

HOUSE No. 4067

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

An Act relative to gaming control..

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 inserting after chapter 128C the
2 following chapter:- Chapter 128D. The Massachusetts Gaming Control Act. Section I. General
3 Provisions.

4 (a) This chapter shall be known and may be cited as the "Massachusetts Gaming Control
5 Act."

6 (b) No applicant for a license or other affirmative approval within the scope of this
7 chapter has any property or other right to a license or to the granting of the approval sought. Any
8 license issued or other approval granted pursuant to this chapter is a fully revocable privilege,
9 and no holder acquires any vested right therein or thereunder.

10 (c) Nothing in this chapter shall preclude any city or town in the commonwealth from
11 prohibiting gaming, from imposing any local controls or conditions upon gaming, from
12 inspecting premises to enforce applicable laws, or from imposing any fee or tax otherwise

13 authorized, provided any prohibition, control, condition, inspection, tax, or fee is not inconsistent
14 with this act, or the laws of the United States.

15 (d) In the event of any conflict between the provisions of this chapter and the provisions
16 of any other general or special law , or local ordinance, the provisions of this chapter shall
17 prevail.

18 Section 2. Definitions.

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

21 (a) "Affiliate," any person that a licensee or applicant directly or indirectly controls or in
22 which an applicant or licensee possesses an interest. For the purposes of this definition,
23 "controls" means either (i) directly or indirectly holding more than ten percent (10%) of voting
24 membership rights or voting stock or partnership interests, or (ii) that a majority of the directors,
25 general partners, trustees, or members of an entity's governing body are representative of, or are
26 directly or indirectly controlled by, the licensee or applicant. For the purposes of this definition,
27 "possesses an interest in" means either (i) directly or indirectly holding more than (5%) of voting
28 membership rights or voting stock, or

29 (ii) that at least twenty-five percent (25%) of the directors, general partners, trustees, or
30 members of an entity's governing body are representatives of, or are directly or indirectly
31 controlled by, the licensee or applicant;

32 (b) "Applicant," a person who has applied for a gaming license, work permit, or approval
33 of any act or transaction pursuant to this chapter;

34 (c) "Bureau," the state gaming control bureau established by this act;

35 (d) "Commission," the Massachusetts gaming control commission;

36 (e) "Controlled game," or "controlled gaming," any game of chance, or skill, or both,
37 played for currency, check, credit, or any other thing of value, and including electronic gaming
38 devices and games classified as class II or class III gaming under the Indian Gaming Regulatory
39 Act, 25 D.S.C. § 2701 et seq., but excluding:

40 (1) The game of bingo conducted pursuant to chapter two hundred and seventy-one;

41 (2) Parimutuel wagering on horse and dog races, whether live or simulcast, authorized
42 under G.L. c. 128A and G.L. c. 128C;

43 (3) Any lottery game conducted by the state lottery commission, in accordance with G.L.
44 c. 10, § 24.

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

47 (f) "Electronic Gaming Device," means any game of chance mechanical, electronic or
48 otherwise featuring coin drop and payout as well as printed tabulations, whereby the software of
49 the device predetermines the presence or lack of a winning combination and payout; also
50 microprocessor-controlled electronic devices that allow a player to play games of chance, which
51 may be affected by an element of skill, activated by the insertion of a coin or currency or by the
52 use of a credit and awards game credits, cash, tokens, replays or a written statement of the
53 player's accumulated credits, which written statements are redeemable for cash; and including
54 slot machines, video lottery terminals' and video facsimile machines of any type;

55 (g) Establishment," any building, room, place or other indoor or outdoor premises where
56 any controlled gaming occurs, including all public and non-public areas of any such
57 establishment;

58 (h) "Executive Director," the executive director of the bureau;

59 (i) "Gaming," to deal, operate, carry on, conduct, maintain, or expose for play any
60 controlled gaming;

61 (j) "Gaming equipment," any equipment, device, object or contrivance, or machine,
62 whether mechanical, electromechanical, or electronic, which is specifically designed or
63 manufactured for use in the operation of gaming; (k) "Gaming license," or "license," any license
64 or work permit issued by the commission under this chapter that authorizes the person named
65 therein to engage or participate in controlled gaming or to operate electronic gaming devices,
66 including work permits and licenses issued to gaming establishments, to gaming suppliers, to
67 parties in interest, and to officers and directors of licensed persons or entities;

68 (l) "Gaming operation," one or more controlled game that is operated, carried on,
69 conducted, maintained, offered or exposed for play;

70 (m) "Gaming establishment," any establishment licensed to conduct a gaming operation
71 in the commonwealth under this chapter;

72 (n) "Gaming services" means providing services or goods to any licensed gaming
73 establishment directly in conjunction with the operation of gaming, including security services,
74 .training activities, promotional services, printing or manufacture of betting tickets and

75 manufacture, distribution, maintenance, testing or repair of electronic gaming devices, or any
76 person who furnishes

77 goods or services pursuant to which the person receives payments based on earnings,
78 profits or net receipts from gaming;

79 (o) "Holding company," any corporation, firm, partnership,

80 trust, or other entity that, directly or indirectly, owns, has the power or right to control, or

81 holds with power to vote, all or any part of the partnership interests or outstanding voting

82 securities of a corporation or any other business entity that holds or applies for a gaming license.

83 In addition, a holding company indirectly has, holds, or owns any power or right mentioned

84 herein if it does so through any interest in a subsidiary or affiliate or successive subsidiaries or

85 affiliates, however many of these subsidiaries or affiliates

86 may intervene between the holding company and the

87 corporate licenses or applicant;

88 (p) "Intermediary company," any corporation, firm, partnership, trust, or other entity,

89 other than a natural person, that is both of the following:

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

91 (2) A holding company with respect to a corporation or limited partnership or other entity

92 that holds or applies for gaming license;

93 (q) "Licensed operator," any operating entity that conducts a controlled gaming operation

94 within a gaming establishment pursuant to a license or licenses issued under this Act.

95 (r) "Licensed premises," the premises upon which is located a gaming establishment
96 pursuant to a license issued to a licensed operator;

97 (s) "Licensee," any person or party holding, or purporting to hold, a valid gaming license
98 under this chapter;

99 (t) "Net gaming revenue," the total, prior to the deduction of any operating, capital or
100 other expenses whatsoever, of all gaming revenue retained by any gaming establishment licensed
101 under this chapter derived from the conduct of any controlled game; (u) "Operating entity," any
102 person who conducts a gaming operation;

103 (v) "Party in interest," any corporation, firm, partnership, trust,
104 or other entity or person with any direct or indirect pecuniary interest in a licensed
105 gaming establishment, or a person who owns any interest in the premises of a licensed gaming
106 establishment, or land upon which such premises is licensed, whether he leases the property
107 directly or through an affiliate;

108 (w) "Person" or "party," a natural person, corporation, partnership, limited partnership,
109 trustee, holding company, joint venture, association, or any business entity;

110 (x) "Racing meeting licensee," the running horse racing meeting licensee in Suffolk
111 County, harness horse racing meeting licensee in Norfolk County, and dog racing meeting
112 licensees in Suffolk and Bristol Counties licensed by the State Racing Commission pursuant to
113 G.L. c. 128A, as amended, to conduct parimutuel racing during calendar year 2005, or their
114 respective assigns; provided, however, that the two dog racing meeting licensees in Bristol

115 County shall be deemed one for all purposes of this act; and, further, excluding any licensees of
116 racing meetings held or conducted in connection with a state or county fair.

117 (y) "Substantial party in interest," any person holding a greater than one percent (1 %)
118 direct or indirect pecuniary interest, whether as owner, mortgagee or otherwise, in an operating
119 entity, premises, or any other licensee or applicant;

120 (z) "Work permit," any permit issued by the commission authorizing the holder to be
121 employed as an employee in a licensed gaming establishment.

122 Section 3. Gaming Control Commission; Composition, Powers & Duties.

123 (a) There shall be established a Massachusetts gaming control commission consisting of
124 five members. Each member shall be a citizen of the United States and a resident of the
125 commonwealth. No officer or official of any political party, nor any person who

126 was formerly a licensee or an unlicensed employee of a gaming licensee within the five
127 years prior to any appointment shall be eligible for appointment to the commission. No person
128 actively engaging or having a direct pecuniary interest in gaming activities shall be a member of
129 the Commission. Not more than three members of the Commission shall be of the same major
130 political party affiliation. The governor shall appoint two members of the Commission and
131 designate one member to serve as chairman of the Commission. The attorney general of the
132 commonwealth shall appoint one member of the Commission. The auditor of the commonwealth
133 shall appoint one member of the Commission. The

134 Secretary of State shall appoint one member of the Commission.(b) The term of office of
135 each member of the Commission shall be five years except that, of the members initially

136 appointed, one shall be appointed by the governor for a term of five years, one shall be appointed
137 by the attorney general for a term of four years, one shall be appointed by the governor for a term
138 of three years,

139 one shall be appointed by the auditor for a term of two years, and one shall be appointed
140 by the Secretary of State for a term of one year. After the initial term the term of office for each
141 member of the Commission is five years, provided that no member shall serve more than two
142 consecutive terms of five- year periods. Any vacancies shall be filled by the original appointing
143 authority within sixty days of the occurrence of such vacancy. Any appointee shall continue in
144 office beyond the expiration date of his term until the appointment of a successor but in no event
145 longer than six months. Any Commissioner may be removed by his appointing authority for just
146 cause, and shall be suspended, without pay, upon indictment for any felony. Any person so
147 suspended shall be removed upon conviction. Any person so suspended and later acquitted of
148 any such felony shall be reinstated to the commission upon such acquittal, with full back pay.

149 (c) The commission members shall devote that time and attention to the business of the
150 commission as is necessary to discharge their duties; provided, however, the chairman shall
151 devote his or her full time during normal business hours to the business of the commission. The
152 members of the commission shall be compensated for work performed for the commission at
153 ninety thousand

154 dollars per annum, with the chairman receiving ten thousand dollars per annum in
155 additional compensation. Commission members shall be reimbursed for travel and other
156 expenses necessarily incurred in the performance of official duties. Before entering upon the
157 duties of the office each member shall swear that he is not peculiarly interested in, or doing

158 business with, any person holding a gaming license and shall submit to his appointing authority
159 and to the state ethics commission a statement of financial interest required by chapter two
160 hundred sixty-eight B of the general laws.

161 (d) Except as otherwise provided herein, meetings of the commission shall be subject to
162 the provisions of section eleven A and eleven A and one-half of chapter thirty A of the General
163 Laws. A majority of the membership of the commission shall constitute a quorum of the
164 commission. A public record of every vote shall be maintained at the commission's general
165 office.

166 (e) The commission shall conduct hearings in accordance with the provisions of chapter
167 thirty A, provided, however, that clause three of section eleven of chapter thirty A shall not
168 apply. The commission may issue subpoenas for the attendance of witnesses or the production of
169 any records, books, memoranda, documents, or other papers, or things, at or prior to any hearing
170 as is necessary to enable the commission to discharge its duties, and may administer oaths or
171 affirmations as necessary in connection therewith. The commission may petition the superior
172 court for an

173 order requiring compliance with any subpoena at issue.

174 (f) The commission may retain legal, investigative, clerical and other assistance as may
175 be necessary.

176 (g) The commission may require any person to apply for a license as provided in this
177 chapter and approve or disapprove any such application or other transactions, events, and
178 processes as provided in this chapter. Any application to receive any license under this chapter

179 shall constitute a request for a determination of the applicant's general character, integrity, and
180 ability to participate or engage in, or be associated with, gaming.

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

183 (i) The commission may grant or deny any application for a license or approval; may
184 limit, condition, restrict, suspend, or revoke any license or approval for any cause deemed
185 reasonable by commission, consistent with this chapter or any general or special law. The
186 commission may, in its discretion, issue a probationary gaming license. No gaming license may
187 be assigned either in whole or in part.

188 (g) As provided in commission regulations, the commission may impose a fine or penalty
189 or interest on such fine or penalty, upon any gaming licensee, for violation of this chapter. The
190 commission may approve or disapprove transactions, and events as provided in this chapter, take
191 actions reasonably designed to ensure that no unsuitable persons are associated with controlled
192 gaming, and take actions reasonably designed to ensure that
193 gaming activities take place only in suitable premises.

194 (k) The commission shall, pursuant to sections two and three of chapter thirty A of the
195 general laws, promulgate regulations necessary to carry out the powers and the provisions of this
196 chapter,

197 and specifically shall promulgate regulations as to the following matters:

198 (1) the licensing of gaming establishments, including regulations relating to the types of
199 establishments, application process,

200 background checks, license fees, bonding requirements, and revocation and suspension of
201 licenses;

202 (2) the licensing of gaming suppliers, including regulations relating to the application
203 process, background checks, license fees, bonding requirements, and revocations and suspension
204 of licenses;

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

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

211 (5) the licensing of all officers and directors of any entity which holds or applies for a
212 license under this chapter, including regulations relating to application process, background
213 checks, licensee

214 fees, and revocation and suspension of licenses; and regulations requiring that, if in the
215 judgment of the commission the public interest will be served by requiring any of the individual
216 stockholders, key executives, agents or other employees of any entity which holds or applies for
217 a license under this chapter to be licensed, such individuals apply for a license under this
218 paragraph;

219 (6) the monitoring of licensees to ensure compliance with this chapter and the regulations
220 promulgated thereunder;

221 (7) the presentation and/or display of all licenses and work permits; (8) the registration of
222 non-gaming suppliers;

223 (9) the method for collecting any fines, fees, penalties and interest imposed by the
224 commission;

225 (10) the method and standards of operation of licensed gaming establishments including,
226 but not limited to, games, the type and manner of gaming, wagering limitations, odds, and hours
227 of operation; provided, however, the commission shall not restrict the

228 number of hours of operation of any licensed gaming establishment to fewer hours than
229 of any competing gaming facilities with controlled gaming;

230 (11) the manufacturing, distribution, sale, testing, servicing,
231 and inspection of gaming equipment, including requirements for the identification and
232 licensing of same;

233 (12) any limitations on mortgage security interests and agreements relating to the
234 property of licensed gaming establishments;

235 (13) any limitations on transfers of interests in licenses;

236 (14) advertising by licensed gaming establishments; provided, however, licensees shall
237 have the right to conduct reasonable advertising consistent with that of competing gaming
238 facilities;

239 (15) the manner in which winnings, compensation from games,

240 and gaming devices must be compiled and reported by licensees, provided, further,
241 electronic gaming devices shall return as winnings a minimum of eighty-five percent of all sums
242 wagered.

243 (16) standards for protection of the health, safety, and security of the public at licensed
244 gaming establishments;

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

251 (18) the persons to be excluded or ejected from licensed gaming establishments,
252 including the type of conduct prohibited; and

253 (19) the distribution of funds for the treatment of compulsive behavior.

254 (I) in emergencies, the commission may, without complying
255 with sections two or three of chapter thirty A of the general laws, summarily adopt,
256 amend, or repeal any regulation, if, at the time, the commission makes a finding that such action
257 is necessary for the preservation of the public peace, health, safety, morals, good order, or
258 general welfare, together with a statement of the facts constituting the emergency; provided,
259 however, all such emergency actions shall expire after ninety days.

260 (m) Each operating license shall be issued for an initial term of one year, and may be
261 renewed at the discretion of the commission for a term not to exceed five years.

262 (n) Any failure of a licensee to comply with this chapter or any regulation of the
263 commission or the bureau may, at the discretion of the commission, result in the immediate
264 suspension or revocation of the license.

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

269 (p) Any person who has had his application for a license denied or revoked, or is
270 otherwise not in compliance with any requirements hereunder, shall not retain his interest in the
271 premises or any entity seeking or holding a license under this chapter beyond that period
272 prescribed by the commission; and shall not accept more for his interest than he paid for it or the
273 market value on the date of the denial or revocation of the license or occurrence of non-
274 compliance (not including the prospective value of said license), whatever is higher.

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

278 (r) No person shall transfer a direct or indirect pecuniary
279 interest in a licensed operating entity or premises, or enter into an option contract or other
280 agreement providing for such transfer in the future, without having notified the commission. No

281 person shall transfer a greater than five percent (5%) direct or indirect pecuniary interest in a
282 licensed operating entity or premises without the issuance by the commission to the transferee of
283 an operating license or an affirmative statement that the transferee has met the operating license
284 standards, as the commission may require.

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

289 (t) No commission member or person employed by the commission shall solicit or accept
290 employment from a licensee, or represent any person or party other than the commonwealth
291 before or against the commission for a period of three years from the termination of his office or
292 employment with the commission.

293 (u) The commission may investigate fraud, deceit, misrepresentation or violations by any
294 licensee under this chapter, or the occurrence of any such activity involving any licensee. If the
295 commission has reasonable basis to believe that any licensee has been or is engaged in criminal
296 behavior or that criminal activity is occurring within or involving any licensed gaming
297 establishment, the commission shall report same to the district attorney of the county within
298 which the gaming establishment is located and make available to said district attorney all
299 relevant information on such activity. The commission shall apply to the department of public
300 safety for the assignment of a complement of police officers to the commission on a regular basis
301 and said department

302 shall assign such complement to the commission. The commission shall assign such
303 police officers to guard and protect the lives and safety of the public and property at any such
304 gaming establishment, and to perform any such other duties, which may be required by said
305 commission in order to maintain fair and honest gaming establishment. The police officers so
306 assigned shall,

307 except in the case of an emergency, while on duty at any such establishment be subject to
308 the operational authority of the commission; provided, however, that such assignment or
309 reassignment

310 shall not in any way impair any rights to which any officer may be entitled. The
311 commission shall from funds available pay to the department of public safety the cost of the
312 salaries of the police officers so assigned from funds appropriated to the commission. All
313 assignment and reassignments to the commission, except as the commissioner of public safety
314 shall determine that an emergency exists or its threatened, shall be subject to the approval of the
315 gaming control commission. Nothing herein shall prevent licensees from applying to the state
316 police if they have jurisdiction in the area where gaming establishment is located, or to the police
317 department of a city or town wherein the gaming establishment is located, in order that such
318 police agency may furnish a police detail for safety or traffic purposes at any gaming
319 establishment authorized by this chapter. The total cost for any such police detail shall be a sum
320 equal to the salaries of the police officers comprising such detail, plus a sum to cover the
321 administrative expenses incurred by the department of each such police officer.

322 (v) The commission, as it deems appropriate, may ask a district attorney to file a civil
323 lawsuit to restrain a. violation of this chapter or enforce any provision thereof. An action brought

324 against a person pursuant to this chapter does not preclude any other criminal or civil proceeding
325 as may be authorized by law.

326 (w) Any person aggrieved by a determination by the commission to issue, deny, modify,
327 revoke or suspend any license or approval, or to issue any order under the provisions of this
328 chapter, may request an adjudicatory hearing before the commission under the provisions
329 of chapter thirty A. Any such determination shall contain a notice of this right to request a
330 hearing and

331 may specify a time limit, not to exceed twenty-one days, within which said person shall
332 request said hearing. If no such request is timely made, the determination shall be deemed
333 assented to. If a timely request is received, the commission shall within a reasonable time act
334 upon a request in accordance with the provisions of chapter thirty A. A person aggrieved by a
335 final decision in an adjudicatory hearing held under the provisions of this section may obtain
336 judicial review thereof pursuant to the provisions of chapter thirty A.

337 Section 4. State Gaming Control Bureau; Composition, Powers & Duties.

338 (a) There shall be established a state gaming control bureau
339 within the executive office of administration and finance.

340 (b) The secretary of administration and finance shall appoint the executive director of the
341 bureau for a term of five years. The executive director shall not serve more than two consecutive
342 terms. The executive director shall employ such professional, technical, and clerical
343 assistants and employees as necessary, subject to appropriation; provided, however, such
344 assistants and

345 employees shall not be subject to G.L. c. 31 or G.L. c. 30, § 9(A).

346 The department of public safety and division of state police shall assign to the Division
347 such full and adequate numbers of investigators as the executive director shall reasonably require
348 to carry
349 out the purposes of this chapter.

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

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

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

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

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

362 (5) To have access to, and inspect, examine, photocopy, and

363 audit all relevant and material papers, books, and records of an applicant for, or person
364 holding, a license for a gaming establishment under this chapter, on such applicant's or licensee's
365 premises

366 or elsewhere, as practicable, in the presence of the applicant or licensee or his or her
367 agent, and require verification of income, and all other matters affecting the enforcement of this
368 chapter;

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

374 (7) To refer any suspected criminal violation of this chapter; provided, however, that
375 nothing in this section shall be deemed to limit the investigatory and prosecutorial powers of
376 other state and local officials and agencies;

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

385 (e) The bureau may recommend to the commission the denial of any application, the
386 limitation, conditioning, restriction, sus-pension, or revocation of any license or approval, or the
387 imposition of any fine or penalty upon any licensee.

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

392 (g) Each employee of the bureau shall file with the executive director and the state ethics
393 commission a statement of financial interest as defined in chapter two-hundred sixty-eight B.
394 Such statement shall be under oath and shall be filed at the time of employment and annually
395 thereafter, as .required by the state ethics commission.

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

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

402 (g) The bureau may investigate, fraud, deceit, misrepresentation or violations of this
403 chapter by any person licensed hereunder or the occurrence of any such activity within or
404 involving any licensed gaming establishment. If the bureau has reasonable basis to believe that
405 any licensee has been or is engaged in criminal behavior or that criminal activity is occurring
406 within or involving any licensed gaming establishment, the bureau shall report same to the

407 district attorney of the county within which the licensed gaming establishment is located and
408 make available to said district attorney all relevant information on such activity.

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

413 (l) The bureau shall make a continuous study and investigation
414 of gaming throughout the commonwealth in order to ascertain the adequacy and
415 effectiveness of state gaming law or regulations and may formulate recommendations for
416 changes in such laws and regulations. The bureau shall make a continuous study and
417 investigation of the operation and administration of similar laws in other states or countries, of
418 any literature or reports on the subject, of any federal laws which may affect the operation of
419 gaming in the commonwealth, al with a view to recommending or effecting changes that will
420 tend to better serve an implement the purposes of this chapter.

421 (m) The executive director of the bureau may recommend that the commission initiate
422 proceedings or actions appropriate to enforce this chapter and the regulations promulgated
423 thereunder.

424 Section 5. Licensing of Licensed operators; payment of Commissions.

425 (a) Notwithstanding the provisions of G.L. c. 137, G.L. c. 271, or any other general or
426 special law to the contrary, each racing meeting licensee is eligible to be licensed, subject to all
427 terms and conditions imposed by the Commission, to operate a gaming establishment; and shall

428 have the right to operate one thousand five hundred (1,500) electronic gaming devices. Said
429 licensees shall pay weekly to the commission on behalf of the commonwealth, a sum equal to 55
430 percent of net gaming revenues and from which the commission shall allocate percentages to be
431 paid to the city or town in which the establishment is located and to configure cities and towns,
432 except those contiguous to the city of Boston a minimum of 2 per cent and a minimum $\frac{1}{2}$ of 1
433 percent the treatment of compulsive and problem gamblers. The remainder of the adjusted net
434 gaming revenue shall go to local and similar to lottery distribution. The remaining sums shall be
435 retained by each licensee as its commissions and, provided, further, that each such licensee shall
436 in addition pay all taxes otherwise due and payable.

437 (b) No person shall operate a gaming establishment without having obtained all necessary
438 operating licenses from the commission. There shall be a single licensed operator for each
439 gaming establishment. The licensing standards must be met at all times by each officer, director,
440 partner, and trustee of the operating entity, by each substantial party in interest of the operating
441 entity

442 or of the premises on which such establishment is located, and by such other party in
443 interest of the operating entity, the premises, or any holding company or intermediary company
444 of the operating entity or the premises as the commission may require.

445 (c) A person may apply to be a licensed operator by filing an application with the
446 commission, the form and any accompanying application fees as the commission may establish.
447 Information on the application will be used as the basis for a thorough background investigation
448 which the bureau shall conduct with respect to each applicant. Each application shall disclose the
449 identity of each party in interest, each holding company and intermediary company, and each

450 affiliate of the operating entity. The application shall disclose, in the case of the privately held
451 corporation,

452 the names and addresses of all directors, officers, and stockholders; in the case of a
453 publicly traded corporation, the names and addresses of all directors, officers, and persons
454 holding at least five percent of the total capital stock issued and outstanding; in the case of a
455 limited liability company, the names and addresses of all members of the management
456 committee and all persons holding at least five percent of the membership interests; in the case of
457 a partnership, the names and addresses of all partners, both general and limited; and in the case of
458 a trust, the names and addresses of all trustees and beneficiaries.

459 (d) Each operating entity shall identify, in its application, the premises containing the
460 establishment where it proposes to conduct its gaming operations. The application shall contain
461 such information regarding the physical location and condition of the premises and the potential
462 impact of the proposed gaming operations upon adjacent properties and the municipality and
463 region within which the premises are located, as the commission may require. The application
464 shall disclose the identity of all parties in interest regarding the premises; and except as
465 otherwise permitted herein, no person other than a gaming establishment licensee here- under
466 shall have any right to or interest in any gaming revenue derived from electronic gaming devices
467 in the form of a percentage of such sums or require more than fair market value for rent, leases or
468 services.

469 (e) No licensed operator shall obtain any gaming equipment
470 from a person who does not hold a license. No licensed operator shall enter into any
471 agreement for the receipt of goods or services, of any form and in any amount, from a person

472 who does not hold a license, when a license is required for such agreement under this act or
473 under regulations promulgated by the commission or bureau.

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

477 Section 6. Records of Commission and Bureau Proceedings. (a) The commission shall
478 cause to be made and kept a record of all proceedings at all meetings of the commission. These
479 records shall be open to public inspection.

480 (b) Notwithstanding any other general or special law to the contrary all files, records,
481 reports, and other information in the possession of any state or local governmental agency
482 including

483 tax filings and related information that are relevant to an investigation by the bureau
484 conducted pursuant to this chapter shall be made available by such agency to the commission or
485 bureau as requested. However, any tax or financial information received from a governmental
486 agency shall be used solely for effectuating the purposes of this chapter. To the extent that these
487 files,

488 records, reports, or information are confidential or otherwise privileged from disclosure
489 under any law, they shall not lose that confidential or privileged status for having been disclosed
490 to the

491 commission or bureau.

492 (c) The attorney general, every district attorney, and every state and local law
493 enforcement agency shall notify the commission of any investigation or prosecution of any
494 person if it appears

495 that a violation of any law related to gaming has occurred.

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

497 (a) No official, member, employee, or agent of the commission or bureau, having
498 obtained access to confidential records or information in the performance of duties pursuant to
499 this chapter,

500 unless otherwise provided by law, shall knowingly disclose or furnish the records or
501 information, or any part thereof, to any person who is not authorized by law to receive it.

502 Violation of this provision shall be punishable by a fine of not more than ten thousand dollars or
503 by imprisonment in the house of correction for not more than one year, or by both such fine and
504 imprisonment.

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

507 (c) Any person included on the list of persons to be excluded or ejected from a licensed
508 gaming establishment pursuant to regulations promulgated pursuant to this chapter who
509 knowingly

510 enters or remains on the premises of a licensed gaming establishment shall be punished
511 by imprisonment in the house of correction for not more than one year, or by a fine of not more
512 than ten thousand dollars, or by both such imprisonment and fine.

513 (d) Any person under the age of twenty-one years who plays, places wagers at, or collects
514 winnings from, whether personally or through an agent, any controlled game, or who is
515 employed as an employee in a licensed gaming establishment shall be punished by imprisonment
516 in the house of correction for not more than one year, or by a fine of not more than one thousand
517 dollars, or by both such imprisonment and fine. Any licensee, or other person, who knowingly
518 allows a person under the age of twenty-one to play, place wagers at or collect winnings, whether
519 personally or through an agent, shall be punished by imprisonment in the house of correction for
520 a term of not more than one year or pay a fine of not more than ten thousand dollars, or by both
521 such imprisonment and fine. A subsequent violation of this section shall subject the licensee to
522 imprisonment in the house of correction for not more than two years or pay a fine of not more
523 than twenty-five thousand dollars or by both such imprisonment and fine.

524 (e) Any person who willfully fails to report, pay, or truthfully account for and pay over
525 any fee, penalty, fine, or interest thereon, imposed by this chapter or any regulation thereunder,
526 or willfully attempts in any manner to evade or defeat any fee, penalty, fine, or interest thereon,
527 or payment thereof shall be punished by imprisonment in state prison for not more than five
528 years or by imprisonment in the house of correction for not more than two and one-half years, or
529 by a fine of not more than ten thousand dollars, or by both such imprisonment and fine ..

530 (f) Any person who willfully resists, prevents, impedes, interferes with, or makes any
531 false, fictitious or fraudulent statement, or representation to the commission or the bureau of any
532 of their agents or employees in the performance of duties pursuant to this chapter, shall be
533 punished by imprisonment in the house of correction for not more than two years, or by a fine
534 not more than five thousand dollars, or by both such imprisonment and fine.

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

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

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

544 (3) To manufacture or distribute within the territorial boundaries of the commonwealth
545 any gaming equipment to be used in connection with controlled gaming; shall be punished by
546 imprisonment in the house of correction for not more than two and one-half years, or by a fine of
547 not more than ten thousand dollars, or by both such imprisonment and fine.

548 (h) Any person who knowingly permits any controlled game to be conducted, operated,
549 dealt, or carried on in any house or building or other premises that he or she owns or leases, in
550 whole or in part, if that activity is undertaken by a person who is not licensed as required by this
551 chapter shall be punished by imprisonment in state prison in the house of correction for not more
552 than

553 two and one-half years, or by a fine of not more than ten thousand dollars, or by both
554 such imprisonment and fine.

555 (i) Any former commissioner or commission or bureau employee who, within three years
556 after his state employment has ceased, solicits or accepts employment with or provides
557 consultant services to any licensee or at any licensed gaming establishment shall be punished by
558 a fine of not more than five thousand dollars or by imprisonment for not more than two and one-
559 half

560 years in the house of correction or by both such fine and imprisonment. Any licensee who
561 knowingly employs a former commissioner or commission or bureau employee in violation of
562 this

563 subsection shall be subject to immediate revocation of his or her license.

564 (g) It is unlawful for any person:

565 (1) to alter or misrepresent the outcome of a game or other

566 event on which wagers have been made after the outcome is determined but before it is
567 revealed to the players;

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

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

575 knowledge of any event that affects the outcome of the game; As used in this section, "cheat"
576 means to alter the selection of criteria which determine:

577 (a) the results of a game; or

578 (b) the amount or frequency of payment in a game.

579 (4) to have on his person or in his possession on or off the premises of any licensed
580 gaming establishment any key or device known to have been designed for the purpose of and
581 suitable for opening, entering or affecting the operation of any gaming or equipment, or for
582 removing money or other contents therefrom, except where such person is a duly authorized
583 employee of a licensee acting in furtherance of his employment within a licensed gaming
584 establishment.

585 A violation of this section shall be punishable by imprisonment in the house of correction
586 for not more than two years or by a fine of not more than four thousand dollars, or by both such
587 imprisonment and fine.

588 (k) A violation of this chapter, the penalty for which is not specifically fixed in this
589 section, shall be punishable by imprisonment in the house of correction for not more than two
590 years, or by

591 fine of not more than five thousand dollars, or by both such imprisonment and fine.

592 (1) The conviction of a licensee for violation of, an attempt to violate, or conspiracy to
593 violate any provision of this chapter or any regulation thereunder may result in the immediate
594 revocation of all licenses issued to the violator under this chapter; and, in addition, the court,

595 upon application of the bureau or of the commission, may order that no new or additional license
596 under this

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

599 Section 8. Revenues.

600 (a) There is hereby established a gaming investigative account. Any and all reasonable
601 expenses associated with the licensing of any applicant shall be borne by the applicant or
602 licensee. Pursuant to its regulations, the commission shall require each applicant to deposit with
603 the commission, together with the application, an application fee which shall be deposited in the
604 gaming investigative account. Such fee shall constitute the anticipated costs and charges incurred
605 in the investigation and processing of the application, and any additional sums as are required by
606 the commission and the bureau to pay [mal costs and charges. Expenses

607 may be advanced from the gaming investigative account by the commission to the
608 bureau. Any money received from an applicant in excess of the costs and charges incurred in the
609 investigation or the processing of the application shall be refunded pursuant to regulations
610 adopted by the commission. At the conclusion of the investigation, the bureau shall provide the
611 applicant a written accounting of the costs and charges so incurred.

612 Section 9. Disclosure requirements.

613 (a) Every licensed gaming establishment shall, upon receipt of criminal or civil process
614 compelling testimony or production of documents in connection with any civil or criminal
615 investigation, immediately disclose such information to the bureau.

616 (b) All licensees shall have a duty to inform the commission and bureau of any action
617 which they reasonably believe would constitute a violation of this chapter, and shall assist the
618 commission and bureau and any federal or state law enforcement agency in the investigation and
619 prosecution of such violation. The commission shall hold a hearing under chapter 30A on any
620 licensees' failure to comply with this paragraph, and may take appropriate actions including
621 suspension or revocation of the license. No person who so informs the commission or the bureau
622 shall be discriminated against by an applicant or licensee because of the supplying of such
623 information.

624 Section 10. Compulsive Gambler Set Aside.

625 One-half of one percent of the net gaming revenues of each licensed gaming
626 establishment paid to the commonwealth shall be deposited in the general fund, and subject to
627 appropriation, shall be used for the treatment of compulsive and problem gamblers.

628 Section 11. Recovery of Gaming Debts by Patrons.

629 Whenever a licensed gaming establishment refuses payment of alleged winnings to a
630 patron, the gaming establishment and the patron are unable to resolve the dispute to the
631 satisfaction of the patron and the dispute involves:

632 (a) \$500 or more, the gaming establishment shall immediately notify the bureau; or

633 (b) less than \$500, the gaming establishment shall inform the

634 patron of his right to request that the bureau conduct an investigation. The bureau shall
635 conduct whatever investigation it deems necessary and shall determine, in its sole discretion and
636 without need

637 for a hearing, whether payment should be made. In the event the bureau determines that
638 payment should be made, all costs of the investigation shall be borne by the gaming
639 establishment. Failure of the establishment to notify the bureau or inform the patron as provided
640 herein shall subject the establishment to disciplinary action.

641 Any party aggrieved by the determination of the bureau may
642 file a petition for reconsideration with the commission setting forth the basis of the
643 request for reconsideration. Any hearing for reconsideration shall be conducted pursuant to
644 regulations adopted by the commission.

645 SECTION 2. This act shall take effect upon its passage.