maintained by the treasurer of the charitable organization or other duly authorized director, officer, or official of the charitable organization and shall be made available to the commission, the attorney general or the chief of police of any city or town where games of chance are held upon request. The commission may audit review or inspect any and all financial records, books, documentation, and bank accounts in the name of the charitable organization that pertain to games of chance.

VI. A charitable organization shall maintain complete and accurate documentation of all revenues and expenses contained in the financial reports for at least 2 years from the date the financial report is filed.
VII. For the purpose of this section “records pertaining to the games of chance” means at a minimum, the following information provided that the commission may, by rule, establish additional items:

(a) Policies and procedures manual governing gaming activities, procedures related to the operation of a game, including play, surveillance, security, revenue collection, accounting for, reporting and auditing of the results produced.

(b) Documentation of Information Technology procedures and controls, including monitoring systems for security incidents, data back-up and maintenance of systems to ensure integrity of games.

(c) A formal book-keeping system.

(d) Bank statements, check registers, reconciliations and cancelled checks for games of chance bank accounts.

(e) Bank Deposit slips for GOC bank account.

(f) Invoices for all GOC related purchases.

(g) Pre-numbered three part, table credit and fill slips.

(h) Pit Game table reconciliation sheets

(i) Cash Poker table reconciliation sheets

(j) Cage accountability form summarizing daily cage activities.

(k) Cage inventory count sheets supported by employee signatures.

(l) Inventory transfer to and from cage documentation sheets

(m) Chip inventory documentation forms, including purchase, receipt, balances on hand, storage and destruction.

(n) Tournament sign-in or registration sheets, buy-in, re-buy and add-on documentation slips

(o) Tournament and sit-n-go reconciliation sheets

(p) Documentation for all prize and promotional payouts.

(q) Digital surveillance logs.

(r) Documentation of the calculation of charity allocation and state tax

(s) All written contracts, agreements, leases, rental agreements or any other statement of understanding regarding the operation of the games of chance

(t) Employee information, work schedules, sign-in sheets, time cards, and table assignments.
(u) Written Manuals for surveillance system, gaming computer program, and accounting program.

(v) Organization chart listing titles, roles and responsibilities.

287-D:23 Penalty.

I. In addition to any other penalties provided by law, any person who violates RSA 287-D shall be guilty of a misdemeanor if a natural person, or guilty of a felony if any other person.

II. Each day on which a game of chance is played in violation of RSA 287-D shall constitute a separate offense.

III. The commission may suspend or revoke the license of any licensee who violates any provision of this subdivision or for just cause shown. Any licensee whose license is revoked shall not be eligible for licensure for a period of up to one year from the date of revocation.

IV. In addition to the provisions of paragraph I:

(a) Any person who purposely or knowingly makes a false entry in any report required under this chapter which results in a reduction of revenues due to a charitable organization shall be guilty of a class A felony.

(b) Any person who recklessly or negligently makes a false entry on any report required under this chapter which results in a reduction of revenues due to a charitable organization shall be guilty of a class A misdemeanor.

(c) Any game operator employer or game operator who fails to remit to a charitable organization all revenues due under this chapter shall be guilty of a class A felony.

V. Any game operator employer or game operator who fails to pay the charitable organization all moneys required by this chapter shall be guilty of a class B felony for any amount less than $500, and a class A felony for any amount equal to or greater than $500.

VI. Any person who violates any provision of RSA 637 in a manner that deprives the charitable organization of any moneys required by this chapter, notwithstanding the penalties set forth in RSA 637:11, shall be guilty of a class B felony for any amount less than $500, and a class A felony for any amount equal to or greater than $500.

VII. In addition to any other penalty imposed under this chapter, a charitable organization which suffers a loss caused by the violation of any provision of this chapter may bring a civil action for actual damages suffered. If the court finds that the violation was committed
purposefully or knowingly, it shall award enhanced compensatory damages of not less than 2
times the amount of actual damages suffered, and may award up to 3 times the amount of actual
damages suffered. In any civil action, the prevailing party shall be awarded court costs and
reasonable attorney’s fees. No waiver of the provisions of this paragraph shall be enforceable.

VIII. The commission may issue an order requiring any person or organization to comply
with this subdivision or any rule adopted hereunder, and may require such remedial measures as
may be necessary.

IX. The commission may impose an administrative fine scaled to reflect a violator's prior
history and the scope and severity of the violation, after notice and hearing, pursuant to rules
adopted under RSA 541-A, for any violation of this subdivision, any rule adopted under this
subdivision, any license issued pursuant to this chapter, or any order issued pursuant to this
subdivision, or upon any person who makes or certifies to a material false statement relative to
any application or report required by this subdivision. In determining the amount of a fine, the
commission may take into consideration all relevant circumstances, including: the degree of
noncompliance, the extent of harm caused by the violation, the nature and persistence of the
violation, the time and cost associated with the investigation by the state, and the economic
impact of the violation on the state or the charity conducting or sponsoring the game. Any
administrative fine imposed under this paragraph shall not preclude the imposition of other
penalties as provided by law. Rehearings and appeals from a decision of the commission under
this paragraph shall comply with RSA 541. Fines imposed by the commission shall be as
follows:

(a) The fine for a minor violation shall be not less than $25 and not more than
$500 per violation. A minor violation shall be one where the commission determines that
the potential for harm to the interests of the state and the charity, as well as the integrity
of charitable gaming is minor and may include, but is not limited to, a game operator, a
game operator employer, charitable organization, or charitable organization member not:

(1) Wearing a properly issued badge;

(2) Posting 2 copies of the laws and rules;

(3) Having a diagram available for each table where games of chance are
being played indicating the type of game being played, the bet amount, the buy-in
amount, and the re-buy amounts as applicable; or

(4) Publicly displaying the name of the charitable organization.
(b) The fine for a moderate violation shall be not less than $250 and not more than $1,500 per violation. A moderate violation shall be one where the commission determines that the potential for harm to the interests of the state and the charity, as well as the integrity of charitable gaming is moderate and may include, but is not limited to, a game operator, game operator employer, charitable organization, or charitable organization member:

(1) Filing a late financial report;
(2) Operating a game not specifically listed on the game schedule;
(3) Operating a game on a different date than licensed without approval of the commission;
(4) Committing 3 or more minor violations within 2 years; or
(5) Knowingly operating a game of chance without a representative of the charitable organization present as specified in RSA 287-D:2-b, VII-a.

(c) The fine for a major violation shall be not less than $1,000 and not more than $5,000 per violation. A major violation shall be one where the commission determines that the potential for harm to the interests of the state and the charity, as well as the integrity of charitable gaming is major and shall include, but is not limited to, a game operator, game operator employer, charitable organization, or charitable organization member:

(1) Operating a game of chance without a license;
(2) Operating a game of chance without having the personnel or officials required;
(3) Purposely operating a game of chance without a representative of the charitable organization present as specified in RSA 287-D:2-b, VII-a;
(4) Operating a game of chance with game operators who are not licensed;
(5) Failing to establish or maintain a New Hampshire bank account; or
(6) Committing 5 or more minor violations or 3 or more moderate violations within 2 years.

(d) The commission may suspend any part of a fine for just cause.

X. All fines imposed by the commission shall be deposited in the special fund established pursuant to RSA 284:21-j.
287-D:24 Rehearing and Appeal. Any person aggrieved by a decision of the commission issued pursuant to this chapter may apply to the commission for a rehearing within 15 business days of the decision. Rehearings and appeals shall be governed by RSA 541.

287-D:25 Subpoenas. The commission may issue subpoenas for witnesses and for documents relative to investigations or adjudicatory hearings held by the commission. The attorney general shall assist the commission in matters pertaining to the enforcement of subpoenas.

Unlawful Gambling Machines

287-D:26 Purpose. The general court finds use of gambling machines is pervasive state-wide with little or no oversight by the state. The general court also finds that redemption slot machines are frequently a front for unlawful gambling, and the use of such machines siphons money away from legal, charitable gambling to the detriment of the state’s charities. Therefore the general court is establishing an administrative investigation and enforcement ability in addition to existing criminal prosecution.

287-D:27 Definitions. For purposes of this subdivision:

I. "Antique gambling machine" means any device or equipment at least 25 years old which is in the possession of a collector and which is not maintained or operated for gambling purposes.

II. "Collector" means a person who for nostalgic reasons, monetary investment, or personal interest acquires antique gambling machines as defined in paragraph I for personal display or retention.

III. "Family entertainment center" means a place of business having at least 50 games or devices designed and manufactured only for bona fide amusement purposes on premises which are operated for the entertainment of the general public and tourists as a bona fide entertainment facility and not having more than 15 percent of the total games or machines being redemption slot machines or redemption poker machines.

IV. "Gambling" means to risk something of value upon a future contingent event not under one's control or influence, upon an agreement or understanding that something of value will be received in the event of a certain outcome. For the purposes of this paragraph, the phrase "something of value" shall include a sweepstakes ticket or other item obtained in conjunction
with the purchase of goods or services that entitles the holder to a share or chance in a
sweepstakes where, but for the opportunity to enter the sweepstakes, the value of purchased
goods or services is insufficient to justify the purchase or the inducement to purchase the goods
or services is the opportunity to play on a gambling machine.

V. "Gambling machine" means any device or equipment which is capable of being used to
play sweepstakes or games of chance and which discharges money, or anything that may be
exchanged for money, cash equivalent, debit card, merchandise credit card, or opportunities to
enter sweepstakes or play games of chance, or displays any symbol entitling a person to receive
such a prize.

VI. "Redemption slot machine" or "redemption poker machine" means any device or
equipment which operates by means of the insertion of a coin or token and which may entitle the
person playing or operating the game or machine the opportunity of additional chances or free
plays or to receive points or coupons which may be exchanged for merchandise only, excluding
alcoholic beverages, money, cash equivalent, debit card, merchandise credit card, or
opportunities to enter sweepstakes or play games of chance, and provided the value for such
points or coupons does not exceed 2 1/2 cents for each credit on the game or machine.

VII. "Unlawfully" means not specifically authorized by law or not solely for amusement,
without stake or possibility of gain or loss.

VIII. "Sweepstakes" means any game, advertising scheme or plan, or other promotion which,
with or without payment of any consideration, a person may enter to win or become eligible to
receive any prize, the determination of which is based upon chance. For purposes of this chapter,
the term includes only those sweepstakes that an entrant can enter, play or otherwise interact with
using a gambling machine furnished by the sweepstakes operator or an affiliate or person under
contract with the operator, in an establishment controlled by, affiliated with, or contracting with
the operator.

287-D:28 Investigation and Enforcement. The commission shall investigate and enforce this
subdivision relating to gambling machines and shall have state-wide jurisdiction whether or not
persons or entities are licensed by the commission. The commission is authorized to seek
administrative search warrants as required, and may issue subpoenas as provided in RSA 287-
D:9.
287-D:29 Gambling Machines Not Authorized.

I. A person shall be in violation of this subdivision if such person conducts, finances, manages, supervises, directs, or owns all or part of a business, and such person or business possesses or promotes gambling on a gambling machine.

287-D:30 Fines and Forfeiture. Any person who violates this subdivision shall be fined not less than $5,000 per day for each gambling machine used or intended for use, and all implements, equipment, and apparatus used in violation of this section shall be forfeited.

287-D:31 Exceptions. This subdivision shall not apply to:

(a) Dispenser devices approved by the commission which are located at the regular meeting place of, or at a facility owned, leased, or utilized by, a charitable organization licensed under RSA 287-E:20.

(b) Bona-fide redemption slot machines or redemption poker machines at a family entertainment center.

(c) Cruise ships which are equipped with gambling machines whose primary purpose is touring. Any such cruise ship shall be allowed to temporarily enter New Hampshire coastal waters and ports for up to 48 hours, provided that all gambling machines on board are not in use or capable of being used while in New Hampshire coastal waters and ports. For the purposes of this paragraph "cruise ship" means any vessel which is capable of providing overnight accommodations for 500 or more people.

(d) An antique gambling machine in the possession of a collector and which is not maintained or operated for gambling purposes shall not be subject to the provisions of this section.

2 Gambling. Amend RSA 647:2, II(f) to read as follows:

(f) "Redemption slot machine" or "redemption poker machine" means any device or equipment which operates by means of the insertion of a coin or token and which may entitle the person playing or operating the game or machine the opportunity of additional chances or free plays or to receive points or coupons which may be exchanged for merchandise only, excluding [cash and] alcoholic beverages money, cash equivalent, debit card, merchandise credit card, or opportunities to enter sweepstakes or play games of chance, provided the value for such
points or coupons does not exceed 2 1/2 cents for each credit on the game or machine.

3 Rulemaking Reference Repeal. RSA 284:12, XI, relative to surveillance requirements for games of chance, is repealed.

4 Study Commission Established Gaming for Charity. Amend RSA 284 by inserting after section 6-a the following new section:

284:6-b Games for Charity Study Commission

I. Subject to enactment of an appropriation specifically for the purposes set forth in this section, there is hereby established a games for charity study commission to ensure integrity and public confidence in the conduct and regulation of gaming for the benefit of charity in New Hampshire. The games for charity study commission shall consist of the following members:
(a) The attorney general, or designee.
(b) The commissioner of the department of safety, or designee.
(c) The chair of the racing and charitable gaming commission, or designee.
(d) One member of the senate, appointed by the president of the senate.
(e) One member of the house of representatives, appointed by the speaker of the house of representatives.
(f) Three public members appointed by the governor one of whom shall be appointed to serve as the chair of the authority.

II. The games for charity study commission shall undertake a comprehensive analysis of all gaming activities for the benefit of charity in New Hampshire that are currently authorized by RSA 287-D and RSA 287-E to determine the most appropriate system for sustaining ongoing resources to charities from gaming in New Hampshire, including a determination as to whether the continued existence of such currently authorized games of chance for charity is in the best interest of the citizens of New Hampshire, and, if the games for charity study commission finds that such continued existence is not in the best interest of the citizens, identification of an alternative system for providing comparable resources to charities, and, if the games for charity study commission finds that such continued existence if modified is in the best interest of the citizens, identification of legislative changes that would accomplish the necessary modification in the games of chance for charity system. The analysis of the games for charity study
commission shall assess:

(a) revenue impact on all stakeholders (the state, charitable organizations, facility owners, game operator employers, primary game operators, secondary game operators and equipment dealers) if the currently authorized games of chance for charity system is ended;

(b) current oversight and enforcement costs and sufficiency of current taxes and fees to pay for such costs;

(c) projected oversight and enforcement costs should they be improved to satisfy best practice regulatory standards;

(d) alternative funding mechanisms for charitable organizations;

(e) the role of game operator employers and primary game operators; and

(f) the prospect of limiting the growth or phasing out of this sector.

(g) the prospect of improving and expanding the games of chance for charity system to enhance resources for charities.

II. Meetings shall be called by the chair. All meetings of the games for charity study commission shall be open to the public and subject to RSA 91-A.

III. With regard to meetings, minutes, and records of the games for charity study commission:

(a) The games for charity study commission shall notice all proceedings and shall make and keep a record of all proceedings held at public meetings of the authority. A verbatim record of those proceedings shall be prepared by the games for charity study commission. A copy of the record shall be made available to any person upon request and payment of the costs of preparing the copy.

(b) The games for charity study commission shall maintain such other files and records as the commission determines is necessary.

(c) All records, information, or data maintained or kept by the games for charity study commission shall be maintained or kept at the office of the racing and charitable gaming commission.

V. The racing and charitable gaming commission shall cooperate with the games for
charity study commission and shall provide data and information to the games for charity study
commission upon request. The games for charity study commission shall be administratively
attached to, but not under the control of, the racing and charitable gaming commission pursuant
to RSA 21-G:10.

VI. The games for charity study commission shall submit draft legislation with
supporting regulations and a report to the general court by December 15, 2015, containing its
findings and recommendations regarding gaming for the benefit of charities in New Hampshire.
Such report shall contain such recommendations to the general court for 2016 legislation as the
games for charity study commission deems necessary to address charitable gaming issues and
opportunities identified by the commission.

5 Effective Date. This act shall take effect 60 days after its passage.