

# Senate Ways and Means Committee

*Sonja Caldwell 271-2117*

**HB 330**, relative to sports book locations.

**Hearing Date:** April 12, 2021

**Members of the Committee Present:** Senators Giuda, D'Allesandro, Daniels, Hennessey and Rosenwald

**Members of the Committee Absent :** None

**Bill Analysis:** This bill allows tier II sports wagers.

---

**Sponsors:**

Rep. Lang

Rep. Wallace

Rep. Bordes

Rep. Pearl

Rep. Moffett

Rep. Belanger

Rep. T. Lekas

Rep. Trottier

---

**Who supports the bill:** Rep. Tim Lang, Rick Newman (NH Charitable Gaming Operators Assoc.), Rep. Patrick Abrami, Charlie McIntyre, Eric Pauer, Rep. Norman Major, Andrew Bourdon, Nicholas Thomas

**Who opposes the bill:** No one

**Who is neutral on the bill:** No one

**Summary of testimony presented:**

**Rep. Abrami**

- This bill makes a simple change. He noted that the bill, as introduced, sought to increase the number of brick-and-mortar locations at which sports betting could occur. The House Ways and Means Committee thought it was too premature since only two locations exist, so they amended that part out of the bill.
- The other thing the bill does is address a difference in what can bet on with the mobile application vs. in the brick-and-mortar location, and that is the tier II bet.
- An example of a tier II bet is if one wanted to bet on the second quarter of a game during the first quarter. Currently you can place that bet on the mobile application, but you cannot place that bet at the physical location.
- The locations have people sitting there who want to make that tier II bet and are unable to, so they have to go to their phones to do that and the locations get no revenue for it. It is a matter of fairness to make that change to allow you to make that bet at the physical location.

**Sen. Daniels** asked him about the constitutionality of the state limiting sports book retail locations to 10. He questioned if this is an example of the state picking winners and losers.

**Rep. Abrami** responded that some would claim that, but he noted that we have other things that we limit. They were not necessarily against it, they just thought it was premature.

**Sen. Giuda** asked if he could explain the tier system.

**Rep. Abrami** was not sure of the difference between tier II and III.

**Rep. Almy**

- The reason they want to keep it limited to 10 locations is that the Lottery Commission does not think they will be able to get to 10 for a long time.
- There was a feeling that the market would be more difficult for new openings until there was a demonstrated demand beyond these two places.

**Charlie McIntyre – Executive Director NH Lottery Commission**

- They support the bill.
- This was an oversight on their part.
- Tier II is wagering that happens after the event has begun.
- They want the facilities to be able to take these kinds of bets.

**Sen. Daniels** asked him to explain tiers I and III.

**Director McIntyre**

- Tier I is placing a bet prior to the event going off.
- Tier II is a bet placed while event is taking place.
- Tier III is a residual; it is used for parlay wagering, which is placing a bet on multiple events.

**Sen. Daniels** asked if a community must accept sports wagering.

**Director McIntyre** said yes, it requires an affirmative vote by the city or town.

**Sen. Giuda** asked if he had any sense of increased revenues from tier two expansion.

**Director McIntyre** said it will increase revenue but not materially. They are exceeding revenues on sports betting that they never anticipated.

**Sen. Giuda** asked if a person can use their cell phone to place wagers in sports betting, if that makes the 10-establishment limit inapplicable or unenforceable.

**Director McIntyre** explained that a player who uses the application is different than one who uses the physical sports book. The majority of wagering done in physical locations is done at \$1,000 or more per bet. They wager much more money. Most are from out of state and are older. The mobile application is much lower wagering, and it skews younger. NH owns the rights to sports betting. NH places the locations for maximum revenue to the state.

**Sen. Giuda** asked if a person who wants to place a \$1,000 bet could do so on the application.

**Director McIntyre** said yes but it is not as likely. With that amount of money, folks feel better doing it in person.

**Sen. Giuda** asked if keeping the 10-facility limit was appropriate.

**Director McIntyre** said it was a limit set by Ways and Means at the time the bill was passed. The Lottery Commission wrote the law with no limit. The potential for them to run up against the limit is possible but not in the next year or so.

**Sen. Giuda** asked how many of the 10 licenses are out there.

**Director McIntyre** said there are 2 facilities open right now. The Lottery Commission is in the process of evaluating 3 more.

**Sen. Rosenwald** asked if he had any sense that in the two locations that there is cannibalization of other games or other revenues within the facility or is this just additional, incremental revenues.

**Director McIntyre** said they have discovered that beyond the revenue streams, the hospitality in the two locations has increased double digits because of sports betting. It has been additive.

**Rick Newman – Charitable Gaming Operators Assoc.**

- They support the bill. Director McIntyre covered everything he would have said.

<sup>SC</sup>

Date Hearing Report completed: April 13, 2021