

HB 533 - AS AMENDED BY THE SENATE

7Apr2021... 0906h  
05/06/2021 1200s

2021 SESSION

21-0531  
08/10

HOUSE BILL           **533**

AN ACT               establishing a division of investigation and compliance in the lottery commission.

SPONSORS:          Rep. Abrami, Rock. 19; Rep. Abbas, Rock. 8; Rep. Doucette, Rock. 8

COMMITTEE:       Ways and Means

---

ANALYSIS

This bill establishes a division of investigation and compliance within the lottery commission.

-----

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                      Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

HB 533 - AS AMENDED BY THE SENATE

7Apr2021... 0906h  
05/06/2021 1200s

21-0531  
08/10

STATE OF NEW HAMPSHIRE

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

AN ACT establishing a division of investigation and compliance in the lottery commission.  
*Be it Enacted by the Senate and House of Representatives in General Court convened:*

1 1 New Section; Lottery Commission; Investigation and Compliance Division. Amend RSA 284  
2 by inserting after section 3 the following new section:

3 284:3-a Investigation and Compliance Division.

4 I. There shall be contained within the lottery commission an investigation and compliance  
5 division. The division shall perform such functions as the lottery commission may determine is  
6 necessary in relation to enforcement, including the investigation of all licensees, and proposed  
7 licensees, under this chapter and RSA 287.

8 II. The division shall have such civil and administrative powers as are necessary to  
9 effectuate the purposes of this chapter and RSA 287, including the power to receive intelligence on  
10 an applicant or licensee under this chapter and under RSA 287 and to investigate any suspected  
11 violations of this chapter or RSA 287 or any suspected violations of illegal gambling.

12 III. To further effectuate the purposes of this chapter and RSA 287 with respect to the  
13 investigation and enforcement of gaming establishments and licensees, the division may obtain or  
14 provide pertinent information regarding applicants or licensees from or to law enforcement entities  
15 or gaming authorities and other domestic, federal or foreign jurisdictions, including the Federal  
16 Bureau of Investigation, and may transmit such information to each other electronically.

17 IV. In addition to fines and penalties as set forth in this chapter and RSA 287, the division  
18 may file a petition for equity relief with the superior court seeking to levy upon any person or entity  
19 who meets the requirements for enhanced penalties as defined in administrative rule, a civil penalty  
20 in an amount not to exceed \$50,000 per violation, along with any other injunctive relief deemed  
21 necessary by the court. The proceeds of any civil penalty levied pursuant to this section shall be  
22 deposited in the special fund established in RSA 284:21-j.

23 2 Lottery Commission; Investigation of Applicants. Amend RSA 284:15-b, II to read as follows:

24 II. The attorney general shall have the authority to conduct an investigation on the attorney  
25 general's motion into the background of the license applicant or holder, of any person included in  
26 paragraph I or of any person or entity upon whom the license applicant or holder relies for financial  
27 support. In addition, whenever the lottery commission shall receive an application, it shall ~~refer the~~  
28 ~~application to the attorney general who shall conduct such an investigation]~~ **notify the attorney**  
29 **general, and in concert and consultation with the attorney general, the lottery commission**  
30 **shall conduct an investigation of the applicant.** The investigation may be conducted through  
31 any appropriate state or federal law enforcement system and may seek information as to the

HB 533 - AS AMENDED BY THE SENATE

- Page 2 -

1 subject's financial, criminal or business background, or any other information which ~~[the attorney~~  
2 ~~general, in the attorney general's sole discretion,]~~ may ~~[find to]~~ bear on the subject's ~~[fitness]~~  
3 **suitability** to be associated with racing in New Hampshire, including, but not limited to, the  
4 subject's character, personal associations, and the extent to which the subject is properly doing  
5 business in the manner in which it purports to operate. When the lottery commission ~~[requests]~~  
6 **initiates** such an investigation, the ~~[attorney general]~~ **lottery commission** shall report the results  
7 of such investigation to the ~~[lottery commission]~~ **attorney general** within ~~[90]~~ **45** days after the  
8 ~~[receipt of the request]~~ **initiation of the investigation**. Notwithstanding any other law to the  
9 contrary, the results of any such investigation shall be confidential and shall not be subject to  
10 disclosure or to public inspection, except that the attorney general shall have sole discretion to  
11 determine the extent to which and the manner in which the results may be reported to ~~[the lottery~~  
12 ~~commission or]~~ other state ~~[agency]~~ **agencies** or ~~[official]~~ **officials** and, if reported, whether such  
13 results are to retain their confidential character. ~~[- provided, however, that whenever the attorney~~  
14 ~~general conducts such an investigation,]~~ The attorney general ~~[shall notify the lottery commission~~  
15 ~~whether or not in the attorney general's opinion]~~ **and the lottery commission shall confer and**  
16 **determine, if in their opinion,** such person is ~~[fit]~~ **suitable** to be associated with racing in New  
17 Hampshire **and upon a determination that the person is not suitable, the person shall not be**  
18 **issued or continue to hold a license**. ~~[Notwithstanding any other provision of law, no person~~  
19 ~~shall be issued or hold a license if in the opinion of the attorney general such person is not fit to be~~  
20 ~~associated with racing in this state.]~~

21 3 Background Investigations. Amend RSA 287-D:11, III(a) to read as follows:

22 (a) The lottery commission shall ~~[refer all applications to the attorney general who shall~~  
23 ~~conduct a background]~~ **notify the attorney general of the receipt of an application under this**  
24 **chapter, and in concert and consultation with the attorney general, the lottery commission**  
25 **shall conduct an** investigation of the license applicant or holder, any person included in paragraph  
26 I, or any person or entity upon whom the license applicant or holder relies for financial support. Any  
27 appropriate state or federal law enforcement system may investigate the subject's financial,  
28 criminal, or business background, or any other information which the **lottery commission or**  
29 attorney general~~[- in the attorney general's sole discretion,]~~ may find to bear on the subject's ~~[fitness]~~  
30 **suitability** to be associated with charitable gaming in New Hampshire, including, but not limited  
31 to, the subject's character, personal associations, and the extent to which the subject is properly  
32 doing business in the manner in which it purports to operate. ~~[When the lottery commission requests~~  
33 ~~such an investigation, the attorney general shall report the results of such investigation to the~~  
34 ~~lottery commission within 90 days after the receipt of the request.]~~ **When the lottery commission**  
35 **initiates such an investigation, the lottery commission shall report the results of such**  
36 **investigation to the attorney general within 45 days after the initiation of the**  
37 **investigation. The attorney general and the lottery commission shall confer and**

1 *determine, if in their opinion, such person is suitable to be associated with charitable*  
 2 *gaming in New Hampshire and upon a determination that the person is not suitable, the*  
 3 *person shall not be issued or continue to hold a license.* Notwithstanding RSA 91-A, the  
 4 results of any such investigation shall be confidential and shall not be subject to disclosure or to  
 5 public inspection, except that the attorney general shall have sole discretion to determine the extent  
 6 to which and the manner in which the results may be reported to ~~[the lottery commission]~~ **other**  
 7 **state agencies** ~~[or other state agency]~~ or officials and, if reported, whether such results are to retain  
 8 their confidential character~~[- provided, however, that whenever the attorney general conducts such~~  
 9 ~~an investigation, the attorney general shall notify the lottery commission whether or not in the~~  
 10 ~~attorney general's opinion such person is fit to be associated with charitable gaming in New~~  
 11 ~~Hampshire. No person shall be issued or hold a license if in the opinion of the attorney general such~~  
 12 ~~person is not fit to be associated with charitable gaming in this state].~~

13 4 New Paragraph; Rulemaking; Investigation and Enforcement Division. Amend RSA 284:21-i  
 14 by inserting after paragraph VI the following new paragraph:

15 VII. The lottery commission shall adopt rules under RSA 541-A relative to the  
 16 administration of the investigation and enforcement division, including processes for investigation,  
 17 and qualifications for enhanced penalties.

18 5 Lottery Commission; Condition of Licensee. Amend RSA 284:16-b, II to read as follows:

19 II. The lottery commission, after conducting a hearing, may require a licensee to divest itself  
 20 of any partner, person, sub-corporation, shareholder, or any other entity of the licensee if the lottery  
 21 commission determines that any partner, person, sub-corporation, shareholder, or any other entity of  
 22 the licensee is not ~~[fit]~~ **suitable** to be associated with racing in this state.

23 6 Effective Date. This act shall take effect January 1, 2022.