

**HOUSE . . . . . No.**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

**Bradley H. Jones, Jr.**

*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:*

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

**An Act Relative to Gaming.**

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Bradley H. Jones, Jr.	20th Middlesex
Viriato Manuel deMacedo	1st Plymouth
George N. Peterson, Jr.	9th Worcester
Elizabeth Poirier	14th Bristol

# The Commonwealth of Massachusetts

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In the Year Two Thousand and Nine  
\_\_\_\_\_

## AN ACT RELATIVE TO GAMING.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 SECTION 1. The General Laws, as appearing in the 2006 Official Edition, are hereby amended by  
2 inserting after chapter 128C the following new chapter:-

3 CHAPTER 128D

4 MASSACHUSETTS GAMING ACT

5 Section 1. Definitions.

6 The following words as used in this chapter shall, unless the context clearly requires otherwise, have the  
7 following meanings:

8 (a) "Affiliate" means any person which a licensee or applicant directly or indirectly controls or in  
9 which an applicant or licensee possesses an interest. For the purposes of this section "controls" means  
10 either (i) directly or indirectly holding more than ten percent of voting membership rights or voting stock  
11 or partnership interest, or (ii) that a majority of the directors, general partners, trustees, or members of  
12 an entity's governing body are representatives of, or are directly or indirectly controlled by, the licensee

13 or applicant. For the purposes of this subsection, “possesses an interest in” means either (i) directly or  
14 indirectly holding more than five percent of voting membership rights or voting stock or (ii) that at least  
15 25 percent of the directors, general partners, trustees, or members of an entity’s governing body are  
16 representatives of, or are directly or indirectly controlled by, the licensee or applicant.

17 (b) “Applicant” means any person who on his own behalf or on behalf of another has applied for  
18 permission to engage in any act or activity which is regulated by the provisions of this chapter or  
19 regulations promulgated thereunder.

20 (c) “Application” means a written request for permission to engage in any act or activity, regulated  
21 under the provisions of this act.

22 (d) “Bureau” means the gaming oversight bureau established by this chapter.

23 (e) “Chairman” means the chairman of the gaming commission.

24 (f) “Commission” means the Massachusetts gaming commission.

25 (g) “Commissioner” means a member of the gaming commission.

26 (h) “Controlled game” or “controlled gaming” means any game of chance played for currency,  
27 check, credit, or any other thing of value that is not prohibited and made unlawful by chapter 271 of the  
28 General Laws, or any other general or special laws, or by local ordinance except:

29 (1) The game of bingo conducted pursuant to section 7A of 271 and C.M.R. 3.00.

30 (2) Pari-mutuel wagering on horse races, whether live or simulcast, regulated by the state  
31 racing commission.

32           (3)     Any lottery game conducted by the state lottery commission, in accordance with  
33 chapters 10 and 24 of the General Laws.

34           (4)     Games played with cards in private homes or residences in which no person makes  
35 money for operating the game, except as a player.

36           (i)     “Date of Commencement” means the date when the racing meeting licensee chooses to begin  
37 operations of electronic gaming devices, as declared in the letter of intent sent to the secretary of  
38 administration and finance.

39           (j)     “Electronic Gaming Device” means any mechanical, electrical or other device, contrivance or  
40 machine, including any so-called slot-machine, video wagering terminal, video lottery terminal or video  
41 poker machine, which, upon insertion of a coin, token or similar object, or upon payment of any  
42 consideration, is available to play or operate, the play or operation of which, whether by reason of the  
43 skill of the operator in playing a gambling game which is presented for play by the machine or  
44 application of the element of chance, or both, may deliver or entitle the person playing or operating the  
45 machine to receive cash, premiums, merchandise, tokens or any thing of value, whether the payoff is  
46 made automatically from the machine or in any other manner.

47           (k)     “Establishment” means any building, room, place or other indoor or outdoor premises where  
48 any controlled gaming occurs, including all public and non-public areas of any such establishment.

49           (l)     “Executive Director” the executive director of the gaming oversight bureau.

50           (m)     “Game” and “gambling game” mean any game approved by the commission and played with  
51 equipment or any mechanical, electro-mechanical or electronic device or machine, including a slot  
52 machine, so-called, for money, property, checks, credit or any representative of value, but does not  
53 include games played with cards in private homes or residences in which no person makes money for

54 operating the game, except as a player, or games defined within chapter 10 or chapter 271 of the  
55 General Laws.

56 (n) "Gaming", "gambling" and "gaming operations" mean to deal, operate, carry on, conduct,  
57 maintain or expose for play any games as defined in this section.

58 (o) "Gaming device" means any equipment or mechanical, electro-mechanical or electronic  
59 contrivance, component or machine used remotely or directly in connection with gaming or any game  
60 which affects the result of a wager by determining win or loss.

61 (p) "Gaming employee" means any person employed in a properly licensed gaming facility  
62 connected directly with the operation of the gaming including, without limitation, boxmen; dealers or  
63 croupiers; floormen; machine mechanics; security employees; count room personnel; cage personnel;  
64 slot machine and slot booth personnel; collection personnel; surveillance personnel and data processing  
65 personnel; or, any other person whose employment duties predominantly involves the maintenance or  
66 operation of gaming activity or equipment and assets associated therewith or who, in the judgment of  
67 the commission, is so regularly required to work in a restricted area that licensure as a gaming employee  
68 is appropriate.

69 The term "gaming employee" does not include any person employed in a properly licensed  
70 gaming facility whose duties do not involve gaming activities including without limitation bartenders,  
71 cocktail servers, food preparation and service personnel, hotel personnel, retail sales personnel,  
72 secretarial, janitorial, maintenance personnel, entertainers or other persons who, in the judgment of the  
73 commission, are to be considered non-gaming employees.

74 (q) "Gaming establishment" means any establishment licensed to conduct gaming operations in the  
75 commonwealth under this chapter.

76 (r) "Gaming license" or "license" means any license or work permits issued by the commission  
77 under this chapter that authorizes the person named therein to engage or participate in controlled  
78 gaming, including work permits and licenses issued to gaming establishments, to gaming suppliers, to  
79 parties in interest to gaming schools, and to officers and directors of licensed persons or entities.

80 (s) "Gaming revenue" means the wagering revenue from gaming activities retained by the gaming  
81 entity after prizes or winnings have been paid to players or to pools dedicated to the payment of those  
82 prizes and winnings, and prior to the payment of operating or any other expenses.

83 (t) "Gaming service industry" means any form of enterprise which provides more than \$100,000  
84 per annum in goods or services regarding the realty, construction, maintenance, or business of a  
85 proposed or existing gaming facility on a regular or continuing basis which directly relate to gaming  
86 activities or indirectly relate to gaming operations including, without limitation, junket enterprises;  
87 security businesses; manufacturers; suppliers, distributors and servers of gaming devices or equipment;  
88 waste disposal companies; maintenance companies; schools teaching gaming and either playing or  
89 dealing techniques; suppliers of alcoholic beverages, food and nonalcoholic beverages; vending machine  
90 providers; linen suppliers; shopkeepers located within the approved hotels; limousine services; and  
91 construction companies contracting with gaming applicants or licensees; provided, that professional  
92 services such as accountants, auditors, attorneys, and broker dealers, or other professions which are  
93 regulated by a public agency, are exempt from the provisions of this subsection.

94 (u) "Holding company" means any corporation, firm, partnership, trust, or other form of business  
95 organization not a natural person that, directly or indirectly, owns, has the power or right to control, or  
96 holds with power to vote, all or any part of the limited partnership interests or outstanding voting  
97 securities of a corporation or any other business entity that holds or applies for a state gambling license.  
98 In addition, a holding company indirectly has, holds, or owns any power, right or security mentioned

99 herein if it does so through any interest in a subsidiary or successive subsidiaries, however many of  
100 these subsidiaries may intervene between the holding company and the corporate licensee or applicant.

101 (v) "Intermediary company" means any corporation, firm, partnership, trust, or other form of  
102 business organization other than a natural person that is both of the following:

103 (1) a holding company with respect to a corporation or limited partnership that holds or  
104 applies for a gaming license, and

105 (2) a subsidiary with respect to a holding company.

106 (w) "Letter of Intent" means a letter that must be submitted by each racing meeting licensee to the  
107 secretary of administration and finance within 90 days of passage of this act for the purposes of  
108 declaring the amount of electronic gaming devices the licensee chooses to operate, not to exceed 1500,  
109 and the date when the operation of the enumerated electronic gaming devices will begin.

110 (x) "License" means a gaming license, or a manufacturer's or distributor's license.

111 (y) "License fees" means any money required by law to be paid to obtain or renew a gaming  
112 license, manufacturer's or distributor's license, or gaming service industries license.

113 (z) "Licensed gaming facility" means any facility wherein all gaming is sanctioned and regulated by  
114 the commission and fully taxed by the commonwealth.

115 (aa) "Licensee" means any person to whom a valid gaming license, manufacturer's or distributor's  
116 license has been issued.

117 (bb) "Manufacturer" means a person who: (1) manufactures, assembles, programs or makes  
118 modifications to a gaming device or cashless wagering system; or (2) designs, controls the design or  
119 assembly or maintains a copyright over the design of a mechanism, electronic circuit or computer

120 program which cannot be reasonably demonstrated to have any application other than in a gaming  
121 device or in a cashless wagering system, for use or play in this state or for distribution outside of this  
122 state.

123 (cc) “Manufacturer’s seller’s or distributor’s license” means a license issued pursuant to this act to a  
124 manufacturer or distributor of gaming equipment.

125 (dd) “Net gaming revenue” means the total, prior to the deduction of any operating, capital or other  
126 expenses whatsoever, of all gaming revenue retained by any gaming establishment licensed under this  
127 chapter less gaming taxes paid pursuant to this chapter.

128 (ee) “Off-track betting facility” means the facility at which off-track wagers are accepted by the  
129 licensee of an off-track betting system pursuant to the provisions of this act.

130 (ff) “Off-track betting system” means any person that is in the business of accepting wagers on  
131 horse races at locations other than the place where such races are run, which business is conducted  
132 pursuant to the provisions of this act.

133 (gg) “Operator” means any operator, holder, or controller of a gaming license.

134 (hh) “Party in interest” means any corporation, firm, partnership, trust, or other entity or person with  
135 any direct or indirect pecuniary interest in a licensed gaming establishment, or a person who owns any  
136 interest in the premises of a licensed gaming establishment, or land upon which such premises is  
137 located, whether he leases the property directly or through an affiliate.

138 (ii) “Person” or “party” means a natural person, corporation, partnership, limited partnership,  
139 trustee, holding company, joint venture, association, or any business entity.



140 (jj) "Racing meeting licensee" the running horse racing meeting licensee in Suffolk county, and harness  
141 horse racing meeting licensee in Norfolk county, licensed by the state racing commission pursuant to  
142 chapter 128 of the General Laws, as amended, to conduct parimutuel racing during calendar year 2005,  
143 or their respective assigns; excluding any licensees of racing meetings held or conducted in connection  
144 with a state or county fair.

145 (kk) "Request for proposals" means a written document issued by the commission to potential  
146 bidders, which invites bidders to submit proposals outlining their qualifications and desire to obtain a  
147 gaming license from the commission.

148 (ll) "Skimming" means the intentional excluding of or the taking of any monies, chips, or any other  
149 items in an attempt to exclude any monies, chips, or any other items or their value from the deposit,  
150 counting, collection, or computation of gross revenues from gaming operations or activities, net gaming  
151 proceeds, or amounts due the commonwealth pursuant to this chapter.

152 (mm) "Substantial party in interest" means any person holding a greater than 5 percent direct or  
153 indirect pecuniary interest, whether as owner, mortgagor or otherwise, in an operating entity, premises,  
154 or any other licensee or applicant.

155 (nn) "Temporary gaming license" means a license issued by the gaming commission for an  
156 establishment to conduct gaming as authorized in this chapter and which may be revoked or suspended  
157 by the commission at any time.

158 (oo) "Work permit" means any card, certificate, or permit issued by the Commission authorizing the  
159 holder to be employed in a licensed gaming facility.

160 Section 2. Gaming commission; composition.

161 (a) There shall be established a Massachusetts gaming commission consisting of 7 members. Each  
162 member shall be a citizen of the United States and a resident of the commonwealth. Pursuant to the  
163 following provisions, a person shall not be eligible for appointment to the commission if he or she:

164 (1) holds elective office in state, county, or local government.

165 (2) is an officer or official of any political party.

166 (3) is a licensee or an unlicensed employee of a gaming licensee, or formerly was such a  
167 licensee or unlicensed employee within the 5 years prior to an appointment to the commission.

168 (4) is actively engaged or has a direct pecuniary interest in gaming activities.

169 (5) has been convicted of a felony.

170 Not more than 4 members of the commission shall be of the same major political affiliation. The  
171 governor shall appoint 1 member to the commission and designate 1 member to serve as chairman of  
172 the commission. The president and minority leader of the senate shall each appoint 1 member to the  
173 commission. The speaker and minority leader of the house of representatives shall each appoint 1  
174 member to the commission. The attorney general of the commonwealth shall appoint 1 member to the  
175 commission. The treasurer of the commonwealth shall appoint 1 member to the commission.

176 (b) Of the members initially appointed, the member appointed by the governor shall serve for an  
177 initial term of 5 years, the member appointed by treasurer shall serve for an initial term of 5 years, the  
178 member appointed by the attorney general shall serve for an initial term of 5 years, the member  
179 appointed by the president of the senate shall serve for an initial term of 4 years, the member  
180 appointed by the speaker of the house shall serve for an initial term of 4 years, the member appointed  
181 by the minority leader of the senate shall serve for an initial term of 3 years and the member appointed  
182 by the minority leader of the house shall serve for an initial term of 3 years. After the initial term, the

183 term of office for every member of the commission shall be 5 years; provided, that no member may  
184 serve more than 2 consecutive 5-year terms. Any vacancies shall be filled by the original appointing  
185 authority within 60 days of the occurrence of such vacancy. Any appointee shall continue in office  
186 beyond the expiration date of his term until the appointment of a successor but in no event longer than  
187 6 months. Any commissioner may be removed by his appointing authority for just cause. For purposes  
188 of this paragraph, "just cause" shall mean misconduct, incompetence, neglect of duty,  
189 maladministration of any act or omission that impairs the ability of the commission to perform its  
190 responsibilities. The governor shall immediately remove any commissioner if he, after being appointed,  
191 violates or acts contrary to the eligibility requirements established in subsection (a) of this section.

192 (c) The commission members shall devote time and attention to the business of the commission as  
193 is necessary to discharge their duties; provided, however, that the chairman shall devote his or her full  
194 time during normal business hours to the business of the commission. The members of the commission  
195 shall be compensated for work performed for the commission at the rate of \$50,000 per annum, with  
196 the chairman receiving \$25,000 per annum in additional compensation. Commission members shall be  
197 reimbursed for travel and other expenses necessarily incurred in the performance of official duties.  
198 Before entering upon the duties of the office, each member shall swear that he does not have a  
199 pecuniary interest in any business or organization holding a gaming license under this chapter, or doing  
200 business with any gaming service industry, as defined by this chapter and shall submit to the governor  
201 and state ethics commission a statement of financial interest, required by chapter 268B of the general  
202 laws, listing all assets and liabilities, property and business interests, and sources of income of said  
203 commissioner and his spouse. Such statement shall be under oath and shall be filed at the time of  
204 employment and annually thereafter. No commission member shall have any interest, direct or indirect,  
205 in any applicant or in any person licensed by or registered with the commission during his term of office.

206 Section 3. Gaming Commission; Powers and Duties.

207 (a) The commission shall have general responsibility for the implementation of this chapter, as  
208 hereinafter provided, and the continued oversight of gaming in the commonwealth; including, the right  
209 to hear and decide promptly and in reasonable order all license, registration, certificate, and permit  
210 applications and causes affecting the granting, suspension, revocation, or renewal thereof; to conduct  
211 all hearings pertaining to civil violations of this act or regulation promulgated hereunder; to promulgate  
212 and implement, pursuant to sections 2 and 3 of chapter 30A of the general laws, rules and regulations  
213 for the implementation of this chapter; gaming investigations both civil and criminal; the testing and  
214 inspection of gambling equipment; the licensing of corporations, limited partnerships, holding  
215 companies and intermediary companies; to collect all license and registration fees, taxes, and penalties  
216 imposed by this chapter and the regulations issued pursuant hereto; to be present with its inspectors  
217 and agents at all times during the operation of any licensed gaming facility for the purpose of certifying  
218 the revenue thereof; receiving complaints from the public; and to review and rule upon any complaint  
219 by a licensed gaming facility licensee regarding any investigative procedures of the bureau which are  
220 unnecessarily disruptive to licensed gaming facility operations; and the execution of any other powers or  
221 requirements set forth in this chapter. The need to inspect and/or investigate a licensed gaming facility  
222 shall be presumed at all times.

223 (b) The commission shall issue an annual report of its activities to the governor and the general  
224 court no later than July 31st. The report shall be made available for public inspection on the world wide  
225 web no later than the date of issuance and shall include, but not be limited to, a detailed explanation of  
226 all revenues received by the commonwealth from gaming entities, as promulgated by this chapter.

227 (c) Except as otherwise provided herein, meetings of the commission shall be subject to the  
228 provisions of section 11A and 11A 1/2 of chapter 30A of the general laws. Regular and special meetings

229 of the commission may be held, at the discretion of the majority of the commission or the chairman, at  
230 such times and places as it may deem convenient. A majority of the membership of the commission  
231 shall constitute a quorum of the commission. A public record of every vote shall be maintained at the  
232 commission's general office. The commission may maintain any other files and records, as it deems  
233 appropriate.

234 (d) The commission shall conduct hearings in accordance with the provisions of chapter 30A. The  
235 commission may issue subpoenas for the attendance of witnesses or the production of any records,  
236 books, memoranda, documents, or other papers, or things, at or prior to any hearing as is necessary to  
237 enable the commission to discharge its duties, and may administer oaths or affirmations as necessary in  
238 connection therewith. The commission may petition the superior court for an order requiring  
239 compliance with any subpoena so issued.

240 (e) The commission may retain legal, investigative, clerical and other assistance as may be  
241 necessary to accomplish its duties.

242 (f) The commission may require any person to apply for a license as provided in this chapter and  
243 approve or disapprove any such application or other transactions, events, and processes as provided in  
244 this chapter. Any application to receive any license under this chapter shall constitute a request for a  
245 determination of the applicant's general character, integrity, and ability to participate or engage in, or  
246 be associated with, gaming. Such determination may include a review of the applicant's associations,  
247 criminal history record, business activities, and financial affairs, past or present.

248 (g) The commission shall determine the manner and procedure of all hearings conducted by the  
249 gaming oversight bureau, as defined by this chapter, or commission or any hearing examiner of the  
250 bureau or commission, including special rules of evidence applicable thereto and notices thereof. The  
251 commission shall establish a code of conduct for employees of the bureau.

252 (h) The commission may grant or deny any application for a license or approval; may limit,  
253 condition, restrict, suspend, or revoke any license or approval for any cause deemed reasonable by  
254 commission, consistent with this chapter or any general or special law. The commission may, in its  
255 discretion, issue a probationary gaming license. No gaming license may be assigned either in whole or in  
256 part.

257 (i) As provided in commission regulations, the commission may impose a fine or penalty or interest  
258 on such fine or penalty, upon any gaming licensee, for violation of this chapter. The commission may  
259 approve or disapprove transactions and events as provided in this chapter, take actions reasonably  
260 designed to ensure that no unsuitable persons are associated with controlled gaming, and take actions  
261 reasonably designed to ensure that gaming activities take place only on suitable premises in an  
262 appropriate manner.

263 (j) The commission shall, pursuant to sections 2 and 3 of chapter 30A of the general laws,  
264 promulgate regulations necessary to carry out the powers and the provisions of this chapter, and  
265 specifically shall promulgate regulations as to the following matters:

266 (1) the licensing of gaming establishments, including regulations relating to the types of  
267 establishments, application process and costs, background checks, license fees, bonding requirements,  
268 and revocation and suspension of licenses;

269 (2) the licensing of gaming suppliers, including regulations relating to the application  
270 process and costs, background checks, license fees, bonding requirements, and revocations and  
271 suspension of licenses;

272 (3) the licensing of parties in interest, including regulations relating to the application  
273 process and costs, background checks, license fees, bonding requirements, and revocation and  
274 suspension of licenses;

275 (4) the issuance of one or more classes of work permits for employment of persons in  
276 licensed gambling facilities, including regulations relating to the application process and costs,  
277 background checks, fees, and revocation and suspension of work permits;

278 (5) the licensing of gaming schools, if any such school is established in the commonwealth,  
279 including regulations relating to the application process and costs, background checks, license fees, and  
280 revocation and suspension of licenses;

281 (6) the licensing of all officers and directors of any entity which holds or applies for a license  
282 under this chapter, including regulations relating to the application process and costs, background  
283 checks, licensee fees, and revocation and suspension of licenses; and regulations requiring that, if in the  
284 judgment of the commission the public interest will be served by requiring any of the individual  
285 stockholders, executives, agents or other employees of any entity which holds or applies for a license  
286 under this chapter to be licensed, such individuals apply for a license under this paragraph;

287 (7) the monitoring of licensees to ensure compliance with this chapter and the regulations  
288 promulgated thereunder;

289 (8) the presentation and/or display of all licenses and work permits;

290 (9) the registration of non-gaming suppliers;

291 (10) the method for collecting any fines, fees, penalties and interest imposed by the  
292 commission;

293 (11) the method and standards of operation of licensed gaming establishments including,  
294 but not limited to, games, the type and manner of gaming, wagering limitations, odds, and hours of  
295 operation; provided, however, the commission shall not restrict the number of hours of operation of any  
296 licensed gaming establishment to fewer hours than those of any competing gaming facilities with  
297 controlled gaming;

298 (12) the manufacturing, distribution, sale, testing, servicing, and inspection of gaming  
299 equipment, including requirements for the identification and licensing of the same;

300 (13) any limitations on mortgage security interests and agreements relating to the property  
301 of licensed gaming establishments;

302 (14) any limitations on transfers of interests in licenses;

303 (15) advertising by licensed gaming establishments; provided, however, that licensees shall  
304 have the right to conduct reasonable advertising consistent with that of competing gaming facilities;

305 (16) the manner in which winnings, compensation from games and gaming devices, and  
306 gross revenues must be compiled and reported by licensees; provided, further, that electronic gaming  
307 devices shall return as winnings a minimum of 85 percent of all sums wagered.

308 (17) standards for protection of the health, safety, and security of the public at licensed  
309 gaming establishments;

310 (18) the minimum procedures to be adopted by each licensed gaming establishment to  
311 exercise effective supervisory and management control over its fiscal affairs, including the requirement  
312 of an annual audit undertaken in accordance with generally accepted accounting principles, and the  
313 requirement that quarterly reports be provided by licensed gaming establishments to the commission  
314 no more than 30 days after the close of each quarter;



315 (19) the persons to be excluded or ejected from licensed gaming establishments, the type of  
316 conduct prohibited, and age restrictions; provided, the minimum age to enter a gaming facility is not  
317 less than 21 years.

318 (20) the distribution of funds for the treatment of compulsive behavior.

319 (k) In emergencies, the commission may, without complying with sections 2 or 3 of chapter 30A of  
320 the general laws, summarily adopt, amend, or repeal any regulation, if, at the time, the commission  
321 makes a finding that such action is necessary for the preservation of the public peace, health, safety,  
322 morals, good order, or general welfare, together with a statement of the facts constituting the  
323 emergency; provided, however, that all such emergency actions shall expire after 90 days.

324 (l) Each operating license shall be issued for an initial term of 1 year, and may be renewed at the  
325 discretion of the commission for a term not to exceed 5 years.

326 (m) Any failure of a licensee to comply with this chapter or any regulation of the commission or the  
327 bureau may, at the discretion of the commission, result in the immediate suspension or revocation of  
328 the license. The commission may also impose a civil fine of not more than \$50,000 upon any person  
329 licensed, registered, or otherwise approved under this chapter, for any violation of this chapter or of any  
330 general or special law related to gaming.

331 (n) A gaming establishment license issued pursuant to this chapter must be posted by the licensee  
332 and kept posted at all times in a conspicuous place in the area where gaming is conducted in the  
333 establishment for which the license is issued until it is replaced by a succeeding license.

334 (o) Any person who has had his application for a license denied or revoked, or is otherwise not in  
335 compliance with any restrictions hereunder, shall not retain his interest in the premises or any entity  
336 seeking or holding a license under this chapter beyond that period prescribed by the commission; and

337 shall not accept more for his interest than he paid for it or the market value on the date of the denial or  
338 revocation of the license or occurrence of non-compliance (not including the prospective value of said  
339 license), whatever is higher.

340 (p) The voluntary surrender of a license by a licensee does not become effective until accepted in a  
341 manner to be provided in the regulations of the commission. The surrender of a license does not relieve  
342 the former licensee of any fees, penalties, fines, taxes or interest due.

343 (q) No person shall pledge or transfer a direct or indirect pecuniary interest in a licensed operating  
344 entity or premises, or enter into an option contract or other agreement providing for such transfer in  
345 the future, without having notified the commission. No person shall transfer a greater than five percent  
346 (5%) direct or indirect pecuniary interest in a licensed operating entity or premises without the issuance  
347 by the commission to the transferee of an operating license or an affirmative statement that the  
348 transferee has met the operating license standards, as the commission may require.

349 (r) The commission shall monitor the conduct of all licensees and other persons having a material  
350 involvement, directly or indirectly, with a licensee for the purpose of ensuring that licenses are not  
351 issued to, or held by, unqualified, disqualified, or unsuitable persons and there is no direct or indirect  
352 material involvement with such a person by a licensee.

353 (s) No commission member or person employed by the commission shall solicit or accept  
354 employment from a licensee, or represent any person or party other than the commonwealth before or  
355 against the commission for a period of 5 years from the termination of his office or employment with  
356 the commission.

357 (t) The commission may investigate fraud, deceit, misrepresentation or violations by any licensee  
358 under this chapter, or the occurrence of any such activity within or involving any licensee. If the

359 commission has reasonable basis to believe that any licensee has been or is engaged in criminal  
360 behavior or that criminal activity is occurring within or involving any licensed gaming establishment, the  
361 commission shall report the same to the district attorney of the county within which the gaming  
362 establishment is located and make available to the district attorney all relevant information on such  
363 activity. The commission shall apply to the department of public safety for the assignment of a  
364 complement of police officers to the commission on a regular basis and the department shall assign a  
365 complement to the commission. The commission shall assign such police officers to guard and protect  
366 the lives and safety of the public and property at any such gaming establishment, and to perform any  
367 other duties which may be required by the commission in order to maintain a fair and honest gaming  
368 establishment. The police officers so assigned shall, except in the case of an emergency, while on duty  
369 at any such establishment be subject to the operational authority of the commission; provided,  
370 however, that such assignment or reassignment shall not in any way impair any rights to which any  
371 officer may be entitled. The commission shall, from the gaming oversight fund, pay to the department  
372 of public safety the cost of the salaries of the police officers so assigned from funds appropriated to the  
373 commission. All assignment and reassignments to the commission, except when the commissioner of  
374 public safety shall determine an emergency exists, shall be subject to the approval of the commission.  
375 Nothing herein shall prevent licensees from hiring the state police, if they have jurisdiction in the area  
376 where gaming establishment is located, or the police department of a city or town wherein the gaming  
377 establishment is located, in order to furnish a police detail for safety or traffic purposes at any gaming  
378 establishment authorized by this chapter. The total cost for any such police detail shall be a sum equal  
379 to the wages payable to the police officers comprising such detail for their work, plus a sum to cover the  
380 administrative expenses incurred by the department of each police officer.

381 (u) The commission shall carryout any obligations or responsibilities required in any established  
382 gaming compact entered into between the commonwealth of Massachusetts and a federally recognized  
383 Native American tribe.

384 (v) The commission, as it deems appropriate, may ask a district attorney to file a civil lawsuit to  
385 restrain a violation of this chapter or enforce any provision thereof. An action brought against a person  
386 pursuant to this chapter does not preclude any other criminal or civil proceeding as authorized by law.

387 (w) No official, member, employee, or agent of the commission, having obtained access to  
388 confidential records or information in the performance of the duties pursuant to this chapter, unless  
389 otherwise provided by law, shall knowingly disclose or furnish the records or information, or any part  
390 thereof, to any person who is not authorized by law to receive or learn of such information. A violation  
391 of this provision shall be punishable by a fine of not more than \$10,000 or by imprisonment in the house  
392 of corrections for not more than 1 year, or by both.

393 Section 4. Gaming oversight bureau; composition, powers and duties.

394 (a) There shall be established a gaming oversight bureau within the executive office of  
395 administration and finance.

396 (b) The secretary of administration and finance shall appoint the executive director of the bureau  
397 for a term of 5 years. The executive director shall not serve more than 2 consecutive terms. The  
398 executive director shall employ such professional, technical, and clerical assistants and employees as  
399 necessary, subject to appropriation. The department of public safety and division of state police shall  
400 assign to the bureau such full and adequate numbers of investigators as the executive director shall  
401 reasonably require to carry out the purposes of this chapter.

402 (c) The powers and duties of the bureau shall include, but not be limited to, the following:

403 (1) To visit, investigate, and place accountants, technicians, and any other personnel,  
404 without prior notice or approval of any party as it may deem necessary, in the office, gaming area, or  
405 other place of business of any licensee under this chapter;

406 (2) To require that the books and financial or other records or statements of any licensee  
407 be kept in a manner that the commission or the bureau deems proper;

408 (3) To visit, inspect, and examine without prior notice or approval of any party, all premises  
409 where gaming equipment is manufactured, sold or distributed;

410 (4) To inspect and test without prior notice or approval of any party, all equipment and  
411 supplies in any licensed gaming establishment or in any premises where gaming equipment is  
412 manufactured, sold or distributed;

413 (5) To summarily seize, remove, and impound any shipment, supplies, documents, or  
414 records from any licensed gaming establishment for the purpose of examination and inspection;

415 (6) To have access to, and inspect, examine, photocopy, and audit all relevant and material  
416 papers, books, and records of an applicant for, or person holding, a license for a gaming establishment  
417 under this chapter, on such applicant's or licensee's premises or elsewhere, as practicable, in the  
418 presence of the applicant or licensee or his or her agent, and require verification of income, and all  
419 other matters affecting the enforcement of this chapter;

420 (7) To have access to and inspect, examine, photocopy, and audit all relevant and material  
421 papers, books, and records of any affiliate of a licensed gaming establishment that the bureau knows or  
422 reasonably suspects is involved in the financing, operation, or management of any entity licensed  
423 pursuant to this chapter, either on the affiliate's premises or elsewhere, as practicable, in the presence  
424 of the affiliate or any agent thereof; and,

425 (8) To refer any suspected criminal violation of this chapter to any appropriate law  
426 enforcement agency; provided, however, that nothing in this section shall be deemed to limit the  
427 investigatory and prosecutorial powers of other state and local officials and agencies;

428 (9) To enforce any other laws, as applicable, in order to effectuate this chapter.

429 (d) The bureau shall investigate the qualifications of each applicant under this chapter and make a  
430 recommendation to the commission before any license is issued. The bureau shall also continue to  
431 monitor the conduct of all licensees and other persons having a material involvement, directly or  
432 indirectly, with a licensee for the purpose of ensuring that licenses are not issued to, or held by, and  
433 there is no direct or indirect material involvement with a licensee by unqualified, disqualified, or  
434 unsuitable persons, or persons whose operations are conducted in unsuitable manner or in unsuitable  
435 or prohibited places, as provided in the regulations of the commission or the bureau.

436 (e) The bureau may recommend to the commission the denial of any application, the limitation,  
437 conditioning, restriction, suspension, or revocation of any license or approval, or the imposition of any  
438 fine or penalty upon any licensee.

439 (f) The bureau shall maintain a file of applications for licenses under this chapter, together with a  
440 record of all action taken by the commission on those applications. Such applications shall be open to  
441 public inspection. The bureau may maintain any other files and records as it deems appropriate.

442 (g) Each employee of the bureau shall file with the executive director and the state ethics  
443 commission a statement of financial interest as defined in chapter 268B. Such statement shall be under  
444 oath and shall be filed at the time of employment and annually thereafter, as required by the state  
445 ethics commission.

446 (h) No employee of the bureau shall be permitted to place a wager in any establishment licensed by  
447 the commission except in the course of his duties.

448 (i) No person employed by the bureau shall solicit or accept employment from a licensee, or  
449 represent any person or party other than the commonwealth before or against the bureau or the  
450 commission, for a period of 5 years from the termination of his office or employment with the bureau.

451 (j) The bureau may investigate fraud, deceit, misrepresentation or violations of this chapter by any  
452 person licensed hereunder or the occurrence of any such activity within or involving any licensed gaming  
453 establishment. If the bureau has reasonable basis to believe that any licensee has been or is engaged in  
454 criminal behavior or that criminal activity is occurring within or involving any licensed gaming  
455 establishment, the bureau shall report the same to the district attorney of the county within which the  
456 licensed gaming establishment is located and make available to the district attorney all relevant  
457 information on such activity.

458 (k) The bureau, as it deems appropriate, may ask said district attorney to file a civil lawsuit to  
459 restrain a violation of this chapter or enforce any provision thereof. An action brought against a person  
460 pursuant to this chapter shall not preclude any other criminal or civil proceeding as may be authorized  
461 by law.

462 (l) The bureau shall make a continuous study and investigation of gaming throughout the  
463 commonwealth in order to ascertain the adequacy and effectiveness of state gaming law or regulations  
464 and may formulate recommendations for changes in such laws and regulations. The bureau shall make  
465 a continuous study and investigation of the operation and administration of similar laws in other states  
466 or countries, of any literature or reports on the subject, of any federal laws which may affect the  
467 operation of gaming in the commonwealth, all with intent to recommend or effect changes that will  
468 better serve and implement the purposes of this chapter.

469 (m) The bureau shall submit an annual report to the governor and the general court no later than  
470 July 31st. The report shall detail, for the preceding 12 month period, the gross revenue, net revenue,  
471 and average depreciation of each licensee; the number of persons employed by each licensee; and the  
472 assessed valuation of each Massachusetts gaming facility as listed on the assessment rolls. The findings  
473 of this report shall be published in conjunction with the annual report of the gaming commission  
474 pursuant to section 3 of this chapter. The report shall be made available for public inspection on the  
475 world wide web.

476 (n) The bureau shall carryout any obligations or responsibilities required in an established gaming  
477 compact entered into between the commonwealth of Massachusetts and a federally recognized Native  
478 American tribe.

479 (o) No official, member, employee, or agent of the bureau, having obtained access to confidential  
480 records or information in the performance of the duties pursuant to this chapter, unless otherwise  
481 provided by law, shall knowingly disclose or furnish the records or information, or any part thereof, to  
482 any person who is not authorized by law to receive or learn of such information. A violation of this  
483 provision shall be punishable by a fine of not more than \$10,000 or by imprisonment in the house of  
484 corrections for not more than 1 year, or by both.

485 (p) The executive director of the bureau may recommend that the commission initiate proceedings  
486 or actions appropriate to enforce this chapter and the regulations promulgated thereunder.

487

488

489 Section 5. Records of proceedings.



490 (a) The commission shall cause to be made and kept a record of all proceedings at regular and  
491 special meetings of the commission. These records shall be open to public inspection, except those  
492 portions declared by law to be confidential.

493 (b) Notwithstanding any other general or special law to the contrary all files, records, reports, and  
494 other information in possession of any state or local government agency, including tax filings and related  
495 information, that are relevant to an investigation by the bureau conducted pursuant to this act shall be  
496 made available to the bureau as requested. However, any tax or financial information received from a  
497 government agency shall be used solely for effectuating the purposes of this act. To the extent that  
498 these files, records, reports, or information are confidential or otherwise privileged from disclosure  
499 under any law they shall not lose that confidential or privileged status for having been disclosed to the  
500 bureau.

501 (1) The commission and the bureau shall not release or disclose any privileged information,  
502 documents or communications provided by an applicant or licensee without the prior written consent of  
503 the applicant or licensee or pursuant to a lawful court order after timely notice of the proceedings has  
504 been given to the applicant or licensee.

505 (2) The commission and the bureau shall maintain all privileged information, documents  
506 and communications in a secure place accessible only to members of the commission and the executive  
507 director, and employees of the commission.

508 (3) The commission and the bureau shall adopt procedures and regulations to protect the  
509 privileged nature of information, documents and communications provided by an applicant or licensee.

510 Section 6. Issuance of gaming licenses

511 (a) Notwithstanding the provisions of chapters 137 and 271 of the General Laws, or any general or  
512 special law to the contrary, each racing meeting licensee existing on April 1, 2005, which runs a full  
513 schedule of live races as defined in section 2 of chapter 128C, is eligible to receive a temporary gaming  
514 license, subject to the application and licensing requirements and all other applicable provisions of this  
515 chapter, to operate no more than 1500 electronic gaming devices; provided, that such electronic gaming  
516 devices shall only function on the existing facility operated by the racing meeting licensee prior to April  
517 1, 2005. The racing meeting licensee shall not operate any additional games other than those allowable  
518 by law for holders of a racing meeting license, pursuant to chapters 128A and 128C of the General Laws.  
519 Nothing in this section shall be construed to permit a racing meeting licensee to operate games other  
520 than electronic gaming devices. Each racing meeting licensee must adhere to and comply with the  
521 following provisions:

522 (1) Upon passage of this chapter, each racing meeting licensee must submit a letter of  
523 intent with the secretary of administration and finance to declare the number of electronic gaming  
524 devices the licensee chooses to operate, not to exceed 1500, and the date of commencement at which  
525 time the operation of said number of electronic gaming devices shall begin; provided, the date of  
526 commencement must be within 180 days of the submission of the letter of intent, otherwise the  
527 licensee shall forfeit all privileges granted by this chapter and, therefore, an additional license to operate  
528 electronic gaming devices may be auctioned by the commonwealth in accordance with subsection (b) of  
529 this section. Furthermore, the letter of intent must be submitted to the secretary within 90 days of the  
530 passage of this chapter; however, if a racing meeting licensee fails to submit a letter of intent within 90  
531 days, the licensee shall forfeit all privileges granted by this chapter and, therefore, an additional license  
532 to operate electronic gaming devices may be auctioned by the commonwealth in accordance with  
533 subsection (b) of this section.

534           (2)     Two years after the date of commencement, each racing meeting licensee shall pay to  
535 the commonwealth of Massachusetts an amount of seventeen and one half of one percent (17.5%) of  
536 the maximum annual gaming revenue derived from all electronic gaming devices; provided, the  
537 maximum annual gaming revenue shall be calculated by multiplying the daily gaming revenue of the  
538 most profitable electronic gaming device by 365 (the number of days in a year), multiplied by the  
539 number of electronic gaming devices enumerated in the original letter of intent submitted to the  
540 secretary of administration and finance; provided, for the purposes of this calculation, the daily gaming  
541 revenue of the most profitable electronic gaming device shall not be less than \$300. Should the racing  
542 meeting licensee fail to make such payment as and when due, any amounts then owing shall constitute  
543 a lien running in favor of the commonwealth and relating back to the date of commencement.

544           (3)     Upon receipt of the payment pursuant to subsection (a) (2), the commission shall grant  
545 the racing meeting licensee a permanent gaming license to be approved and used in accordance with  
546 the provisions of this chapter; provided, that the gaming license is only valid for the operation of the  
547 total number of electronic gaming devices enumerated in the original letter of intent submitted to the  
548 secretary of administration and finance, pursuant to subsection (a) (1). This gaming license shall never  
549 be pledged, sold or transferred in any way, whatsoever.

550           (4)     If, at anytime, a racing meeting licensee would like to operate more electronic gaming  
551 devices, not to exceed a total of 1500 but more than the amount enumerated in the original letter of  
552 intent submitted to the secretary of administration and finance, pursuant to subsection (a) (1), then the  
553 licensee must file a petition with the commission and indicate the additional number of electronic  
554 gaming devices it desires to operate. The commission shall only allow the licensee to increase the  
555 number of operable electronic gaming devices if a payment is submitted to the commonwealth of  
556 Massachusetts for the additional number of electronic gaming devices in accordance with subsection (a)

557 (2); provided, said payment must be made before the operation of any additional electronic gaming  
558 devices.

559 (b) Notwithstanding the provisions of chapters 137 and 271 of the General Laws, or any general or  
560 special law to the contrary, the commission shall issue 2 licenses, each for the operation of not more  
561 than 1500 electronic gaming devices, from among all persons or entities seeking to be a licensed  
562 operator in the commonwealth of Massachusetts; provided, 1 license shall only be issued in either  
563 Berkshire county, Franklin county, Hampden county or Hampshire county, and 1 license shall only be  
564 issued in Worcester county. In the event a racing meeting licensee chooses not to obtain, or is not  
565 granted a license, then the commission shall issue an additional license for the operation of electronic  
566 gaming devices in any county other than those aforementioned. The commission shall submit to each  
567 applicant a request for proposal, which shall be designed to maximize the initial revenue potential for  
568 the state. Those applicants offering the highest bid in order to maximize the initial revenue potential for  
569 the state shall be selected; provided, they comply with the licensing provisions of this chapter; and  
570 provided further, that the commission determines there is a suitable location for a facility under this  
571 section; provided however, that any federally recognized Native American tribe authorized pursuant to  
572 the Indian Gaming Regulatory Act, 29 U.S.C. sections 2701 to 2721, shall have the right of first refusal to  
573 negotiate with the commission to be licensed under this paragraph; provided that said tribe agrees as  
574 part of the agreement to be a commercial operator and commercial business subject to the laws and  
575 regulations of the commonwealth and its political subdivisions, pay a fee as negotiated between the  
576 commission and the Native American tribe, meet the requirements of the commission and of this  
577 chapter to be a licensee, forfeit any rights it may have under the Indian Gaming Regulatory Act, pursuant  
578 to 29 U.S.C. 2710 to 2719, and be subject to the rights and obligations as citizens of the commonwealth;  
579 provided further, that the commission shall require the tribe to submit a completed application within  
580 sixty (60) days. Should the Native American tribe fail to meet the requirements for a license, fail to ratify

581 an agreement with the commission, choose not to negotiate with the commission, or not submit an  
582 application with sixty (60) days under this paragraph, then all agreements negotiated with the  
583 commission shall be void; provided however, failure to negotiate an agreement with the commission  
584 shall not preclude the Native American tribe from submitting an application for a license, but as part of  
585 the Native American tribe's application it must agree to forfeit any rights it may have under the Indian  
586 Gaming Regulatory Act, pursuant to 29 U.S.C. 2710 to 2719, and be subject to the rights and obligations  
587 as citizens of the commonwealth. No single gaming entity, including its shareholders, shall have more  
588 than one gaming license.

589 (c) No gaming license may be issued for operation in a community or communities without the  
590 approval of the voters of said community or communities by way of referendum held after April 1, 2005.  
591 Furthermore, no gaming license may be issued for operation in a community or communities without  
592 the approval of a majority of the aggregate number of voters in all contiguous communities to the  
593 proposed site of operation. Therefore, all affected communities must host an election within 120 days  
594 of the submission of an eligible application to the commission; provided the secretary of commonwealth  
595 shall certify the cost of the election incurred by each community and the applicant shall reimburse the  
596 cost to each community within 60 days of the receipt of certification by the secretary of the  
597 commonwealth. This section shall not apply to racing meeting licensees existing on April 1, 2005.

598 Section 7. License approval.

599 (a) The commission and the bureau shall investigate the qualifications of each applicant under this  
600 act before any license is issued or any registration, finding of suitability or approval of acts or  
601 transactions for which commission approval is required or permission is granted, and shall continue to  
602 monitor the conduct of all licensees and registrants and other persons having a material involvement,  
603 directly or indirectly with a licensed gaming facility or holding company to ensure that licenses are not

604 issued or held by, nor is there any material involvement directly or indirectly with a licensed gaming  
605 facility or holding company by unqualified, disqualified or unsuitable persons, or persons whose  
606 operations are conducted in an unsuitable manner or in unsuitable or prohibited places or locations, as  
607 provided in commission regulations. All expenses associated with the licensing of any applicant shall be  
608 borne by the applicant. Pursuant to its regulations, the commission shall require each applicant for a  
609 gambling license to deposit with the commission, together with the application therefore, an application  
610 fee. Such fee shall constitute the anticipated costs and charges incurred in the investigation and  
611 processing of the application, and any additional sums as are required by the commission to pay final  
612 costs and charges.

613 (b) The commission and the bureau may require a finding of suitability for the licensing of any  
614 person who owns any interest in the premises of a licensed establishment; owns any interest in real  
615 property used by a licensed establishment whether he leases the property directly to the licensee or  
616 through an intermediary; repairs, rebuilds or modifies any gaming device; manufactures or distributes  
617 chips or gaming tokens for use in this state.

618 (c) The commission and the bureau may require a finding of suitability or the licensing of any  
619 person who furnishes services or property to a state gaming licensee under any arrangement pursuant  
620 to which the person receives payments based on earnings, profits or receipts from gaming.

621 (d) No person shall operate a gaming establishment without first having obtained all necessary  
622 operating licenses from the commission. There shall be a single licensed operator for each gaming  
623 establishment. The licensing standards must be met at all times by each officer, director, partner, and  
624 trustee of the operating entity, by each substantial party in interest of the operating entity or of the  
625 premises on which such establishment is located, and by such other party in interest of the operating  
626 entity, the premises, or any holding company or intermediary company of the operating entity or the

627 premises as the commission may require. In no event shall the commission permit a person or entity  
628 previously convicted of a felony to be a party in interest of the operating entity or of the premises or of  
629 any holding or intermediary company of the operating entity or the premises. A separate license shall  
630 be required for any person described above, unless the commission specifically determines otherwise.

631 (e) Each gaming operator license approved by the commission pursuant to subsections (a), (b) and  
632 (c) of this section shall be issued for an initial term of 1 year, and may be renewed at the discretion of  
633 the commission for a term not to exceed 5 years, unless the commission demonstrates that the operator  
634 is no longer qualified to hold a gaming license pursuant to the criteria set forth herein.

635 (f) Each license approved by the commission shall be awarded as the result of an application  
636 process to be designed and established by said commission. A person may apply to be a licensed  
637 gaming operator by filing an application with the commission, in the form and with such accompanying  
638 application fees as the commission may establish. Information on the application will be used as the  
639 basis for a thorough background investigation which the bureau shall conduct with respect to each  
640 applicant. Each application shall disclose the identity of each party in interest, each holding company  
641 and intermediary company, and each affiliate of the operating entity. The application shall disclose, in  
642 the case of a privately held corporation, the names and addresses of all directors, officers, and  
643 stockholders; in the case of a publicly traded corporation, the names and addresses of all directors,  
644 officers, and persons holding at least 1 percent of the total capital stock issued and outstanding; in the  
645 case of a partnership, the names and addresses of all partners, both general and limited; and in the case  
646 of a trust, the names and addresses of all trustees and beneficiaries. Persons applying for gaming  
647 operator licenses shall be required to define the number of full-time equivalent employees that the  
648 project will produce, and the project's non-gaming economic development potential.

649 (g) Each operating entity shall identify, in its application, the premises where it proposes to conduct  
650 its gaming operations and demonstrate that the operating entity owns or has legal control of the  
651 premises where it proposes to conduct its gaming operations. The application shall contain such  
652 information regarding the physical location and condition of the premises and the potential impact of  
653 the proposed gaming operations upon adjacent properties and the municipality and region within which  
654 the premises are located, as the commission may require. The application shall disclose the identity of  
655 all parties in interest regarding the premises; and provided, further, except as otherwise permitted  
656 herein, no person other than a licensee hereunder shall have any right to or interest in net gaming  
657 revenue or adjusted net gaming revenue in the form of a percentage of any sums payable hereunder.  
658 An operating entity may also identify temporary premises in its application where an applicant may be  
659 permitted to operate a temporary facility for a period of no longer than 24 months during construction  
660 of its permanent gaming facility.

661 Section 8. License requirements.

662 (a) The commission shall require that each licensed operator utilize resources, goods and services of the  
663 commonwealth of Massachusetts to the reasonable extent practical in the operation of the licensed  
664 gaming facility.

665 (b) The commission shall require that each licensed operator make reasonable effort to ensure that  
666 a substantial number of their employees are residents of the commonwealth.

667 (c) No licensed operator shall obtain any gaming equipment from a person who does not hold a  
668 license. No licensed operator shall enter into any agreement for the receipt of goods or services, of any  
669 form and in any amount, from a person who does not hold a license, when a license is required for such  
670 agreement under this act or under regulations promulgated by the commission or bureau.



671 (d) No licensed operator shall employ any person in a gaming establishment who does not hold a  
672 work permit, when a work permit is required for such position under regulations promulgated by the  
673 commission or bureau.

674 (e) Any person who the commission determines is qualified to receive a license or be found suitable  
675 under the provisions of this act, may be issued a state gaming license or found suitable, as appropriate.  
676 The burden of proving his qualification to receive any license or be found suitable is on the applicant. A  
677 license to operate a gaming establishment shall not be granted unless the applicant has satisfied the  
678 commission that he or she has adequate business probity, competence and experience, in gaming; and  
679 the proposed financing of the entire operation is adequate for the nature of the proposed operation;  
680 and, from a suitable source. An application to receive a license or be found suitable constitutes a  
681 request for a determination of the applicant's general character, integrity, and ability to participate or  
682 engage in, or be associated with gaming, as appropriate. The commission may limit the license or place  
683 such conditions thereon, as it may deem necessary in the public interest. The commission may, if it  
684 considers necessary, issue a probationary license. No state gaming license may be assigned either in  
685 whole or in part. The commission may limit or place such conditions, as it may deem necessary in the  
686 public interest upon any registration, finding of suitability or approval for which application has been  
687 made. A licensee may be granted a temporary gaming license to operate a gaming facility during the  
688 construction phase of any licensed gaming facility, provided, that no more than 2 temporary licenses  
689 shall be awarded for any licensed gaming facility, and provided further that no temporary license shall  
690 remain in force for a period in excess of 24 months.

691 (f) Any state license in force may be renewed by the commission for the next succeeding license  
692 period upon proper application for renewal and payment of state license fees and taxes as required by  
693 law and the regulations of the commission. If any licensee or other person fails to renew his license the

694 commission may order the immediate closure of all his gaming activity until the license is renewed by  
695 the payment of the necessary fees, taxes, interest and any penalties.

696 (g) If satisfied that an applicant is eligible to receive a state gaming, manufacturing, selling, or  
697 distributing license, and upon tender of all license fees and taxes as required by law and regulation of  
698 the commission; and a bond executed by the applicant as principal, and by a corporation qualified under  
699 the laws of the commonwealth as surety, payable to the commonwealth, and conditioned upon the  
700 payment of license fees and taxes and the faithful performance of all requirements imposed by law or  
701 regulation or the conditions of the license, the commission shall issue and deliver to the applicant a  
702 license entitling him to engage in the gaming, manufacturing, selling or distributing operation for which  
703 he is licensed, together with an enumeration of the specific terms and conditions of the license.

704 (h) A license issued pursuant to the provisions of this act must be posted by the licensee and kept  
705 posted at all times in a conspicuous place in the area where gaming is conducted in the establishment  
706 for which the license is issued until it is replaced by a succeeding license.

707 (i) If the commission is not satisfied that an applicant is qualified to be licensed under this act, the  
708 commission may cause to be made such investigation into and conduct such hearings concerning the  
709 qualifications of the applicant in accordance with its regulations as it may deem necessary.

710 (j) The commission has full and absolute power and authority to deny any application for any  
711 cause it deems reasonable. If an application is denied, the commission shall prepare and file its written  
712 decision upon which its order denying the application is based.

713 (k) A person who has had his application for a license denied or who has been found unsuitable by  
714 the commission shall not retain his interest in a corporation, partnership, limited partnership, limited-  
715 liability company or joint venture beyond that period prescribed by the commission; and shall not

716 accept more for his interest in a corporation, partnership, limited partnership, limited liability  
717 company or joint venture than he paid for it or the market value on the date of the denial of the license  
718 or the finding of unsuitability.

719 (l) The voluntary surrender of a license by a licensee does not become effective until accepted in  
720 the manner provided in the regulations of the commission. The surrender of a license does not relieve  
721 the former licensee of any penalties, fines, fees, taxes or interest due.

722 (m) The bureau shall promptly and in reasonable order investigate all applications, enforce the  
723 provisions of this act and any regulations promulgated hereunder. The bureau shall provide the  
724 commission with all information necessary for all actions requested of it under this act and for all  
725 proceedings involving enforcement of the provisions of this act or any regulations promulgated  
726 hereunder.

727 (n) The bureau shall investigate the qualifications of each applicant before any license, certificate,  
728 or permit is issued pursuant to the provisions of this act; investigate the circumstances surrounding any  
729 act or transaction for which commission approval is required; investigate violations of this act and  
730 regulations promulgated hereunder; initiate, prosecute and defend such proceedings before the  
731 commission, or appeals therefrom, as the bureau may deem appropriate; provide assistance upon  
732 request by the commission in the consideration and promulgation of rules and regulations; conduct  
733 continuing reviews of licensed gaming facility operations through on-site observation and other  
734 reasonable means to assure compliance with this act and regulations promulgated hereunder; conduct  
735 audits of licensed gaming facility operations at such times, under such circumstances, and to such extent  
736 as the director shall determine, including reviews of accounting, administrative and financial records,  
737 and management control systems, procedures and records utilized by a license gaming facility licensee;

738 and be entitled to request information, materials and any other data from any licensee or registrant, or  
739 applicant for a license or registration under this act.

740 (o) Each licensee or registrant, or applicant for a license or registration under this act shall  
741 cooperate with the commission and the bureau in the performance of their duties.

742 (p) The bureau and its employees and agents, upon approval of the director, shall have the  
743 authority, without notice and without warrant to inspect and examine all premises wherein gaming is  
744 conducted; or gaming devices or equipment are manufactured, sold, distributed, or serviced, or wherein  
745 any records of such activities are prepared or maintained; to inspect all equipment and supplies in,  
746 about, upon or around such premises; to seize summarily and remove from such premises and impound  
747 any such equipment or supplies for the purpose of examination and inspection; to inspect, examine and  
748 audit all books, records, and documents pertaining to a gaming licensee's operation; to seize, impound  
749 or assume physical control of any book, record, ledger, game, device, cash box and its contents,  
750 counting room or its equipment, or licensed gaming facility operations; and to inspect the person, and  
751 personal effects present in a license gaming facility licensed under this act, of any holder of a license or  
752 registration issued pursuant to this act while that person is present in a licensed gaming facility.

753 (q) Every licensed gaming facility must, upon receipt of criminal or civil process compelling  
754 testimony or production of documents in connection with any criminal investigation, immediately  
755 disclose such information to the bureau.

756 Section 9. Licensing of gaming service industries.

757 (a) All gaming service industries as defined in this act offering goods or services which directly  
758 relate to gaming activities or indirectly relate to gaming operations shall be licensed in accordance with  
759 rules of the commission and prior to conducting any business whatsoever with a gaming applicant or

760 licensee, its employees or agents, and in the case of a school, prior to enrollment of any students or  
761 offering of any courses to the public whether for compensation or not. Gaming service industries that  
762 directly relate to gaming activities shall include gaming and wagering equipment manufacturers,  
763 suppliers and repairers, schools teaching gaming and either playing or dealing techniques, and gaming  
764 security services. Gaming service industries that indirectly relate to gaming operations shall include  
765 junket enterprises; suppliers of alcoholic beverages, food and non-alcoholic beverages; garbage  
766 handlers; vending machine providers; linen suppliers; maintenance companies; shopkeepers located  
767 within the approved hotels; limousine services and construction companies contracting with gaming  
768 applicants or licensees or their employees or agents.

769 (b) Each gaming service industry, as well as its owners, management and supervisory personnel and  
770 other principal employees must qualify under standards promulgated by the commission.

771 (c) The commission may exempt any person or field of commerce from the licensing requirements  
772 of this subsection if the person or field of commerce demonstrates that it is regulated by a public agency  
773 or that it will provide goods or services in insubstantial or insignificant amounts or quantities, or  
774 provides professional services such as accountants, auditors, attorneys, or broker dealers, and that  
775 licensing is not deemed necessary in order to protect the public interest or to accomplish the policies  
776 established by this act. Upon granting an exemption or at any time thereafter, the commission may  
777 limit or place such restrictions thereupon as it may deem necessary in the public interest, and shall  
778 require the exempted person to cooperate with the commission and the bureau and, upon request, to  
779 provide information in the same manner as required of a gaming service industry licensed pursuant to  
780 this section.

781 (d) Licensure pursuant to this section of any gaming service industry may be denied to any applicant  
782 disqualified in accordance with the criteria contained in sections 7 and 8, where applicable, of this act.

783 (e) There is hereby imposed and levied on each applicant for a gaming service industry license  
784 under this section an annual license fee in the amount of \$500.

785 Section 10. Right to hearing.

786 Any person aggrieved by a determination by the commission to issue, deny, modify, revoke or suspend  
787 any license or approval, or to issue an order, under the provisions of this act, may request an  
788 adjudicatory hearing before the commission under the provisions of chapter 30A of the General Laws.  
789 Any such determination shall contain a notice of this right to request a hearing and may specify a time  
790 limit, not to exceed 21 days, within which said person shall request said hearing. If no such request is  
791 timely made, the determination shall be deemed assented to. If a timely request is received, the  
792 commission shall within a reasonable time act upon a request in accordance with the provisions of said  
793 chapter 30A. A person aggrieved by a final decision in an adjudicatory hearing held under the provisions  
794 of this section may obtain judicial review thereof pursuant to the provisions of chapter 30A.

795 Section 11. Criminal acts and penalties.

796 (a) Except as otherwise provided in this act or in chapter 10 or in section 7A of chapter 271 of the  
797 General Laws, it is unlawful for any person to deal, operate, carry on, conduct, maintain or expose for  
798 play in the commonwealth of Massachusetts any gambling game, gaming device, or slot machine as  
799 defined by this act; to receive, directly or indirectly, any compensation or reward or any percentage or  
800 share of the money or property played, for keeping, running or carrying on any gambling game, gaming  
801 device, or slot machine; to permit any gambling game, gaming device, or slot machine to be conducted,  
802 operated, dealt or carried on in any house or building or other premises owned by him, in whole or in  
803 part; to lend, let, lease or otherwise deliver or furnish any equipment of any gambling game, including  
804 any slot machine, for any interest, percentage or share of the money or property played, under guise of  
805 any agreement whatever; to lend, let, lease or otherwise deliver or furnish, except by a bona fide sale or

806 capital lease, any slot machine under guise of any agreement whereby any consideration is paid or is  
807 payable for the right to possess or use that slot machine, whether the consideration is measured by a  
808 percentage of the revenue derived from the machine or by a fixed fee or otherwise; to furnish services  
809 or property, real or personal, on the basis of a contract, lease or license, pursuant to which that person  
810 receives payments based on earnings or profits from any gambling game, including any slot machine,  
811 without having first procured a state gaming license from the commission.

812 (b) Any person included on the list of persons to be excluded or ejected from a gambling  
813 establishment pursuant to regulations promulgated pursuant to this act who knowingly enters or  
814 remains on the premises of a licensed gambling establishment shall be punished by a fine to be  
815 determined by the commission, in addition to any other penalties prescribed by law.

816 (c) Any person under the age of 21 years, or any age greater as set by the commission, who plays,  
817 places wagers at, or collects winnings from, whether personally or through an agent, any controlled  
818 game, or who is employed as an employee in a licensed gaming establishment shall be punished by  
819 imprisonment in the house of correction for not more than 1 year, or by a fine of not more than \$1,000,  
820 or by both such imprisonment and fine. A subsequent violation of this section shall subject a person to  
821 imprisonment in the house of correction for not more than 2 years, or by a fine of not more than  
822 \$5,000, or by both such imprisonment and fine. Any licensee, or other person, who knowingly allows a  
823 person under the age set by the commission to play, place wagers at or collect winnings, whether  
824 personally or through an agent, shall be punished by imprisonment in the house of correction for a term  
825 of not more than 1 year or pay a fine of not more than \$25,000, or by both such imprisonment and fine.  
826 A subsequent violation of this section shall subject the licensee to imprisonment in the house of  
827 correction for not more than 2 years or pay a fine of not more than \$50,000 or by both such  
828 imprisonment and fine. In any prosecution or other proceeding for the violation of this subsection, it

829 shall not be a defense for the licensee or his agent to plead that he believed the person to be 21 years of  
830 age or older.

831 (d) Any person who willfully fails to report, pay, or truthfully account for and pay over any license  
832 registration fee, penalty, fine or interest thereon imposed by this act, or willfully attempts in any  
833 manner to evade or defeat the license fee, penalty, fine, or interest thereon or payment thereof shall be  
834 punished by a fine to be determined by the commission.

835 (e) Any person who willfully resists, prevents, impedes, or interferes with the commission or the  
836 bureau or any of their agents or employees in the performance of duties pursuant to this act shall be  
837 punished by a fine to be determined by the commission, in addition to any other penalties prescribed by  
838 law.

839 (f) Any person who willfully violates, attempts to violate, or conspires to violate any provision of a  
840 regulation adopted pursuant to this chapter shall be punished by a fine to be determined by the  
841 commission, in addition to any other penalties prescribed by law.

842 (g) Any person, as owner, lessee, or employee, whether for hire or not, either solely or in  
843 conjunction with others, who shall do any of the following without having first procured and thereafter  
844 maintained in effect all licenses required by law:

845 (1) Deals, operates, carries on, conducts, maintains or exposes for play in this state any  
846 controlled game or gaming equipment used in connection with any controlled game,

847 (2) Receives, directly or indirectly, any compensation or reward or any percentage or share  
848 of the revenue, for keeping, running, or carrying on any controlled game, or owning the real property or  
849 location in which any controlled game occurs, or,



850           (3)       Manufactures or distributes within the territorial boundaries of the commonwealth any  
851 gaming equipment to be used in connection with controlled gaming, shall be punished by imprisonment  
852 in the state prison for not more than 5 years, or by imprisonment in the house of corrections for not  
853 more than 2½ years, or by a fine of not more than \$25,000 or by both such imprisonment and fine.

854 (h)       Any person who knowingly permits any controlled game to be conducted, operated, dealt, or  
855 carried on in any house or building or other premises that he or she owns or leases, in whole or in part,  
856 if that activity is undertaken by a person who is not licensed as required by state law shall be punished  
857 by imprisonment in state prison for not more than 5 years, or by imprisonment in the house of  
858 corrections for not more than 1 year, or by a fine of not less than \$25,000, or by both such  
859 imprisonment and fine.

860 (i)       Any former commission member who, within 5 years after his employment on said commission  
861 has ceased, solicits or accepts employment with or provides consultant services to any licensee or at any  
862 licensed gaming facility shall be deemed to have violated chapter 268B of the General Laws. Any  
863 licensed gaming facility which employs a former commission member in violation of this subsection shall  
864 be punishable by a fine to be determined by the commission.

865 (j)       It is unlawful for any person:

866           (1)       To alter or misrepresent the outcome of a game or other event on which wagers have  
867 been made after the outcome is determined but before it is revealed to the players.

868           (2)       Knowingly to entice or induce another to go to any place where gaming is being  
869 conducted or operated in violation of the provisions of this chapter, with the intent that the other  
870 person play or participate in that gaming.

871 (3) To manipulate, with the intent to cheat, any component of a gaming device in a manner  
872 contrary to the designed and normal operational purpose for the component, including but not limited  
873 to, varying the pull of the handle of an electronic gaming device, with knowledge that the manipulation  
874 affects or reasonably may tend to affect the outcome of the game or with knowledge of any event that  
875 affects the outcome of the game. As used in this section, "cheat" means to alter the selection of criteria  
876 which determine: (a) the results of a game; or (b) the amount or frequency of payment in a game.

877 (4) To have on his person or in his possession on or off the premises of any licensed gaming  
878 establishment any key or device known to have been designed for the purpose of and suitable for  
879 opening, entering or affecting the operation of any gaming or equipment, or for removing money or  
880 other contents from there, except where such person is a duly authorized employee of a licensee acting  
881 in furtherance of his employment within a licensed gaming establishment. A violation of this section  
882 shall be punishable by imprisonment in the house of corrections for not more than 5 years or by a fine  
883 of not more than \$50,000, or by both such imprisonment and fine.

884 (k) Any individual who commits, attempts, or conspires to commit skimming, as defined in section 1  
885 of this chapter, for a total value of less than \$1,000 against a gaming licensee or upon the premises of a  
886 licensed gaming facility shall be punished by imprisonment in the house of corrections for not more than  
887 5 years and by a fine of not more than \$50,000, or by imprisonment in the house of corrections for not  
888 more than 10 years and by a fine of not more than \$100,000 if the total value is more than \$1,000.

889 (l) In addition to any other penalty imposed under this section, a violation of this section by a  
890 licensed gaming establishment shall be subject to forfeiture to the commonwealth any or all of the  
891 gaming equipment related to the violation. A district attorney may petition the superior court in the  
892 name of the commonwealth in the nature of a proceeding in rem to order forfeiture of any such gaming  
893 equipment subject to forfeiture under the provisions of this paragraph. Such petition shall be filed in

894 the court having jurisdiction over said gaming equipment or having final jurisdiction over any related  
895 criminal proceedings brought under any provision of this chapter. In all such suits where the property is  
896 claimed by any person, other than the commonwealth, the commonwealth shall have the burden of  
897 proving to the court the existence of probable cause to institute the action, and any such claimant shall  
898 then have the burden of proving that the gaming equipment is not forfeitable. The court shall order the  
899 commonwealth to give notice by certified or registered mail to the owner of said gaming equipment and  
900 to such other persons as appear to have an interest therein, and the court shall promptly but not less  
901 than 2 weeks after notice, hold a hearing on the petition. Upon the motion of the owner of said gaming  
902 equipment the court may continue the hearing on the petition pending the outcome of any criminal trial  
903 related to the violation of this chapter. At such hearing the court shall hear evidence and make  
904 conclusions of law, and shall thereupon issue a final order, from which the parties shall have a right of  
905 appeal. In all such suits where a final order results in forfeiture, said final order shall provide for  
906 disposition of said gaming equipment, by the commonwealth in any manner not prohibited by law,  
907 including official use by an authorized law enforcement or other public agency, or sale at public auction  
908 or by competitive bidding. The proceeds of any such sale shall be used to pay the reasonable expenses  
909 of the forfeiture proceedings, seizure, storage, maintenance of custody, advertising, and notice, and the  
910 balance thereof shall be deposited in the gaming regulatory account established by this chapter.

911 Section 12. Violations.

912 (a) All licensees, all registrants, all persons required to be qualified under this act, and all persons  
913 employed by a gaming service industry licensed pursuant to this act, shall have a duty to inform the  
914 commission or bureau of any action or circumstances, or combination thereof, which they believe would  
915 constitute a violation of this act. No person who so informs the commission or the bureau shall be

916 discriminated against by an applicant, licensee or registrant because of the supplying of such  
917 information.

918 (b) Any gaming licensee, or its officers, employees or agents may question any person in its  
919 establishment suspected of violating any of the provisions of this act. No gaming licensee or any of its  
920 officers, employees or agents is criminally or civilly liable:

921 (1) On account of any such questioning.

922 (2) For reporting to the executive director or law enforcement authorities the person  
923 suspected of the violation.

924 (c) Any gaming licensee or any of his officers, employees or agents who has reasonable cause for  
925 believing that there has been a violation of this article in his establishment by any person may take that  
926 person into custody and detain him in the establishment in a reasonable manner and for a reasonable  
927 length of time. Such a taking into custody and detention does not render the licensee or his officers,  
928 employees or agents criminally or civilly liable unless it is established by clear and convincing evidence  
929 that the taking into custody and detention are unreasonable under all the circumstances.

930 (d) No gaming licensee or its officers, employees or agents are entitled to the immunity from  
931 liability provided for in subsection (c) unless there is displayed in a conspicuous place in his  
932 establishment a notice in boldface type clearly legible and in substantially this form: Any gaming  
933 licensee, or any of his officers, employees or agents who has reasonable cause for believing that any  
934 person has violated any provision of the Massachusetts gaming laws, which prohibits cheating in  
935 gaming, may detain that person in the establishment.

936 Section 13. Gaming taxes and fees.

937 (a) There is hereby established a gaming investigative fund. Any and all expenses associated with  
938 the licensing of any applicant and monitoring of any licensee shall be borne by the applicant or licensee.  
939 Pursuant to its regulations, the commission shall require each applicant to deposit with the commission,  
940 together with the application therefore, an application fee which shall be deposited in the gaming  
941 investigative account. Such fee shall constitute the anticipated costs and charges incurred in the  
942 investigation and processing of the application, and any additional sums as are required by the  
943 commission and the bureau to pay final costs and charges. Expenses may be advanced from the gaming  
944 investigative account by the commission to the bureau. Any money received from an applicant in excess  
945 of the costs and charges incurred in the investigation or the processing of the application shall be  
946 refunded pursuant to regulations adopted by the commission. At the conclusion of the investigation,  
947 the bureau shall provide the applicant a written accounting of the costs and charges so incurred.

948 (b) There is hereby established a gaming oversight fund. Monies deposited in the gaming oversight  
949 account shall be expended for the support of the commission and bureau in carrying out their duties  
950 and responsibilities under this chapter including, but not limited to, the directing or hiring of gaming law  
951 enforcement. The commission and the bureau shall issue regulations which apportion all expenses of  
952 the commission and the bureau among all gaming licensees on a pro rata share of the oversight costs of  
953 the commission. Such costs shall be fair and reasonable.

954 (c) All fees, revenue, and penalties collected pursuant to this chapter, unless specified otherwise,  
955 shall be deposited in the general fund. Funds deposited in the general fund, pursuant to this chapter,  
956 shall, subject to appropriation, be distributed as stated in this section.

957 (d) All revenue received from any game or gaming device which is leased for operation on the  
958 premises of the licensee-owner to a person other than the owner thereof, or located in an area or space  
959 on the premises which is leased by the licensee-owner to any such person, must be attributed to the

960 owner for the purposes of this section and be counted as part of the gaming revenue of the owner. The  
961 lessee is liable to the owner for his proportionate share of the license fees.

962 (e) All gaming license fees and penalties imposed by the provisions of this chapter must be paid to  
963 the state treasurer to be deposited into the general fund. Fees shall be paid annually on or before June  
964 twentieth, unless specified otherwise. Penalties imposed under this chapter shall be paid to the  
965 commission within 30 days after the final determination of the violation.

966 (f) Each gaming licensee, including racing meeting licensees, shall pay the following amounts on a  
967 weekly basis:

968 (1) Fifty percent of the gaming revenue derived from electronic gaming devices located in  
969 such gaming facility, payable to the commission. Seventy-five percent of the revenue collected pursuant  
970 to this subsection shall be deposited in the general fund. Twenty-five percent of the revenue collected  
971 pursuant to this subsection shall be deposited in the lottery fund for full distribution to all communities  
972 in the commonwealth, pursuant to the lottery aid formula, so-called.

973 (2) Two percent of the gaming revenue derived from electronic gaming devices located in  
974 such gaming facility, payable to the community in which the facility is located; provided, that if the  
975 facility is located in more than one community, such fee shall be divided and distributed proportionally  
976 to each community as fairly determined by the commission.

977 (3) One percent of the gaming revenue derived from electronic gaming devices located in  
978 such gaming facility, which shall be divided and distributed proportionally, as determined by the  
979 commission, to each community contiguous to the community or communities in which the facility is  
980 located.

981 (g) Each racing meeting licensee shall also pay to the commission, as the commission shall direct, an  
982 amount equal to 35 percent of 1 percent (.35 %) of the annual gaming revenue derived from electronic  
983 gaming devices located in such gaming facility to be used exclusively in preventing and treating  
984 compulsive gambling behavior. Furthermore, the department of public health is hereby authorized and  
985 directed to conduct a comprehensive study to measure the prevalence of compulsive, obsessive  
986 behaviors in Massachusetts; to measure the prevalence of problem gambling in Massachusetts; to  
987 measure the prevalence of underage problem gambling in Massachusetts; and, to measure the social  
988 cost of problem gambling in Massachusetts; and to develop appropriate treatment modalities and public  
989 education strategies that address the findings of said study.

990 (h) Each racing meeting licensee shall pay to the commission, as the commission shall direct, an  
991 amount equal to 25 percent of 1 percent (.25%) of the annual gaming revenue derived from electronic  
992 gaming devices located in such facility to be used exclusively for law enforcement purposes including  
993 appropriate contributions annually to the budgets of the attorney general, district attorneys and courts.

994 (i) In the event the annual financial performance of the Massachusetts state lottery does not  
995 maintain the same rate of growth as averaged by the 3 previous years, the commission shall assess each  
996 licensed gaming entity for the total monetary shortfall, on a proportional basis. The proportional  
997 assessment to be paid to the state in addition to all other taxes and fees paid by each gaming  
998 establishment shall be determined by calculating the percentage of annual gaming revenues of each  
999 gaming entity of the total annual gaming revenues in the Commonwealth for the preceding fiscal year.

1000 (j) Two percent of the net gaming revenue derived from electronic gaming devices shall be  
1001 deposited in a special fund established by the licensee, and used for payment of regular thoroughbred  
1002 horse purses.

1003 (k) No municipality or other political subdivision shall impose any additional license fee or gaming  
1004 tax on any person or equipment licensed to conduct gaming pursuant to this chapter. Nothing herein  
1005 precludes the imposition of customary local taxes and fees applicable to other non-gaming businesses in  
1006 the municipality or political subdivision.

1007 Section 14. Internal control system.

1008 (a) Each gaming licensee shall adopt an internal control system which shall include but not be  
1009 limited to provisions for the safeguarding of its assets and revenues, especially the recording of cash and  
1010 evidences of indebtedness; the provision of reliable records accounts and reports of transactions,  
1011 operations and events, including reports to the executive director and the commission

1012 (b) The internal control system must be designed to reasonably ensure that assets are safeguarded;  
1013 financial records are accurate and reliable; transactions are performed only in accordance with  
1014 management's general or specific authorization; transactions are recorded adequately to permit proper  
1015 reporting of gaming revenue and of fees and taxes, and to maintain accountability for assets; access to  
1016 assets is permitted only in accordance with management's specific authorization; recorded  
1017 accountability for assets is compared with actual assets at reasonable intervals and appropriate action is  
1018 taken with respect to any discrepancies; functions, duties and responsibilities are appropriately  
1019 segregated and performed in accordance with sound practices by competent, qualified personnel.

1020 (c) Each gaming licensee and each applicant for a gaming license shall describe, in such manner as  
1021 the executive director may approve or require, its administrative and accounting procedures in detail in  
1022 a written system of internal control. Each gaming licensee and applicant for a gaming license shall  
1023 submit a copy of its written system to the executive director. Each written system must include:



1024 (1) An organizational chart depicting appropriate segregation of functions and  
1025 responsibilities.

1026 (2) A description of the duties and responsibilities of each position shown on the  
1027 organizational chart.

1028 (3) A detailed, narrative description of the administrative and accounting procedures  
1029 designed to satisfy the requirements of subsection (a).

1030 (4) A written statement signed by the licensee's chief financial officer and either the  
1031 licensee's chief executive officer or a licensed owner attesting that the system satisfies the requirements  
1032 of this section.

1033 (5) If the written system is submitted by an applicant, a letter from an independent  
1034 accountant stating that the applicant's written system has been reviewed by the accountant and  
1035 complies with the requirements of this section.

1036 (6) Such other items as the executive director may require.

1037 (d) The executive director, with the advice of the commission, shall adopt and publish minimum  
1038 standards for internal control procedures.

1039 Section 15. Gaming debts.

1040 (a) Whenever a licensee refuses payment of alleged winnings to a patron, the licensee and the  
1041 patron are unable to resolve the dispute to the satisfaction of the patron and the dispute involves: (1) at  
1042 least \$500, the licensee shall immediately notify the bureau; or (2) less than \$500, the licensee shall  
1043 inform the patron of his right to request that the bureau conduct an investigation. The bureau shall  
1044 conduct whatever investigation it deems necessary and shall determine, in its sole discretion and

1045 without need for a hearing, whether payment should be done. In the event the bureau determines that  
1046 payment should be made, all costs of the investigation shall be borne by the licensee. Failure of the  
1047 licensee to notify the bureau or inform the patron as provided herein shall subject the licensee to  
1048 disciplinary action.

1049 (b) Any party aggrieved by the determination of the bureau may file a petition for reconsideration  
1050 with the commission setting forth the basis of the request for reconsideration. Any hearing for  
1051 reconsideration shall be conducted pursuant to regulations adopted by the commission.

1052 (c) A credit instrument evidencing a gaming debt may be enforced by a licensee by legal process.

1053 (d) A licensee or person acting on the licensee's behalf may accept an incomplete credit instrument  
1054 that is signed by a patron and states the amount of the debt in figures and may complete the instrument  
1055 as is necessary for the instrument to be presented for payment.

1056 (e) A licensee or a person acting on behalf of a licensee may not accept a credit instrument, which is  
1057 incomplete, except as authorized in subsection (d) of this section. Additionally, a licensee or a person  
1058 acting on his behalf may accept a credit instrument that is payable to an affiliate or affiliated company  
1059 or may complete a credit instrument in the name of an affiliate or affiliated company as payout if the  
1060 credit instrument otherwise complies with this section and the records of the affiliate or an affiliated  
1061 company pertaining to the credit instrument are made available to the executive director upon request.

1062 (f) This section does not prohibit the establishment of an account by a deposit of cash, recognized  
1063 traveler's check, or any other instrument which is equivalent to cash.

1064 Section 16. Immediate revenue address.

1065 Notwithstanding any general or special law to the contrary, given that the commission and  
1066 bureau will not be ready to convene and conduct its respective business and functions for some time

1067 after the enactment of this legislation and given the needs of the commonwealth of funds in order to  
1068 operate and conduct its business, each racing meeting licensee shall be granted a temporary license and  
1069 deemed to be a licensee for the purposes of this act immediately upon the enactment of this act;  
1070 provided a letter of intent has been submitted to the secretary of administration and finance. The  
1071 functions of the commission and bureau shall be maintained and operated by the executive office of  
1072 administration and finance, under the control of the secretary, until such time as said commission and  
1073 bureau are operating according to the terms of this act; provided, however, that in no event shall the  
1074 racing meeting licensees be deemed automatically to be licensees under this section 6 months after the  
1075 enactment of this act; provided, further, that the commission and bureau shall have complete authority  
1076 to conduct their respective functions to insure compliance with this act when they are respectively  
1077 operational.

1078 Section 17. Repeal of section 16.

1079           Section 16 of this act shall be repealed six months after the enactment of this act.

1080 Section 18. Severability.

1081           The invalidity of any section, sections or subsections or parts of this act shall not affect the  
1082 validity of the remainder of this act.