

SPECIAL BOARD OF ALDERMEN

OCTOBER 12, 2021

7:00 PM

Aldermanic Chamber and via Zoom

Join Zoom Meeting: <https://us02web.zoom.us/j/84668877586?pwd=MHY2VXJITWRsK3BwbTQzRVA1K1IFQT09>
Meeting ID: 846 6887 7586 Passcode: 832255

Join by telephone: 1-929-205-6099
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If anybody has a problem accessing the meeting via phone or Channel 16, please call 603-589-3329 and they will help you connect.

PRESIDENT LORI WILSHIRE CALLS ASSEMBLY TO ORDER

PRAYER OFFERED BY CITY CLERK SUSAN K. LOVERING

PLEDGE TO THE FLAG LED BY ALDERMAN LINDA HARRIOTT-GATHRIGHT

ROLL CALL

PUBLIC HEARING

Shall the City of Nashua allow the operation of sports book retail locations within the City of Nashua?

Testimony in Favor

Testimony in Opposition

Testimony in Favor

Testimony in Opposition

ADJOURNMENT

CHAPTER 215
HB 480-FN - FINAL VERSION

19Mar2019... 0974h
05/15/2019 1974s
05/30/2019 2196s
05/30/2019 2396s

2019 SESSION

19-0211
08/03

HOUSE BILL ***480-FN***

AN ACT relative to sports betting.

SPONSORS: Rep. Lang, Belk. 4; Rep. Chirichiello, Rock. 6; Rep. Morrison, Rock. 9; Rep. Horn, Merr. 2; Rep. Aldrich, Belk. 2; Rep. Janvrin, Rock. 37; Rep. Potucek, Rock. 6; Rep. Goley, Hills. 8; Rep. Soucy, Merr. 16

COMMITTEE: Ways and Means

ANALYSIS

This bill establishes a system within the lottery commission for sports betting.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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19-0211
08/03

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Nineteen

AN ACT relative to sports betting.

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

1 215:1 New Chapter; Sports Betting. Amend RSA by inserting after chapter 287-H the following
2 new chapter:

CHAPTER 287-I

SPORTS BETTING

5 287-I:1 Definitions. For the purposes of this chapter these words shall have the following
6 meaning:

7 I. "Agent" means a party who is authorized by contract or agreement with the commission to
8 conduct a sports book.

9 II. "Authorized sports bettor" means an individual 18 years of age or older who is physically
10 present in the state of New Hampshire when placing a sports wager with the commission or an
11 authorized agent of the commission and is not a prohibited sports bettor.

12 III. "Collegiate sports event" means a sports or athletic event participated in or offered or
13 sponsored by a public or private institution that offers educational services beyond the secondary
14 level.

15 IV. "Commission" means the lottery commission.

16 V. "Director" means the executive director of the lottery commission or designee.

17 VI. "High school sports event" means a sports or athletic event participated in or offered or
18 sponsored by a public or private institution that offers educational services at the secondary level.

19 VII. "In-play sports wager" means a sports wager on a sports event after the sports event
20 has begun and before it ends.

21 VIII. "Mobile sports wagering platform" means the combination of hardware, software, and
22 data networks used to manage, administer, record, and/or control sports wagers.

23 IX. "Professional sports event" means an event at which 2 or more persons participate in a
24 sports or athletic event and receive compensation in excess of actual expenses for their participation
25 in such event.

26 X. "Prohibited sports bettor" means:

27 (a) Any member or employee of the commission and any spouse, child, sibling, or parent
28 residing in the same household as a member or employee of the commission.

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1 (b) Any principal or employee of any agent.

2 (c) Any contractor of the commission or its agents when such contract relates to the
3 conduct of sports wagering.

4 (d) Any contractor or employee of an entity that conducts sports wagering in another
5 jurisdiction when the bettor possesses confidential nonpublic information as a result of his or her
6 contract or employment relating to the wager being placed.

7 (e) Any amateur or professional athlete if the sports wager is based in whole or part on a
8 sport or athletic event overseen by the athlete's governing sports body.

9 (f) Any sports agent, owner, or employee of a team, player, umpire, referee, coach, union
10 official, or official of a sports governing body if the sports wager is based in whole or part on a sport
11 or athletic event overseen by the governing body which oversees the individual's sport.

12 (g) Any individual placing a wager as an agent of or proxy for a prohibited sports bettor.

13 (h) Any person under the age of 18.

14 XI. "Prohibited sports event" means:

15 (a) A collegiate sports event in which one of the participants is a collegiate team of a
16 college institution that is primarily located in New Hampshire;

17 (b) A collegiate sports event that takes place in New Hampshire;

18 (c) Any high school sports event in any location;

19 (d) Any amateur sports event where the participants are primarily under the age of 18;
20 provided that "prohibited sports event" does not include the games of a collegiate sports tournament
21 in which a New Hampshire college team participates, nor does it include any games of a collegiate
22 sports tournament that occurs outside New Hampshire even though some of the individual games or
23 events are held in New Hampshire; and provided further that sports wagers are permitted on
24 collegiate sports tournament games in which a New Hampshire college team participates only if the
25 outcome of the wager is based on the outcome of all games within the tournament.

26 XII. "Sports governing body" means the organization that prescribes final rules and enforces
27 codes of conduct with respect to a sporting event and participants therein.

28 XIII. "Sports book" means the business of accepting wagers on any sports event by any
29 system or method of wagering.

30 XIV. "Sports wager" means cash or cash equivalent paid by an individual to participate in
31 sports wagering.

32 XV. "Sports wagering" means wagering on sporting events or any portion thereof, or on the
33 individual performance statistics of athletes participating in a sports event, or combination of sports
34 events, by any system or method of wagering, including but not limited to in person communication
35 and electronic communication through Internet websites accessed via a mobile device or computer
36 and mobile device applications. The term sports wagering shall include, but not be limited to, single

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1 game bets, teaser bets, parlays, over-under bets, money line bets, pools, exchange wagering, in game
2 wagering, in-play bets, proposition bets, and straight bets.

3 XVI. "Tier I sports wager" means a sports wager that is placed before the start of the sports
4 event and is determined solely by the final score or final outcome of that single sports event.

5 XVII. "Tier II sports wager" means an in-play sports wager.

6 XVIII. "Tier III sports wager" means a sports wager that is neither a tier I or tier II wager.

7 287-I:2 Sports Book Authorized. The commission is authorized to operate a sports book for the
8 purposes of accepting and paying sports wagers by authorized bettors within the state in
9 conformance with the requirements of this chapter.

10 287-I:3 Commission Agents. The commission shall conduct sports books for sports wagering
11 through agents selected through a competitive bid process and approved by the governor and
12 executive council. Any such contract shall be based on the state receiving a percentage of revenue
13 from sports wagering activities within the state. The commission shall ensure that an agent
14 demonstrates financial stability, responsibility, good character, honesty, and integrity. In selecting
15 an agent, the commission shall consider, at a minimum, the experience and background of the agent,
16 the agent's ability to serve proposed locations for sports book retail operations, the agent's mobile
17 and Internet capabilities, the agent's contribution to economic development within the state, the
18 agent's commitment to prevention of problem gambling, to responsible gaming, and to integrity in
19 betting. The commission shall select a group of bidders who best meet the criteria set forth in this
20 paragraph and select from that group the agents whose bids provide the state with the highest
21 percentage of revenue from the sports wagering activities covered by the bids, provided that the
22 commission determines that the bidder's commitment to return said revenue percentage to the state
23 is consistent with the bidder's commitment to meet all other criteria specified in the bid request and
24 in applicable law. All agents shall be subject to criminal and financial background checks as
25 prescribed by the commission.

26 287-I:4 Commission Directed Sports Wagering. The commission is further authorized to directly
27 offer lottery games to authorized bettors within the state in the form of tier III sports wagers
28 through the commission's lottery retailers subject to the provisions of this chapter. The commission
29 may retain vendors to support the commission in operating a sports book and such vendors shall be
30 selected through a competitive bid process and approved by the governor and executive council.

31 287-I:5 Sports Book Retail Operations. The commission and its agents are further authorized to
32 operate physical sports book retail locations within the state for the purposes of accepting tier I and
33 tier III sports wagers from authorized bettors and paying prizes relating to those wagers. The sports
34 book retail locations may be co-located with other commercial businesses or general commercial
35 retail locations. No more than 10 sports book retail locations may be in operation at any given time.

36 287-I:6 Local Option for Operation of Sports Book Retail Locations.

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1 I. Any town or city may allow the operation of a sports book retail location according to the
2 provisions of this subdivision, in the following manner, excepting that nothing in this section shall be
3 construed to prohibit Internet or mobile wagering or lottery games involving tier III sports wagers in
4 the jurisdiction, if so authorized by the passage of this statute.

5 (a) In a town, the question shall be placed on the warrant of an annual town meeting
6 under the procedures set out in RSA 39:3, and shall be voted on a ballot. In a city, the legislative
7 body may vote to place the question on the official ballot for any regular municipal election, or, in the
8 alternative, shall place the question on the official ballot for any regular municipal election upon
9 submission to the legislative body of a petition signed by 25 of the registered voters.

10 (b) The selectmen, aldermen, or city council shall hold a public hearing on the question
11 at least 15 days but not more than 30 days before the question is to be voted on. Notice of the
12 hearing shall be posted in at least 2 public places in the municipality and published in a newspaper
13 of general circulation at least 7 days before the hearing.

14 (c) The wording of the question shall be substantially as follows: "Shall we allow the
15 operation of sports book retail locations within the town or city?"

16 II. If a majority of those voting on the question vote "Yes", sports book retail locations may
17 be operated within the town or city.

18 III. If the question is not approved, the question may later be voted upon according to the
19 provisions of paragraph I at the next annual town meeting or regular municipal election.

20 IV. A municipality that has voted to allow the operation of sports book retail locations may
21 consider rescinding its action in the manner described in paragraph I of this section.

22 V. An unincorporated place may allow the operation of a physical sports book retail location
23 by majority vote of the county delegation, after a public hearing is held.

24 VI. The commission shall maintain a list of municipalities where sports book retail locations
25 may be placed into operation.

26 287-I:7 Mobile Sports Wagering Authorized. The commission and its agents are authorized to
27 operate a sports books that offer tier I, tier II, and tier III sports wagers through a mobile sports
28 wagering platform by mobile devices or over the Internet. No more than 5 mobile sports wagering
29 agents shall be in operation at any given time. With respect to mobile sports wagering, the
30 commission, either independently, or through its agent, shall provide:

31 I. Age verification measures to be undertaken to block access to and prevent sports wagers
32 by persons under the age of 18 years.

33 II. Identity verification through secure online databases or by examination of photo
34 identification.

35 III. That mobile sports wagers must be initiated and received within the geographic borders
36 of the state of New Hampshire and may not be intentionally routed outside of the state. The

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1 incidental intermediate routing of mobile sports wager shall not determine the location or locations
2 in which such a wager is initiated, received, or otherwise made.

3 IV. Wager limits for daily, weekly, and monthly amounts consistent with the best practices
4 in addressing problem gambling.

5 V. A voluntary self-exclusion program for players to self-exclude themselves from wagering
6 for set periods of time.

7 VI. Security mechanisms to ensure the confidentiality of wagering and personal and
8 financial information except as otherwise authorized by this chapter.

9 287-I:8 Sports Wagering Supervision. The commission shall create a division of sports wagering
10 which will be responsible for ensuring compliance with the requirements of this chapter and any
11 rules promulgated by the commission in accordance with the authorities granted under this chapter.
12 In addition, the division, under the direction of the director and commission, shall ensure that the
13 commission's agents and vendors comply with the following obligations:

14 I. Each agent or vendor engaged in sports wagering shall submit a security and internal
15 control report for the division's review and approval prior to conducting any sports wagering within
16 the state and every year thereafter. This report shall address all aspects of security and controls
17 including physical security, personnel security, and computer systems security including:

18 (a) Surveillance plans for all retail sports book locations, including surveillance coverage
19 and direct access for the commission to the surveillance system.

20 (b) User access controls for sports book personnel.

21 (c) Segregation of duties within the sports book.

22 (d) Employment background checks and policies.

23 (e) Automated and manual risk management procedures.

24 (f) Procedures for identifying and reporting fraud and suspicious conduct.

25 (g) Procedures to establish connectivity with monitoring services and/or sports governing
26 bodies relating to suspicious activity.

27 (h) Any and all monitoring systems utilized by the agents or vendor to report and receive
28 information on suspicious betting activities.

29 (i) Systems and procedures to prevent prohibited sports bettors from placing wagers.

30 (j) Description of anti-money laundering compliance standards.

31 (k) Descriptions of all integrated third-party systems or components and the security
32 procedures relating to those systems.

33 II. For each wagering computer system used to conduct sports wagering, including all
34 mobile sports wagering platforms within the state, the agent or vendor providing such system shall
35 provide a detailed computer system security report to be approved by the commission prior to the
36 acceptance of wagers and each year thereafter. The report shall address the issues set forth in the
37 security and internal control report along with the following:

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1 (a) Documented system security testing performed by a licensed third-party contractor
2 approved by the commission;

3 (b) A description of all software applications that comprise the system;

4 (c) A procedure for third-party auditing of financial transactions received by the system;

5 (d) A description of all types of wagers supported by the system;

6 (e) Unique identification and verification systems for wagers;

7 (f) Procedures to prevent past posting of wagers;

8 (g) A list of data recorded relating to each wager;

9 (h) System redundancy to ensure recording of wagers during a system outage;

10 (i) A mechanism to provide read only access to the commission to the back office system
11 for the purposes of reviewing and auditing wagering activities;

12 (j) Integration with an independent control system to ensure integrity of system
13 wagering information;

14 (k) Capabilities for canceling existing wagers, freezing or suspending wagering across
15 the platform, or for specific events; and

16 (l) Any other issue identified by the division upon review of the proposed gaming system.

17 III. Each agent engaged in sports wagering shall submit house rules for the division's review
18 and approval prior to conducting any sports wagering within the state and every year thereafter.
19 These house rules shall include at a minimum:

20 (a) The method for calculation and payment of winning wagers.

21 (b) The effect of schedule changes for a sports event.

22 (c) The method of notifying bettors of odds or proposition changes.

23 (d) Acceptance of wagers at terms other than those posted.

24 (e) Expiration dates for winning tickets.

25 (f) Circumstances under which the agent will void a bet.

26 (g) Treatment of errors, late bets, and related contingencies.

27 (h) Method of contacting the agents or vendor for questions or complaints.

28 (i) Description of those persons who are prohibited from wagering with the agents or
29 contractor if broader than the prohibited bettors list set forth in this section.

30 (j) The method and location for posting and publishing the approved house rules.

31 IV. Each agent or vendor engaged in sports wagering shall submit accounting controls for
32 the division's review and approval prior to conducting any sports wagering within the state and
33 every year thereafter. These accounting controls shall include at a minimum:

34 (a) A process for documenting and verifying beginning of day cash balance;

35 (b) Processes for recording collection of wagers, payment of wagers, and cancellation of
36 wagers issued;

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1 (c) Processes for handling cash within sports book retail locations including segregation
2 of duties related to counting and storage of cash; and

3 (d) The establishment of a segregated account related to New Hampshire sports
4 wagering activities.

5 V. The commission's agents shall submit a responsible gaming plan for the division's review
6 and approval prior to conducting any sports wagering within the state and every year thereafter.
7 This plan should include identification of posting and materials related to problem gaming,
8 resources to be made available to bettors expressing concerns about problem gaming, house imposed
9 player limits, and self-exclusion programs.

10 VI. The commission's agents shall maintain a cash reserve available to pay wagers as
11 determined by the commission.

12 VII. The commission's agents or vendor shall not accept any wager on a sports event unless
13 it has received approval from the commission to conduct that type or category of wager. A type of
14 wager refers to the method of determining the outcome of the wager. The category refers to the kind
15 of event being wagered on. The commission shall approve wager categories and types in a
16 reasonable time frame. Once a particular category or wager type is approved for its first use it may
17 be used on multiple events without further approval.

18 VIII. The commission shall only approve wagers on categories of events where:

- 19 (a) The outcome can be verified;
20 (b) The outcome can be generated by a reliable and independent process; and
21 (c) The event is conducted in conformity with applicable laws.

22 IX. Wagers made under this section shall be made with:

- 23 (a) Cash;
24 (b) Cash equivalent;
25 (c) PayPal;
26 (d) Debit card;
27 (e) ACH;
28 (f) Promotional funds; and
29 (g) Any other means approved by the executive director.

30 X. Any agent or contractor who sends or receives electronic sports wagers is responsible to
31 ensure that any transfer of that wager is initiated and received and completed within the state of
32 New Hampshire and that only incidental intermediate routing of the wager occurs outside of the
33 state. The agent and contractor shall be responsible for periodically reviewing their information
34 technology systems and networks to ensure compliance with this section.

35 287-I:9 Proceeds to Education Fund. The proceeds received by the commission from sports
36 wagering, less the administrative costs of the commission, prizes paid, and payments for problem
37 gambling services, shall be deposited in the education trust fund established in RSA 198:39.

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1 287-I:10 Limitations on Sports Wagers. The commission and its agents are prohibited from the
2 following activities:

- 3 I. Accepting or making payment relating to sports wagers made by prohibited sports bettors.
4 II. Accepting sports wagers on prohibited sports events.
5 III. Accepting sports wagers from persons who are physically outside of the state of New
6 Hampshire at the time of the sports wager.

7 287-I:11 Disclosure of Data Source. The commission and agents shall publicly disclose the
8 source of the data that will be used to determine the outcome of a tier II or tier III wager.

9 287-I:12 Risk Management. The commission's agents may take any risk management strategies
10 as authorized by the director.

11 287-I:13 Maintaining Sports Integrity. The commission and agents may participate in national
12 and international monitoring services and associations and may share betting information with
13 those entities and sports governing bodies in order to ensure the integrity of sports wagers and
14 sports events. The director may restrict, limit, or exclude wagering on a sports event if he or she
15 determines that such an action is necessary to ensure the integrity of the sports book.

16 287-I:14 Financial Reports. The commission may seek financial and compliance reports from its
17 agents periodically and may conduct audits of these reports to ensure that the state receives the
18 agreed upon revenue sharing proceeds.

19 287-I:15 Compliance Reviews. The commission shall retain oversight of its agents to ensure
20 that all sports wagering activities are conducted in accordance with this statute and any rules
21 adopted by the commission.

22 287-I:16 Fantasy Sports Exempted. Nothing in this chapter shall apply to fantasy sports
23 contests authorized pursuant to RSA 287-H.

24 287-I:17 Rulemaking. The commission shall adopt rules, pursuant to RSA 541-A, relative to the
25 operation, conduct, location, and oversight of sports books. The commission may enact emergency
26 rules, which will take effect upon approval.

27 215:2 Bets Void. Amend RSA 338:2 to read as follows:

28 338:2 Bets Void. ***Except as authorized by the lottery commission,*** all bets and wagers upon
29 any question where the parties have no interest in the subject except that created by the wager are
30 void; and either party may recover any property by him ***or her*** deposited, paid, or delivered upon
31 such wager or its loss, and repel any action brought for anything, the right or claim to which grows
32 out of such bet or wager.

33 215:3 Education Trust Fund; Sports Betting Added. Amend RSA 198:39, I(k) to read as follows:

34 (k) Funds collected and paid over to the state treasurer by the lottery commission
35 pursuant to RSA 284:44, ~~and~~ RSA 284:47, ***and RSA 287-I.***

36 215:4 New Subparagraph; Gambling; Exceptions. Amend RSA 647:2, V by inserting after
37 subparagraph (e) the following new subparagraph:

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1 (f) Sports wagering as defined by RSA 287-I:1, XV.

2 215:5 New Chapter; Council for Responsible Gambling. Amend RSA by inserting after chapter
3 338-A the following new chapter:

4 CHAPTER 338-B

5 COUNCIL FOR RESPONSIBLE GAMBLING

6 338-B:1 Definitions. In this chapter, "council" means the council for responsible gambling.

7 338-B:2 Statement of Purpose. Education, prevention, and treatment relating to gambling
8 disorders are an integral part of a responsible gaming environment within the state.

9 338-B:3 Establishment. There is established the council for responsible gambling which shall
10 promote education, prevention, and treatment of problem gambling within the state.

11 338-B:4 Membership.

12 I. The council shall consist of 5 members appointed by the governor and executive council
13 and shall be qualified in the field of addiction or mental health services with a focus on problem
14 gambling and shall be residents of the state. A member may be removed by the governor and
15 executive council only for cause shown in accordance with RSA 4:1. The members shall elect one of
16 their number as chairperson. Three members of the council shall constitute a quorum.

17 II. Members shall serve 3 year terms and until their successors are appointed; provided that
18 for the initial appointments only, one member shall be appointed to a term of one year, 2 members
19 shall be appointed to a term of 2 years and 2 members shall be appointed to a term of 3 years. Any
20 vacancy shall be filled for the unexpired terms.

21 III. Members of the council shall receive mileage at the rate of state employees when
22 attending meetings of the council or performing duties on behalf of the council.

23 338-B:5 Powers and Duties. The council shall have the authority to enter into grants and
24 contracts for the purposes of furthering education, prevention, and treatment of problem gambling
25 within the state.

26 338-B:6 Report of the Council. The council shall submit a biennial report to the governor and
27 executive council on or before October 1 of each even-numbered year. The report shall include a
28 description of the council's activities including a financial report for the relevant time period.

29 338-B:7 Administrative Attachment. The council shall be administratively attached to the
30 lottery commission in accordance with RSA 21-G:10. In addition to the support provided to an
31 administratively attached agency, the lottery commission shall also provide the following to the
32 council:

33 I. Funding in an amount not to exceed \$250,000 per fiscal year to conduct the activities
34 prescribed by this chapter. In accordance with the purpose of this chapter, these payments shall be
35 considered administrative expenses of the lottery commission as set forth in RSA 284:21-j.

36 II. Meeting and office space as reasonably required by the council to conduct the activities
37 prescribed by this chapter.

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- 1 III. Personnel as reasonably required by the council to conduct activities prescribed by this
2 chapter, except that the lottery commission may charge the council for use of such personnel
3 pursuant to an agreement between the lottery commission and the council.
4 215:6 Effective Date. This act shall take effect upon its passage.

Approved: July 12, 2019
Effective Date: July 12, 2019