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CHAPTER Lot 1100 KENO

PART Lot 1101 PURPOSE AND SCOPE

Lot 1101.01 Purpose. The purpose of this chapter is to establish requirements relative to applying for a keno license, and operating keno games.

Source. #12412, eff 10-27-17

Lot 1101.02 Scope. This chapter shall apply to keno players and establishments licensed to host online keno games.

Source. #12412, eff 10-27-17

PART Lot 1102 DEFINITIONS

Lot 1102.01 “Applicant” means all owners, partners or members of a business applying for a license to operate keno.

Source. #12412, eff 10-27-17

Lot 1102.02 “Authorized employee” means an employee of the keno licensee who has been authorized to sell keno tickets.

Source. #12412, eff 10-27-17

Lot 1102.03 “Commission” means the New Hampshire lottery commission established pursuant to RSA 284:21-a, or its designated staff acting on behalf of the commission.

Source. #12412, eff 10-27-17

Lot 1102.04 “Consecutive draws” means the number of successive keno draws, such as 2, 3, 4, 5, 10, 20, for which a player may make a selection on a single keno ticket.

Source. #12412, eff 10-27-17

Lot 1102.05 “Executive director” means the executive director of the New Hampshire lottery commission appointed in accordance with RSA 284:21-b, II.

Source. #12412, eff 10-27-17

Lot 1102.06 “Keno” means “keno” as defined in RSA 284:41, namely “any game where a player purchases a ticket from a field of 80 numbers and selects a specific amount of numbers. A random number generator employed by the commission chooses 20 numbers at random and the player is paid out against his or her original wager.”

Source. #12412, eff 10-27-17

Lot 1102.07 “Quic pic” means a function that allows an on-line terminal to automatically and randomly select keno numbers for a player.

Source. #12412, eff 10-27-17

Lot 1102.08 “Spots” means the quantity of numbers, from one to 12, that a player may play per game.
Lot 1102.09 “Winning numbers” means the 20 numbers between one and 80 randomly selected from each drawing.

Source. #12412, eff 10-27-17

PART Lot 1103 OBTAINING A KENO LICENSE

Lot 1103.01 License Requirements.

(a) No individual or entity shall offer keno without possessing a current and valid keno license issued by the commission in accordance with RSA 284:41-51 and this chapter.

(b) To qualify for a license:

(1) The premises where the keno games will be operated from shall:

a. Be located in a town or city that has voted to allow the operation of keno games pursuant to RSA 284:51;

b. Hold a valid liquor license issued by the New Hampshire liquor commission in accordance with RSA 284:45, VI(a); and

c. Be in compliance with the requirements of the Americans with Disabilities Act of 1990 (ADA) per the commission’s 1997 settlement agreement with the US Department of Justice (Complaint No. 204-47-25);

(2) The area within the premises where keno tickets will be sold shall be within the area apportioned for the distribution of alcoholic beverages;

(3) Neither the applicant nor any individuals renting, leasing, subleasing, or otherwise providing the premises or keno paraphernalia for the conduct of keno shall have:

a. Been convicted of a felony or class A misdemeanor within the previous 10 years which has not been annulled by a court;

b. Been convicted of a class B misdemeanor within the previous 5 years which has not been annulled by a court; or

c. Violated the statutes or rules governing charitable gaming in this or any other state; and

(4) The applicant shall:

a. Have the ability to meet financial obligations as demonstrated by:

1. An established credit history that demonstrates that the applicant makes timely payments, and has no bankruptcies or tax liens against them; or

2. A bond secured in the amount of $20,000, naming the commission as the obligee, and conditioned upon the applicant’s compliance with payment obligations relative to weekly settlement and remittances;

b. Not have had any previously issued licenses revoked by the commission within 12-months of the application being submitted; and

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c. Otherwise meet the requirements for licensure under RSA 284 and this chapter.

(c) To apply for a keno license, an applicant shall submit the following:

(1) A completed “Sales Retailer Application” form (October 2017), which shall include consent for the commission to conduct a credit history check;

(2) Proof of registration with the NH Secretary of State, Corporation Division;

(3) A “State of New Hampshire Alternate W-9” form (October 2017);

(4) A “New Hampshire Lottery Commission Authorization Agreement for Variable Withdrawals (ACH Debits)” form (October 2017), and:
   a. A voided check if withdrawals will be taken from a checking account; or
   b. Bank verification if withdrawal will be taken from a saving account;

(5) A signed “NH Lottery Retailer Agreement” (July 2010);

(6) A photocopy of a state or government issued ID for each owner, partner, manager, or officer of the business identified in section 7 and 8 of the application;

(7) A completed “Criminal Record Release Authorization Form” (July 2016) authorizing the release of the applicant’s criminal record to the commission, along with the applicable fee in the form of a check made payable to State of NH-Criminal Records; and

(8) A license fee of $500, as required by RSA 284:44, I, made payable to “NH Lottery Commission”.

(d) The applicant shall submit the application at least 30 days before the first game date at the location specified on the application.

(e) To renew a keno license, an applicant shall submit:

(1) A completed “Keno Renewal” form (October 2017); and

(2) A license fee of $500, as required by RSA 284:44, I,

(f) A licensee shall submit a renewal request at least 30 days prior to the expiration of their current license.

Source. #12412, eff 10-27-17

Lot 1103.02 License Approvals.

(a) An application for a license shall be complete when the commission determines that all items required by Lot 1103.01(c) or (e) above, as applicable, have been received.

(b) If, upon review, the commission determines that the application contains apparent errors or omissions, the commission shall notify the applicant and request that the information be corrected or submitted so that the application can be processed.

(c) The commission shall approve an application and issue a keno license when it finds that the applicant has:

(1) Met the requirements set forth in Lot 1103.01(b) above.
(2) Not had a check returned to the commission for insufficient funds, which was not subsequently resolved and paid in full;

(3) Submitted all missing information upon the commission's request;

(4) Paid all fines imposed under administrative remedies by the commission;

(5) Not permitted an individual to operate the game who is prohibited from doing so under RSA 284:45, V(b);

(6) Not provided false or misleading information to the commission;

(7) Not prevented, interfered, or failed to cooperate with any inspection or investigation conducted by the commission;

(8) Provided files or documents to the commission upon request; and

(9) Not otherwise violated RSA 284:41-51 or this chapter.

(d) A keno license shall expire one year after issue, unless otherwise revoked.

(e) Any licensing fee submitted to the commission in the form of a check or money order and returned to the state for any reason, shall be processed in accordance with RSA 6:11-a.

(f) All licenses issued in accordance with this chapter shall be non-transferable by person or location.

Source. #12412, eff 10-27-17

Lot 1103.03 License Denials, Suspensions and Revocations

(a) The commission shall deny an application or revoke a license when it finds that the applicant or licensee has:

(1) Not met the qualifications for licensure as set forth in Lot 1103.01(b) above;

(2) Had a check returned to the commission for insufficient funds and has not re-submitted the outstanding fee in the form of cash, money order or certified check;

(3) Failed to submit an application that meets the requirements of Lot 1103.01, after being notified of and given an opportunity to supply missing information;

(4) Failed to pay a fine imposed under administrative remedies by the commission;

(5) Permitted an individual to operate the game who is prohibited from doing so under RSA 284:45, V(b);

(6) Provided false or misleading information to the commission;

(7) Prevented, interfered, or failed to cooperate with any inspection or investigation conducted by the commission;

(8) Failed to provide requested files or documents to the commission upon request; or

(9) Otherwise violated RSA 284:41-51 or this chapter.
(b) Prior to denying, revoking or suspending a license, the commission shall send to the applicant or licensee a written notice that sets forth:

(1) The reasons for the proposed action;

(2) The action to be taken by the department; and

(3) The right of an applicant or licensee to a hearing in accordance with RSA 151:8 or RSA 541-A:30, III, as applicable.

(c) An applicant or licensee shall have 30 days after receipt of the notice of enforcement action to request a hearing to contest the action.

(d) If a written request for a hearing is not made pursuant to (c) above, the action of the commission shall become final.

(e) In accordance with RSA 284:44, the license application fee shall be refunded if the application is denied. The licensing fees shall not be transferable to any other application(s).

(f) In accordance with RSA 284:45, VII, any suspension or revocation of a liquor license shall result in the immediate suspension of the keno license.

(g) If an immediate suspension is upheld, the licensee shall not resume operating until the licensee’s liquor license has been restored.

(h) Pursuant to RSA 284:49; any license whose license has been revoked shall not be eligible for licensure for a period of up to one year from the date of revocation.

(i) Hearings under this section shall be conducted in accordance with RSA 541-A and Lot 200.

(j) No ongoing enforcement action shall preclude the imposition of any remedy available to the department under RSA 284 or this chapter.

(k) Any person aggrieved by a decision of the commission to deny or revoke a keno license may apply to the commission for a rehearing within 15 business days of the decision. Rehearings and appeals shall be governed by RSA 541 and Lot 200.

Source. #12412, eff 10-27-17

PART Lot 1104 OPERATION OF KENO GAMES

Lot 1104.01 General Operating Requirements.

(a) Pursuant to RSA 284:45, VI(d), no minor under the age of 18 shall be allowed to purchase or redeem a keno ticket. Any ticket purchased by an individual under the age of 18 or by the agent of the individual shall be void. A winning ticket presented by an individual under the age of 18 or by the agent of the individual shall not be paid.

(b) Keno tickets shall be sold only within the area apportioned to distribute beverages pursuant to RSA 284:45.

(c) In accordance with RSA 284:47, keno games may only be operated between the hours of 11 a.m. and 11 p.m.

(d) Pursuant to RSA 284:45, V(b), the applicant shall not allow any employee to participate in the operation of the keno game who has:
(1) Been convicted of a felony within the previous 10 years which has not been annulled by a court;

(2) Been convicted of a misdemeanor involving falsehood or dishonesty within the previous 5 years which has not been annulled by a court, or

(3) Violated the statute or rules governing charitable gaming in this or any other state.

Source. #12412, eff 10-27-17

Lot 1104.03 Valid Bet. Except as otherwise provided herein, a valid bet on keno using the on-line system shall be a bet which is:

(a) Placed with and accepted by an authorized employee;

(b) Paid for in full at the time the bet is placed;

(c) Recorded correctly on a computer generated ticket;

(d) Represented by a ticket generated by a commission computer terminal, which contains the following information:

(1) The number of spots;

(2) The amount wagered per draw;

(3) The numbers selected;

(4) The date of sale;

(5) The number of draws played;

(6) The specific game number(s) for which the bet is eligible;

(7) The price of the ticket;

(8) A terminal identification number;

(9) An 18-digit ticket serial number;

(10) A machine readable ticket serial number, or bar code; and

(11) A verifiable numeric representation of the information contained on the ticket consistent with the information contained in the commission’s computer records;

(e) Accepted by the commission’s online gaming system prior to the drawing of the winning numbers for the drawing(s) shown on the ticket; and

(f) In the event of a contradiction between information as printed on the ticket and as accepted by the commission’s keno system, the bet accepted by the commission’s keno system shall be the valid bet.

Source. #12412, eff 10-27-17

Lot 1104.04 Placing Bets.

(a) Bets may be placed by the bettor by:
(1) Orally instructing the authorized employee of the number selections the bettor wishes to play, and the sales agent then registering the bet via the terminal keyboard;

(2) Using the "quic pic" feature by which the on-line computer system randomly selects the numbers for the bettor; or

(3) Preparing a betting slip which is then entered into a terminal operated by an employee of the licensee or a self-service terminal contained within the within the area apportioned to distribute beverages pursuant to RSA 284:45.

(b) Betting slips shall be prepared as follows:

(1) Select the desired quantity of numbers, or spots, from one to 12;

(2) Select the desired amount to be wagered for each game;

(3) Select the number of games; and

(4) Select the specific number selection or mark the "quic pic" box for the terminal to randomly select the numbers.

(c) Only official bet slips hand marked by the bettor(s) may be used to place bets. The use of mechanical, electronic, computer generated or any other method of marking betting slips is prohibited.

(d) Bet slips shall have no pecuniary or prize value, or constitute evidence of purchase or number selections.

(e) The terminal shall generate a ticket as described which is given to the bettor as his or her receipt.

(f) Bets may be cancelled as follows:

(1) A single drawing bet may be canceled on the day it is placed prior to the selection of the winning numbers for the game for which the bet is eligible;

(2) A consecutive drawing bet may be canceled on the day it is placed prior to the selection of the winning numbers for the first game for which the bet is eligible. Consecutive drawing bets shall not be canceled after the first game for which the bet is eligible takes place; or

(3) A bet shall be canceled at the on-line terminal in which the bet was placed, and only by an employee of a licensee.

(g) Bettors shall be entitled to a full refund of their bet upon cancellation and in no event shall a canceled ticket be entitled to a prize.

(h) Pursuant to RSA 284:47, bets may be placed between the hours of 11 am and 11 pm.

(i) All bets shall be placed and accepted by the commission’s online gaming system prior to the drawing on the winning numbers for the specific drawings shown on the ticket.

(j) The bet as represented by the ticket produced by the computer terminal shall be the only bet on which a prize may be claimed.

(k) Bettors shall be responsible for examining the bet ticket at the time it is issued to ensure that the ticket accurately represents the correct number selections, date of bet, amount wagered, and the drawings for which it is eligible.
(l) In the event that the authorized employee or the commission’s keno computer terminal errs when the bet is placed, it shall be the responsibility of the better to determine that an error has been made and to request a new ticket be issued by the authorized employee, provided betting for that drawing has not closed.

(m) The commission shall not be liable for the payment of a prize in the event the bet is canceled intentionally or through inadvertence of the authorized employee.

(n) It shall be the responsibility of the person who collects the prize to make certain that the amount received is the correct sum of prize money.

Source. #12412, eff 10-27-17

Lot 1104.05 Betting Tickets.

(a) The betting ticket shall be a bearer instrument unless signed by the owner, and a prize may be claimed by anyone in possession of an unsigned, winning ticket.

(b) Authorized employee may pay claims up to and including the sum of $599. Any claim of more than $599 shall be made on a claim form supplied by the commission. The procedure to be followed for claims of more than $599 and the rules and regulations governing each procedure shall be pursuant to Lot 600.

(c) No more than one prize shall be paid on each bet placed.

Source. #12412, eff 10-27-17

Lot 1104.06 Lost, Misplaced or Stolen Keno Game Ticket.

(a) The commission shall rely solely upon its computer records in determining whether or not a particular prize has been paid, and the status as determined by the commission’s online gaming system shall be binding on the holder.

(b) In the event of a lost, stolen, or mislaid ticket, the executive director shall order an investigation, and if satisfied that the claimant in fact is the owner of the lost, stolen, or mislaid ticket and it has not otherwise been paid, the executive director shall pay the prize to the claimant thereof.

(c) All payments of prizes on lost, stolen or mislaid tickets shall not be made for a period of 90 days in the case of a prize of $200.00 or less and shall not be made for one year if the prize exceeds $200.00.

Source. #12412, eff 10-27-17

Lot 1104.07 Licensee Payments.

(a) Keno licensees shall pay all sums due to the commission on the date established for payment.

(b) Failure to make payment when due shall result in the commission taking the following actions:

1. If no other failures have occurred within the previous 12-month, the licensee shall submit payment in full within 2 business days of receiving notice from the commission that the payment was not made;

2. If the licensee fails to submit payment as required by (1) above, or if the failure to submit payment is the second occurrence within a 12 month period, the commission shall immediately shut down the keno equipment until payment is made in full;

3. If a third failure occurs within a 12 month period, the commission shall:
a. Immediately shut down the keno equipment until the licensee posts a bond in the amount of $20,000, naming the commission as the oblige, and conditioned upon the licensee's compliance with payment obligations; or

b. Immediately revoke the license and remove the keno equipment; and

(d) If a fourth failure occurs within a 12-month period, the commission shall immediately revoke the license, remove the keno equipment and collect the bond.

Source. #12412, eff 10-27-17

Lot 1104.08 Prizes.

(a) In accordance with RSA 284:48, II, the licensee shall pay all prizes of greater than $500 by check, on a single wager. The licensee shall not cash checks which it issues.

(b) All prizes shall be paid in full, less required tax withholdings, at the time the claim is made and after the ticket is properly validated.

Source. #12412, eff 10-27-17

PART Lot 1105 RECORDKEEPING

Lot 1105.01 Recordkeeping. In accordance with RSA 284:48, licensees shall:

(a) Maintain a separate checking account for the deposit and disbursement of all income relating to lottery, except cash prizes awarded at the games. No lottery funds shall be commingled with other funds of the licensee;

(b) Retain all canceled checks for the payment of expenses and prizes for at least 2 years from the date of the check;

(c) 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; and

(d) Maintain all financial records and make such record available to representatives of the commission or of the commissioner of the department of safety upon request.

Source. #12412, eff 10-27-17
## APPENDIX

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