

SB 112-FN - AS AMENDED BY THE SENATE

02/09/2023 0139s

2023 SESSION

23-0827

02/10

SENATE BILL ***112-FN***

AN ACT relative to pari-mutuel pools and historic horse racing.

SPONSORS: Sen. Ricciardi, Dist 9; Sen. Soucy, Dist 18; Sen. Bradley, Dist 3; Rep. O'Brien, Hills. 10; Rep. Doucette, Rock. 25

COMMITTEE: Ways and Means

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AMENDED ANALYSIS

This bill changes the redistribution of pari-mutuel wagers, eliminates employee state residency restrictions, and eliminates annual financial statement requirements.

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Explanation: Matter added to current law appears in ***bold italics***.  
Matter removed from current law appears ~~[in brackets and struckthrough.]~~  
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

## STATE OF NEW HAMPSHIRE

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

AN ACT relative to pari-mutuel pools and historic horse racing.

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

1 1 Pari-Mutuel Pools. Amend RSA 284:22 to read as follows:

2 284:22 Pari-Mutuel Pools. ~~[During the calendar years of 1941-2029, a]~~ A licensee under this  
3 chapter may sell pari-mutuel pools in accordance with this chapter and rules adopted by the lottery  
4 commission. Pari-mutuel pools shall be sold within the enclosure of the racetrack where a licensed  
5 race or race meet is held or as provided in RSA 284:22-a, and not elsewhere.

6 I. The commission on all win, place, and show pari-mutuel pools at tracks or race meets at  
7 which running horse races are conducted for public exhibition shall be uniform throughout the state  
8 at the rate of 19 percent of each dollar wagered in such pools, and the commission on all other pari-  
9 mutuel pools at such tracks or race meets shall be at the rate of not less than 26 percent of each  
10 dollar wagered in such pools and not more than 27 percent of each dollar wagered in such pools as  
11 determined from time to time by the licensee which conducts live running horse races after written  
12 notice to the lottery commission and, in the absence of written notice, at the rate of 26 percent of  
13 each dollar wagered in such pools. Except as provided in RSA 284:22-a, the amount of the purse at  
14 such tracks or race meets at which running horse races are conducted shall be 8 1/4 percent of each  
15 dollar wagered in all pari-mutuel pools, said 8 1/4 percent to be paid by the licensee out of the lottery  
16 commission on such pools. ~~[In addition to the above commission, 1/2]~~ **One hundred percent** of the  
17 odd cents of all redistribution **of each wager** ~~[based on each dollar wagered]~~ exceeding a sum equal  
18 to the next lowest multiple of 10, known as "breakage," ~~[shall be retained by the licensee, 1/4 paid to~~  
19 ~~the state treasury for the use of the state in accordance with the provisions of RSA 284:2 and 1/4]~~  
20 shall be paid to the lottery commission **and used as payment for problem gaming**. ~~[The lottery~~  
21 ~~commission shall distribute such breakage to the licensee which paid such breakage to supplement~~  
22 ~~puruses of live races conducted by the licensee at the location from which such breakage was paid.]~~  
23 Each licensee shall pay the tax provided for in RSA 284:23.

24 II. The commission on all win, place, and show pari-mutuel pools at tracks or race meets at  
25 which harness horse races are conducted for public exhibition, including those conducted by  
26 agricultural fairs, shall be uniform throughout the state at the rate of 19 percent of each dollar  
27 wagered in such pools, and the commission on all other pari-mutuel pools at such tracks or race  
28 meets shall be at the rate of not less than 25 percent of each dollar wagered in such pools and not  
29 more than 26 percent of each dollar wagered in such pools as determined from time to time by the  
30 licensee which conducts live harness horse racing after written notice to the lottery commission and,  
31 in the absence of such written notice, at the rate of 25 percent of each dollar wagered in such pools.

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1 ~~[In addition to the above commission, 1/2]~~ **One hundred percent** of the odd cents of all  
2 redistribution ~~[based on each dollar wagered]~~ **of each wager** exceeding a sum equal to the next  
3 lowest multiple of 10, known as "breakage," ~~[shall be retained by the licensee, 1/4 paid to the state~~  
4 ~~treasury for the use of the state in accordance with the provisions of RSA 284:2 and 1/4]~~ shall be paid  
5 to the lottery commission **and used as payment for problem gambling services**. ~~[The lottery~~  
6 ~~commission shall distribute such breakage to the licensee which paid such breakage.]~~ Each licensee  
7 shall pay the tax provided for in RSA 284:23.

8 III. For the purposes set forth in this section, an "agricultural fair" means an association  
9 which provides for and pays premiums of \$5,000 or more, annually, as is determined by the  
10 commissioner of agriculture, markets, and food, in accordance with RSA 284:25.

11 IV. Subject to the provisions of RSA 284:22-a, V, the commission on all win, place, and show  
12 pari-mutuel pools at tracks or race meets at which simulcast dog races are conducted for public  
13 exhibition shall be uniform throughout the state at the rate of 19 percent of each dollar wagered in  
14 such pools; and the commission on all other pari-mutuel pools at such tracks or race meets shall be  
15 at the rate of 27 percent of each dollar wagered in such pools. ~~[In addition to the above commission,~~  
16 ~~1/2]~~ **One hundred percent** of the odd cents of all redistribution ~~[based on each dollar wagered]~~ **of**  
17 **each wager** exceeding a sum equal to the next lowest multiple of 10, known as "breakage," ~~[shall be~~  
18 ~~retained by the licensee, 1/4 paid to the state treasury for the use of the state and 1/4]~~ shall be paid  
19 to the lottery commission **and used as payment for problem gambling services**. Each licensee  
20 shall pay the tax provided for in RSA 284:23.

21 2 Pari-Mutuel Pools on Simulcast Racing. Amend the introductory paragraph of RSA 284:22-a,  
22 II(a) to read as follows:

23 II.(a) ~~[During the calendar years 1941-2029, a]~~ A licensee may sell pari-mutuel pools on  
24 races held at racetracks other than at the facility of the licensee, if any, provided:

25 3 Pari-Mutuel Pools on Historic Horse Races. Amend RSA 284:22-b, V to read as follows:

26 V. The licensee commission on all historic horse race pari-mutuel pools shall be at a rate of  
27 not greater than 12 percent. In addition to the above commission, 100 percent of the odd cents of all  
28 redistribution ~~[based on each dollar wagered]~~ **of each wager** exceeding a sum equal to the next  
29 lowest multiple of 10, known as breakage, shall be paid to the lottery commission and used as  
30 payment for problem gaming services.

31 4 Rights of Licensee. Amend RSA 284:39, I to read as follows:

32 I. Any licensee under this chapter may refuse admission to, or eject from, the grounds or the  
33 enclosure of the racetrack or facility where a licensed live race or race meet or is being held or where  
34 licensed simulcasting **or historic horse racing** is held, any person or persons whose presence or  
35 conduct, in the sole judgment of the licensee, is inconsistent with the orderly and proper conduct of  
36 the **historic horse racing**, live or simulcast race meet, or is detrimental to the sport of racing,  
37 whether or not such presence or offensive conduct is associated with gambling.

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- 1       5 Repeal. The following are repealed:
- 2             I. RSA 284:3, relatives to employee residency.
- 3             II. RSA 284:32-a, relative to annual financial statements.
- 4       6 Effective Date. This act shall take effect July 1, 2023.

**SB 112-FN- FISCAL NOTE**  
AS AMENDED BY THE SENATE (AMENDMENT #2023-0139s)

AN ACT                      relative to pari-mutuel pools and historic horse racing.

**FISCAL IMPACT:**    ☒ State                      ☐ County                      ☐ Local                      ☐ None

STATE:	Estimated Increase / (Decrease)			
	FY 2023	FY 2024	FY 2025	FY 2026
<b>Appropriation</b>	\$0	\$0	\$0	\$0
<b>Revenue</b>	\$0	(\$70,000) GF Decrease  \$105,000 Lottery Increase	(\$70,000) GF Decrease  \$105,000 Lottery Increase	(\$70,000) GF Decrease  \$105,000 Lottery Increase
<b>Expenditures</b>	\$0	\$0	\$0	\$0
<b>Funding Source:</b>	<input checked="" type="checkbox"/> General Lottery Fund <input checked="" type="checkbox"/> Education <input type="checkbox"/> Highway <input checked="" type="checkbox"/> Other -			

**METHODOLOGY:**

The Lottery Commission states this bill:

- Requires all breakage to be used by the agency “as payment for problem gaming”. Currently, breakage from simulcast wagers is split between the racetrack, the State Treasury, and the Lottery Commission.
- Removes the residency requirement for employees of the gaming facility (repeal of RSA 284:3).
- Removes the requirement that the facility submit an annual financial statement (repeal of RSA 284:32-a). This requirement applies to individuals and entities “conducting a race or race meet” and is not specific to simulcast racing.

The Lottery Commission makes the following assumptions relative to this bill:

- Only one facility (The Brook, a former dog track in Seabrook) currently offers simulcast wagering. The only other facility currently eligible for a simulcast license is Lakes Region Casino, a former dog track located in Belmont.
- The State receives simulcast revenue through taxes, breakage, and unclaimed tickets.
- The tax for simulcast horse and dog races is equal to 1.25% and 1.5% of total contributions respectively. This money is paid to the State Treasury (in calendar year 2022, the state received \$431,068 in revenue from simulcast racing).

- Under current law, breakage from simulcast and live racing wagers are split with 50% being retained by the facility, 25% going to the State Treasury and 25% going to the Lottery Commission. Total breakage in calendar year 2022 was \$140,193, of which the Lottery Commission and the State Treasury each received approximately \$35,048.
- Under this bill, the Lottery Commission will receive 100% of breakage to be used for problem gambling services. Based on calendar year 2022 data, this would result in an overall annual increase in state revenue of approximately \$70,000 (\$105,000 increase to Lottery and \$35,000 decrease to Treasury revenue (general fund)).
- Unclaimed ticket money is retained by the State Treasury on January 31st of the calendar year (24 months after the year of the unclaimed voucher). Therefore, revenue from unclaimed tickets purchased July 1 through December 31 of 2023 will not be retained by the State Treasury until January 31, 2026 (FY 2026). In FY 2022, the state received \$172,813 in unclaimed ticket revenue.

Considering all the information and assumptions stated above, the Lottery Commission estimates this bill will increase Lottery revenue by \$105,000 and decrease general fund revenue (Treasury Department) by \$70,000 in FY 2024 and each year thereafter. Lottery revenue is credited to the lottery fund, with net revenues after expenditures being credited to the state education trust fund.

**AGENCIES CONTACTED:**

Lottery Commission