

§1205. Denial of license; administrative sanctions

1. Grounds for denial of license or imposition of administrative sanctions. The following are grounds for the director to deny a license or license renewal or for the imposition of administrative sanctions, in accordance with this section, on a person licensed under this chapter:

- A. If the applicant or licensee has knowingly made a false statement of material fact to the director; [PL 2021, c. 681, Pt. J, §6 (NEW).]
- B. If the applicant or licensee has not disclosed the existence or identity of other persons that have control of the applicant or licensee as required by section 1204, subsections 1 and 4; [PL 2021, c. 681, Pt. J, §6 (NEW).]
- C. If the applicant or licensee has had a license revoked by any government authority responsible for regulation of gaming activities; [PL 2021, c. 681, Pt. J, §6 (NEW).]
- D. If the applicant, the licensee or a person having control of the applicant or licensee under section 1204, subsection 2 is not of good moral character. In determining whether the applicant, licensee or person is of good moral character, the director shall consider qualities that include but are not limited to honesty, candor, trustworthiness, diligence, reliability, observance of fiduciary and financial responsibility and respect for the rights of others; [PL 2021, c. 681, Pt. J, §6 (NEW).]
- E. If the applicant, the licensee or a person having control of the applicant or licensee under section 1204, subsection 2:
 - (1) Has, in any jurisdiction, been convicted of or pled guilty or nolo contendere to a crime punishable by one year or more of imprisonment;
 - (2) Has, in any jurisdiction, been adjudicated of committing a civil violation or been convicted of a criminal violation involving dishonesty, deception, misappropriation or fraud;
 - (3) Has engaged in conduct in this State or any other jurisdiction that would constitute a violation of this chapter; chapter 11 involving gambling; chapter 31; chapter 33; Title 17, chapter 13-A or 62; Title 17-A, chapter 39; or substantially similar offenses in other jurisdictions;
 - (4) Is a fugitive from justice, a drug user, a person with substance use disorder, an illegal alien or a person who was dishonorably discharged from the Armed Forces of the United States; or
 - (5) Is not current in filing all applicable tax returns and in the payment of all taxes, penalties and interest owed to this State, any other state or the United States Internal Revenue Service, excluding items under formal appeal; [PL 2021, c. 681, Pt. J, §6 (NEW).]
- F. If the applicant or licensee has not demonstrated to the satisfaction of the director sufficient financial assets to meet the requirements of the licensed business or proposed business and to meet any financial obligations imposed by this chapter; [PL 2021, c. 681, Pt. J, §6 (NEW).]
- G. If the applicant, the licensee or a person having control of the applicant or licensee under section 1204, subsection 2 has not demonstrated financial responsibility. For the purposes of this paragraph, "financial responsibility" means a demonstration of a current and expected future condition of financial solvency sufficient to satisfy the director that the applicant, the licensee or the person can successfully engage in business without jeopardy to the public health, safety and welfare. Financial responsibility may be determined by an evaluation of the total history concerning the applicant, the licensee or the person, including past, present and expected condition and record of financial solvency, business record and accounting and managerial practices; [PL 2021, c. 681, Pt. J, §6 (NEW).]
- H. If the applicant or licensee has not met the requirements of this chapter; or [PL 2021, c. 681, Pt. J, §6 (NEW).]

I. If the applicant or licensee has violated any provision of this chapter or of the rules adopted under this chapter. [PL 2021, c. 681, Pt. J, §6 (NEW).]
[PL 2021, c. 681, Pt. J, §6 (NEW).]

2. Denial of initial license or renewed license; notice; hearing. The director may deny an application for a license or for renewal of a license for the reasons set forth in subsection 1. The director shall notify the applicant or the licensee in writing of the decision and of the opportunity to request a hearing conducted by the commissioner.

If the applicant or licensee fails to request a hearing within 30 days of the date that the notice was mailed under this subsection, the director may issue a final decision denying the application for a license or for renewal of a license. If the applicant or licensee makes a timely request for a hearing, the commissioner shall conduct an adjudicatory hearing in accordance with Title 5, chapter 375, subchapter 4. The director's decision to deny the license or license renewal stands until the commissioner issues a decision to uphold, modify or overrule the director's decision.

After hearing, if the commissioner finds grounds for denying a license or license renewal under subsection 1, the commissioner may deny the application for a license or for renewal of a license. [PL 2021, c. 681, Pt. J, §6 (NEW).]

3. Investigation of complaints; notice; hearing. The director or the director's designee shall investigate a complaint on the director's own motion or upon receipt of a written complaint regarding noncompliance with or violation of this chapter or of any rules adopted under this chapter. Following the investigation, the director may mail the licensee a notice of violation informing the licensee of the administrative sanction under subsection 4 the director proposes to impose and of the licensee's opportunity to request a hearing.

If the licensee fails to request a hearing within 30 days of the date that a notice was mailed under this subsection, the director may issue a final decision imposing the sanction proposed in the notice. If the licensee makes a timely request for a hearing, the commissioner shall conduct an adjudicatory hearing in accordance with Title 5, chapter 375, subchapter 4. If, after the hearing, the commissioner finds that the factual basis of the complaint is true and is of sufficient gravity to warrant further action, the commissioner may impose an administrative sanction under subsection 4. [PL 2021, c. 681, Pt. J, §6 (NEW).]

4. Administrative sanctions. The director or the commissioner may, pursuant to subsection 3, impose the following administrative sanctions on a licensee:

A. A written reprimand; [PL 2021, c. 681, Pt. J, §6 (NEW).]

B. Conditions of probation of a license; [PL 2021, c. 681, Pt. J, §6 (NEW).]

C. A license suspension; [PL 2021, c. 681, Pt. J, §6 (NEW).]

D. A license revocation; or [PL 2021, c. 681, Pt. J, §6 (NEW).]

E. A civil penalty of up to \$25,000 per violation of any provision of this chapter or rule adopted pursuant to this chapter. [PL 2021, c. 681, Pt. J, §6 (NEW).]

[PL 2021, c. 681, Pt. J, §6 (NEW).]

5. Appeals. A person aggrieved by the final decision of the commissioner under subsection 2 or 3 may appeal the commissioner's decision to the Superior Court in accordance with Title 5, chapter 375, subchapter 7.

[PL 2021, c. 681, Pt. J, §6 (NEW).]

SECTION HISTORY

PL 2021, c. 681, Pt. J, §6 (NEW).

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