

**SENATE . . . . . No.**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

**Michael W. Morrissey**

*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 establishing the Massachusetts gaming control act.**

PETITION OF:

NAME:

Michael W. Morrissey

DISTRICT/ADDRESS:

Norfolk and Plymouth

# The Commonwealth of Massachusetts

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

## AN ACT ESTABLISHING THE MASSACHUSETTS GAMING CONTROL ACT.

*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 are hereby amended by striking out chapter 12B.

2           SECTION 2. Section 23 of chapter 10 of the General Laws, as appearing in the 2004 official  
3           edition, is amended in line 1 and line 2 by striking out the words “state lottery commission” and  
4           inserting in place thereof the following words:- state lottery and gaming commission.

5           SECTION 3. Said Chapter 10 of the General Laws is hereby amended by inserting after section  
6           24A, as so appearing, the following:-

7           Section 24B. Notwithstanding any general or special law to the contrary, the commission is shall  
8           implement chapter 10A, any special or general law that pertains to chapter 10A, to exercise all  
9           powers granted thereunder, and to promulgate all rules and regulations necessary thereof.

10          When exercising its duties under chapter 10A, the commission shall comply with the following:

11 (a) Except as otherwise provided herein, meetings of the commission shall be subject to  
12 sections 11A and 11A1/2 of chapter 30A. A quorum shall be the chairman and not less than 2  
13 other members of the commission. A public record of every vote shall be maintained at the  
14 division of gaming.

15 (b) The commission shall conduct hearings in accordance with the provisions of chapter  
16 30A, provided, however, that clause 3 of section 11 of chapter 30A shall not apply. The  
17 commission may issue subpoenas for the attendance of witnesses or the production of any  
18 records, books, memoranda, documents, or other papers, or things, at or prior to any hearing as is  
19 necessary to enable the commission to discharge its duties, and may administer oaths or  
20 affirmations as necessary in connection therewith. The commission may petition the superior  
21 court for an order requiring compliance with any subpoena at issue.

22 (c) The commission may require any person to apply for a license as provided in this chapter  
23 and approve or disapprove any such application or other transactions, events, and processes as  
24 provided in this chapter and chapter 10A. Any application to receive any license under this  
25 chapter and chapter 10A shall constitute a request for a determination of the applicant's general  
26 character, integrity, and ability to participate or engage in, or be associated with, gaming.

27 (d) The commission shall make an annual report of its activities to the general court by  
28 March 31, for the prior calendar year.

29 (e) The commission shall prohibit any license from being assigned either in whole or in part.

30 (f) The commission may issue regulations providing for a fine or penalty or interest on such  
31 fine or penalty, upon any gaming licensee, for violation of this chapter and chapter 10A. The

32 commission may approve or disapprove transactions and events as provided in this chapter, and  
33 chapter 10A take actions reasonably designed to ensure that no unsuitable persons are associated  
34 with controlled gaming, and take actions reasonably designed to ensure that gaming activities  
35 take place only in suitable premises.

36 (g) The commission shall, pursuant to sections 2 and 3 of chapter 30A, promulgate  
37 regulations necessary to carry out the powers and the provisions of this chapter; and specifically  
38 shall promulgate regulations as to the following matters:

39 (1) the licensing of gaming establishments, including regulations relating to the types of  
40 establishments, application process, background checks, license fees, bonding  
41 requirements, and revocation and suspension of licenses;

42 (2) the licensing of gaming suppliers and gaming testers, including regulations relating to  
43 the application process, background checks, license fees, bonding requirements, and  
44 revocations and suspension of licenses;

45 (3) the licensing of parties in interest, including regulations relating to the application  
46 process, background checks, license fees, bonding requirements, and revocation and  
47 suspension of licenses;

48 (4) the issuance of one or more classes of work permits, including regulations relating to  
49 the application process, background checks, fees, and revocation and suspension of work  
50 permits;

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

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

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

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

64 (9) the registration and licensing of non-gaming suppliers;

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

67 (11) the method and standards of operation of licensed gaming establishments including,  
68 but not limited to, games, the type and manner of gaming, wagering limitations, odds,  
69 and hours of operation; provided, however, the commission shall not restrict the number

70 of hours of operation of any licensed gaming establishment to fewer hours than of any  
71 competing licensed gaming establishment

72 (12) the manufacturing, distribution, sale, testing, servicing, and inspection of gaming  
73 equipment, including requirements for the identification and licensing of same; provided  
74 that the commission may authorize a licensee to utilize a third party to installing, testing  
75 and servicing of gaming equipment; provided further that, said third party is licensed by  
76 the commission pursuant to this chapter and chapter 10A;

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

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

80 (15) advertising by licensed gaming establishments; provided, however, licensees shall  
81 have the right to conduct reasonable advertising consistent with that of competing gaming  
82 facilities, and the State Lottery;

83 (16) the manner in which winnings, compensation from games, and gaming devices must  
84 be compiled and reported by the commission, provided, further, electronic gaming  
85 devices shall return as winnings at a minimum 85% of all sums wagered.

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

88 (18) the minimum procedures to be adopted by each licensed gaming establishment to  
89 exercise effective supervisory and management control over its fiscal affairs, including

90 the requirement of internal and independent annual financial and operational audits  
91 undertaken in accordance with generally accepted accounting principles, and the  
92 requirement that quarterly reports be provided by licensed gaming establishments to the  
93 commission no more than 30 days after the close of each quarter;

94 (19) the persons to be excluded or ejected from licensed gaming establishments,  
95 including the type of conduct prohibited;

96 (20) the distribution of funds for the treatment of compulsive gambling behavior;

97 (21) the licensing and regulation of central computer system provider, which services  
98 electronic gaming devices and on and off site auditing of said electronic gaming devices;  
99 provided that, the commission shall ensure that the central computer system shall employ  
100 a widely accepted gaming industry protocol to facilitate slot machine manufacturers'  
101 ability to communicate with the statewide system; and provided further, that said central  
102 computer system selected by the commission shall be prohibited from providing  
103 electronic gaming devices, or any other form of player activated terminal for use in  
104 connection with said central computer system;

105 (22) whether and under what conditions persons under age 21 may be permitted to enter  
106 facilities with electronic gaming devices; and

107 (23) the collection of fees associated with application of licenses under this chapter and  
108 chapter 10A and fees for investigation under this chapter and chapter 10A.

109 (h) In emergencies, the commission may, without complying with sections 2 or 3 of chapter  
110 30A of the General Laws, summarily adopt, amend, or repeal any regulation, if, at the time, the  
111 commission makes a finding that such action is necessary for the preservation of the public  
112 peace, health, safety, morals, good order, or general welfare, together with a statement of the  
113 facts constituting the emergency; provided, however, all such emergency actions shall not exceed  
114 90 days.

115 (i) Each operating license shall be issued for an initial term of 10 years, and may be  
116 renewed at the discretion of the commission for a term not to exceed 10 years; provided that the  
117 commission conducts an investigation, which shall include, but is not limited to, the financial  
118 and operational functions, impact and mitigation on the host and contiguous communities, and  
119 determine the social-economic affect from the licensee prior to reissuance of the license;  
120 provided further, that the commission shall set a renewal fee, which shall not be less than  
121 \$50,000,000.

122 (j) Any failure of a licensee to comply with this chapter, chapter 10A, or any regulation of  
123 the commission may result in the suspension limitation, or revocation of the license, as  
124 determined by the commission. The commission shall promulgate rules and regulations, which  
125 shall include but not limited, the process by which a licensee's license can be revoked, the  
126 process by which a licensee can appeal, the length of time of the suspension or limitation, and  
127 the scope of limitations on the license of type for the suspension,

128 (k) A gaming establishment license issued pursuant to this chapter and chapter 10A must be  
129 posted by the licensee and kept posted at all times in a conspicuous place in the area where



130 gaming is conducted in the establishment for which the license is issued until it is replaced by a  
131 succeeding license.

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

135 (m) No person or entity licensed as a licensed gaming operator, gaming establishment or  
136 racing meeting licensee, under chapter 10A, shall be permitted to transfer a direct or indirect real  
137 interest, personal interest, pecuniary interest, including, but limited to, substantial party in  
138 interest and affiliates defined under section 2 of chapter 10A of the General Laws, in the interests  
139 of the licensee's corporate governing structure, including those defined under Chapter 108A,  
140 Chapter 109, Chapter 155, Chapter 156, Chapter 156A, Chapter 156B, Chapter 156C and  
141 Chapter 156D of the General Laws and those entities established under the rules and regulations  
142 of the Secretary of State, the licensee's establishment, licensee's structure, licensee's real  
143 property, licensee's premise or licensee's facility, or enter into an option contract, management  
144 contract, or other agreement or contract providing for such transfer in the present or future,  
145 without the notification and approval the commission, and the commission may require either the  
146 transferer or transferee or both, as determined by the commission, to pay to the Commonwealth  
147 an amount representing the Commonwealth's share of the increased value for said of said  
148 property or contracts. The commission shall promulgate rules and regulations for the  
149 determination of the payment which serves in the best interest of the Commonwealth as a result  
150 of the transfer; provided that the commission may consider the actual increase or decrease in the  
151 pecuniary value of said license, the real property, and the shares of interest among the time it was

152 initially purchased, the time of receiving a license and the time of the transfer; provided further,  
153 that any payment collected by the commission, on behalf of the Commonwealth, shall be  
154 deposited in the General Fund..

155 (n) No licensed operator, licensed person, licensed party, a licensee's affiliate, a licensee's  
156 substantial party of interest, licensee's party of interest, as defined under section 2 of Chapter  
157 10A of the General Laws, shall transfer any license in whole or in part issued by the  
158 Commonwealth, municipality, county, authority, district, commission or any other subdivision of  
159 the Commonwealth, without the approval of the commission and the commission may require a  
160 payment by the transferer or transferee or both, as determined by the commission, to the  
161 commission, on behalf of the Commonwealth, and said payment shall be deposited into the  
162 General Fund; provided, that the commission shall consider as a factor in determining the  
163 amount of the payment the difference in value of the licensee's property between the time of  
164 when the licensee received the license and the time of or anticipated time of the transfer through  
165 the average of three separate assessments made by the licensee, the commission and an  
166 independent assessor chosen by the commission, and the cost of said assessment shall be part of  
167 the payment of the transfer; and provided further, that the commission shall consider as a factor  
168 in determining the amount of the payment the market value of the license of when it was  
169 acquired and at the time of the transfer; provided further, that the commission shall consider as a  
170 factor in determining the amount of the payment the increased value of the property, land,  
171 establishment, management agent, entity or business value as a result of possessing a gaming  
172 operator's license. In no event shall a bona fide commercial financial institution licensed by the  
173 division of banks, which becomes a substantial party of interest, as defined under section 2 of  
174 Chapter 10A of the General Laws, with a licensee be deemed to be a transfer; provided further,

175 that the commission may reject such transfer if it deems it unsuitable. The commission may  
176 place any condition or restriction on the transfer of a license or substantial interest or party of  
177 interest, and in all instances it shall consider whether additional compensation is owed to the  
178 Commonwealth.

179 (o) No person or entity licensed as a licensed gaming operator, gaming establishment or  
180 racing meeting licensee, under chapter 10A, chapter 128A or chapter 128C of the General Laws,  
181 shall be permitted to change its business governing structure, including those defined under  
182 Chapter 108A, Chapter 109, Chapter 155, Chapter 156, Chapter 156A, Chapter 156B, Chapter  
183 156C and Chapter 156D of the General Laws and those entities established under the rules and  
184 regulations of the Secretary of State without the notification and approval of the commission.

185 (p) The commission shall monitor the conduct of all licensees and other persons having a  
186 material involvement, directly or indirectly, with a licensee for the purpose of ensuring that  
187 licenses are not issued to, or held by, and there is no direct or indirect material involvement with  
188 a licensee by unqualified, disqualified, or unsuitable persons.

189 (q) No commission member or person employed by the commission shall solicit or accept  
190 employment from a licensee, or represent any person or party other than the commonwealth  
191 before or against the commission for a period of 3 years from the termination of his office or  
192 employment with the commission.

193 (r) The commission may investigate fraud, deceit, misrepresentation or violations by any  
194 licensee under this chapter, or the occurrence of any such activity involving any licensee. If the  
195 commission has reasonable basis to believe that any licensee has been or is engaged in criminal

196 behavior or that criminal activity is occurring within or involving any licensed gaming  
197 establishment, the commission shall report same to the district attorney of the county within  
198 which the gaming establishment is located and make available to said district attorney and  
199 attorney general all relevant information on such activity. The commission shall direct through  
200 the division gaming such state or municipal police officers to guard and protect the lives and  
201 safety of the public and property at any such gaming establishment, and to perform any such  
202 other duties which may be required by said commission in order to maintain fair and honest  
203 gaming establishment. The said police officers so assigned shall, except in the case of an  
204 emergency, while on duty at any such establishment be subject to the operational authority of the  
205 commission; provided, however, that such assignment or reassignment shall not in any way  
206 impair any rights to which any officer may be entitled. The commission assess an annual fee to  
207 be paid by the licensees' for the costs associated with the state police as it relates to this chapter  
208 and chapter 10A; provided further, that said fee shall be paid by each licensee in equal portions.  
209 The commission shall establish a fee schedule for the purposes of defraying the costs incurred by  
210 police officers of the department of public safety for work associated under this chapter and  
211 chapter 10A and shall direct the division gaming to collect said fee from the licensees.

212 All assignment and reassignments to the commission, except as the commissioner of  
213 public safety shall determine that an emergency exists or its threatened, shall be subject to the  
214 approval of the commission. Nothing herein shall prevent licensees from applying to the state  
215 police if they have jurisdiction in the area where gaming establishment is located, or to the police  
216 department of a city or town wherein the gaming establishment is located, in order that such  
217 police agency may furnish a police detail for safety or traffic purposes at any gaming  
218 establishment authorized by this chapter. The total cost for any such police detail shall be a sum

219 equal to the salaries of the police officers comprising such detail, plus a sum to cover the  
220 administrative expenses incurred by the department of each such police officer, which is to be  
221 paid by the licensee.

222 (s) The commission, as it deems appropriate, may ask the attorney general to file a civil  
223 lawsuit to restrain a violation of this chapter or enforce any provision thereof. An action brought  
224 against a person pursuant to this chapter does not preclude any other criminal or civil proceeding  
225 as may be authorized by law.

226 (t) The commission shall establish an appeals process to address persons aggrieved by a  
227 determination by the commission to issue, deny, modify, revoke, or suspend any license or  
228 approval, or to issue an adverse order under the provisions of this chapter.

229 (u) The commission shall establish rules and regulations regarding the use and manner of  
230 how electronic gaming devices may accept wagers deposited by the player, how they dispense  
231 funds deposited or credited to the player, what the maximum amount of money that a electronic  
232 gaming device can receive from a player, what is the expiration date on a ticket or voucher  
233 dispensed from an electronic gaming device, what the manner of how a player receives his or her  
234 reimbursement from a from a ticket or voucher dispensing electronic gaming device, and how  
235 machines that can dispense cash in exchange for a ticket of voucher dispensed from an electronic  
236 gaming device.

237 (v) The commission shall require the licensee to provide annual updates regarding the  
238 condition of the facility and the commission shall approve plans for all capital projects in excess  
239 of \$500,000, and projects that would substantially change the use of the property.

240 (w) The commission shall promulgate rules and regulations regarding the minimum standards  
241 of employment and employee conditions at licensed gaming establishments. Said rules and  
242 regulations shall not be below those practiced by the hotel and service industries in  
243 Massachusetts, and the commission shall set a minimum wages for employees at licensed  
244 gaming establishments to be based on a minimum of 150% of the federal poverty guideline for a  
245 family of four as of September 1, 2008, and shall make annual adjustments based on the changes  
246 to the consumer price index.

247

248 SECTION 4. Said chapter 10 is hereby further amended by inserting after section 26, as so  
249 appearing, the following section:-

250 Section 26a. The Treasurer shall appoint, subject to the approval of the commission, a director  
251 for division gaming pursuant to chapter 10A, hereinafter called the executive director, who shall  
252 serve at the pleasure of the commission, shall devote his entire time and attention to the duties of  
253 his office, and shall receive such salary as the commission may determine. The executive  
254 director shall serve for a term of five years. The executive director shall not serve more than two  
255 consecutive terms. He shall supervise and administer the operation of licensed gaming  
256 establishments in accordance with the provisions of the chapter 10A, and any special laws and  
257 rules and regulations made thereunder.

258 The executive director shall, subject to the approval of the commission, appoint such  
259 deputy directors and such other professional, technical and clerical assistants and employees as

260 may be necessary; provided, however, that such deputies, assistants and employees shall not be  
261 subject to chapter 31 and section 9A of chapter 30.

262           The executive director shall confer regularly as necessary or desirable and not less than  
263 once every month with the commission on the operation and administration of gaming, shall  
264 make available for inspection by the commission, upon request, all books, records, files, and  
265 other information and documents of the commission, shall advise the commission and  
266 recommend such matters as he deems necessary and advisable to improve the operation and  
267 administration of gaming.

268           The executive director shall, subject to the approval of the commission and the applicable  
269 laws relating to public contracts, enter into contracts for the operation of his offer, or any part  
270 thereof. No contract awarded or entered into by the executive director shall be assigned by the  
271 holder thereof except with the specific approval of the commission.

272           The executive director shall certify monthly to the state treasurer and the commission a  
273 full and complete statement of gaming revenues, disbursements and other expenses for the  
274 preceding month.

275 SECTION 4. The General Laws, as appearing in the 2008 official edition, is hereby amended  
276 by inserting after chapter 10 the following new chapter:-

277 Section 1. (a) This act shall be known and may be cited as the "Massachusetts Gaming Control  
278 Act."

279 (b) No applicant for a license or other affirmative approval within the scope of this chapter  
280 has any property or other right to a license or to the granting of the approval sought. Any license  
281 issued or other approval granted pursuant to this chapter is a fully revocable privilege, and no  
282 holder acquires any vested right therein or thereunder. Except as otherwise provided herein, no  
283 person other than a licensee hereunder shall have any right to or interest in gaming revenue in the  
284 form of a percentage or contractual interest of any sums payable hereunder

285 (c) Nothing in this chapter shall preclude any city or town in the commonwealth from  
286 prohibiting gaming, from imposing any local controls or conditions upon gaming, from  
287 inspecting premises to enforce applicable laws, or from imposing any fee or tax otherwise  
288 authorized, provided any prohibition, control, condition, inspection, tax, or fee is not inconsistent  
289 with this act, or the laws of the United States.

290 (d) In the event of any conflict between the provisions of this chapter and the provisions of  
291 any other general or special law, or local ordinance, the provisions of this chapter and chapter 10  
292 shall prevail.

293 Section 2. The following words as used in this chapter shall, unless the context clearly requires  
294 otherwise, have the following meanings:

295 "Affiliate," any person that a licensee or applicant directly or indirectly controls or in which an  
296 applicant or licensee possesses an interest. For the purposes of this definition, "controls" means  
297 either (i) directly or indirectly holding more than 10 percent of voting membership rights or  
298 voting stock or partnership interests, or (ii) that a majority of the directors, general partners,  
299 trustees, or members of an entity's governing body are representative of, or are directly or



300 indirectly controlled by, the licensee or applicant. For the purposes of this definition, "possesses  
301 an interest in" means either (i) directly or indirectly holding more than 5 percent of voting  
302 membership rights or voting stock, or (ii) that at least 25 percent of the directors, general  
303 partners, trustees, or members of an entity's governing body are representatives of, or are directly  
304 or indirectly controlled by, the licensee or applicant.

305 "Applicant," a person who has applied for a gaming license, work permit, or approval of any act  
306 or transaction pursuant to this chapter.

307 "Cheat" means to alter the selection of criteria which determines the results of a game or the  
308 amount or frequency of payment in a game.

309 "Commission," the Massachusetts state lottery commission established pursuant to section 24  
310 and section 24b of chapter 10 of the General Laws.

311 "Controlled game" or "controlled gaming," any game of chance, or skill, or both, played for  
312 currency, check, credit, or any other thing of value, and including electronic gaming devices and  
313 games classified as class II or class III gaming under the Indian Gaming Regulatory Act, 25  
314 U.S.C. § 2701 et seq., but excluding:

315 (1) the game of bingo conducted pursuant to chapter 271 of the General Laws and  
316 any charitable gaming, so-called, which is regulated by the state lottery commission;

317 (2) parimutuel wagering on horse and dog races, whether live or simulcast,  
318 authorized under chapter 128A and chapter 128C of the General Laws;

319 (3) any lottery game conducted by the state lottery commission, in accordance with  
320 Section 24 of chapter 10 of the General Laws;

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

323 "Division," means the division of gaming established under section 3.

324 "Electronic Gaming Device" means any game of chance mechanical, electronic or otherwise  
325 featuring coin drop and payout as well as printed tabulations or credits to a paper or electronic  
326 account, whereby the software or hardware of the device predetermines the presence or lack of a  
327 winning combination and payout, including microprocessor-controlled electronic devices that  
328 allow a player to play games of chance, which may be affected by an element of skill, activated  
329 by the insertion of a coin or currency or by the use of a credit and awards game credits, cash,  
330 tokens, replays or a written statement of the player's accumulated credits, which written  
331 statements are redeemable for cash; and including slot machines, video lottery terminals and  
332 video facsimile machines of any type.

333 "Establishment," any building, room, place or other indoor or outdoor premises where any  
334 controlled gaming occurs, including all public and non-public areas of any such establishment.

335 "Executive Director" the executive director of the division of gaming established under section  
336 24b of chapter 10 and section 3 of this chapter.

337 Gaming," to deal, operate, carry on, conduct, maintain, or expose for play any controlled gaming.

338 "Gaming equipment," any equipment, device, object or contrivance, or machine, whether  
339 mechanical, electromechanical, or electronic, which is specifically designed or manufactured for  
340 use in the operation of gaming.

341 "Gaming license" or "license," any license or work permit issued by the commission under this  
342 chapter that authorizes the person named therein to engage or participate in controlled gaming or  
343 to operate electronic gaming devices, including work permits and licenses issued to gaming  
344 establishments, to gaming suppliers, to parties in interest, to gaming schools, and to officers and  
345 directors of licensed persons or entities.

346 "Gaming establishment," any establishment licensed to conduct a gaming operation in the  
347 commonwealth under this chapter.

348 "Gaming operation," one or more controlled games that are operated, carried on, conducted,  
349 maintained, offered or exposed for play.

350 "Gaming school," any person or entity which offers courses for persons who have obtained or  
351 who may seek to obtain a gaming work permit under this chapter.

352 "Gaming services" means providing services or goods to any licensed gaming establishment  
353 directly in conjunction with the operation of gaming, including security services, junket services,  
354 gaming schools or training activities, promotional services, printing or manufacture of betting  
355 tickets and manufacture, distribution, maintenance, testing or repair of electronic gaming  
356 devices, or any person who furnishes goods or services pursuant to which the person receives  
357 payments based on earnings, profits or net receipts from gaming.

358 "Holding company," any corporation, firm, partnership, trust, or other entity that, directly or  
359 indirectly, owns, has the power or right to control, or holds with power to vote, all or any part of  
360 the partnership interests or outstanding voting securities of a corporation or any other business  
361 entity that holds or applies for a gaming license. In addition, a holding company indirectly has,  
362 holds, or owns any power or right mentioned herein if it does so through any interest in a  
363 subsidiary or affiliate or successive subsidiaries or affiliates, however many of these subsidiaries  
364 or affiliates may intervene between the holding company and the corporate licensees or  
365 applicant.

366 "Intermediary company," any corporation, firm, partnership, trust, or other entity, other than a  
367 natural person, that is both of the following:

368 (1) A subsidiary with respect to a holding company, and

369 (2) A holding company with respect to a corporation or limited partnership or other  
370 entity that holds or applies for a gaming license;

371 "Licensed operator," any operating entity that conducts a controlled gaming operation within a  
372 gaming establishment pursuant to a license or licenses issued under this chapter and section 24b  
373 of chapter 10.

374 "Licensed premises," the premises upon which is located a gaming establishment pursuant to a  
375 license issued to a licensed operator.

376 "Licensee," any person or party holding, or purporting to hold, a valid gaming license under this  
377 chapter.

378 Net gaming revenue," the total, prior to the deduction of any operating, capital or other expenses  
379 whatsoever, of all gaming revenue retained by any gaming establishment licensed under this  
380 chapter derived from the conduct of any controlled game.

381 "Operating entity," any person who conducts a gaming operation;

382 "Party in interest," any corporation, firm, partnership, trust, or other entity or person with any  
383 direct or indirect pecuniary interest in a licensed gaming establishment, or a person who owns  
384 any interest in the premises of a licensed gaming establishment, or land upon which such premise  
385 is licensed, whether he leases the property directly or through an affiliate.

386 "Person" or "party," a natural person, corporation, partnership, limited partnership, trustee,  
387 holding company, joint venture, association, or any business entity.

388 "Substantial party in interest," any person holding a greater than one percent (1%) direct or  
389 indirect pecuniary interest, whether as owner, mortgagee or otherwise, in an operating entity,  
390 premises, or any other licensee or applicant; but, excluding any shareholder holding less than a  
391 five percent (5%) interest in a public company that is a substantial party in interest.

392 "Work permit," any permit issued by the commission authorizing the holder to be employed as  
393 an employee in a licensed gaming establishment.

394 Section 3. (a) There shall be established within the state lottery and gaming commission, the  
395 division of gaming, and an office for the executive director to be designated by the State  
396 Treasurer.

397 (b) The executive director of the division shall be appointed by the state and lottery and  
398 gaming commission pursuant to section 26a of chapter 10. The executive director shall be  
399 responsible for the oversight and operation of the division. The executive director shall employ  
400 such professional, technical, and clerical assistants and employees as necessary, subject to  
401 appropriation; provided, however, such assistants and employees shall not be subject to chapter  
402 31 or Section 9(A) of chapter 20 of the General Laws. The executive director shall execute and  
403 enforce the rules, regulations and directives of the commission and provide the necessary  
404 administrative support.

405 (c) The powers and duties of the executive director shall include, but not be limited to, the  
406 following:

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

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

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

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

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

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

429 (7) To refer any suspected criminal violation of this chapter to the appropriate office  
430 of the district attorney and the Attorney General; provided, however, that nothing in this  
431 section shall be deemed to limit the investigatory and prosecutorial powers of other state  
432 and local officials and agencies; and,

433 (8) To collect fees, penalties, fines, payments and other funds on behalf of the  
434 commission and transfer said funds in accordance to this chapter.

435 (d) The executive director shall investigate the qualifications of each applicant under this  
436 chapter and make a recommendation to the commission before any license is issued. The  
437 executive director shall also continue to monitor the conduct of all licensees and other persons

438 having a material involvement, directly or indirectly, with a licensee for the purpose of ensuring  
439 that licenses are not issued to, or held by, and there is no direct or indirect material involvement  
440 with a licensee by unqualified, disqualified, or unsuitable persons, or persons whose operations  
441 are conducted in unsuitable manner or in unsuitable or prohibited places, as provided in  
442 commission regulations.

443 (e) The executive director may recommend to the commission the denial of any application,  
444 the limitation, conditioning, restriction, transfer, suspension, or revocation of any license or  
445 approval, or the imposition of any fine or penalty upon any licensee.

446 (f) The executive director shall maintain a file of applications for licenses under this  
447 chapter, together with a record of all action taken by the commission on those applications. Such  
448 applications shall be open to public inspection; provided however, that the executive director  
449 shall prohibit access to information that is a trade secret, or puts the applicant for a license at an  
450 unfair disadvantage with other applicants; provided further, that the executive director shall  
451 consult with the division on public records on the appropriate distributing or withholding of said  
452 information. The executive director may maintain any other files and records as it deems  
453 appropriate.

454 (g) Each employee of the executive director and the executive director shall file with the  
455 executive director and the state ethics commission a statement of financial interest as defined in  
456 Chapter 268B of the General Laws. Such statement shall be under oath and shall be filed at the  
457 time of employment and annually thereafter, as required by the state ethics commission.



458 (h) No employee of the executive director, the executive director or a member of the  
459 commission shall be permitted to place a wager in any establishment licensed by the commission  
460 except in the course of his duties.

461 (i) No person employed by the commission or the executive director or acting as an agent or  
462 assignee for the commission or the executive director shall solicit or accept employment from a  
463 licensee, or represent any person or party other than the commonwealth before or against the  
464 commission for a period of 3 years from the termination of his office or employment with the  
465 commission.

466 (j) The executive director may investigate fraud, deceit, misrepresentation or violations of  
467 this chapter by any person licensed hereunder or the occurrence of any such activity within or  
468 involving any licensed gaming establishment. If the executive director has reasonable basis to  
469 believe that any licensee has been or is engaged in criminal behavior or that criminal activity is  
470 occurring within or involving any licensed gaming establishment, the executive director shall  
471 report same to the district attorney of the county within which the licensed gaming establishment  
472 is located and the attorney general. The executive director shall make available to said district  
473 attorney, the attorney general, and to the commission all relevant information on such activity.

474 (k) An action brought against a person pursuant to this chapter shall not preclude any other  
475 criminal or civil proceeding as may be authorized by law. The executive director must report all  
476 criminal action in violation of this chapter or any General Laws to the commission, the  
477 appropriate office of the district attorney and to the attorney general, who may take legal action  
478 to restrain violations of this chapter or enforce any provision thereof.

479 (l) The executive director shall make a continuous study and investigation of gaming  
480 throughout the commonwealth in order to ascertain the adequacy and effectiveness of state  
481 gaming law or regulations and may formulate recommendations for changes in such laws and  
482 regulations. The executive director shall make a continuous study and investigation of the  
483 operation and administration of similar laws in other states or countries, of any literature or  
484 reports on the subject, of any federal laws which may affect the operation of gaming in the  
485 commonwealth, all with a view to recommending or effecting changes that will tend to better  
486 serve and implement the purposes of this chapter.

487 (m) The executive director must report all violations of the commission's rules and  
488 regulations to the commission.

489 (n) The executive director may recommend to the commission to initiate proceedings or  
490 actions appropriate to enforce this chapter and the regulations promulgated thereunder.

491 (o) The executive director must include all studies, reports, recommendation and other  
492 collected information required under this chapter, any General Law, special law, or as required  
493 by the commission to be included in the commission's annual report required under section 24b  
494 of chapter 10.

495 Section 4. (a) There shall be no more than two gaming licenses issued to entities. For  
496 the purposes of this section, Worcester and Hampden Counties is designated the region one and  
497 Bristol County shall be designed as region two. Each region shall be eligible to receive no more  
498 than one gaming license. Region one shall be the first region to have applicants apply and a  
499 license issued, provided that the commission determines that there is a suitable location for a

500 facility under this section. After license in region one has been issued to a an applicant,  
501 applicants for region two shall submit applications and a license may be issued, provided that the  
502 commission determines that there is a suitable location for a facility under this section. Should  
503 there be more than one entity seeking a gaming license in a single location, the commission shall  
504 choose the best proposal possible, which shall include consideration of the amount of fee,  
505 established under (c) of this section, the gaming entity ability and willingness to pay said fee to  
506 the commonwealth; provided further, that if the commission in its judgment determines that there  
507 is no best proposal that meets this section or the commission's standards or does not provide, in  
508 the commission's determination, the maximum possible revenue to the Commonwealth, then a  
509 license will not be issued.

510           The commission shall designate a site for the development of a casino facility and  
511 associated or auxiliary facilities per region; provided further, that the commission shall establish  
512 a priority list of locations under region one and region two to be designated as a casino site that  
513 meets the requirements of this section. The commission must designate a site for region one  
514 before region two, and no license shall be issued at each region before a site has been chosen; but  
515 applications for a license can be requested by the commission prior to the site being designated.

516           As part of its determination for a suitable location the commission must investigate and  
517 consider the positive and negative affects a casino facility will have to the host community and  
518 communities contiguous to the site, provided further, that factors to consider include, but is not  
519 limited to, the regional and local economy, job creation or loss, road and traffic, public access,  
520 water, drainage, sewer, fire department coverage, police department coverage and other public  
521 safety, emergency access, housing, public education influx and other infrastructure related

522 issues; provided further, that all applicants seeking a license shall disclose to the commission all  
523 interests, options, agreements in property and provide information, including demographic,  
524 geographic, and any other information requested by the commission, to the commission,  
525 provided further, that the commission's choice of location must maximize the revenue from the  
526 casino facility to the Commonwealth; provided further, that the commission shall consider  
527 property whereby a casino facility can be established as soon as reasonable after the license is  
528 issued; provided further, that the commission must receive a strong indication from the  
529 municipality that it would support having a casino facility within its borders. The commission  
530 may hold one or more public hearing at locations of its choosing to solicit comments from any  
531 persons regarding the suitability of a location, and the commission may use the information  
532 collected as part of the commission's deliberations when searching for a suitable location.

533         The commission shall first consider all property that is owned by the state, a city, a town,  
534 a county, an authority, a district or any other political subdivision of the Commonwealth, for a  
535 casino facility site that meets the requirements of this section. The commission is authorized to  
536 enter into an agreement with any city, a town, a county, an authority, a district or any political  
537 subdivision of the Commonwealth for use of said property for the purpose of establishing a  
538 casino facility. Any city, town, district, authority, commission or any other political subdivision  
539 of the Commonwealth is authorized to enter lease of land to a licensed gaming operator for up to  
540 fifty (50) years and shall file said lease agreement with the commission. If the commission in its  
541 judgment finds that no property owned by the state, a city, a town, a county, an authority, a  
542 district or any other political subdivision of the Commonwealth is suitable for a casino facility,  
543 then the commission shall identify any other suitable property that will comply with this  
544 paragraph; and, the commission may utilize its powers under (h) of this section to acquire said

545 property. If the commission determines in its best judgment there is no best site, then a license  
546 shall not be issued and the commission shall locate an appropriate location elsewhere in the  
547 Commonwealth. The commission shall report on the sites considered and chosen for a casino  
548 facility, report on the reasons and method of why a location was chosen or not chosen, and, if  
549 necessary, a recommendation for a location outside the scope of this chapter and explain why  
550 said location is appropriate to the governor, the treasurer, the house and senate clerks, the house  
551 and senate committees on ways and means, and the committee on consumer protection and  
552 professional licensure, within thirty (30) days after a site is chosen.

553 No single gaming entity, including its individual shareholders, shall have more than one  
554 gaming license.

555 Said licensees shall pay monthly to the commission, on behalf of the Commonwealth, a  
556 sum equal to twenty-five (25%) percent of net gaming revenues; provided, that this percentage  
557 shall not be increased for not less than ten (10) years after the initial issuance of the license to the  
558 applicant; provided further, that from said sums the commission shall first pay to the Treasurer,  
559 on behalf of the local aid fund, a sum equal to the diminishment, if any, in said fund attributable  
560 to this act, as certified by the Treasurer, and secretary of administration and finance, and the  
561 chairs of the house and senate ways and means committees, provided further that, said sums to  
562 the local aid fund and the calculation determining that said sums should be placed in the local aid  
563 fund shall be part of the commission's annual report as required under this chapter; and provided  
564 further, that the remaining funds collected shall be deposited into the General Fund.

565 The commission shall determine the maximum number of electronic gaming devices to  
566 be at each licensed premise on an annual basis. The licensee may petition the commission  
567 requesting additional electronic gaming devices and the commission may at its discretion decide

568 whether to increase or decrease the number of gaming devices. The commission shall annually  
569 determine the maximum number of wagering games and the types of wagering that a licensee is  
570 permitted to have at the establishment; provided however, that the licensee shall be permitted to  
571 petition the commission for additional wagering games and new types of wagering games and  
572 the commission shall consider whether to grant the licensee's request.

573 In addition to paying the fee under subsection (b) of this section and any fees other  
574 provisions of this chapter, the applicant must provide and the commission must consider the  
575 following in making a determination of whether to issue a license under this section:

- 576 (1) The applicant must be a eligible to be licensed lottery reseller and must agree sell  
577 lottery products at its establishment in a conspicuous location;
- 578 (2) must demonstrate that the applicant is able to invest no less than \$750 million into  
579 the facility and property, which shall not include the purchase or lease price of  
580 the land where the facility will be located;
- 581 (3) the applicant must supply a detailed breakdown of new job creation expected as a  
582 result of receiving a license;
- 583 (4) must have a certified and binding vote from the city or town where the gaming  
584 facility will be located, including those gaming entities located on public land,  
585 and said vote must not be prior to January 1, 2009;
- 586 (5) must have an agreement between the city or town and the applicant to have a  
587 gaming facility and said agreement shall include all stipulations of  
588 responsibilities between the city or town and the gaming facility and said  
589 agreement must be determined as reasonable by the commission, provided further

590 that, said agreement, when executed and accepted by the commission, shall be  
591 deemed to be and treated as approval for all purposes under all otherwise  
592 applicable local zoning and impact laws, with respect to all gaming operations  
593 and gaming establishments and related buildings, structures and use on the  
594 licensed premises and the same shall be considered a continuation of an existing  
595 use for all purposes under all applicable law;

596 (6) must meet the licensee bonding requirement as set by the commission;

597 (7) must have a debt to equity ratio of not more than four to one (4:1) when the  
598 application is submitted;

599 (8) the applicant must demonstrate to the commission a plan by which the applicant  
600 shall purchase, lease or finance electronic gaming devices from a electronic  
601 gaming device distributor or manufacturer licensed by the commission, and  
602 utilize said devices in the most efficient manner possible to provide the greatest  
603 revenue to the Commonwealth;

604 (9) the applicant must meet the licensee bonding requirement as set by the  
605 commission;

606 (10) pay an application fee as set by the commission, provided that said fee shall not  
607 be less than \$50,000; and

608 (11) applicant is able to demonstrate it is able to comply with the provisions of this  
609 chapter.

610 (b) The one time initial license fee for region one shall be determined through an auction,  
611 provided that, the commission shall set the starting bid, provided, that said starting bid shall not  
612 be less than one hundred million dollars (\$100,000,000); provided, that the applicants have meet

613 all the qualification set forth by the commission and under this chapter. After the issuance of a  
614 license for issue and the conditions of this chapter, the one-time initial license fee for region two  
615 the starting bid shall not be less than the final lowest bid for region one or one hundred million  
616 dollars (\$100,000,000), whichever is larger; provided that, the applicants have meet all the  
617 qualification set forth by the commission and under this chapter.

618           The commission shall establish rules and regulations to conduct the auctions, collect fees,  
619 conduct assessments and a process to address a situation should an applicant fails to pay the fee.  
620 All such fees collected under the auction process by the commission shall be deposited in the  
621 General Fund.

622 (c) No person or party shall operate a gaming establishment without having obtained all  
623 necessary operating licenses from the commission. There shall be a single licensed operator for  
624 each gaming establishment. No license shall operate, invest or own, in whole or in part, another  
625 licensee's license or establishment. If a licensee does have more than one license, or operates,  
626 invests or owns, in whole or in part, another license, said licensee shall within 30 days divest the  
627 license or interest subject to the approval of the commission, and shall pay a fine of up to \$5,000  
628 per day; provided further, that persons or entities that violate this section shall be required to  
629 surrender to the commission any licenses issued to the licensee under this chapter, and chapter  
630 24; and provided further, that the persons or entities shall be prohibited in the future from being  
631 able to apply and receive licenses under said chapters. Failure for a licensee to comply with this  
632 section shall result in a fine of \$5,000 per day.

633           The licensing standards must be met at all times by each officer, director, partner, and  
634 trustee of the operating entity, by each substantial party in interest of the operating entity or of



635 the premises on which such establishment is located, and by such other party in interest of the  
636 operating entity, the premises, or any holding company or intermediary company of the  
637 operating entity or the premises as the commission may require. In no event shall the  
638 commission permit a person previously convicted of a felony under state or federal law, or any  
639 comparable conviction of a felony of a law in another country or who has not satisfied the  
640 standards for financial capability, to be a substantial party in interest of the gaming operator, the  
641 gaming establishment, or of the premises, or to hold any direct or indirect interests in such  
642 gaming operator, gaming establishment or premises.

643 (d) A person may apply to be a licensed operator by filing an application with the  
644 commission. Each application shall disclose the identity of each party in interest, each holding  
645 company and intermediary company, and each affiliate of the operating entity. The application  
646 shall disclose, in the case of the privately held corporation, the names and addresses of all  
647 directors, officers, and stockholders; in the case of a publicly traded corporation, the names and  
648 addresses of all directors, officers, and persons holding at least five percent of the total capital  
649 stock issued and outstanding; in the case of a limited liability company, the names and addresses  
650 of all members of the management committee and all persons holding at least 5 percent of the  
651 membership interests; in the case of a partnership, the names and addresses of all partners, both  
652 general and limited; and in the case of a trust, the names and addresses of all trustees and  
653 beneficiaries.

654 (e) Each operating entity shall identify, in its application, the facilities and structures that  
655 will be constructed on the premises containing the establishment where it proposes to conduct its  
656 gaming operations. The application shall contain such information regarding the physical

657 location and condition of the premises and the potential impact of the proposed gaming  
658 operations upon adjacent properties and the municipality and region within which the premises  
659 are located, as the commission may require. The application shall disclose the identity of all  
660 parties in interest regarding the premises and to be on the premises; and except as otherwise  
661 permitted herein, no person other than a gaming establishment licensee hereunder shall have any  
662 right to or interest in any gaming revenue derived from electronic gaming devices in the form of  
663 a percentage of such sums or require more than fair market value for rent, leases or services. The  
664 application shall identify proposed infrastructure improvements, economic development and job  
665 creation opportunities to the municipality and the region wither the premises are located, as the  
666 commission may require.

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

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

675 (h) The commission is hereby authorized to acquire all lands, properties, rights, air rights,  
676 subsurface rights, easements and other interests necessary for the development of a casino  
677 facility and associated or auxiliary facilities, and to convey the same in fee simple absolute for  
678 fair market value to, or to enter into a lease for fair market value not to exceed 50 years at a time

679 with, the designated licensee, as and for a site for the project as provided in this chapter. To  
680 carry out and effectuate the foregoing purpose, the commission may take by eminent domain  
681 under chapter 79 of the general laws, or acquire by purchase, lease, gift, bequest, grant or  
682 otherwise from any party, public or private, and hold, clear, repair, operate and, after having  
683 taken or acquired the same, convey fee simple or leasehold interest as provided in this act, any  
684 lands and other property, real or personal, improved or unimproved, tangible or intangible, and  
685 any interest therein.

686 Section 5. The commission shall make an assessment against each licensee for the purpose  
687 of reimbursing the Commonwealth the cost of the division's operation, administration and  
688 regulation. Said assessment shall be certified annually by the commission as sufficient to  
689 reimburse the commonwealth for funds appropriated for the operation of the division, including  
690 amounts sufficient to cover the cost of fringe benefits as established by the secretary of  
691 administration and finance pursuant to section 6B of chapter 29 of the General Laws. Said  
692 assessment shall be made proportionately against each licensee on the basis of the amount of net  
693 gaming revenue retained by each licensed operator from the previous fiscal year. If the  
694 commission fails to expend in any fiscal year the total amount assessed under this paragraph, any  
695 amount unexpended shall be credited against the assessment to be made in the following year  
696 and the assessment in such following year shall be reduced by such unexpended amount. If the  
697 commission finds that it is unable to meet its operating budget during a fiscal year and if it  
698 determines that it requires additional funding is needed, then the commission must make a  
699 request to the Governor, the State Treasurer, the House and Senate Committees on Ways and  
700 Means, and the Joint Committee on Consumer Protection and Professional Licensure, and said  
701 request must include a explanation for the request of addition funding.

702           The commission may establish rules and regulations to assess and collect fees pertaining  
703 to individual regulatory, licensing or investigative matters that can be assessed against a licensee;  
704 provided, that any fees assessed and collected regarding an application or investigation of a  
705 license shall be placed in the gaming investigatory account under section 13 of this chapter.

706 Section 6.     The commission shall cause to be made and kept a record of all proceedings at all  
707 meetings of the commission. These records shall be maintained by the division and the division  
708 shall make said records available to the public for inspection as allowed by law.

709           Notwithstanding any other general or special law to the contrary all files, records, reports,  
710 and other information in the possession of any state or local governmental agency including tax  
711 filings and related information that are relevant to an investigation by the executive director  
712 conducted pursuant to this chapter shall be made available by such agency to the commission as  
713 requested. Any tax or financial information received from a governmental agency shall be used  
714 solely for effectuating the purposes of this chapter. To the extent that these files, records,  
715 reports, or information are confidential or otherwise privileged from disclosure under any law,  
716 they shall not lose that confidential or privileged status for having been disclosed to the  
717 commission; provided further, that the commission shall consult with the division of public  
718 records regarding the handling of said information.

719           The attorney general, every district attorney, and every state and local law enforcement  
720 agency shall notify the commission of any investigation or prosecution of any person or entity if  
721 it appears that a violation of any law related to gaming has occurred.

722 Section 7. (a) No official, member, employee, or agent of the commission and the division,  
723 having obtained access to confidential records or information in the performance of duties  
724 pursuant to this chapter, unless otherwise provided by law, shall knowingly disclose or furnish  
725 the records or information, or any part thereof, to any person who is not authorized by law to  
726 receive it. Violation of this provision shall be punishable by a fine of not more than \$10,000 or  
727 by imprisonment in the house of corrections for not more than 1 year, or by both such fine and  
728 imprisonment.

729 (b) No person shall operate, carry on or conduct any controlled game or operate a gaming  
730 operation except subject to a license issued by the commission as provided in this chapter.

731 (c) Any person included on the list of persons to be excluded or ejected from a licensed  
732 gaming establishment pursuant to regulations promulgated pursuant to this chapter who  
733 knowingly enters or remains on the premises of a licensed gaming establishment shall be  
734 punished by imprisonment in the house of corrections for not more than 1 year, or by a fine of  
735 not more than \$10,000, or both.

736 (d) Any person under the age of 21 years who plays, places wagers at, or collects winnings  
737 from, whether personally or through an agent, any controlled game, or who is employed as an  
738 employee in a licensed gaming establishment shall be punished by imprisonment in the house of  
739 correction for not more than 1 year, or by a fine of not more than \$1,000, or by both such  
740 imprisonment and fine. Any licensee, or other person, who knowingly allows a person under the  
741 age of 21 to play, place wagers at or collect winnings, whether personally or through an agent,  
742 shall be punished by imprisonment in the house of correction for a term of not more than 1 year  
743 or pay a fine of not more than \$10,000, or by both. A subsequent violation of this section shall

744 subject the licensee to imprisonment in the house of correction for not more than 2 years or pay a  
745 fine of not more than \$25,000, or by both.

746 (e) Any person who willfully fails to report, pay, or truthfully account for and pay over any  
747 fee, penalty, fine, or interest thereon, imposed by this chapter or any regulation thereunder, or  
748 willfully attempts in any manner to evade or defeat any fee, penalty, fine, or interest thereon, or  
749 payment thereof shall be punished by imprisonment in state prison for not more than 5 years or  
750 by imprisonment in the house of correction for not more than 2 1/2 years, or by a fine of not  
751 more than \$10,000 plus the unpaid fee, penalty, fine, or interest plus interest, or by both.

752 (f) Any person who willfully resists, prevents, impedes, interferes with, or makes any false,  
753 fictitious or fraudulent statement, or representation to the commission or to the division of racing  
754 and gaming or to their agents or employees in the performance of duties pursuant to this chapter,  
755 shall be punished by imprisonment in the house of corrections for not more than 2 years, or by a  
756 fine of not more than \$5,000, or by both.

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

760 (1) To deal, operate, carry on, conduct, maintain, or expose for play in this state any  
761 controlled game or gaming equipment used in connection with any controlled game;

762 (2) To receive, directly or indirectly, any compensation or reward or any percentage or  
763 share of the revenue, for keeping, running, or carrying on any controlled game, or owning  
764 the real property or location in which any controlled game occurs;

765 (3) To manufacture or distribute within the territorial boundaries of the  
766 commonwealth any gaming equipment to be used in connection with controlled gaming;  
767 shall be punished by imprisonment in the house of corrections for not more than 2 1/2  
768 years, or by a fine of not more than \$10,000, or by both imprisonment and fine.

769 (h) Any person who knowingly permits any controlled game to be conducted, operated,  
770 dealt, or carried on in any house or building or other premises that he or she owns or leases, in  
771 whole or in part, if that activity is undertaken by a person who is not licensed as required by this  
772 chapter shall be punished by imprisonment in state prison in the house of corrections for not  
773 more than 2 1/2 years, or by a fine of not more than \$10,000, or by both.

774 (i) Any former commissioner or commission or division employee who, within 3 years after  
775 his employment has ceased, solicits or accepts employment with or provides consultant services  
776 to any licensee or at any licensed gaming establishment shall be punished by a fine of not more  
777 than \$5,000 or by imprisonment for not more than 2 1/2 years in the house of correction or by  
778 both. Any licensee who knowingly employs a former commissioner or commission or division  
779 employee in violation of this subsection shall be subject to immediate revocation of his or her  
780 license.

781 (j) A person shall be punishable by imprisonment in the house of corrections for not more  
782 than 2 years or by a fine of not more than \$5,000 per violation, or by both, if the person:

783 (1) alters or misrepresents the outcome of a game or other event on which wagers  
784 have been made after the outcome is determined but before it is revealed to the players;

785 (2) knowingly entices or induces another to go to any place where gaming is being  
786 conducted or operated in violation of the provisions of this chapter, with the intent that  
787 the other person play or participate in that gaming;

788 (3) manipulates, with the intent to cheat, any component of a gaming device in a  
789 manner contrary to the designed and normal operational purpose for the component  
790 including, but not limited to, varying the pull of the handle of a slot machine, with  
791 knowledge that the manipulation affects or reasonably may tend to affect the outcome of  
792 the game or with knowledge of any event that affects the outcome of the game;

793 (4) has on his person or in his possession on or off the premises of any licensed  
794 gaming establishment any key or device known to have been designed for the purpose of  
795 and suitable for opening, entering or affecting the operation of any gaming or equipment,  
796 or for removing money or other contents thereof, except where such person is a duly  
797 authorized employee of a licensee acting in furtherance of his employment within a  
798 licensed gaming establishment.

799 (k) A violation of this chapter, the penalty for which is not specifically fixed in this section,  
800 shall be punishable by imprisonment in the house of corrections for not more than 2 years, or by  
801 fine of not more \$5,000, or by both.

802 (l) The conviction of a licensee for violation of, an attempt to violate, or conspiracy to  
803 violate any provision of this chapter or any regulation thereunder may result in the immediate  
804 revocation of all licenses issued to the violator under this chapter; and, in addition, the court,  
805 upon application of the commission, may order that no new or additional license under this



806 chapter be issued directly or indirectly to the violator, or be issued to any person who owned the  
807 room or premises in which the violation occurred, for one year after the date of revocation.

808 Section 8. Every licensed gaming establishment shall, upon receipt of criminal or civil process  
809 compelling testimony or production of documents in connection with any civil or criminal  
810 investigation, immediately disclose such information to the commission.

811 All licensees shall have a duty to inform the commission of any action which they  
812 reasonably believe would constitute a violation of this chapter, and shall assist the commission  
813 and any federal or state law enforcement agency in the investigation and prosecution of such  
814 violation. The commission shall hold a hearing under chapter 30A on any licensees' failure to  
815 comply with this paragraph, and may take appropriate actions including suspension or revocation  
816 of the license. No person who so informs the commission shall be discriminated against by an  
817 applicant or licensee because of the supplying of such information.

818 Section 9. Whenever a licensed gaming establishment refuses payment of alleged winnings to a  
819 patron, the gaming establishment and the patron are unable to resolve the dispute to the  
820 satisfaction of the patron and the dispute involves:

821 (a) \$5,000 or more, the gaming establishment shall immediately notify the executive  
822 director and shall inform the patron of his or her right to request that the executive  
823 director conduct an investigation; or

824 (b) less than \$5,000, the gaming establishment shall inform the patron of his or her  
825 right to request that the executive director conduct an investigation.

826           The executive director shall conduct whatever investigation it deems necessary and shall  
827 determine, in its sole discretion and without need for a hearing, whether payment should be  
828 made. In the event the executive director determines that payment should be made to the patron,  
829 all costs of the investigation shall be borne by the gaming establishment. Failure of the  
830 establishment to notify the executive director or inform the patron as provided herein shall  
831 subject the establishment to disciplinary action under this chapter.

832           Any party aggrieved by the determination of the executive director may file a petition for  
833 reconsideration with the commission setting forth the basis of the request for reconsideration.  
834 Any hearing for reconsideration shall be conducted pursuant to regulations adopted by the  
835 commission.

836   Section 10. Every licensed gaming establishment shall keep conspicuously posted on his  
837 premises a notice containing the name and numbers of the council on compulsive gambling and a  
838 statement of its availability to offer assistance. The commission may require the licensee to  
839 provide this information in one or more languages.

840   Section 11. Any person or entity who knowingly transmits or receives wagers of any type by  
841 any telecommunication device, including telephone, cellular phone, Internet, or local area  
842 network, which shall mean to include wireless local networks, or any other similar device or  
843 equipment, or knowingly installs or maintain said device or equipment for the transmission or  
844 receipt of wagering information shall be punished by imprisonment in the house of correction for  
845 not more than 2 years or pay a fine of not more than \$25,000 per violation or by both; provided,  
846 however, that this section shall not apply to the use of a local area network as a means to place  
847 wagers on a licensed gaming establishment, or use of said devices or equipment by the

848 commission in its duties in regulating, enforcing and auditing a licensed gaming operator, or use  
849 of said devices or equipment for the purpose of a licensed gaming operator advertising itself.

850 Section 12. The commission's financial activities shall be subject to audit by the State Auditor  
851 who shall have access to all books and records of the commission. Further, the commission shall  
852 annually, on or before January first, provide the State Auditor with all annual independent audits  
853 required of all licensees.

854           The State Auditor may at anytime, at his or her discretion, audit the financial activities  
855 and any other activities of any gaming licensee licensed under this chapter; provided further, that  
856 the State Auditor shall have access to a gaming licensee's establishment equivalent to those  
857 provided to the commission under this chapter. The gaming licensee shall reimburse the  
858 Commonwealth for any audit conducted by the State Auditor.

859 Section 13. The commission is authorized to establish a gaming investigatory account. Any and  
860 all expenses associated with the licensing of any applicant or investigation of a licensee shall be  
861 borne by the applicant or licensee. Pursuant to its regulations, the commission shall require each  
862 applicant to deposit with the commission, together with the application, an application fee or in  
863 the case of an investigation, an investigation fee, which shall be deposited in the gaming  
864 investigatory account. Such fee shall constitute the anticipated costs and charges incurred in the  
865 investigation and processing of the application or investigation, and any additional sums as are  
866 required by the commission to pay final costs and charges. Expenses may be advanced from the  
867 gaming investigatory account by the commission to the executive director. Any money received  
868 from an applicant in excess of the costs and charges incurred in the investigation or the  
869 processing of the application shall be not refunded and shall remain in the account for future

870 investigations. At the conclusion of the investigation, the executive director shall provide the  
871 applicant a written accounting of the costs and charges so incurred.

872 Section 14. The commission shall annually assess and collect a fee, not to exceed than six  
873 million (\$6,000,000) dollars, to be paid by the licensees for the treatment of compulsive  
874 gambling; provided that, the commission shall conduct a public hearing and collect testimony  
875 from the public, licensees and compulsive gambling organizations approved by the department  
876 of public health as part of its determination of how much money to assess under this section.  
877 Said assessment shall be made proportionately against each licensee on the basis of the amount  
878 of net gaming; provided that, no less than 25 per cent of the funds received under this paragraph  
879 shall be utilized for the purpose of identification, prevention, intervention, and treatment of  
880 compulsive gambling in minority and immigrant communities. The commission shall distribute  
881 said funds to compulsive gambling organizations or organizations, as determined by the  
882 department of public health.

883 SECTION 5. Section 283 of chapter 94 of the General Laws, as appearing in the 2008 Official  
884 Edition, is hereby amended by inserting after the word “standards”, in line 8, the following  
885 words:-or is a licensed and regulated under chapter 10A.

886 SECTION 6. Section 17 of Chapter 138 of the General Laws, as appearing in the 2002 Official  
887 Edition, is hereby amended by inserting at the end thereof the following:-

888           Notwithstanding the provisions of this section, or anything to the contrary contained  
889 herein, the commission is hereby authorized to issue to a licensee of a gaming establishment  
890 pursuant to chapter 10A, one or more alcoholic beverage licenses. Said licenses shall not be

891 transferable to any other premises or entity. All other provisions of chapter 138 shall be  
892 applicable to the issuance of said license.

893 SECTION 7. Section 17B of chapter 271 of the General Laws, as appearing in the 2008 official  
894 edition, is amended by inserting after section 17B the following section:-

895 Section 17C. Whoever uses an local area network or the Internet or both, or being the occupant  
896 in control of premises where a local area network or Internet service or both is located, or a  
897 subscriber for an local area network service or Internet service, knowingly permits another to use  
898 the local area network service or Internet service so located or for which he subscribes, as the  
899 case may be, for the purpose of accepting wagers or bets, or buying or selling of pools, or for  
900 placing all or any portion of a wager with another, upon the result of a trial or contest of skill,  
901 speed, or endurance of man, beast, bird, or machine, or upon the result of an athletic game or  
902 contest, or upon contests of skill or chance between the wagers, or upon the lottery called the  
903 numbers game, or for the purpose of reporting the same to a headquarters or booking office, or  
904 for the purpose of collecting a fee for providing the devices for contests of skill or chance  
905 between wagers, or who under a name other than his own or otherwise falsely or fictitiously  
906 procures local area network service or Internet service for himself or another for such purposes,  
907 shall be punished by a fine of not more than \$2,000 or by imprisonment for not more than 1 year;  
908 provided, however, that this section shall not apply to use of local area networks or other similar  
909 devices of equipment authorized under the provisions of chapter 10A.

910 SECTION 8. Said chapter 271 is hereby further amended by inserting after section 22B, as so  
911 appearing, the following section:-

912 Section 22C. Nothing in this chapter shall authorize the prosecution, arrest or conviction of any  
913 person for promoting or playing, or for allowing to be conducted, promoted or played, the games  
914 authorized and licensed under chapter 10 and 10A; provided, said game are conducted under a  
915 license issued by the Massachusetts state lottery commission, under the provisions of chapter 10  
916 and 10A.

917 SECTION 9. Notwithstanding any general or special law to the contrary, the governor shall not  
918 concur in a determination that a gaming establishment on newly acquired lands would be in the  
919 best interest of an Indian tribe, pursuant to 25 U.S.C. section 2719 (b)(1)(A), unless the house of  
920 representatives and senate each have authorized, by majority vote, the governor so to concur.  
921 The governor shall not negotiate or enter into a tribal-state compact pursuant to 25 U.S.C. section  
922 2710(d)(3) unless the house of representatives and the senate each approve of the governor  
923 entering into said compact. The governor shall not transfer or concur in the transfer of any real  
924 property located in the commonwealth into trust for the benefit of and Indian tribe, pursuant to  
925 25 U.S.C. section 2719, without the approval, by majority vote, of the house of representatives  
926 and the senate. The Massachusetts state lottery commission shall have all powers necessary to  
927 undertake the Commonwealth's responsibilities and rights under the terms of any compact  
928 entered into between the Commonwealth and any federally recognized tribe under the provisions  
929 of the Indian Gaming Regulatory Act.