

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

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**The Commonwealth of Massachusetts**

PRESENTED BY:

**Mr. Pacheco**

*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 pari-mutuel enhancement act.

PETITION OF:

NAME:

DISTRICT/ADDRESS:

Mr. Pacheco

First Plymouth and Bristol

David L. Flynn

8th Plymouth

[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE SENATE, NO. S00221 OF 2007-2008.]

## The Commonwealth of Massachusetts

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In the Year Two Thousand and Nine

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AN ACT establishing the Massachusetts pari-mutuel enhancement 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. General Provisions

2 (a) This chapter shall be known and may be cited as the "Massachusetts Pari-mutuel  
3 Enhancement Act."

4 (b) No applicant for a gaming license, or a manufacturer's or distributor's license or  
5 other affirmative commission approval has any right to a license or the granting of the approval  
6 sought. Any license issued or other commission approval granted pursuant to the provisions of  
7 this act is a revocable privilege, and no holder acquires any vested right therein or thereunder.

8 (c) Nothing in this chapter shall preclude any city or town in the commonwealth from  
9 prohibiting gaming.

10 (d) In the event of any conflict between the provisions of this chapter and any other  
11 provisions of the General Laws, the provisions of this chapter shall prevail.

12 Section 2. Definitions.

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

15           (a) "Adjusted net gaming revenues," means the total of all net gaming revenues, less the  
16 total of all sums paid out as winnings to patrons as required under regulations promulgated by  
17 the commission and less all sums set aside as provided by this Act. In the case of slot machines,  
18 adjusted net gaming revenues shall not exceed fifteen percent of gross gaming revenues.

19           (b) "Affiliate", means any person which a licensee or applicant directly or indirectly  
20 controls or in which an applicant or licensee possesses an interest. For the purposes of this  
21 section "controls" means either (i) directly or indirectly holding more than ten percent of voting  
22 membership rights or voting stock or partnership interests, or (ii) that a majority of the  
23 directors, general partners, trustees, or members of an entity's governing body or  
24 representatives of, or are directly or indirectly controlled by, the licensee or applicant. For the  
25 purposes of this subsection, "possesses an interest in" means either (i) directly or indirectly  
26 holding more than five percent of voting membership rights or voting stock, or (ii) that at least  
27 twenty-five percent of the directors, general partners, trustees, or members of an entity's  
28 governing body or representatives of, or are directly or indirectly controlled by, the licensee or  
29 applicant;

30           (c) "Applicant", means any person who on his own behalf or on behalf of another has  
31 applied for permission to engage in any act or activity which is regulated by the provisions of  
32 this act or regulations promulgated thereunder;

33           (d) "Application", means a written request for permission to engage in any act or activity which  
34 is regulated under the provisions of this act.

35           (e) "Chairman", means the chairman of the state gaming commission.

36           (f) "Commission", means the Massachusetts state gaming commission;

37 (g) "Commissioner", means a member of the state gaming commission.

38 (h) "Committee", means the state gaming policy committee.

39 (i) "Controlled game" or "controlled gaming", any game of chance played for currency, check,  
40 credit, or any other thing of value that is not prohibited and made unlawful by chapter two  
41 hundred and seventy-one of the General Laws, or any other general or special laws, or by local  
42 ordinance except:

43 (1) The game of bingo conducted pursuant to section seven A of chapter two hundred and  
44 seventy-one and 961 C.M.R. 3.00.

45 (2) Pari-mutuel wagering on horse and dog races, whether live or simulcast, regulated by the  
46 state racing commission.

47 (3) Any lottery game conducted by the state lottery commission, in accordance with section  
48 twenty-four of chapter 10 of the General Laws..

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

51 (j) "Electronic Gaming Device", means any mechanical, electrical or other device, contrivance or  
52 machine, including any so-called video wagering terminal, video lottery terminal or video poker  
53 machine, which, upon insertion of a coin, token or similar object, or upon payment of any  
54 consideration, is available to play or operate, the plan or operation of which, whether by reason  
55 of the skill of the operator in playing a gambling game which is presented for play by the  
56 machine or application of the element of chance, or both, may deliver or entitle the person  
57 playing or operating the machine to receive cash, premiums, merchandise, tokens or any thing  
58 of value, whether the payoff is made automatically from the machine or in any other manner.

59 (k) "Establishment", means any building, room, place or other indoor or outdoor premises  
60 where any controlled gaming occurs, including all public and non-public areas of any such

61 establishment;

62 (1) "Game" and "gambling game", means any game approved by the commission and played  
63 with equipment or any mechanical, electromechanical or electronic device or machine, including  
64 slot machine as defined by this act, for money, property, checks, credit or any representative of  
65 value, but does not include games played with cards in private homes or residences in which no  
66 person makes money for operating the game, except as a player, or games defined within  
67 chapter ten or chapter two hundred seventy-one of the General Laws of the commonwealth,  
68 (m) "Gaming", "gambling", and "gaming operations", means to operate, carry on, conduct,  
69 maintain or expose for play any game as defined in this section.

70 (n) "Gaming device", means any equipment or mechanical, electromechanical or electronic  
71 contrivance, component or machine, including slot machine as defined in this section, used  
72 remotely or directly in connection with gaming or any game which affects the result of a wager  
73 by determining win or loss.

74 (p) "Gaming employee", means any person employed in a properly licensed gaming facility  
75 including, without limitation, boxmen; floormen; machine mechanics; security employees; count  
76 room personnel; cage personnel; slot machine and slot booth personnel; collection personnel;  
77 surveillance personnel; and data processing personnel; or any other person whose employment  
78 duties predominantly involves the maintenance or operation of gaming activity or equipment  
79 and assets associated therewith or who, in the judgment of the commission, is so regularly  
80 required to work in a restricted area that licensure as a gaming employee is appropriate.

81 (r) "Gaming establishment", means any establishment licensed to conduct gaming operations in  
82 the commonwealth under this chapter.

83 (s) "Gaming license" or "license", means any license or work permit issued by the commission  
84 under this chapter that authorizes the person named therein to engage or participate in

85 controlled gaming, including, work permits and licenses issued to gaming establishments, to  
86 gaming suppliers, to parties in interest, to gaming schools, and to officers and directors of  
87 licensed persons or entities;

88 (t) "Gaming establishment", any establishment licensed to conduct gaming operations in the  
89 commonwealth under this chapter;

90 (u) "Gaming service industry", means any form of enterprise which provides more than one  
91 hundred thousand dollars per annum in goods or services regarding the realty, construction,  
92 maintenance, or business of a proposed or existing gaming facility on a regular or continuing  
93 basis which directly relate to gaming activities or indirectly relate to gaming operations  
94 including, without limitation, junket enterprises; security businesses; manufacturers, suppliers,  
95 distributors and servicers of gaming devices or equipment; waste disposal companies;  
96 maintenance companies; schools teaching gaming and either playing or dealing techniques;  
97 suppliers of alcoholic beverages, food and nonalcoholic beverages; vending machine providers;  
98 linen suppliers; shopkeepers located within the approved hotels; limousine services; and  
99 construction companies contracting with gaming applicants or licensees or their employees or  
100 agents, or any other enterprise which purchases more than fifty thousand dollars per annum in  
101 goods or services from or which does more than fifty thousand dollars worth of business per  
102 annum with licensed gaming facilities provided that professional services such as accountants,  
103 auditors, attorneys, and broker dealers, or other professions which are regulated by a public  
104 agency, are exempt from the provisions of this subsection.

105 (v) "Holding company", means any corporation, firm, partnership, trust, or other form of  
106 business organization not a natural person that, directly or indirectly, owns, has the power or  
107 right to control, or holds with power to vote, all or any part of the limited partnership interests  
108 or outstanding voting securities of a corporation or any other business entity that holds or

109 applies for a state gambling license. In addition, a holding company indirectly has, holds, or  
110 owns any power, right, or security mentioned herein if it does so through any interest in a  
111 subsidiary or successive subsidiaries, however many of these subsidiaries may intervene  
112 between the holding company and the corporate licensee or applicant.

113 (w) "Intermediary company" means any corporation, firm, partnership, trust, or other form of  
114 business organization other than natural person that is both of the following: (1) a holding  
115 company with respect to a corporation or limited partnership that holds or applies for a gaming  
116 license, and (2) a subsidiary with respect to a holding company.

117 (x) "Land-based licensed gaming facility" means any licensed gaming facility that is principally  
118 located on land.

119 (aa) "License", means a gaming license, or a manufacturer's or distributor's license.

120 (bb) "License fees", means any money required by law to be paid to obtain or renew a gaming  
121 license, manufacturer's or distributor's license.

122 (cc) "Licensed gaming facility", means any facility wherein all gaming is sanctioned and regulated  
123 by the Commission and fully taxed by the commonwealth.

124 (dd) "Licensee", means any person to whom a valid gaming license, manufacturer's or  
125 distributor's license has been issued.

126 (ee) "Manufacturer", means a person who: (1) manufactures, assembles, programs or makes  
127 modifications to a gaming device or cashless wagering system; or (2) designs, controls the  
128 design or assembly or maintains a copyright over the design of a mechanism, electronic circuit  
129 or computer program which cannot be reasonably demonstrated to have any application other  
130 than in a gaming device or in a cashless wagering system, for use or play in this state or for  
131 distribution outside of this state.

132 (ff) "Manufacturer's, seller's or distributor's license", means a license issued pursuant to this act.

133 (gg) "Net gaming revenue", means the total, prior to the deduction of any operating, capital or  
134 other expenses whatsoever, of all gaming revenue derived from slot machines and retained by  
135 any gaming establishment licensed under this chapter derived from the conduct of any  
136 controlled game;

137 (jj) "Party in interest", means any corporation, firm, partnership, trust, or other entity or person  
138 with any direct or indirect pecuniary interest in a licensed gaming establishment, or a person  
139 who owns any interest in the premises of a licensed gaming establishment, or land upon which  
140 such premises is licensed, whether he leases the property directly or through an affiliate.

141 (kk) "Person" or "party", means a natural person, corporation, partnership, limited partnership,  
142 trustee, holding company, joint venture, association, or any business entity.

143 (mm) "Skimming", means the intentional excluding of or the taking of any monies, chips, or any  
144 other items in an attempt to exclude any monies, chips, or any other items or their value from  
145 the deposit, counting, collection, or computation of gross revenues from gaming operations or  
146 activities, net gaming proceeds, or amounts due the commonwealth pursuant to this act.

147 (nn) "Slot machine", means any mechanical, electrical or other device, contrivance or machine,  
148 including any so-called video wagering, terminal, video lottery terminal or video poker machine,  
149 which, upon insertion of a coin, token or similar object, or upon payment of any consideration,  
150 is available to play or operate, the play or operation of which, whether by reason of the skill of  
151 the operator in playing a gambling game which is presented for play by the machine or  
152 application of the element of chance, or both, may deliver or entitle the person playing or  
153 operating the machine to receive cash, premiums, merchandise, tokens or any thing of value,  
154 whether the payoff is made automatically from the machine or in any other manner.

155 (rr) "Work permit", means any card, certificate, or permit issued by the commission authorizing  
156 the holder to be employed in a licensed gaming facility.



157 Section 3. Gaming Control Commission: Composition, powers & duties.

158 (a) There shall be established a Massachusetts gaming control commission consisting of five  
159 members. Each member shall be a citizen of the United States and a resident of the  
160 commonwealth. No person holding any elective office in state, county, or local government; nor  
161 any officer or official of any political party, nor any person who was formerly a licensee or an  
162 unlicensed employee of a gaming licensee within the five years prior to any appointment shall  
163 be eligible for appointment to the commission. The commission shall be composed of the most  
164 qualified persons available; but no person actively engaged or having a direct pecuniary interest  
165 in gaming activities shall be a member of the commission. Not more than three members of the  
166 commission shall be of the same major political affiliation. The governor shall appoint three  
167 members of the commission and designate one member to serve as chairman of the  
168 commission. The attorney general of the commonwealth shall appoint one member of the  
169 commission. The auditor of the commonwealth shall appoint one member of the commission.

170 (b) The term of office of each member of the commission shall be five years except that, of the  
171 members initially appointed, one shall be appointed by the governor for a term of two years,  
172 one shall be appointed by the attorney general for a term of three years, one shall be appointed  
173 by the governor for a term of four years, one shall be appointed by the auditor for a term of five  
174 years, and one shall be appointed by the governor for a term of five years. After the initial term,  
175 the term of office for each member of the commission is five years, provided that no member  
176 serve more than two consecutive terms of five year periods. Any vacancies shall be filled by the  
177 original appointing authority within sixty days of the occurrence of such vacancy. Any appointee  
178 shall continue in office beyond the expiration date of his term until the appointment of a  
179 successor but in no event longer than six months. Any commissioner may be removed by the  
180 governor for just cause, and shall be removed immediately upon conviction of any felony. Any

181 person so suspended and later acquitted of any such felony shall be reinstated to the  
182 commission upon such acquittal, with full back pay.

183 (c) The commission members shall devote that time to the business of the commission as may  
184 be necessary to the discharge of their duties. The members of the commission shall be  
185 compensated for work performed for the commission at fifty thousand dollars per annum, with  
186 the chairman receiving ten thousand dollars per annum in addition to his compensation.

187 Commission members shall be reimbursed for traveling and other expenses necessarily incurred  
188 in the performance of official duties. Before entering upon the duties of his or her office each  
189 member shall swear that he or she is not pecuniary interested in any business or organization  
190 holding a gaming license under this act, or doing business with any gaming service industry, as  
191 defined by this act and shall submit to the governor, attorney general and state auditor, a  
192 statement of financial interest required by chapter two hundred sixty-eight B of the General  
193 Laws listing all assets and liabilities, property and business interests, and sources of income of  
194 said commissioner and his spouse. Such statement shall be under oath and shall be filed at the  
195 time of employment and annually thereafter. No commission member shall have any interest,  
196 direct or indirect, in any applicant or in any person licensed by or registered with the  
197 commission during his term of office. Regular and special meetings of the commission may be  
198 held, at the discretion of the commission, at such times and places as it may deem convenient  
199 but at least one regular meeting may be held each month on or after the fifteenth day of the  
200 month.

201 (d) The commission shall make an annual report of its activities to the general court by March  
202 thirty-one, for the prior calendar year.

203 (e) The commission shall establish and maintain its general place of business in Boston,  
204 Massachusetts. The commission may hold meetings at any place within the state when the

205 interests of the public may be better served. Except as otherwise provided for herein, meetings  
206 of the commission shall be subject to the provisions of section eleven A and eleven A and one-  
207 half of chapter thirty of the General Laws. A majority of the membership of the commission is a  
208 quorum of the commission. A public record of every vote shall be maintained at the  
209 commission's general office. The commission may maintain any other files and records as it  
210 deems appropriate.

211 (f) The commission shall have general responsibility for the implementation of this act, as  
212 hereinafter provided, including, the right to hear and decide promptly and in reasonable order  
213 all license, registration, certificate, and permit applications and causes affecting the granting,  
214 suspension, revocation or renewal thereof; to conduct all hearings pertaining to civil violations  
215 of this act or regulations promulgated hereunder; to promulgate and implement, pursuant to  
216 sections two and three of chapter thirty A of the General Laws, rules and regulations for the  
217 implementation of this act, including the method and form of application which any applicant  
218 for a gaming license or for a manufacturer's, seller's or distributor's license must follow and  
219 complete before consideration of his application by the commission; the information to be  
220 furnished by any applicant or licensee concerning his antecedents, habits, character, associates,  
221 criminal history or record, business activities and financial affairs, past or present; the  
222 information to be furnished by a licensee relating to his gaming employees; the fingerprinting of  
223 an applicant or licensee or employee of a licensee or other methods of identification; the  
224 manner and procedure of all hearings conducted by commission, including special rules of  
225 evidence applicable thereto and notices thereof; the issuance and revocation of work permits  
226 for employment of persons in licensed gambling facilities; the manner in which winnings,  
227 compensation from games and gaming devices, and gross revenue must be computed and  
228 reported by the licensee; the minimum procedures for adoption by each licensee to exercise

229 effective control over its internal fiscal affairs; the payment by any applicant of all or any part of  
230 the fees and cost of investigation of such applicant as may be determined the commission;  
231 governing the manufacture, sale and distribution of gambling devices and equipment; licensee  
232 bonding requirements; monitoring of licensee requirements; investigations both civil and  
233 criminal; the method and operation of gambling operations including the type and manner of  
234 gambling, record keeping, accounting, audit requirements and safeguarding of assets; the  
235 testing and inspection of gambling equipment; the licensing of corporations, limited  
236 partnerships, holding companies and intermediary companies; the limitations of security  
237 contracts and agreements; the sale of securities of affiliated companies; emergency  
238 proceedings; setting forth those persons to be excluded or ejected from gambling  
239 establishments including the type of conduct prohibited thereat; to collect all license and  
240 registration fees, taxes, and penalties imposed by this act and the regulations issued pursuant  
241 hereto; to be present through its inspectors and agents at all times during the operation of any  
242 licensed gaming facility for the purpose of certifying the revenue thereof and receiving  
243 complaints from the public; and to review and rule upon any complaint by a licensed gaming  
244 facility licensee regarding any investigative procedures of the bureau which are unnecessarily  
245 disruptive of licensed gaming facility operations. The need to inspect and or investigate a  
246 licensed gaming facility shall be presumed at all times. The commission shall adopt an official  
247 seal and alter same at pleasure.

248 (g) The commission shall conduct hearings in accordance with the provisions of chapter thirty A.  
249 The commission may, by a majority vote, issue subpoenas for the attendance of witnesses or  
250 the production of any records, books, memoranda, documents, or other papers, or things, at or  
251 prior to any hearing as is necessary to enable the commission to effectually discharge its duties,  
252 and may administer oaths or affirmations as necessary in connection therewith. The commission

253 may petition a superior court for an order requiring compliance with a subpoena. The  
254 commission shall have the authority to propound written interrogatories and may appoint  
255 hearing examiners, to whom may be delegated the power and authority to administer oaths,  
256 issue subpoenas, propound written interrogatories, require testimony under oath, report same,  
257 and fashion recommended decisions upon the recommendation of said commission.

258 (h) The commission may require any person to apply for a license as provided in this act and  
259 approve or disapprove, transactions, events, and processes as provided in this act. The  
260 commission may grant or deny any application for a license or approval may limit, condition,  
261 restrict, suspend, or revoke any license or approval for any cause deemed reasonable by the  
262 commission, consistent with this act or any general or special law. The commission may also  
263 impose a civil fine of not more than five thousand dollars upon any person licensed, registered  
264 or otherwise approved under this act, for any violation of this act or of any general or special  
265 law related to gambling. The commission may, as further provided in regulations approve or  
266 disapprove transactions, events, and processes as provided in this act, take actions reasonably  
267 designed to ensure that no unsuitable persons are associated with controlled gambling  
268 activities. The commission may expend for legal, investigative, clerical and other assistance such  
269 as may be appropriated therefor. Investigators employed by the commission shall have access  
270 to all records maintained by all the licensees and registrants hereunder, whether maintained at  
271 the licensed gambling establishment or other location as may be pertinent to the investigative  
272 powers of the commission.

273 (i) The commission shall assure, to the extent required by this act, that licenses, approvals,  
274 certificates, or permits shall not be issued to nor held by, nor shall there be any material  
275 involvement, directly or indirectly, with the licensed gaming facility operation or the ownership  
276 thereof by, unqualified or disqualified persons or persons whose operations are conducted in a

277 manner not conforming with the provisions of this act. In enforcing the provisions of this act, the  
278 commission shall have the power and authority to deny any application; limit or restrict any  
279 license, registration, certificate, permit or approval; suspend or revoke any license, registration,  
280 certificate, permit or approval; and, impose a penalty on any person licensed, registered, or  
281 previously approved for any cause deemed reasonable by the commission pursuant to rules and  
282 regulations promulgated thereby.

283 (j) No commission member or person employed by the commission shall represent any person  
284 or party other than the commonwealth before or against the commission for a period of two  
285 years from the termination of his office or employment with the commission.

286 (k) The commission shall initiate proceedings or actions appropriate to enforce statutory and  
287 regulatory requirements mandated of license-holders.

288 (1) The commission may refuse to reveal, in any court or administrative proceeding except a  
289 proceeding brought by the commonwealth of Massachusetts or the United States government  
290 the identity of an informant, or the information obtained from the informant, or both the  
291 identity and the information.

292 (m) The commission shall have the power to acquire, lease, use, hold and mortgage real,  
293 personal or mixed property or any interest, easements or rights therein, as may be necessary or  
294 appropriate to carry out the provisions of this act; to enter into agreements or other  
295 transactions with the commonwealth or any political subdivision or public instrumentalities  
296 thereof, the United States government or any federal, state or other governmental agency; to  
297 formulate plans for the projects involving the acquisition and operation of facilities pursuant to  
298 the provisions of this act, and to construct or reconstruct, expand, remodel, to fix and revise  
299 from time to time, and to charge and collect rates, fees, rentals and other charges for the use of  
300 any building, structure, other property or portion thereof under its control; and to acquire in the

301 name of the commission by purchase or otherwise, in such terms and conditions and in such  
302 manner as it may deem proper, or except with respect to the state, by exercise of the power of  
303 eminent domain, pursuant to the provisions of chapter seventy-nine of the General Laws, any  
304 land and other property and any and all rights, title and interest in such land and other property,  
305 and any fee simple absolute in, easements upon or the benefit of restrictions upon abutting  
306 property, and to preserve and protect any project.

307 (n) The commission may investigate, civilly or criminally, fraud, deceit, misrepresentation or  
308 violations of law by any person licensed or registered under this act, or the occurrence of any  
309 such activity within or involving any licensed gambling establishment or gambling operation. If  
310 the commission has reasonable basis to believe that any person licensed or registered under this  
311 act is engaged in criminal behavior or that criminal activity is occurring within or involving any  
312 licensed gaming facility or licensed gambling operation said commission shall report same to the  
313 attorney general of the commonwealth and the district attorney of the county within which the  
314 gaming facility is located and make available to the attorney general and said district attorney all  
315 relevant information on such activity. The commission, as it deems appropriate, may ask the  
316 attorney general and/or said district attorney to restrain a violation of this act or enforce any  
317 provision thereof. An action brought against a person pursuant to this act does not preclude any  
318 other criminal or civil proceeding as may be authorized by law.

319 (o) No person shall transfer a direct or indirect pecuniary interest in a licensed operating entity  
320 or premises, or enter into an option contract or other agreement providing for such transfer in  
321 the future, without having notified the commission. No person shall transfer a greater than five  
322 percent direct or indirect pecuniary interest in a licensed operating entity or premises without  
323 the issuance by the commission to the transferee of an operating license or an affirmative  
324 statement that the transferee has met the operating license standards, as the commission may

325 require.

326 (p) Before the beginning of each legislative year, the commission shall submit to the house and  
327 senate committees on ways and means and the joint committee on government regulations a  
328 report defining, for the preceding twelve month period, the gross revenue, net revenue, and  
329 average depreciation of each licensee; the number of persons employed by each licensee, and  
330 related payroll information; and the assessed valuation of each Massachusetts licensed gaming  
331 facility as listed on the assessment rolls.

332 Section 4. Records of Commission Proceedings.

333 (a) The commission shall cause to be made and kept a record of all proceedings at regular and  
334 special meetings of the commission. These records shall be open to public inspection.

335 (b) Notwithstanding any other general or special law to the contrary all files, records, reports,  
336 and other information in possession of any state or local governmental agency including tax  
337 filings and related information that are relevant to an investigation by the commission  
338 conducted pursuant to this act shall be made available to the commission as requested.

339 However, any tax or financial information received from a governmental agency shall be used  
340 solely for effectuating the purposes of this act. To the extent that these files, records, reports, or  
341 information are confidential or otherwise privileged from disclosure under any law they shall  
342 not lose that confidential or privileged status for having been disclosed to the commission.

343 (c) No statement, and no publication of any document, described in this section shall impose  
344 liability for defamation or constitute a ground for recovery in any civil action. If any document or  
345 communication described above contains any information that is privileged or exempt from  
346 public disclosure that privilege or exemption is not waived or lost because the document or  
347 communication is disclosed to the commission or any of their agents or employees.

348 (d) The attorney general, every district attorney, and every state and local law enforcement



349 agency shall notify the commission of any investigation or prosecution of any person if it  
350 appears that a violation of any law related to gambling had occurred.

351 Section 5. Finding of suitability. License approval.

352 (a) The commission shall investigate the qualifications of each applicant under this act before  
353 any license is issued or any registration, finding of suitability or approval of acts or transactions  
354 for which commission approval is required or permission is granted, and shall continue to  
355 monitor the conduct of all licensees and registrants and other persons having a material  
356 involvement, directly or indirectly with a licensed gaming facility or holding company to ensure  
357 that licenses are not issued or held by, nor is there any material involvement directly or  
358 indirectly with a licensed gaming facility or holding company by unqualified, disqualified or  
359 unsuitable persons, or persons whose operations are conducted in an unsuitable manner or in  
360 unsuitable or prohibited places or locations, as provided in commission regulations. All expenses  
361 associated with the licensing of any applicant shall be borne by the applicant. Pursuant to its  
362 regulations, the commission shall require each applicant for a gambling license to deposit with  
363 the commission, together with the application therefor, an application fee. Such fee shall  
364 constitute the anticipated costs and charges incurred in the investigation and processing of the  
365 application, and any additional sums as are required by the commission to pay final costs and  
366 charges.

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

372 (c) The commission may require a finding of suitability or the licensing of any person who

373 furnishes services or property to a state gaming licensee under any arrangement pursuant to  
374 which the person receives payments based on earnings, profits or receipts from gaming.

375 (d) No person shall operate a gaming establishment without having obtained all necessary  
376 operating licenses from the commission. There shall be a single licensed operator for each  
377 gaming establishment. The licensing standards must be met at all times by each officer, director,  
378 partner, and trustee of the operating entity, by each substantial party in interest of the  
379 operating entity or of the premises on which such establishment is located, and by such other  
380 party in interest of the operating entity, the premises, or any holding company or intermediary  
381 company of the operating entity or the premises as the commission may require. In no event  
382 shall the commission permit a person or entity previously convicted of a felony to be a party in  
383 interest of the operating entity or of the premises or of any holding or intermediary company of  
384 the operating entity or the premises. A separate license shall be required for any person  
385 described above, unless the commission specifically determines otherwise. The commission may  
386 grant not more than four licensed operator licenses to be issued to the following:

387 (1) Persons licensed to conduct running horse racing meetings in Suffolk and Norfolk County, as  
388 of January 1, 2000, or their respective assigns and/or successors in interest, not including  
389 running horse racing meetings held in connection with a state or county fair, who run a full  
390 schedule of live races as defined in section two of chapter one hundred and twenty-eight C, shall  
391 be authorized to operate up to one thousand five hundred electronic gaming devices or slot  
392 machines to be operated only on the premises of said licensee, as approved by the commission.

393 (2) Persons licensed to conduct greyhound dog racing meetings in Suffolk and Bristol County, as  
394 of January 1, 2000, or their respective assigns and/or successors in interest, not including  
395 greyhound dog racing meetings held in connection with a state or county fair, who run a full  
396 schedule of live races as defined in section two of chapter one hundred twenty-eight C, shall be

397 authorized to each operate one thousand five hundred electronic, gaming devices or slot  
398 machines to be operated only, respectively, on the premises of a greyhound dog racing meeting  
399 licensee in Suffolk and Bristol Counties, as approved by the commission; provided, however,  
400 that where two or more greyhound dog racing meeting licensees in Bristol County use the same  
401 track during a calendar year, said Bristol County licensees, for purposes of seeking a licensed  
402 operator license, shall be considered one applicant.

403 (e) A person may apply to be a licensed operator by filing an application with the commission, in  
404 the form and with such accompanying application fees as the commission may establish.

405 Information on the application will be used as the basis for a thorough background investigation  
406 which the bureau shall conduct with respect to each applicant. Each application shall disclose  
407 the identity of each party in interest, each holding company and intermediary company, and  
408 each affiliate of the operating entity. The application shall disclose, in the case of a privately held  
409 corporation, the names and addresses of all directors, officers, and stockholders; in the case of a  
410 publicly traded corporation, the names and addresses of all directors, officers, and persons  
411 holding at least one percent of the total capital stock issued and outstanding; in the case of a  
412 partnership, the names and addresses of all partners, both general and limited; and in the case  
413 of a trust, the names and addresses of all trustees and beneficiaries.

414 (f) Each operating entity shall identify, in its application, the premises containing the  
415 establishment where it proposes to conduct its gaming operations. The application shall contain  
416 such information regarding the physical location and condition of the premises and the potential  
417 impact of the proposed gaming operations upon adjacent properties and the municipality and  
418 region within which the premises are located, as the commission may require. The application  
419 shall disclose the identity of all parties in interest regarding the premises; and provided, further,  
420 except as otherwise permitted herein, no person other than a licensee hereunder shall have any

421 right to or interest in net gaming revenue or adjusted net gaming revenue in the form of a  
422 percentage of any sums payable hereunder.

423 (g) No licensed operator shall obtain any gaming equipment from a person who does not hold a  
424 license. No licensed operator shall enter into any agreement for the receipt of goods or services,  
425 of any form and in any amount, from a person who does not hold a license, when a license is  
426 required for such agreement under this act or under regulations promulgated by the  
427 commission.

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

431 (i) Any person who the commission determines is qualified to receive a license or be found  
432 suitable under the provisions of this act, may be issued a state gaming license or found suitable,  
433 as appropriate. The burden of proving his qualification to receive any license or be found  
434 suitable is on the applicant. A license to operate a gaming establishment must not be granted  
435 unless the applicant has satisfied the commission that he or she has adequate business probity,  
436 competence and experience, in gaming; and the proposed financing of the entire operation is  
437 adequate for the nature of the proposed operation; and, from a suitable source.

438 An application to receive a license or be found suitable constitutes a request for a determination  
439 of the applicant's general character, integrity, and ability to participate or engage in, or be  
440 associated with gaming, as appropriate. The commission may limit the license or place such  
441 conditions thereon as it may deem necessary in the public interest. The commission may, if it  
442 considers necessary, issue a probationary license. No state gaming license may be assigned  
443 either in whole or in part. The commission may limit or place such conditions as it may deem  
444 necessary in the public interest upon any registration, finding of suitability or approval for which

445 application has been made

446 (j) Any state license in force may be renewed by the commission for the next succeeding license  
447 period upon proper application for renewal and payment of state license fees and taxes as  
448 required by law and the regulations of the commission. If any licensee or other person fails to  
449 renew his license the commission may order the immediate closure of all his gaming activity  
450 until the license is renewed by the payment of the necessary fees, taxes, interest and any  
451 penalties.

452 (k) If satisfied that an applicant is eligible to receive a state gaming, manufacturing, selling, or  
453 distributing license, and upon tender of all license fees and taxes as required by law and  
454 regulation of the commission; and a bond executed by the applicant as principal, and by a  
455 corporation qualified under the laws of the commonwealth as surety, payable to the  
456 commonwealth, and conditioned upon the payment of license fees and taxes and the faithful  
457 performance of all requirements imposed by law or regulation or the conditions of the license,  
458 the commission shall issue and deliver to the applicant a license entitling him to engage in the  
459 gaming, manufacturing, selling, or distributing operation for which he is licensed, together with  
460 an enumeration of the specific terms and conditions of the license.

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

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

468 (n) The commission has full and absolute power and authority to deny any application for any

469 cause it deems reasonable. If an application is denied, the commission shall prepare and file its  
470 written decision upon which its order denying the application is based.

471 (o) A person who has had his application for a license denied or who has been found unsuitable  
472 by the commission shall not retain his interest in a corporation, partnership, limited partnership,  
473 limited-liability company or joint venture beyond that period prescribed by the commission; and  
474 shall not accept more for his interest in a corporation, partnership, limited partnership, limited-  
475 liability company or joint venture than he paid for it or the market value on the date of the  
476 denial of the license or the finding of unsuitability.

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

480 (q) Each licensee or registrant, or applicant for a license or registration under this act shall  
481 cooperate with the commission in the performance of their duties.

482 (r) Every licensed gaming facility must, upon receipt of criminal or civil process compelling  
483 testimony or production of documents in connection any criminal investigation, immediately  
484 disclose such information to the bureau.

#### 485 Section 6. Right to Hearing.

486 Any person aggrieved by a determination by the commission to issue, deny, modify, revoke or  
487 suspend any license or approval, or to issue an order, under the provisions of this act, may  
488 request an adjudicatory hearing before the commission under the provisions of chapter thirty A  
489 of the General Laws. Any such determination shall contain a notice of this right to request a  
490 hearing and may specify a time limit, not to exceed twenty-one days, within which said person  
491 shall request said hearing. If no such request is timely made, the determination shall be deemed  
492 assented to. If a timely request is received, the commission shall within a reasonable time act

493 upon a request in accordance with the provisions of said chapter thirty A. A person aggrieved by  
494 a final decision in an adjudicatory hearing held under the provisions of this section may obtain  
495 judicial review thereof pursuant to the provisions of chapter thirty A.

496 Section 7. Criminal Acts and Penalties; Age Restrictions.

497 (a) Except as otherwise provided in this act or in chapter ten or in section seven A of chapter  
498 two hundred seventy-one of the General Laws, it is unlawful for any person to deal, operate,  
499 carry on, conduct, maintain or expose for play in the commonwealth of Massachusetts any  
500 gambling game, gaming device, or slot machine as defined by this act; to receive, directly or  
501 indirectly, any compensation or reward or any percentage or share of the money or property  
502 played, for keeping, running or carrying on any gambling game, gaming device, or slot machine;  
503 to permit any gambling game, gaming device, or slot machine to be conducted, operated, dealt  
504 or carried on in any house or building or other premises owned by him, in whole or in part; to  
505 lend, let, lease or otherwise deliver or furnish any equipment of any gambling game, including  
506 any slot machine, for any interest, percentage or share of the money or property played, under  
507 guise of any agreement whatever; to lend, let, lease or otherwise deliver or furnish, except by a  
508 bona fide sale or capital lease, any slot machine under guise of any agreement whereby any  
509 consideration is paid or is payable for the right to possess or use that slot machine, whether the  
510 consideration is measured by a percentage of the revenue derived from the machine or by a  
511 fixed fee or otherwise; to furnish services or property, real or personal, on the basis of a  
512 contract, lease or license, pursuant to which that person receives payments based on earnings  
513 or profits from any gambling game, including any slot machine, without having first procured a  
514 state gaming license from the commission.

515 (b) Any person included on the list of persons to be excluded or ejected from a gambling  
516 establishment pursuant to regulations promulgated pursuant to this act who knowingly enters

517 or remains on the premises of a licensed gambling establishment shall be punished by a fine to  
518 be determined by the commission, in addition to any other penalties prescribed by law.

519 (c) Any person under the age of twenty-one years who plays, places wagers at, or collects  
520 winnings from, whether personally or through an agent, any controlled game, or who is  
521 employed as an employee in a licensed gaming establishment shall be punished by  
522 imprisonment in the house of correction for not more than one year, or by a fine of not more  
523 than one thousand dollars, or by both such imprisonment and fine. Any licensee, or other  
524 person, who knowingly allows a person under the age of twenty-one to play, place wagers at or  
525 collect winnings, whether personally or through an agent, shall be punished by imprisonment in  
526 the house of correction for a term of not more than one year or pay a fine of not more than ten  
527 thousand dollars, or by both such imprisonment and fine. A subsequent violation of this section  
528 shall subject the licensee to imprisonment in the house of correction for not more than two  
529 years or pay a fine of not more than twenty-five thousand dollars or by both such imprisonment  
530 and fine. In any prosecution or other proceeding for the violation of this subsection, it shall not  
531 be a defense for the licensee or his agent to plead that he believed the person to be twenty-one  
532 years of age or older.

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

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



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

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

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

549 (2) to receive, directly or indirectly, any compensation or reward or any percentage or share of  
550 the revenue, for keeping, running, or carrying on any controlled game, or owning the real  
551 property or location in which any controlled game occurs;

552 (3) to manufacture or distribute within the territorial boundaries of the commonwealth any  
553 gaming equipment to be used in connection with controlled gaming shall be punished by  
554 imprisonment in the state prison for not more than five years, or by imprisonment in a house of  
555 correction for not more than two and one-half years, or by a fine of not more than ten thousand  
556 dollars, or by both such imprisonment and fine.

557 (h) Any person who knowingly permits any controlled game to be conducted, operated, dealt, or  
558 carried on in any house or building or other premises that he or she owns or leases, in whole or  
559 in part, if that activity is undertaken by a person who is not licensed as required by state law  
560 shall be punished by imprisonment in a state prison for not more than five years, or by  
561 imprisonment in a house of correction for not more than one year, or by a fine of not less than  
562 ten thousand dollars, or by both such imprisonment and fine.

563 (i) Any former commission member who, within three years after his employment on said  
564 commission has ceased, solicits or accepts employment with or provides consultant services to

565 any licensee or at any licensed gaming facility shall be deemed to have violated chapter two  
566 hundred sixty-eight B of the General Laws. Any licensed gaming facility which employs a former  
567 commission member in violation of this subsection shall be punishable by a fine to be  
568 determined by the commission.

569 (j) It is unlawful for any person:

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

572 (2) knowingly to entice or induce another to go to any place where gaming is being conducted or  
573 operated in violation of the provisions of this chapter, with the intent that the other person play  
574 or participate in that gaming;

575 (3) to manipulate, with the intent to cheat, any component of a gaming device in a manner  
576 contrary to the designed and normal operational purpose for the component, including but not  
577 limited to, varying the pull of the handle of a slot machine, with knowledge that the  
578 manipulation affects or reasonably may tend to affect the outcome of the game or with  
579 knowledge of any event that affects the outcome of the game;

580 As used in this section, "cheat" means to alter the selection of criteria which determine: (a) the  
581 results of a game; or (b) the amount or frequency of payment in a game.

582 (4) to have on his person or in his possession on or off the premises of any licensed gaming  
583 establishment any key or device known to have been designed for the purpose of and suitable  
584 for opening, entering or affecting the operation of any gaming or equipment, or for removing  
585 money or other contents therefrom, except where such person is a duly authorized employee of  
586 a licensee acting in furtherance of his employment within a licensed gaming establishment. A  
587 violation of this section shall be punishable by imprisonment in a house of correction for not  
588 more than two years or by a fine of not more than one thousand dollars, or by both such

589 imprisonment and fine.

590 (k) Any individual who commits, attempts, or conspires to commit skimming, as defined by this  
591 act, for a total value of less than one thousand dollars against a gaming licensee or upon the  
592 premises of a licensed gaming facility shall be punished by imprisonment in a house of  
593 correction for not more than five years and by a fine of not more than five thousand dollars, or  
594 by imprisonment in a house of correction for not more than ten years and by a fine of not more  
595 than ten thousand dollars if the total value is more than one thousand dollars.

596 (1) In addition to any other penalty imposed under this section, a violation of this section by a  
597 licensed gaming establishment shall subject to forfeiture to the commonwealth any or all of the  
598 gaming equipment related to the violation. A district attorney may petition the superior court in  
599 the name of the commonwealth in the nature of a proceeding in to order forfeiture of any such  
600 gaming equipment subject to forfeiture under the provisions of this paragraph. Such petition  
601 shall be filed in the court having jurisdiction over said gaming equipment or having final  
602 jurisdiction over any related criminal proceedings brought under any provision of this chapter. In  
603 all such suits where the property is claimed by any person, other than the commonwealth, the  
604 commonwealth shall have the burden of proving to the court the existence of probable cause to  
605 institute the action, and any such claimant shall then have the burden of proving that the  
606 gaming equipment is not forfeitable. The court shall order the commonwealth to give notice by  
607 certified or registered mail to the owner of said gaming equipment and to such other persons as  
608 appear to have an interest therein, and the court shall promptly, but not less than two weeks  
609 after notice, hold a hearing on the petition. Upon the motion of the owner of said gaming  
610 equipment the court may continue the hearing on the petition pending the outcome of any  
611 criminal trial related to the violation of this chapter. At such hearing the court shall hear  
612 evidence and make conclusions of law, and shall thereupon issue a final order, from which the

613 parties shall have a right of appeal. In all such suits where a final order results in a forfeiture,  
614 said final order shall provide for disposition of said gaming equipment, by the commonwealth in  
615 any manner not prohibited by law, including official use by an authorized law enforcement or in  
616 other public agency, or sale at public auction or by competitive bidding. The proceeds of any  
617 such sale shall be used to pay the reasonable expenses of the forfeiture proceedings, seizure,  
618 storage, maintenance of custody, advertising, and notice, and the balance thereof shall be  
619 deposited in the gaming regulatory account established by this chapter.

620 Section 8. Revenues; License Fees; Penalties.

621 (a) There is hereby established a gaming investigative account. Any and all expenses associated  
622 with the licensing of any applicant and monitoring of any licensee shall be borne by the  
623 applicant or licensee. Pursuant to its regulations, the commission shall require each applicant to  
624 deposit with the commission, together with the application therefor, an application fee which  
625 shall be deposited in the gaming investigative account. Such fee shall constitute the anticipated  
626 costs and charges incurred in the investigation and processing of the application, and any  
627 additional sums as are required by the commission and the bureau to pay final costs and  
628 charges. Any money received from an applicant in excess of the costs and charges incurred in  
629 the investigation or the processing of the application shall be refunded pursuant to regulations  
630 adopted by the commission.

631 (b) All fees, revenue, and penalties collected pursuant to this act, with the exception of those  
632 revenues collected as stated in section nine (a) or section twelve (g) or section 12(f) of this act,  
633 shall be deposited in the general fund. Funds deposited in the general fund, pursuant to this act,  
634 shall, subject to appropriation, be expended for the support of the commission and the bureau  
635 in carrying out their duties and responsibilities under this act.

636 (c) All revenue received from any game or gaming device which is leased for operation on the

637 premises of the licensee-owner to a person other than the owner thereof, or located in an area  
638 or space on the premises which is leased by the licensee-owner to any such person, must be  
639 attributed to the owner for the purposes of this section and be counted as part of the gross  
640 revenue of the owner. The lessee is liable to the owner for his proportionate share of the license  
641 fees.

642 (d) In addition to any other tax or fee imposed by this act, there is also hereby imposed an  
643 annual license fee of one hundred thousand dollars for gaming license holders, and an annual  
644 license fee of five hundred dollars upon every slot machine maintained for use or in use in any  
645 licensed gaming facility in the commonwealth.

646 (e) All gaming license fees and penalties imposed by the provisions of this act must be paid to  
647 the state treasurer to be deposited into the general fund. Fees shall be paid annually on or  
648 before June twentieth. Penalties imposed under this act shall be paid within thirty days of the  
649 final determination of the commission of the violation.

650 (f) There is hereby imposed upon each slot machine operated in this state an annual excise tax  
651 of two hundred and fifty dollars. If a slot machine is replaced by another, the replacement is not  
652 considered a different slot machine for the purpose of imposing this tax. The commission shall  
653 collect the tax annually on or before June twentieth, as a condition precedent to the issuance of  
654 a state gaming license to operate any slot machine for the ensuing fiscal year beginning July  
655 first, from a licensee whose operation is continuing; collect the tax in advance from a licensee  
656 who begins operation or puts additional slot machines into play during the fiscal year, prorated  
657 monthly after July thirty-first; include the proceeds of the tax in its reports of state gaming taxes  
658 collected. The commission shall pay over the tax as collected to the treasurer of the municipality  
659 within which the gaming facility is located to be deposited to the general fund of said  
660 municipality.

661 Section 9. Reporting Violations of Act.

662 All licensees, all registrants, all persons required to be qualified under this act, and all persons  
663 employed by a gaming service industry licensed pursuant to this act, shall have a duty to inform  
664 the commission or bureau of any action which they believe would constitute a violation of this  
665 act. No person who so informs the commission or the bureau shall be discriminated against by  
666 an applicant, licensee or registrant because of the supplying of such information.

667 Section 10. Licensing of Gaming Service Industries.

668 (a) All gaming service industries as defined in this act offering goods or services which directly  
669 relate to gaming activities or indirectly relate to gaming operations shall be licensed in  
670 accordance with rules of the commission and prior to conducting any business whatsoever with  
671 a gaming applicant or licensee, its employees or agents, and in the case of a school, prior to  
672 enrollment of any students or offering of any courses to the public whether for compensation or  
673 not. Gaming service industries that directly relate to gaming activities shall include gaming and  
674 wagering equipment manufacturers, suppliers and repairers, schools teaching gaming and either  
675 playing or dealing techniques, and gaming security services. Gaming service industries that  
676 indirectly relate to gaming operations shall include junket enterprises; suppliers of alcoholic  
677 beverages, food and nonalcoholic beverages; garbage handlers; vending machine providers;  
678 linen suppliers; maintenance companies; shopkeepers located within the approved hotels;  
679 limousine services and construction companies contracting with gaming applicants or licensees  
680 or their employees or agents.

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

683 (c) The commission may exempt any person or field of commerce from the licensing  
684 requirements of this subsection if the person or field of commerce demonstrates that it is

685 regulated by a public agency or that it will provide goods or services in insubstantial or  
686 insignificant amounts or quantities, or provides professional services such as accountants,  
687 auditors, attorneys, or broker dealers, and that licensing is not deemed necessary in order to  
688 protect the public interest or to accomplish the policies established by this act. Upon granting an  
689 exemption or at any time thereafter, the commission may limit or place such restrictions  
690 thereupon as it may deem necessary in the public interest, and shall require the exempted  
691 person to cooperate with the commission and the bureau and, upon request, to provide  
692 information in the same manner as required of a gaming service industry licensed pursuant to  
693 this section.

694 (d) Licensure pursuant to this section of any gaming service industry may be denied to any  
695 applicant disqualified in accordance with the criteria contained in section six of this act.

#### 696 Section 11. Gaming Revenue Payable to Commission.

697 (a) Each licensed operator within the commonwealth also licensed as a live running horse racing  
698 meeting licensee within the commonwealth shall pay to the commission, as the commission  
699 shall direct, from the adjusted net gaming revenues: a percentage on behalf of the  
700 commonwealth; a percentage on behalf of the horse owners at the running horse racing  
701 meeting licensee for purses in accordance with the rules and established customs of conducting  
702 running horse racing meetings at that licensee's racing facility; and a percentage on behalf of  
703 the breeders association at the licensee's facility for the purposes of promoting the breeding of  
704 running horses in the commonwealth pursuant to law; provided that if the adjusted net gaming  
705 revenues exceed, in any calendar year, thirty-five million dollars each such licensed operator  
706 shall pay from the amount above that thirty-five million dollars, on behalf of the commonwealth  
707 a sum on behalf of the horse owners at the racing meeting licensee for said purses.

708 (b) Each licensed operator within the commonwealth also licensed as a greyhound dog racing

709 meeting licensee within the commonwealth shall pay to the commission, as the commission  
710 shall direct, from the adjusted net gaming revenues: a sum on behalf of the commonwealth; a  
711 percentage on behalf of the dog owners at the greyhound dog racing meeting licensee for  
712 purses in accordance with the rules and established customs of conducting greyhound dog  
713 racing meetings at that licensee's racing facility; provided that if the adjusted net gaming  
714 revenues exceed, in any calendar year, thirty-five million dollars each such licensed operator  
715 shall pay from that amount above that thirty-five million dollars, on behalf of the  
716 commonwealth a sum and on behalf of the dog owners at the racing meeting licensee for said  
717 purses.

718 (c) Notwithstanding the foregoing, if adjusted net gaming revenues of any licensed operator  
719 under section twelve (a) and (b) exceed, in any calendar year, fifty million dollars, such licensed  
720 operator(s) shall pay to the commission, on behalf of the commonwealth, as the commission  
721 shall direct, from the adjusted net gaming revenue above said amount, a percentage on behalf  
722 of the commonwealth.

723 (d) Provided, however, that each licensed operator shall receive as and offset from any amount  
724 due under sections twelve (a), (b), (c), or (d) any amount assessed by the commission to cover  
725 the licensed operator's pro rata share of the regulatory costs of the commission. Such regulatory  
726 costs shall not include any license or application fee assessed by the commission.

727 (f) Revenue generated by each licensed operator including, a licensed running horse racing  
728 facility, a licensed harness horse racing facility, a licensed greyhound dog racing facility, shall be  
729 placed into a separate account, to be known as the "revenue gaming account". Twenty-five  
730 percent (25%) of said revenue shall, subject to appropriation, be dedicated to the Department  
731 of Education for the purpose of supporting the public school system in the Commonwealth. The  
732 remaining revenue shall be returned to the General Fund.



733 (g) There is hereby established a debt service account. Each licensed operator within the  
734 commonwealth operating a licensed running horse racing facility, a licensed harness horse  
735 racing facility, a licensed greyhound dog racing facility, or a licensed gaming facility as  
736 designated in section six (d)(1), (2), (3), (4), and (5) shall pay, on behalf of the commonwealth, a  
737 percentage of their adjusted net gaming revenue, said percentage which shall be deposited in  
738 the debt service account. Said account shall be used to fund payments toward the debt service  
739 of the commonwealth.

740 Section 12. Problem Gambling Education and Treatment.

741 The department of public health is hereby authorized and directed to conduct a comprehensive  
742 study to measure the prevalence of compulsive, obsessive behaviors in Massachusetts; to  
743 measure the prevalence of problem gambling in Massachusetts; to measure the prevalence of  
744 underage problem gambling in Massachusetts; and, to measure the social cost of problem  
745 gambling in Massachusetts; and to develop appropriate treatment modalities and public  
746 education strategies that address the findings of said study.

747 Section 13. Disclosure requirements.

748 Every licensed gaming establishment shall disclose clearly and conspicuously on each electronic  
749 gaming device the numerical odds of winning or if the odds cannot be calculated, the manner by  
750 which a person may be notified of all previous winnings on each electronic gaming device, and  
751 the number of previous  
752 winners.

753 Section 14. Recovery of Gaming Debts by Patrons.

754 (a) Whenever a licensee refuses payment of alleged winnings to a patron, the licensee and the  
755 patron are unable to resolve the dispute to the satisfaction of the patron and the dispute  
756 involves,

757 1) at least five hundred dollars, the licensee shall immediately notify the commission; or  
758 2) less than five hundred dollars, the licensee shall inform the patron of his right to request that  
759 the commission conduct an investigation. The bureau shall conduct whatever investigation it  
760 deems necessary and shall determine, in its sole discretion and without need for a hearing,  
761 whether payment should be clone. In the event the commission determines that payment  
762 should be made, all costs of the investigation shall be borne by the licensee. Failure of the  
763 licensee to notify the bureau or inform the patron as provided herein shall subject the licensee  
764 to disciplinary action.

765 (b) Any party aggrieved by the determination of the commission may file a petition for  
766 reconsideration with the commission setting forth the basis of the request for reconsideration.  
767 Any hearing for reconsideration shall be conducted pursuant to regulations adopted by the  
768 commission.

769 Section 15. Off-Track Betting.

770 In the event that an off-track betting system is sanctioned by the commonwealth each licensed  
771 gaming facility shall, on reasonable terms and conditions, make available within said facility  
772 space for an off-track betting facility to be jointly leased and operated by all persons licensed  
773 under section three of chapter one hundred and twenty-eight A, other than licensees  
774 conducting horse or dog racing in connection with a state or county fair, to be operated in  
775 accordance with the rules and regulations applicable to the enabling legislation of that off-track  
776 betting system.

777 Section 16. Severability.

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

