

HOUSE No. 4619

The Commonwealth of Massachusetts

In the Year Two Thousand Ten

An Act establishing expanded gaming in the commonwealth..

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. Section 7 of chapter 4 of the General Laws, as appearing in the 2008
2 Official Edition, is hereby amended by striking out clause Tenth and inserting in place thereof
3 the following clause:-

4 Tenth, “Illegal gaming,” any banking or percentage game played with cards, dice, tiles,
5 dominoes, or any electronic, electrical or mechanical device or machine for money, property,
6 checks, credit or any representative of value, but excluding: (i) any lottery game conducted by
7 the state lottery commission, pursuant to sections 24, 24A and 27 of chapter 10; (ii) any game
8 conducted pursuant to chapter 23K; (iii) pari-mutuel wagering on horse races, whether live or
9 simulcast, pursuant to chapter 128A and chapter 128C; (iv) the game of bingo conducted
10 pursuant to chapter 271; and (v) any charitable gaming, so called, conducted pursuant to chapter
11 271.

12 SECTION 3. Section 48 of said chapter 6 is hereby repealed.

13 SECTION 4. Sections 64 and 65 of chapter 10 of the General Laws are hereby repealed.

SECTION 5. Chapter 12 of the General Laws is hereby amended by inserting after section 11L the following section:-

Section 11M. (a) As used in this section the following words shall, unless the context clearly requires otherwise, have the following meanings:-

“Commission”, the Massachusetts gaming commission established pursuant to chapter 23K.

“Division”, the division of gaming enforcement established pursuant to subsection (b).

“Gaming establishment”, as defined in section 1 of chapter 23K.

(b) There shall be in the department of the attorney general a division of gaming enforcement. The attorney general shall designate an assistant attorney general as director of the division. The director may appoint and remove, subject to the approval of the attorney general, such expert, clerical or other assistants as the work of the division may require.

(c) The division shall have jurisdiction to enforce criminal violations of chapter 23K including, but not limited to, the power to: (1) investigate allegations of criminal activity related to or impacting the operation of gaming establishments or games; (2) receive and take appropriate action on referrals for criminal prosecution from the commission; (3) provide assistance, upon request, to the commission in the consideration and promulgation of rules and regulations; (4) ensure that there is no duplication of duties and responsibilities between it and the commission; and (5) recommend persons to be placed on the list of excluded persons maintained by the commission.

No employee of the division, or any person engaged by the division in the course of an investigation, other than those in the performance of their official duties, shall place a wager in any gaming establishment licensed pursuant to chapter 23K during the period of their employment or assignment with the division. The attorney general shall establish a code of ethics for all division employees that is more restrictive than the provisions of chapters 268A and 268B; a copy of which shall be filed with the state ethics commission. The code shall include provisions reasonably necessary to carry out the purposes of section 11M including, but not limited to: (i) prohibiting the receipt of gifts by a division employee from any gaming licensee, applicant, close associate, affiliate or other person or entity subject to the jurisdiction of the commission established by chapter 23K; and (ii) prohibiting the participation by a division employee in any particular matter as defined by section 1 of chapter 268A that affects the financial interest of any relative within the third degree of consanguinity or person with whom such employee has a significant relationship as defined by such code.

SECTION 6. Chapter 12B of the General Laws is hereby repealed.

SECTION 7. Subsection (b) of section 9 of chapter 13 of the General Laws, is hereby amended by striking out the words “, as well as the state racing commission established by section 48 of chapter 6,” inserted by section 29 of chapter 4 of the acts of 2009.

SECTION 8. Subsection (e) of section 9B of said chapter 13 is hereby amended by striking out the words “, as well as the state racing commission established by section 48 of chapter 6” , inserted by section 30 of said chapter 4.

SECTION 9. Said subsection (e) of said section 9B of said chapter 13, inserted by section 31 of said chapter is hereby amended by striking out the words “or regulated by the state

56 racing commission, as established by section 48 of chapter 6” , inserted by section 30 of said
57 chapter 4,

58 SECTION 10. Section 38 of chapter 22C of the General Laws, as appearing in the 2008
59 Official Edition, is hereby amended by inserting after the word “involving”, in lines 36 and 37,
60 the following word:- illegal.

61 SECTION 11. Said chapter 22C is hereby amended by adding the following section:-

62 Section 70. The colonel of state police shall establish a gaming enforcement unit whose
63 responsibilities shall include, but not be limited to, the investigation of criminal violations of
64 chapter 23K or any other general or special law that pertains to gaming.

65 The gaming enforcement unit shall work in conjunction and cooperation with the bureau
66 of investigations and enforcement under the Massachusetts gaming commission established
67 pursuant to chapter 23K on the enforcement of chapter 23K as well as the division of gaming
68 enforcement in the office of the attorney general established pursuant to section 11M of chapter
69 12 to investigate any criminal activity related to gaming in the commonwealth. Officers and
70 employees from the unit shall be assigned to the bureau of investigations and enforcement and
71 shall report to the deputy director of said bureau as well as the colonel of the department of state
72 police pursuant to section 34 of chapter 23K. No officer of the unit, other than in the
73 performance of official duties, shall place a wager in any gaming establishment licensed under
74 chapter 23K.

75 SECTION 12. The General Laws are hereby amended by inserting after chapter 23J the
76 following chapter:-

77 CHAPTER 23K.

78 THE MASSACHUSETTS GAMING COMMISSION

79 Section 1. The General Court finds and declares that:

80 (1) ensuring public confidence in the integrity of the gaming licensing process and in the
81 strict oversight of all gaming establishments through a rigorous regulatory scheme is the
82 paramount policy objective of this chapter;

83 (2) establishing the financial stability and integrity of gaming licensees, as well as the
84 integrity of their sources of financing, is an integral and essential element of the regulation and
85 control of gaming under this chapter;

86 (3) gaming licensees shall be held to the highest standards of licensing and shall have a
87 continuing duty to maintain their integrity and financial stability;

88 (4) enhancing and supporting the performance of the state lottery and continuing the
89 commonwealth's dedication to local aid is imperative to the policy objectives of this chapter;.

90 (5) the commonwealth must provide for new employment opportunities in all sectors of
91 the economy, particularly opportunities for the unemployed; this chapter sets forth a robust
92 licensing process where applicants for a gaming license shall submit a comprehensive plan for
93 operating a gaming establishment which includes how they will foster and encourage new
94 construction through capital investment and provide permanent employment opportunities to
95 residents of the commonwealth;

(6) promoting local small businesses and the tourism industry, including the development of new and existing small business and tourism amenities such as lodging, dining, retail and cultural and social facilities, is fundamental to the policy objectives of this chapter;

(7) recognizing the importance of the commonwealth's unique cultural and social resources and integrating them into new development opportunities shall be a key component of a decision to the award of any gaming license under this chapter;

(8) applicants for gaming licenses and gaming licensees shall demonstrate their commitment to efforts to combat compulsive gambling and a dedication to community mitigation, and shall recognize that the privilege of licensure bears a concomitant responsibility to identify, address and minimize any potential negative consequences of their business operations;

(9) any license awarded by the commission shall be a revocable privilege and may be conditioned, suspended or revoked upon: (i) a breach of the conditions of licensure, (ii) any civil or criminal violations of the laws of the commonwealth or other jurisdictions; or (iii) a finding by the commission that a licensee is unsuitable to operate a gaming establishment or perform the duties of their licensed position;

(10) the power and authority granted to the commission shall be construed as broadly as necessary for the implementation, administration and enforcement of this chapter.

Section 2. As used in this chapter the following words shall, unless the context clear requires otherwise, have the following meanings:-

116 “Affiliate”, a person who, directly or indirectly, controls or is controlled by, or is under
117 common control with, a specified person.

118 “Applicant”, any person who has applied for a license to engage in activity regulated
119 under this chapter.

120 “Application”, a written request for a finding of suitability to receive a license or engage
121 in an activity which is regulated under this chapter.

122 “Bureau”, the investigations and enforcement bureau under the commission.

123 “Business”, a corporation, sole proprietorship, partnership, limited liability company or
124 any other organization formed for the purpose of carrying on commercial enterprise.

125 “Category 1 license”, a license issued by the commission that permits the licensee to
126 operate a gaming facility with table games and slot machines .

127 “Category 2 license”, a license issued by the commission to a thoroughbred horse racing
128 facility or to a harness racing facility to operate up to 750 slot machines at its gaming facility.

129 “Category 3 license”, a license issued by the commission to a greyhound racing facility to
130 operate up to 750 slot machines at its gaming facility.

131 “Chair”, the chair of the commission.

132 “Cheat”, alter the selection of criteria which determines the results of a game or the
133 amount or frequency of payment in a game.

134 “Close associate”, a person who holds any relevant financial interest in, or is entitled to
135 exercise any power in, the business of an applicant or licensee and, by virtue of that interest or

136 power is able to exercise a significant influence over the management or operation of a gaming
137 establishment or business licensed under this chapter.

138 “Conservator”, a person appointed by the commission under section 33 to temporarily
139 manage the operation of a gaming establishment.

140 “Credit card”, a card, code or other device with which a person may defer payment of
141 debt, incur debt and defer its payment, or purchase property or services and defer payment
142 therefor, but not a card, code or other device used to activate a preexisting agreement between a
143 person and a financial institution to extend credit when the person’s account at the financial
144 institution is overdrawn or to maintain a specified minimum balance in the person’s account at
145 the financial institution.

146 “Credit instrument”, a writing which evidences a gaming debt owed to a person who
147 holds a gaming license at the time the debt is created, and includes any writing taken in
148 consolidation, redemption or payment of a previous credit instrument.

149 “Commission”, the Massachusetts gaming commission.

150 “Commissioner”, a member of the commission.

151 "Complimentary service or item" - a service or item provided at no cost or at a reduced
152 price.

153 “Deputy director”, the director of the bureau.

154 “Division”, the division of gaming enforcement under the office of the attorney general.

155 “Executive director”, the executive director of the Massachusetts gaming commission.

“Foreign business”, any business that was organized outside of the United States or under the laws of a foreign country.

“Gambling”, the playing of a game by a patron of a gaming establishment.

“Game”, any banking or percentage game played with cards, dice, tiles, dominoes, or any electronic, electrical or mechanical device or machine played for money, property, checks, credit or any representative of value which has been approved by the commission pursuant to this chapter.

“Gaming”, the dealing, operating, carrying on, conducting, maintaining or exposing for pay of any game.

“Gaming employee”, any employee of a gaming establishment who is: (i) directly connected to the operation or maintenance of any slot machine or game taking place in the establishment, (ii) provides security in a gaming establishment or (iii) has access to a restricted area of the gaming establishment.

“Gaming establishment”, any premise approved under a gaming license which includes a gaming facility and any other nongaming structures related thereto, including, but not limited to, hotels, restaurants, or other amenities.

“Gaming facility”, any premises of a gaming establishment wherein or whereon any gaming is done.

“Gaming key employee”, any employee of a gaming establishment: (i) in a supervisory capacity, (ii) empowered to make discretionary decisions which regulate gaming facility operations or (iii) so designated by the commission.

177 “Gaming device” or “Gaming equipment”, any electronic, electrical, or mechanical
178 contrivance or machine used in connection with gaming or any game.

179 “Gaming license”, a category 1, category 2 or category 3 license.

180 “Gaming licensee”, any licensee who holds a category 1, category 2 or category 3 gaming
181 license.

182 “Gaming position”, a designated seat or standing position where a patron of a gaming
183 establishment can play a game.

184 “Gaming service employee”, any employee of a gaming establishment who is not
185 classified as a gaming employee or a gaming key employee. but is still required to register with
186 the commission.

187 “Gaming vendor”, any person who offers goods or services to a gaming applicant or
188 licensee on a regular or continuing basis which directly relates to gaming, including, but not
189 limited to, gaming equipment and simulcast wagering equipment manufacturers, suppliers,
190 repairers and independent testing laboratories.

191 “Greyhound racing facility”, a greyhound racing facility located in Suffolk or Bristol
192 county that was licensed pursuant to chapter 128A to conduct live greyhound racing in calendar
193 year 2009; and (ii) is licensed pursuant to chapter 128C to conduct simulcast wagering.

194 “Gross revenue” or “gross gaming revenue”, the total of all sums actually received by a
195 gaming licensee from gaming operations less the total of all sums paid out as winnings to
196 patrons; provided however, that the cash equivalent value of any merchandise or thing of value
197 included in a jackpot or payout shall not be included in the total of all sums paid out as winnings

to patrons for the purpose of determining gross revenue. Gross revenue shall not include any amount received by a gaming licensee from simulcast wagering and shall not include credit extended or collected by the licensee for purposes other than gaming.

“Harness horse racing facility”, a harness horse racing facility located in Norfolk county that was licensed pursuant to chapter 128A to conduct live harness horse racing in calendar year 2009; and (ii) is licensed pursuant to chapter 128A to conduct live harness horse racing and licensed pursuant to chapter 128C to conduct simulcast wagering.

“Holding company”, any corporation, association, firm, partnership, trust or other form of business organization other than a natural person which, directly or indirectly, owns, has the power or right to control, or has the power to vote any significant part of the outstanding voting securities of a corporation or other form of business organization which holds or applies for a gaming license. For the purposes of this definition, in addition to other reasonable meaning of the words used, a holding company indirectly has, holds or owns any such power, right or security if it does so through any interest in a subsidiary or successive subsidiaries, however many such subsidiaries may intervene between the holding company and the gaming licensee or applicant.

“Host community”, any municipality in which a gaming establishment is or may be located.

“Institutional investor”, any of the following entities having a 5 per cent or greater ownership interest in a gaming establishment or gaming licensee: a corporation, bank, insurance company, pension fund or pension fund trust, retirement fund, including funds administered by a public agency, employees’ profit-sharing fund or employees’ profit-sharing trust, an association

engaged, as a substantial part of its business or operation, in purchasing or holding securities, or any trust in respect of which a bank is a trustee or co-trustee, investment company registered under the federal Investment Company Act of 1940, collective investment trust organized by banks under part nine of the Rules of the Comptroller of Currency, closed end investment trust, chartered or licensed life insurance company or property and casualty insurance company, investment advisor registered pursuant to the federal Investment Advisors Act of 1940, and such other persons as the commission may reasonably determine to qualify as an institutional investor for reasons consistent with this chapter.

“Intermediary company”, any corporation, association, firm, partnership, trust or any other form of business organization other than a natural person which is a holding company with respect to a corporation or other form of business organization which holds or applies for a gaming license, and is a subsidiary with respect to any holding company.

“Junket”, an arrangement intended to induce any person to come to a gaming establishment to gamble, where the person is selected or approved for participation on the basis of his ability to satisfy a financial qualification obligation related to his ability or willingness to gamble or on any other basis related to his propensity to gamble, and pursuant to which, and as consideration for which, any or all of the cost of transportation, food, lodging, and entertainment for said person is directly or indirectly paid by a gaming licensee or affiliate thereof.

“Junket enterprise”, any person, other than an applicant for a gaming license or gaming licensee, who employs or otherwise engages the services of a junket representative in connection with a junket to a licensed casino, regardless of whether or not those activities occur within the commonwealth.

“Junket representative”, any individual who negotiates the terms of, or engages in the referral, procurement or selection of persons who may participate in, any junket to a gaming establishment, regardless of whether or not those activities occur within the commonwealth.

“License”, any license required under this chapter.

“List”, the list of excluded persons maintained by the commission pursuant to section 39.

“Lottery”, the Massachusetts state lottery established pursuant to section 23 of chapter 10.

“Major policy making position”, the executive or administrative head or heads of the commission and any person whose salary equals or exceeds that of a state employee classified in step one of job group XXV of the general salary schedule contained in section 46 of chapter 30 and who reports directly to said executive or administrative head; the head of each bureau, bureau, or other major administrative unit within the commission and persons exercising similar authority.

“Operation certificate”, a certificate issued by the commission pursuant to section 27.

“Qualification” or “qualified”, the process of licensure set forth by the commission to determine that all persons who have a professional interest in a gaming license, or gaming vendor license, or the business of a gaming licensee or gaming vendor, meet the same standards of suitability to operate or conduct business with a gaming establishment in the commonwealth.

“Person”, any individual, corporation, association, operation, firm, partnership, trust or other form of business association.

“Promotional gaming credit”, a slot machine credit or other item issued by a gaming licensee to a patron for the purpose of enabling the placement of a wager at a slot machine.

“Regulated entity”, any person engaged in any business which is, or the persons engaged in which are, in any respect made subject to the supervision or regulation of the commission by any provision of law.

“Resort casino”, a gaming establishment that includes a gaming facility, at least 1 hotel and may include other non-gaming amenities, such as entertainment venues, retail stores, recreational facilities and restaurants.

“Slot machine”, any mechanical, electrical or other device, contrivance or machine which, upon insertion of a coin, token or similar object therein, or upon payment of any consideration whatsoever, is available to play or operate, the play or operation of which, whether by reason of the skill of the operator or application of the element of chance, or both, may deliver or entitle the individual playing or operating the machine to receive cash or tokens to be exchanged for cash, or to receive merchandise or anything of value whatsoever, whether the payoff is made automatically from the machine or in any other manner whatsoever, except that the cash equivalent value of any merchandise or other thing of value shall not be included in determining the payout percentage of any slot machine.

“State police”, the Massachusetts state police established pursuant to chapter 22C.

“Subsidiary”, any corporation, any significant part of whose outstanding equity securities are owned, subject to a power or right of control, or held with power to vote, by a holding company or an intermediary company; or a significant interest in any firm, association, partnership, trust or other form of business organization, other than a natural person, which is

284 owned, subject to a power or right of control, or held with power to vote, by a holding company
285 or an intermediary company.

286 “Table game”, any game, other than a slot machine, which is authorized by the
287 commission to be played in a gaming facility.

288 “Thoroughbred horse racing facility”, a thoroughbred racing facility located in Suffolk
289 county that was licensed pursuant to chapter 128A to conduct live running horse racing in
290 calendar year 2009; and (ii) is licensed pursuant to chapter 128A to conduct live harness horse
291 racing and licensed pursuant to chapter 128C to conduct simulcast wagering.

292 “Transfer”, the sale and every other method, direct or indirect, of disposing of or parting
293 with property or with an interest therein, or with the possession thereof, or of fixing a lien upon
294 property or upon an interest therein, absolutely or conditionally, voluntarily or involuntarily, by
295 or without judicial proceedings, as a conveyance, sale, payment, pledge, mortgage, lien,
296 encumbrance, gift, security or otherwise; the retention of a security interest in property delivered
297 to a corporation shall be deemed a transfer suffered by such corporation.

298 “Wager”, a sum of money or representative of value that is risked on an occurrence for
299 which the outcome is uncertain.

300 Section 3. (a) There shall be established a Massachusetts gaming commission which shall
301 consist of 5 commissioners who shall be appointed by a majority vote of the governor, attorney
302 general and state treasurer, 1 of whom shall have experience in legal and policy issues related to
303 gaming, 1 of whom shall have experience in corporate finance and securities, 1 of whom shall
304 have experience with criminal investigations and law enforcement, 1 of whom shall be a certified
305 public accountant who has a comprehensive knowledge of corporate auditing, and 1 of whom

306 shall have at least 5 years experience in public or business administration. The governor,
307 attorney general and treasurer shall, by majority vote, appoint a commissioner to serve as chair.
308 The commissioner appointed to chair shall serve in such capacity throughout such
309 commissioner's entire term and until his successor shall be been appointed. Prior to appointment
310 a background investigation shall be conducted into the financial stability, integrity and
311 responsibility of a candidate for appointment to the commission as well as the candidate's
312 reputation for good character, honesty and integrity. No person who has been convicted of a
313 felony shall be eligible to serve on the commission.

314 (b) Each commissioner shall be a resident of the commonwealth and, while serving on
315 the commission, shall not: (i) hold, or be a candidate for, federal, state or local elected office; (ii)
316 hold an appointed office in federal, state, or local government; or (iii) serve as an official in a
317 political party. Not more than 3 commissioners shall be from the same political party.

318 (c) Each commissioner shall serve for a term of 5 years or until a successor is appointed
319 and shall be eligible for reappointment; provided, however, that no commissioner shall serve
320 more than 10 years. Any person appointed to fill a vacancy in the office of a commissioner shall
321 be appointed in a like manner and shall serve for only the unexpired term of such commissioner.
322 Any commissioner may be removed from his appointment only for cause and upon a unanimous
323 vote of the governor, the attorney general and the state treasurer which shall be final and not
324 subject to review.

325 (d) Three commissioners shall constitute a quorum and the affirmative vote of a majority
326 of the commissioners present shall be necessary for any action to be taken by the commission at
327 a duly called meeting.

328 Commissioners shall receive salaries equal to the salary of the commissioner of
329 administration established pursuant to section 4 of chapter 7; provided, however, that the chair
330 shall receive a stipend, in addition to the base salary, in an amount equal to 7 per cent of the base
331 salary. Commissioners shall devote their full time and attention to the duties of their office.

332 (e) The commission shall annually elect 1 of its commissioners to serve as secretary and
333 1 of its members to serve as treasurer. The secretary shall keep a record of the proceedings of the
334 commission and shall be the custodian and keeper of the records of all books, documents, and
335 papers filed by the commission and of its minute book. The secretary shall cause copies to be
336 made of all minutes and other records and documents of the commission and shall certify that
337 such copies are true copies, and all persons dealing with the commission may rely upon such
338 certification.

339 (f) The chair shall have and exercise supervision and control over all the affairs of the
340 commission. He shall preside at all hearings at which he is present, and shall designate a
341 commissioner to act as chair in his absence. He shall not, except as is otherwise provided herein,
342 be charged with any administrative functions. To promote efficiency in administration, he shall
343 from time to time make such division or re-division of the work of the commission among the
344 commissioners as he deems expedient. All of the commissioners shall, if so directed by the chair,
345 participate in the hearing and decision of any matter before the commission. In the hearing of all
346 matters other than those of formal or administrative character coming before the commission, at
347 least 2 commissioners shall participate and in the decision of all such matters at least 2
348 commissioners shall participate; provided, however, that any such matter may be heard,
349 examined and investigated by an employee of the commission designated and assigned thereto
350 by the chair with the concurrence of 1 other commissioner. Such employee shall make a report in

351 writing relative to every such matter to the commission for its decision thereon. For the purposes
352 of hearing, examining and investigating any such matter such employee shall have all of the
353 powers conferred upon a commissioner by this section, and all pertinent provisions of this
354 section shall apply to such proceedings. In every hearing the concurrence of a majority of the
355 commissioners participating in the decision shall be necessary therefor.

356 (g) The commission shall appoint an executive director. The executive director shall
357 serve at the pleasure of the commission, shall receive such salary as may be determined by the
358 commission, and shall devote full time and attention to the duties of the office. The executive
359 director shall be a person with skill and experience in management and shall be the executive and
360 administrative head of the commission and shall be responsible for administering and enforcing
361 the provisions of law relative to the commission and to each administrative unit thereof. The
362 executive director shall appoint and employ a chief financial and accounting officer and may,
363 subject to the approval of the commission, employ other employees, consultants, agents, and
364 advisors, including legal counsel, and shall attend meetings of the commission. The chief
365 financial and accounting officer of the commission shall be in charge of its funds, books of
366 account and accounting records. No funds shall be transferred by the commission without the
367 approval of the commission and the signatures of the chief financial and accounting officer and
368 the treasurer.

369 In the case of an absence or vacancy in the office of the executive director, or in the case
370 of disability as determined by the commission, the commission may designate an acting
371 executive director to serve as executive director until the vacancy is filled or the absence or
372 disability ceases. The acting executive director shall have all the powers and duties of the
373 executive director and shall have similar qualifications as the executive director.

(h) The executive director may from time to time, subject to the approval of the commission, establish within the commission such administrative units as may be necessary for the efficient and economical administration of the commission, and when necessary for such purpose, may abolish any such administrative unit, or may merge any 2 or more units. The executive director shall prepare and keep current a plan of the organization of the commission, of the assignment of its functions to its various administrative units, offices and employees, and of the places at which and the methods whereby the public may receive information or make requests. A current copy of the plan of organization shall be kept on file with the state secretary and in the office of the secretary of administration.

(i) The executive director may appoint such persons as he shall deem necessary to perform the functions of the commission; provided that chapter 31 and section 9A of chapter 30 shall not apply to any commission employee. If an employee serving in a position which is classified under said chapter 31 or in which an employee has tenure by reason of said section 9A of chapter 30 shall be appointed to a position within this office which is not subject to the provisions of said chapter 31, the employee shall, upon termination of his service in such position, be restored to the position which he held immediately prior to such appointment; provided, however, that his service in such position shall be determined by the civil service commission in accordance with the standards applied by said commission in administering said chapter 31. Such restoration shall be made without impairment of his civil service status or tenure under said section 9A of chapter 30 and without loss of seniority, retirement or other rights to which uninterrupted service in such prior position would have entitled him. During the period of such appointment, each person so appointed from a position in the classified civil service shall be eligible to take any competitive promotional examination for which he would

otherwise have been eligible. The executive director shall consider current employees of the state racing commission as eligible for employment with the commission and shall transfer said employees into the commission if qualified under this chapter.

The commission may require a prospective employee to: (i) submit an application and a personal disclosure on a form prescribed by the commission which shall include a complete criminal history, including convictions and current charges for all felonies and misdemeanors; (ii) undergo testing which detects the presence of illegal substances in the body; or (iii) provide fingerprints and a photograph consistent with standards adopted by the state police. The commission shall verify the identification, employment and education of each prospective employee, including: (i) legal name, including any alias; (ii) all secondary and post secondary educational institutions attended regardless of graduation status; (iii) place of residence; and (iv) employment history.

The commission shall not hire a prospective employee if the prospective employee has: (i) been convicted of a felony or a misdemeanor that, in the discretion of the commission, bears a close relationship to the duties and responsibilities of the position for which employment is sought; (ii) been dismissed from prior employment for gross misconduct or incompetence; or (iii) intentionally made a false statement concerning a material fact in connection with the application to the commission. If an employee of the commission is charged with a felony or misdemeanor while employed by the commission, the commission may suspend the employee or terminate employment with the commission.

(j) The provisions of chapters 268A and 268B shall apply to all commissioners and employees of the commission; provided, however, that the commission shall establish a code of

ethics for all members and employees that is more restrictive than said chapter 268A or 268B. A copy of such code shall be filed with the state ethics commission. The code shall include provisions reasonably necessary to carry out the purposes of this chapter and any other laws subject to the jurisdiction of the commission including, but not limited to: (i) prohibiting the receipt of gifts by a commissioner and employee from any gaming licensee, applicant, close associate, affiliate or other person or entity subject to the jurisdiction of the commission; (ii) prohibiting the participation by a commissioner and employee in any particular matter as defined by section 1 of chapter 268A that affects the financial interest of any relative within the third degree of consanguinity or person with whom such commissioner or employee has a significant relationship as defined by such code; and (iii) for recusal of a commissioner in any licensing decision due to a potential conflict of interest.

(k) Immediately upon assuming office, each commissioner and employee of the commission, except for secretarial and clerical personnel, shall swear or affirm that the commissioner or employee possesses no interest in any regulated entity.

(l) No individual shall be employed by the commission if, during the period commencing 3 years prior to employment, that individual held any direct or indirect interest in, or was employed by a licensee under this chapter.

(m) No employee of the commission shall pursue any other business or occupation or other gainful employment outside of the commission without the prior written approval of the commission that such employment shall not interfere or be in conflict with the employee's duties to the commission.

(n) No commissioner shall hold any direct or indirect interest in, or be employed by, any applicant or by any person licensed by the commission for a period of 3 years after the termination of employment with the commission.

No employee of the commission holding a major policy making position shall acquire interest in, or accept employment with, any applicant or licensee under this chapter for a period of 2 years after the termination of employment with the commission.

No employee of the commission in a non-major policy making position shall acquire interest in, or accept employment with, any applicant or licensee under this chapter for a period of 1 year after termination of employment with the commission.

(o) Any commission employee assigned to a gaming facility shall be considered an essential state employee.

(p) No commissioner or employee, other than in the performance of his official duties, shall place a wager in any licensed entity.

(q) The commissioners, executive director and those employees holding a major policy-making position shall be sworn to the faithful performance of their official duties. Each commissioner, executive director and those employees holding a major policy making position shall conduct themselves in a manner so as to render decisions that are fair and impartial and in the public interest; avoid impropriety and the appearance of impropriety in all matters under their jurisdiction; avoid all prohibited communications; require staff and personnel subject to their direction and control to observe the same standards of fidelity and diligence; disqualify themselves from proceedings in which their impartiality might reasonably be questioned; and refrain from financial or business dealings which would tend to reflect adversely on impartiality.

(r) The commissioners and employees shall not own, or be in the employ of, or own any stock in, any business which holds a license under this chapter, nor shall they have in any way directly or indirectly a pecuniary interest in, or be connected with, any such business or in the employ or connected with any person financing any such business; provided further, that immediate family members of commissioners and employees holding major policy making positions shall not own, or be in the employ of, or own stock in, any business which holds a license under this chapter. The commissioners and employees shall not personally, or through any partner or agent, render any professional service or make or perform any business contract with or for any regulated entity, except contracts made with the commissioners for furnishing of services, nor shall he or she directly or indirectly receive any commission, bonus, discount, gift or reward from any regulated entity.

(s) Neither the commission nor any of its officers, agents, employees, consultants or advisors shall be subject to the provisions of sections 9A, 45, 46 and 52 of chapter 30, or to chapter 31, or to chapter 200 of the acts of 1976.

(t) The Massachusetts gaming commission shall be a commission for the purposes of section 3 of chapter 12.

Section 4. The commission shall have all powers necessary or convenient to carry out and effectuate its purposes, including, but not limited to, the power to:

appoint officers and hire employees;

establish, and from time to time amend, such a plan of organization as it may deem expedient pursuant to subsection (h) of section 3;

483 execute all instruments necessary or convenient thereto for accomplishing the purposes of
484 this chapter;

485 enter into agreements or other transactions with any person, including, but not limited to,
486 any public entity or other governmental instrumentality or authority in connection with its
487 powers and duties under this chapter;

488 appear on its own behalf before boards, commissions, departments or other agencies of
489 municipal, state or federal government;

490 apply for and accept subventions, grants, loans, advances and contributions from any
491 source of money, property, labor or other things of value, to be held, used and applied for its
492 purposes;

493 provide and pay for advisory services and technical assistance as may be necessary in its
494 judgment to carry out the purpose of this chapter and fix their compensation;

495 prepare, publish and distribute, with or without charge, as the commission may
496 determine, such studies, reports and bulletins and other material as the commission deems
497 appropriate;

498 assure that licenses shall not be issued to nor held by, nor shall there be any material
499 involvement, directly or indirectly, with a gaming operation or the ownership thereof, by
500 unqualified, disqualified, or unsuitable persons or persons whose operations are conducted in a
501 manner not conforming with this chapter;

502 require any person to apply for a license as provided in this chapter and approve or
503 disapprove any such application or other transactions, events, and processes as provided in this
504 chapter;

505 require any person who has any kind of business association with a gaming licensee or
506 applicant to be qualified for licensure under this chapter;

507 develop criteria, in addition to those outlined in this chapter, to assess which applications
508 for gaming licenses will provide the highest and best value to the commonwealth;

509 determine which applicants shall be awarded gaming licenses and other licenses in
510 accordance with the terms of this chapter;

511 gather facts and information applicable to the commission's obligation to issue, suspend
512 or revoke licenses, work permits, or registrations granted to any person for: (i) violation of any
513 provision of this chapter or regulation adopted hereunder; (ii) willfully violating an order of the
514 commission directed to such person; (iii) the conviction of any criminal offense under this
515 chapter; or (iv) the commission of any violation of this chapter or other offense which would
516 disqualify such person from holding a license, work permit or registration;

517 conduct investigations into the qualifications of all applicants for employment by the
518 commission and by any regulated entity and all applicants for licensure;

519 request and receive from the state police, the criminal history systems board, or other
520 criminal justice agencies, including but not limited to the United States Federal Bureau of
521 Investigation and the federal Internal Revenue Service, such criminal offender record
522 information relating to criminal and background investigations as necessary for the purpose of

523 evaluating employees of, and applicants for employment by, the commission and any regulated
524 entity, and evaluating licensees and applicants for licensure.

525 be present through its inspectors and agents at all times in gaming establishments for the
526 purposes of: (i) certifying the revenue thereof, (ii) receiving complaints from the public relating
527 to the conduct of gaming and wagering operations, (iii) examining records of revenues and
528 procedures, inspecting and auditing all books, documents, and records of any licensee, (iv)
529 conducting periodic reviews of operations and facilities for the purpose of regulations adopted
530 thereunder, and (v) otherwise exercising its oversight responsibilities with respect to gaming;

531 inspect and have access to all equipment and supplies in any licensed gaming
532 establishment or in any premises where gaming equipment is manufactured, sold or distributed;

533 seize and remove from the premises of any gaming licensee and impound any equipment,
534 supplies, documents or records for the purpose of examination and inspection;

535 demand access to and inspect, examine, photocopy and audit all papers, books and
536 records of any affiliate of a licensee whom the commission suspects is involved in the financing,
537 operation or management of the licensee. The inspection, examination, photocopying and audit
538 may take place on the affiliate's premises or elsewhere as practicable, and in the presence of the
539 affiliate or its agent;

540 require that the books and financial or other records or statements of any licensee be kept
541 in a manner that the commission deems proper;

542 levy and collect assessments, fees and fines and impose penalties and sanctions for the
543 violation of this chapter and the regulations promulgated hereunder;

544 collect taxes;

545 restrict, suspend or revoke licenses issued under this chapter;

546 conduct adjudicatory proceedings and promulgate regulations in accordance with the

547 provisions of chapter 30A;

548 refer cases for criminal prosecution to the appropriate federal, state or local authorities;

549 issue subpoenas and compel the attendance of witnesses at any place within the

550 commonwealth, administer oaths and require testimony under oath before the commission in the

551 course of any investigation or hearing conducted under this chapter; and

552 maintain an official Internet website for the commission;

553 adopt, amend, or repeal regulations for the administration and enforcement of this

554 chapter. Act as trustees for any gaming related trust funds.

555 Section 5. The commission shall promulgate regulations for the implementation,

556 administration and enforcement of this chapter including without limitation regulations that:

557 (1) prescribe the method and form of application which any applicant for licensure shall

558 follow and complete before consideration of an application by the commission;

559 (2) prescribe the information to be furnished by any applicant or licensee concerning his

560 antecedents, habits, character, associates, criminal record, business activities and financial

561 affairs, past or present;

562 (3) prescribe the information to be furnished by a gaming licensee relating to his gaming

563 employees;

564 (4) require fingerprinting of an applicant for a gaming license, a gaming licensee or
565 employee of a gaming licensee or other methods of identification;

566 (5) prescribe the manner and method of collection and payment of fees and issuance of
567 licenses;

568 (6) prescribe grounds and procedures for the revocation or suspension of licenses;

569 (7) require quarterly financial reports and an annual audit prepared by a certified public
570 accountant attesting to the financial condition of a gaming licensee and disclosing whether the
571 accounts, records and control procedures examined are maintained by the gaming licensee as
572 required by this chapter and the regulations promulgated thereunder;

573 (8) prescribe the minimum procedures for effective control over the internal fiscal affairs
574 of a gaming licensee, including provisions for the safeguarding of assets and revenues, the
575 recording of cash and evidence of indebtedness and the maintenance of reliable records, accounts
576 and reports of transactions, operations and events, including reports by the commission;

577 (9) provide for a minimum uniform standard of accounting procedures;

578 (10) establish licensure and work permits for employees working at the gaming
579 establishment and minimum training requirements; provided further that the commission may
580 establish certification procedures for any training schools in the commonwealth as well as the
581 minimum requirements for reciprocal licensing for out of out-of-state gaming employees; and

582 (11) require that all gaming establishment employees be properly trained in their
583 respective professions.

584 (12) require the posting of payback statistics of slot machines played in a gaming facility;
585 and

586 (13) require that all gaming establishments have security patrols outside the gaming
587 establishments who conduct regular checks of parking areas for minors left in motor vehicles and
588 shall immediately report any such finding to security personnel at the gaming establishment.

589 The commission may, pursuant to section 2 of chapter 30A, promulgate, amend, or repeal
590 any regulation promulgated under this chapter as an emergency regulation if such regulation is
591 necessary to protect the interests of the commonwealth in regulating a gaming establishment.

592 Section 6. The commission shall administer and enforce chapter 128A and 128C and any
593 other general or special law related to pari-mutuel wagering or simulcasting. The commission
594 shall serve as a host racing commission and an off-track betting commission for purposes of 15
595 U.S.C.A.30001, et seq.

596 Section 7. (a) In addition to any other tax or fee imposed by this chapter, there shall be
597 imposed an annual license fee of \$600 for each machine approved by the commission for use by
598 a gaming licensee at a gaming establishment; provided, however, that, no sooner than 5 years
599 after award of original license the commission may annually adjust the fee for inflation. The fee
600 shall be imposed as of July 1 of each year for all approved slot machines on that date and shall be
601 assessed on a pro rata basis for any slot machine approved for use thereafter during the year.

602 (b) The commission shall, by regulation, establish fees for any investigation into a
603 violation of this chapter or regulation promulgated thereunder by a gaming licensee to be paid by
604 the licensee, including, but not limited to, billable hours by commission staff involved in the

investigation and the costs of services, equipment or other expenses that are incurred by the commission during the investigation.

(c) Any remaining costs of the commission necessary to maintain regulatory control over gaming establishments that are not covered by: (i) the fees set forth in subsections (a) and (b), (ii) any other fees assessed pursuant to this chapter or (ii) any other designated source of funding shall be assessed annually on gaming licensees under this chapter in proportion to the number of gaming positions at each gaming facility. Each licensee shall pay the amount assessed against it within 30 days after the date of the notice of assessment from the commission.

(d) If the fees collected in subsections (a) and (b) exceed the cost required to maintain regulatory control, the surplus funds shall be credited in proportional shares against each gaming licensee's next assessment.

(e) In addition to the fees collected under this section and any additional costs of the commission, the commission shall assess an annual fee of not less than \$5,000,000 in proportional shares against each gaming licensee in proportion to the number of gaming positions at each gaming facility for the costs of service and public health programs dedicated to addressing problems associated with compulsive gambling. Such assessed fees shall be deposited into the Public Health Trust Fund established pursuant to section 9.

(f) All fees and assessments collected under this section, except those collected pursuant to subsection (e), shall be deposited into the Gaming Control Fund established pursuant to section 8.

Section 8. (a) There shall be established and set up on the books of the commonwealth a separate fund to be known as the Massachusetts Gaming Control Fund, hereinafter in this section

627 referred to as the fund. The commission shall be the trustee of the fund expend monies to
628 finance operational activities of the commission. The fund shall be credited any appropriations,
629 bond proceeds or other monies authorized by the general court and specifically designated to be
630 credited thereto, the proceeds of the assessments levied pursuant to section 7, application fees for
631 licenses issued under this chapter and such additional funds as are subject to the direction and
632 control of the commission. All available monies in the fund that are unexpended at the end of
633 each fiscal year shall not revert to the General Fund and shall be available for expenditure in the
634 subsequent fiscal year. Any funds unexpended in any fiscal year for the purposes of which such
635 assessments were made shall be credited against the assessment to be made in the following
636 fiscal year and the assessment in the following fiscal year shall be reduced by any such
637 unexpended amount. The commission shall record all expenditures made by subsidiary on the
638 Massachusetts management and accounting reporting system, so-called according to regulations
639 established by the state comptroller.

640 (b) The commission shall, for the purposes of compliance with state finance law, operate
641 as a state agency as defined in section 1 of chapter 29 and shall be subject to the provisions
642 applicable to agencies under the control of the governor including, but not limited to, chapter 7A,
643 chapter 7, chapter 10 and chapter 29; provided, however, that the comptroller may identify any
644 additional instructions or actions necessary for the commission to manage fiscal operations in the
645 state accounting system and meet statewide and other governmental accounting and audit
646 standards. Unless otherwise exempted by law or the applicable central service agency, the
647 commission shall participate in any other available commonwealth central services including, but
648 not limited, to the state payroll system pursuant to section 31 of chapter 29, and may purchase
649 other goods and services provided by state agencies in accordance with comptroller provisions.

The comptroller may chargeback the commission for the transition and ongoing costs for participation in the state accounting and payroll systems and may retain and expend such costs without further appropriation for the purposes of this section. The commission shall be subject to section 5D of chapter 29 and subsection (f) of section 6B of chapter 29.

The commission shall annually submit a finance plan to the secretary of administration and finance, the chairs of the house and senate committees on ways and means and the chairs of the joint committee on economic development and emerging technologies.

Section 9. There is hereby established and placed on the books of the commonwealth a separate fund to be known as the Public Health Trust Fund. The public health trust fund shall consist of fees assessed pursuant to section 7 and all other monies credited or transferred to said fund from any other source pursuant to law. The secretary of health and human services shall be the trustee of the public health trust fund and shall expend monies in the fund, without further appropriation, to assist social service and public health programs dedicated to addressing problems associated with compulsive gambling, including, but not limited to, gambling prevention and addiction services, educational campaigns to mitigate the potential addictive nature of gambling and any studies and evaluations necessary to ensure the proper and most effective strategies.

Section 10. (a) The commission shall issue a request for applications for gaming licenses which shall include:

(i) the time and date for receipt of responses to the request for applications, the manner they are to be received and the address of the office to which the applications are to be delivered;

(ii) the form of the application and the method for submission;

(iii) a general description of the anticipated schedule for processing the application;

(iv) the contact information of commission employees responsible for handling applicant questions; and

(v) any other information that the commission determines.

(b) Any request for applicants in subsection (a) shall be advertised in a newspaper of general circulation in the commonwealth and on the official internet website of the commission.

(c) The commission shall establish deadlines for the receipt of all applications for a gaming license. Applications received after the deadline shall not be eligible for review by the commission. Applicants who are eligible for a category 2 or category 3 license who choose to apply for a category 1 license shall submit applications for both gaming licenses by the deadline set by the commission.

Section 11. (a) All applicants for a gaming license, and any person required by the commission to be qualified for licensure, shall establish their individual qualifications for licensure to the commission by clear and convincing evidence.

(b) All applicants, licensees, registrants and any other person who shall be qualified pursuant to this chapter shall have the continuing duty to provide any assistance or information required by the commission and to cooperate in any inquiry or investigation conducted by the commission. Refusal to answer or produce information, evidence or testimony by an applicant, licensee, registrant or person required to be qualified under this chapter may result in denial of the application or suspension or revocation of license or registration by the commission.

(c) No applicant, licensee, registrant or person required to be qualified under this chapter shall willfully withhold information from, or knowingly give false or misleading information to, the commission.

If the commission determines that an applicant or a close associate of an applicant, has willfully provided false or misleading information, such applicant shall no longer be eligible to receive a license under this chapter.

Any licensee or other person required to be qualified for licensure under this chapter who willfully provides false or misleading information shall have their license conditioned, suspended or revoked by the commission.

Section 12. (a) The commission shall have the power to require anyone with an interest in the gaming establishment, an interest in the business of the gaming licensee or who is a close associate of a gaming licensee to be qualified for licensure under this chapter pursuant to the criteria set forth in sections 14 and 19.

(b) For every business which applies for a gaming license, the commission shall determine whether each officer and director of a corporation, other than a publicly traded corporation, general partner and limited partner of a limited partnership, and member, transferee of a member's interest in a limited-liability company, director and manager of a limited-liability company which holds or applies for a gaming license meets the standards for qualification of licensure pursuant to sections 14 and 19, as well as, in the judgment of the commission, any or all of a business's individual stockholders, lenders, holders of evidence of indebtedness, underwriters, key executives, agents or employees.

713 (c) Any person owning more than 5 per cent of the common stock of the applicant
714 company or a holding, intermediary or subsidiary of an applicant company shall be required to
715 file for licensure. The commission may waive the licensing requirements for institutional
716 investors holding up to 15 per cent of the stock of the applicant company or holding,
717 intermediary or subsidiary company of the applicant company upon a showing by the person
718 seeking the waiver that the applicant purchased the securities for investment purposes only and
719 does not have any intention to influence or affect the affairs or operations of the applicant
720 company or a holding, intermediary or subsidiary of the applicant company. Any institutional
721 investor granted a waiver which subsequently determines to influence or affect the affairs or
722 operations of the applicant company or a holding, intermediary or subsidiary of the applicant
723 company shall provide not less than 30 days notice to the commission of such intent and shall
724 file an application and be subject to the licensing requirements of this chapter before taking any
725 action that may influence or affect the affairs of the applicant company or a holding,
726 intermediary or subsidiary of the applicant company. Any company holding over 15 per cent of
727 the applicant company, or a holding, intermediary or subsidiary of an applicant company shall be
728 deemed to be a qualifier and shall file an application form with the commission and be subject to
729 the licensing requirements of this chapter.

730 (d) A person who is required to be qualified for licensure by this section as a general or
731 limited partner shall not serve in that position until he secures the required approval of the
732 commission.

733 (e) The commission shall require any person involved in the financing of a gaming
734 facility to be qualified for licensure pursuant to sections 14 and 19 and may allow such person to
735 seek a waiver pursuant to the standards in subsection (c).

(f) A person required to be qualified for licensure shall apply for qualification within 30 days after taking a position with the business. A person who is required to be qualified for licensure pursuant to a decision of the commission shall apply for qualification within 30 days after said decision.

(g) If a corporation or other form of business organization applying for a gaming license is, or if a corporation or other form of business organization holding a gaming license is to become, a subsidiary, each holding company, intermediary company, and other entity shall be required to qualify for licensure.

(h) The commission shall have the authority to require the licensing of any company or individual that can presently or was able to exercise control or provide direction to any applicant or licensee company or a holding, intermediary or subsidiary of an applicant or licensee company.

Section 13. The commission shall deny an application for a gaming license, or any license or registration issued under this chapter, if the applicant: (i) has been convicted of a felony or other convictions involving embezzlement, theft, fraud or perjury; provided, however that for convictions which occurred before the 10-year period immediately preceding application for licensure, an applicant may demonstrate, and the commission shall consider, their rehabilitation and why such conviction should not be an automatic disqualification under this section; (ii) submitted an application for a license under this chapter that contains false or misleading information; (iii) committed prior acts which have not been prosecuted or convicted but form a pattern of misconduct that make the applicant unsuitable for a license under this chapter; or (iv) has affiliates or close associates that would not qualify under the provisions of

this chapter or whose relationship with the applicant could pose an injurious threat to the interests of the commonwealth in awarding a gaming license to the applicant.

Section 14. No applicant shall be eligible to receive a gaming license unless the applicant meets the following criteria and clearly states as part of an application that the applicant:

(1) agrees to be a state lottery reseller for the purpose of lottery, multi-jurisdictional lottery and keno games, and to demonstrate that state lottery and keno games are readily accessible to its guests;

(2) has suitable capital to finance its operations and the proposed capital investment; provided, however, that such investment shall not include the purchase or lease price of the land where the gaming establishment will be located or any infrastructure designed to support the site, including, but not limited to, drainage, utility support, roadways, interchanges, fill and soil or groundwater or surface water contamination issues whether or not the applicant is an eligible owner or operator under chapter 206 of the acts of 1998;

(3) will have ownership of the land where the gaming establishment will be located within 60 days after a license has been awarded;

(4) shall demonstrate that it is able to pay and shall commit to paying the gaming licensing fee;

(5) shall demonstrate to the commission how the applicant proposes to address lottery mitigation, compulsive gambling problems, workforce development and community development and all host community impact and mitigation issues.

(6) shall identify the infrastructure costs of the host and surrounding communities incurred in direct relation to the construction and operation of a gaming establishment and shall commit to a community mitigation plan for those communities;

(7) shall provide to the commission a signed agreement between the host community and the applicant setting forth the conditions to have a gaming establishment located within the host community; provided that the agreement shall include a community impact fee for the host community and all stipulations of responsibilities between the host community and the applicant; and

(8) shall comply with state and local building codes.

Section 15. (a) In addition to the requirements set forth in section 14, no business shall be eligible to apply for a gaming license unless it: (i) is organized under the laws of the commonwealth, although such business organization may be a wholly or partially owned subsidiary of a foreign business; (ii) maintains an office in the gaming establishment; (iii) maintains a ledger in the gaming establishment of the business organization reflecting the current ownership of the business organization, and in the case of a corporation, of every class of security issued by the corporation; (iv) maintains all operating accounts required by the commission in a bank chartered in the commonwealth or in a bank with a full service branch present in the commonwealth; (v) includes among the purposes stated in its official filings with the state secretary the conduct of gaming; (vi) in the case of a non-publicly traded corporation, files with the commission such adopted corporate charter provisions as may be necessary to establish the right of prior approval by the commission with regard to transfers of securities, shares, and other interests in the applicant corporation; (vii) in the case of a publicly traded

800 corporation, provides in its corporate charter that any securities of such corporation are held
801 subject to the condition that if a holder thereof is found to be disqualified by the authority
802 pursuant to the provisions of this chapter, such holder shall dispose of his interest in the
803 corporation; provided, however, that nothing herein shall be deemed to require that any security
804 of such corporation bear any legend to this effect; and (viii) in the case of a non-publicly traded
805 corporation, establishes that appropriate charter provisions create the absolute right of such non-
806 publicly traded corporations and companies to repurchase at the market price or the purchase
807 price, whichever is the lesser, any security, share or other interest in the corporation in the event
808 that the commission disapproves a transfer in accordance with the provisions of this chapter.

809 (b) Any publicly traded holding, intermediary, or subsidiary of the corporation, whether
810 the corporation is publicly traded or not, shall contain in its corporate charter the same provisions
811 required under subsection (a) for a publicly traded corporation to be eligible to apply for a
812 gaming license.

813 (c) Any non-publicly traded holding, intermediary or subsidiary of the corporation,
814 whether the corporation is publicly traded or not, shall establish that its charter provisions are the
815 same as those required under subsection (a) for a non-publicly traded corporation to be eligible
816 to apply for a gaming license.

817 Section 16. (a) No person shall be eligible to receive a category 1 license without a
818 certified and binding vote in favor of such license on a ballot question at an election in the host
819 community where the category 1 facility will be located; provided further that the host
820 community shall be reimbursed for its expenses related to the election by the applicant for a
821 category 1 license.

822 An applicant for a category 1 license shall have certification of ballot approval by the
823 host community within 3 months of submitting an application for a category 1 license to the
824 commission; provided, however, that the applicant shall include with the application a certified
825 letter from the clerk of the host community of a date certain for the election within the 3 month
826 period.

827 (b) No person shall be eligible to apply for a category 2 or category 3 license without a
828 binding vote in the host community where the gaming establishment will be located by a
829 majority of members of the town council, or in a city having a Plan D or Plan E charter, the city
830 manager and the city council and in any other city the mayor and city council and in towns a
831 majority vote of those present and voting at a town meeting and approval by the board of
832 selectmen; provided further that an applicant for a category 2 or category 3 license who has
833 received such a vote shall be required to obtain a vote on a ballot question pursuant to subsection
834 (a) if said applicant is applying for a category 1 license.

835 (c) The governing body of a host community which has adopted the provisions of chapter
836 43D shall file a proposal with the interagency permitting board to designate the site proposed for
837 a category 1 facility as priority development site. In a community which has not adopted the
838 provisions of chapter 43D, the planning board shall designate a local permitting ombudsman,
839 who shall be a planning board member or a member of the planning board's professional staff, to
840 help coordinate and expedite local permitting of the category 1 facility. In a community where no
841 professional planning staff exists, the local permitting ombudsman shall be a panel consisting of
842 1 representative from the planning board, 1 member from the zoning board of appeals, 1 member
843 from the conservation commission, 1 member from the police department, 1 member from the
844 fire department and 1 member from the department of public works to coordinate and expedite

845 local permitting of the category 1 facility. In either case, the ombudsman shall not assume the
846 permitting authority of the individual boards, commissions, or departments referred to herein.

847 Section 17. (a) The commission shall prescribe the form of the application for gaming
848 licenses which shall require, but not be limited to, the following:

849 (i) the name of the applicant;

850 (ii) the mailing address and, if a corporation, the name of the state under the laws of
851 which it is incorporated, the location of its principal place of business and the names and
852 addresses of its directors and stockholders;

853 (iii) the identity of every person having a direct or indirect interest in the business, and
854 the nature of such interest; provided further, that if the disclosed entity is a trust, the application
855 shall disclose the names and addresses of all beneficiaries; provided further, that if a partnership,
856 the names and addresses of all partners, both general and limited; and provided further, that if a
857 limited liability company, the names and addresses of all members;

858 (iv) an independent audit report of all financial activities and interests including, but not
859 limited to, the disclosure of all contributions, donations, loans or any other financial transactions
860 to or from any gaming entity or operator in the past 5 years;

861 (v) clear and convincing evidence of financial stability including, but not limited to, bank
862 references, business and personal income and disbursement schedules, tax returns and other
863 reports filed by government agencies, and business and personal accounting check records and
864 ledgers;

865 (vi) information and documentation to demonstrate that the applicant has sufficient
866 business ability and experience as to establish the likelihood of creation and maintenance of a
867 successful gaming establishment;

868 (vii) a full description the proposed internal controls and security systems for the
869 proposed gaming establishment and any related facilities;

870 (viii) whether the applicant is partnering with a federally recognized native American
871 tribe located in the commonwealth for the purposes of the proposed gaming establishment;

872 (ix) a statement that the applicant will comply, in case such a gaming license is issued,
873 with all applicable laws and with all applicable rules and regulations prescribed by the
874 commission or any other relevant entity;

875 (x) proof of approval by the host municipality pursuant to section 16;

876 (xi) acknowledgement that the commission has authorization to conduct warrantless
877 searches of the gaming establishment;

878 (xii) an agreement that the applicant shall mitigate the potential negative public health
879 consequences associated with gambling and the operation of a gaming establishment including:

880 (1) maintaining a smoke-free environment within the gaming facility pursuant to the provisions
881 of section 22 of chapter 270; (2) providing complimentary on-site space for an independent
882 substance abuse and mental health counseling service to be selected by the commission; (3)
883 prominently displaying information on the signs of problem gambling and how to access
884 assistance; (4) describing a process for individuals to exclude their names and contact
885 information from the licensee's database or any other list held by the licensee for use in

886 marketing or promotional communications; and (5) instituting other public health strategies as
887 determined by the commission;

888 (xiii) the designs for the proposed gaming establishment, including the names and
889 addresses of the architects, engineers and designers, and a timeline of construction that includes
890 detailed stages of construction for the gaming facility, nongaming structures, and racecourse,
891 where applicable;

892 (xiv) a description of the ancillary entertainment services and amenities to be provided at
893 the proposed gaming establishment;

894 (xv) the number of employees to be employed at the proposed gaming establishment,
895 including detailed information on the pay rate and benefits for employees;

896 (xvi) completed studies and reports as required by the commission, including reports on
897 the economic benefits of the proposed gaming establishment, the environmental, traffic and local
898 infrastructure impacts, the impact of the proposed gaming establishment to the local and regional
899 economy, the cost to the municipality and the commonwealth for the proposed gaming
900 establishment to be at its proposed location, and the total amount of municipal and state tax
901 revenue to be generated by the applicant; including ancillary revenues generated by employees
902 and vendors;

903 (b) In addition to the information included in subsection (a), an applicant for a category 1
904 license shall include the following information:

905 (i) the location of the proposed category 1 establishment, which shall include the address,
906 maps, book and page numbers from the appropriate registry of deeds, assessed value of the land

at the time of application, and ownership interests over the past 20 years including all interests, options, agreements in property, and demographic, geographic, and environmental information, and any other information requested by the authority;

(ii) the types of games and gaming to be conducted at the resort casino, number of tables and slot machines that are proposed to be employed at the casino, and the specific location of gaming at the casino site;

(iii) the number of hotels and rooms and other amenities located at the proposed category 1 establishment as well as how they measure in quality to other area hotels and amenities;

(iv) whether the applicant's category 1 establishment is part of a regional or local economic plan; and

(v) whether the applicant will be using publicly owned land for the category 1 establishment.

(c) No application for a gaming license shall be considered by the commission unless accompanied by a nonrefundable application fee of \$250,000, to defray the costs associated with the processing of the application and investigation of the applicant. If the costs of the investigation exceed the initial application fee, the applicant shall pay the additional amount to the commission within 30 days or the application shall be rejected.

(d) Applications for licenses shall be public records for the purposes of section 10 of chapter 66; provided, however, that information required by the commission that pertains to: (i) confidential finances, earnings, revenue or trade secrets of any applicant; (ii) an applicant's criminal record or background information; (iii) the suitability of an applicant for a particular

endeavor and (iv) information personal in nature submitted by an applicant pursuant to this section shall be deemed confidential, are not public records and shall not be disclosed. Personal information shall include any information concerning: (i) a minor child of an applicant; (ii) the social security number of an applicant or the spouse of an applicant; (iii) the home telephone number or address of an applicant or the spouse or children of an applicant; (iv) the birth certificate of the applicant or information relating to the date or place of birth of an applicant's spouse; (v) the driver's license number of an applicant or an applicant's spouse; (vi) the name or address of a previous spouse of the applicant; (vii) the personal financial information and records of an applicant or the spouse or minor child of an applicant, including tax returns and any and all records of criminal proceedings; (viii) any information concerning a victim of domestic violence, sexual assault or stalking; (ix) the personal electronic mail address of an applicant or spouse or family member of the applicant; (x) and any other information deemed necessary by the commission to protect the privacy of an applicant or the applicant's family. Any information concerning an applicant collected by the commission may be released by the commission to an authorized agent of the state or federal government.

Section 18. (a) Upon receipt of an application for a gaming license, the commission shall commence an investigation into the suitability of an applicant. In evaluating the suitability of an applicant, the commission shall consider the overall reputation of the applicant including, without limitation:

(i) the integrity, honesty, good character and reputation of the applicant;

(ii) the financial stability, integrity, and background of the applicant;

949 (iii) the business practices and the business ability of an applicant to establish and
950 maintain a successful gaming establishment;

951 (iv) whether the applicant has a history of compliance with gaming licensing
952 requirements in other jurisdictions;

953 (v) whether the applicant, at the time of application, is a defendant in litigation involving
954 its business practices;

955 (vi) the suitability of all parties in interest to the gaming license, including affiliates, close
956 associates and the financial resources of the applicant; and

957 (vii) whether the applicant is disqualified from receiving a license pursuant to section 13;
958 provided, however, that in considering the rehabilitation of an applicant for a gaming license, the
959 commission shall not automatically disqualify any applicant if the applicant affirmatively
960 demonstrates, by clear and convincing evidence, that the applicant has financial responsibility,
961 character, reputation, integrity and general fitness as such to warrant belief by the commission
962 that the applicant will act honestly, fairly, soundly and efficiently as a gaming licensee.

963 (b) If the commission determines during its investigation that an applicant has failed to:

964 (i) establish his integrity or the integrity of any affiliate, close associate, financial source or any
965 person required to be qualified by the commission; (ii) demonstrate responsible business
966 practices in any jurisdiction; or (iii) overcome any other reason, as determined by the
967 commission, as to why it would be injurious to the interests of the commonwealth in awarding
968 said applicant a gaming license, the commission shall cease any further review and deny the
969 application pursuant to the procedures in subsection (f).

970 (c) If the commission has determined an applicant is suitable to receive a gaming license,
971 the commission shall commence a review of the applicant's entire application. After a review of
972 the entire application and any independent evaluations, the commission shall conduct a public
973 hearing on the application pursuant to section 11 ½ of chapter 30A. An applicant for a gaming
974 license shall be given at least 30 days notice of the public hearing.

975 (d) The public hearing shall provide the commission the opportunity to address questions
976 and concerns relative to the proposal of a gaming applicant to build a gaming establishment
977 including the breadth and quality of the gaming facility and amenities, the integration of the
978 facility into the surrounding community and the extent of required mitigation plans. During the
979 hearing, the commission may take the opportunity to read into the record any letters of support,
980 opposition or concern from members of the communities in the vicinity of the proposed gaming
981 establishment.

982 (e) Within 90 days of the conclusion of the public hearing, the commission shall take
983 action on the application. The commission, by majority vote of all commissioners, may: (i) deny
984 the application; (ii) extend the period for issuing a decision in order to obtain any additional
985 information necessary for a complete evaluation of the application; provided, however, that the
986 extension shall be 30 days or less; or (iii) grant the application for a gaming license.

987 (f) Upon denial of an application, the commission shall prepare and file its order and, if
988 requested by the applicant, shall further prepare and file a statement of the reasons for the denial,
989 including specific findings of fact.

990 (g) The issuance of a license is discretionary. Applicants have no legal right or privilege
991 to a gaming license and are not entitled to any further review if denied.

Section 19. In determining whether an applicant should receive a gaming license, the commission shall [A] evaluate and issue a statement of findings of how each applicant proposes to advance the following objectives: (1) protecting the lottery from any adverse impacts due to expanded gaming, including, but not limited to, developing cross-marketing strategies with the lottery and increasing ticket sales to out-of-state residents; (2) promoting local businesses in host and surrounding communities, including developing cross-marketing strategies with local restaurants, hotels, retail outlets and performing arts organizations; (3) implementing a workforce development plan to utilize the existing labor force in the commonwealth, including the estimated number of construction jobs a proposed gaming establishment will generate, the development of workforce training programs that serve the unemployed, and methods for accessing employment at the gaming establishment; (4) building a gaming establishment of high caliber with a variety of quality amenities to be included as part of the gaming establishment and operated in partnership with any local hotels, dining, retail and entertainment facilities so that patrons experience the diversified regional tourism industry; (5) taking additional measures to address problem gambling, including, but not limited to, training of gaming employee to identify patrons exhibiting problems with gambling and prevention programs targeted toward vulnerable populations; (6) providing a market analysis detailing the benefits of the site location of the gaming establishment and the estimated recapture rate of gaming-related spending by residents travelling to out-of-state gaming establishments; (7) utilizing sustainable development principles, including, but not limited to: (i) being certified or capable of being certified as gold or higher pursuant to the U.S. Green Building Council Neighborhood Development Rating System, the green building rating system established by the Leadership in Environmental and Energy Design, gold or higher pursuant to the National Green Building Standard, a Three Globe rating or higher

pursuant to the Green Globes rating system, or an alternative rating system approved by the executive office of energy and environmental affairs; (ii) meeting United States Environmental Protection Agency efficiency standards for the electrical equipment and appliances used by the resort casino; and (iii) procuring 10 per cent of its annual electricity consumption from renewable sources identified by the division of energy resources pursuant to section 11F of chapter 25A; (8) establishing, funding, and maintaining human resource hiring and training practices that promote the development of a skilled and diverse workforce and access to promotion opportunities through a workforce training program that: (i) establishes transparent career paths with measurable criteria within the gaming establishment that lead to increased responsibility and higher pay grades that are designed to allow employees to pursue career advancement and promotion; (ii) provides employee access to additional resources, such as tuition reimbursement or stipend policies, to enable employees to acquire the education or job training needed to advance career paths based on increased responsibility and pay grades; and (iii) establishes an on-site child day care program; and (9) contracting with local business owners for the provision of services and goods to the gaming establishment, including developing plans designed to assist businesses in the commonwealth in identifying the needs for goods and services to the establishment; (10) purchasing, whenever possible, domestically manufactured slot machines for installation in the gaming establishment.

Section 20. (a) The commission may issue 2 category 1 licenses; provided, however, that the category 1 licenses shall only be issued to applicants who are qualified under the criteria set forth in this chapter as determined by the commission. In evaluating the location of the category 1 facilities, the commission shall take into consideration their proximity to each other and how that may impact the policy goals established pursuant to section 1.

(b) No other gaming license, or authorization to increase the gaming positions in a category 2 or category 3 license, shall be issued by the commonwealth for a period of 15 years; provided, however, that such exclusivity shall not include the interests of the commonwealth in compacting with any federally recognized Native American tribe for gaming rights in the commonwealth.

(c) No category 1 licensee shall transfer a license or any direct or indirect interest in the license or licensed premises without the majority approval of the commission. Any person seeking to acquire a license through a transfer shall satisfy the requirement for licensure pursuant to this chapter. The commission shall reject any license transfer or transfer of interest to an unsuitable person and may reject a proposed transfer that, in the opinion of the commission, would be disadvantageous to the interests of the commonwealth in the gaming establishment.

(d) The commission may issue 2 category 2 licenses; provided, however, that the commission shall issue 1 category 2 license to a qualified harness horse racing facility and 1 category 2 license to a qualified thoroughbred horse racing facility. A category 2 license issued shall be contingent upon the licensee's completion of the annual live racing season pursuant to chapter 128A. An applicant who is eligible for a category 2 license pursuant to this section may apply for a category 1 license; provided, however, that upon receipt of a category 1 license said applicant shall continue to conduct live racing and abide by all the live racing terms pursuant to section 23 and shall continue to pay the applicable live racing tax required of category 2 licensees.

(e) The commission may issue 2 category 3 licenses; provided, however, that the commission shall issue each category 3 license to a qualified greyhound racing facility. Any

category 3 license issued shall be contingent upon the licensee's simulcasting of live thoroughbred, harness or greyhound races pursuant to chapter 128A. An applicant who is eligible for a category 3 license pursuant to this section may apply for a category 1 license.

A category 3 licensee shall maintain a simulcasting license pursuant to chapter 128C. Upon failure to conduct simulcast wagering the commission shall suspend the category 3 license.

(f) A category 2 license and a category 3 license issued pursuant to this chapter shall not be transferrable or assignable without the approval of the commission; provided, however, that for 5 years after the initial issuance of a category 2 or category 3 license the commission shall only approve such a transfer if: (i) the licensee experiences a change in ownership; or (ii) the licensee fails to maintain suitability or other circumstances which the commission may consider, which, in the opinion of a majority of members of the commission, impact a licensee's ability to successfully operate a gaming establishment.(g) Notwithstanding the foregoing, and upon approval by the commission, a category 3 licensee may merge its license with a category 2 licensee and locate the total number of slot machines allotted to each licensee at a thoroughbred or harness racing track. A category 2 licensee may not merge with more than 1 category 3 licensee.

An applicant for a category 2 license shall apply for a merged license with an eligible applicant for a category 3 license in their initial application to the commission. The commission shall approve any merger agreement and shall require parties to the merger to be qualified for licensure pursuant to the criteria set forth in sections 13 and 19.

(h) A category 1 license issued pursuant to this chapter shall be for a period of 15 years from the date of first issuance; provided, however, that 5 years after issuance, and every 5 years

thereafter, the commission shall perform a thorough review of the business strategy of the resort casino which shall include plans for expansion and marketing submitted by the licensee. The commission shall establish procedures for renewal and set the renewal fee based on the cost of fees associated with the evaluation of a licensee requesting a renewed category 1 license.

A category 2 and category 3 license issued pursuant to this chapter shall be for a period of 5 years. The commission shall establish procedures for renewal and set the renewal fee based on the cost of fees associated with the evaluation of a licensee; provided, however, that the cost of renewal shall not be less than \$100,000. A category 1, category 2, or category 3 licensee shall issue an annual report to the commission explicitly stating its progress on meeting each of the stated goals and stipulations put forth in the licensee's original application. Inability to meet stated goals within a reasonable time frame, as determined by the commission, shall result in additional fees as deemed fair and reasonable by the commission. Failure to meet stated goals may also result in revocation of the license at any time by the commission.

Nothing in this section shall preclude the commission at any time from reviewing the business operations of any gaming licensee to ensure that the conditions of licensure are being met, including, but not limited to, the suitability of the licensee and any affiliates and the fiscal stability of the gaming establishment.

(i) The commission shall have the power to condition, suspend or revoke any gaming license upon a finding that a licensee: (i) has committed a criminal or civil offense under this chapter or any other laws of the commonwealth; (ii) is not in compliance with gaming regulations or is under criminal investigation in another jurisdiction; (iii) has breached a condition of licensure; (iv) has affiliates, close associates or employees that are not qualified or

1104 licensed pursuant to this chapter with whom the gaming licensee continues to conduct business
1105 or employ; (v) is no longer capable of maintaining operations at a gaming establishment; or (vi)
1106 whose business practice, upon a determination by the commission, is injurious to the policy
1107 objectives of this chapter.

1108 (j) Whenever any person contracts to transfer any property relating to an ongoing gaming
1109 operation, including a security holding in a gaming licensee or holding or intermediary company,
1110 under circumstances which require that the transferee obtain licensure under this chapter, the
1111 contract shall not specify a closing or settlement date which is earlier than the 121st day after the
1112 submission of a completed application for licensure or qualification, which application shall
1113 include a fully executed and approved trust agreement.

1114 The commission shall hold a hearing and render a decision on the interim authorization of
1115 the applicant. If the commission grants interim authorization, then the closing or settlement may
1116 occur without interruption of casino operations. If the commission denies interim authorization,
1117 there shall be no closing or settlement until the commission makes a determination on the
1118 qualification of the applicant, and if the commission then denies qualification the contract shall
1119 thereby be terminated for all purposes without liability on the part of the transferor.

1120 The commission shall promulgate further regulations for interim authorization of a
1121 gaming establishment.

1122 (k) No person or affiliate shall be awarded, purchase or otherwise hold or have a financial
1123 interest in more than 1 license issued by the commission.

1124 (l) The commission shall take into consideration the physical distance in selecting the two
1125 resort casinos as they relate to each other and how they maximize benefits to the commonwealth.

1126 Section 21. (a) Applicants for a category 1 license shall invest not less than \$500,000,000
1127 into the resort casino which shall include the gaming facility, at least 1 hotel, and other amenities
1128 as proposed in the application for a category 1 license. Upon award of a category 1 license by the
1129 commission, the applicant shall be required to deposit 10 per cent of the total investment
1130 proposed in the application into an interest-bearing account. Monies received from the applicant
1131 shall be held in escrow until the final stage of construction, as approved by the commission, at
1132 which time the deposit shall be returned to the applicant to be applied for such final stage.
1133 Should the applicant be unable to complete the resort casino, the deposit shall be forfeited to the
1134 commonwealth. In place of a cash deposit, the commission may allow for an applicant to secure
1135 a deposit bond insuring that 10 per cent of the proposed capital investment shall be forfeited to
1136 the commonwealth.

1137 (b) Applicants for a category 1 license shall submit their proposed capital investment
1138 with their application to the commission which shall include stages of construction of the resort
1139 casino and the deadline by which construction and any infrastructure improvements will be
1140 completed. In awarding a category 1 license, the commission shall determine at what stage of
1141 construction a licensee shall be approved to open for business; provided, however, that a licensee
1142 shall not be permitted to open for business until the commission has determined that at least the
1143 gaming facility and hotel have been built and are of a superior quality as set forth in the
1144 conditions of licensure; provided, further, that total infrastructure improvements onsite and
1145 around the vicinity of the resort casino, including projects to account for traffic mitigation, shall
1146 be completed before the resort casino shall be approved for opening by the commission.

1147 (c) A category 1 licensee shall pay to the commission a fee of \$100,000,000 within 30
1148 days of the final award of the license which sets forth the conditions to be satisfied by the

licensee before the gaming facility may be opened to the public. The commission shall set any renewal fee for such license based on the cost of fees associated with the evaluation of a category 1 licensee pursuant to section 20 of this chapter, and such renewal fee will be exclusive of any subsequent license fees under this section.(d) The commission shall determine the sources and total amount of an applicant's proposed capitalization to develop, construct, maintain and operate a proposed gaming establishment under this chapter. Upon award of a gaming license, the commission shall continue to assess the capitalization of a licensee for the duration of construction of the proposed gaming establishment and the term of the license.

Section 22. (a) Applicants for a category 2 or category 3 license shall invest not less than \$75,000,000 into the gaming facility and racecourse, if applicable.

The investment required under this section shall be made within 2 years of receiving a gaming license; provided, however, that any infrastructure improvements necessary to increase visitor capacity and account for traffic mitigation, as determined by the commission, shall be completed before the category 2 or category 3 licensee shall be authorized to operate any slot machine at the gaming facility.

(b) The required licensing fee for a category 2 or category 3 license shall be not less than \$15,000,000. The commission shall raise the license fee if an applicant for a category 2 or category 3 license cannot demonstrate to the satisfaction of the commission that the applicant will advance any of the objectives set forth in section 19.

(c) If the commission approves the merger of a category 2 and category 3 licensee pursuant to section 20 and grants a merged license, the applicants shall pay \$30,000,000 and shall agree to invest \$150,000,000 into the gaming facility and racecourse.

(d) The commission shall determine the sources and total amount of an applicant's proposed capitalization to develop, construct, maintain and operate a proposed gaming establishment under this chapter. Upon award of a gaming license, the commission shall continue to assess the capitalization of a licensee for the duration of construction of the proposed gaming establishment and the term of the license.

Section 23. (a) An applicant for a category 2 licensee shall maintain any racing facility on the premises; provided, however, that said licensee shall increase the number of live racing days to a minimum of 125 days according to the following schedule:

(i) in the first calendar year of operation a licensee shall hold 105 racing days;

(ii) in the second calendar year of operation a licensee shall hold 115 racing days; and

(iii) in the third calendar year of operation a licensee shall hold 125 racing days.

(b) A category 2 licensee may increase the number of live racing days if said licensee is holding a minimum of 125 racing days within 3 years of receiving a category 2 license. If a category 2 licensee does not conduct live racing for the minimum number of days set forth in subsection (a), the commission shall suspend the category 2 license.

(c) After 3 years of operation, and in consultation with the parties to the purse agreement, the commission may adjust the amount of required racing days at a category 2 facility based on fields, demand and racing performance.

(d) A category 2 licensee shall have an annual purse agreement in effect by December thirty-first of each year for the following year's racing; provided, however, that if the parties to a

1191 purse agreement at a category 2 facility cannot in good faith negotiate an agreement by
1192 December thirty-first, the purse agreement shall be arbitrated by the commission.

1193 Section 24. (a) No person shall be employed by a gaming licensee unless such person has
1194 been licensed by or registered with the commission.

1195 (b) Any person seeking a valid key gaming employee license or a gaming employee
1196 license shall file an application with the commission. Such application shall be on a form
1197 prescribed by the commission and shall include, but shall not be limited to, the following: (1) the
1198 name of the applicant; (2) the address of the applicant; (3) a detailed employment history of the
1199 applicant; (4) fingerprints; (5) a criminal and arrest record; and (6) any civil judgments obtained
1200 against the person pertaining to antitrust or security regulation. Each applicant shall be a resident
1201 of the commonwealth prior to the issuance of a gaming employee license, provided, however,
1202 that the commission may waive this requirement upon certification from the gaming licensee that
1203 an applicant's particular position will require the applicant to be reside outside of the
1204 commonwealth. The commission may require such other information as it deems appropriate
1205 including, without limitation, information related to the financial integrity of the applicant and
1206 may require the applicant to submit other documentation it deems appropriate including, without
1207 limitation, bank accounts and records, bank references, business and personal income and
1208 disbursement schedules, tax returns and other reports filed by government agencies, and business
1209 and personal accounting check records and ledgers.

1210 (c) All other employees in a gaming establishment who are not considered to be gaming
1211 employees, key gaming employees, or who have restricted access to an area of the gaming
1212 establishment or knowledge of security procedures, shall be required to register with the

1213 commission as a gaming service employee and shall produce such information as the
1214 commission may require to become registered under this chapter.

1215 (d) Upon receipt of an application for a key gaming employee license and a gaming
1216 employee license the commission shall conduct an investigation of each applicant which shall
1217 include obtaining criminal offender record information from the criminal history systems board
1218 as well as exchanging fingerprint data and criminal history with the state police and the federal
1219 bureau of investigation.

1220 (e) Upon petition by a gaming licensee, the commission may issue a temporary license to
1221 an applicant for a gaming key employee license or a gaming employee license provided that: (i)
1222 the applicant for a gaming key employee license or gaming employee license has filed a
1223 complete application with the commission; and (ii) the gaming licensee certifies, and the
1224 commission finds, that the issuance of a temporary license is necessary for the operation of the
1225 gaming facility and is not designed to circumvent the normal licensing procedures.

1226 Unless otherwise stated by the commission, a temporary license issued pursuant to this
1227 section shall expire 6 months from the date of its issuance and may be renewed, at the discretion
1228 of the commission, for an additional 6 month period.

1229 (f) The commission may deny any application for a key gaming employee or gaming
1230 employee license or the registration of any other employee of a gaming establishment if the
1231 commission finds that any applicant or registrant is disqualified pursuant to section 14 or may be
1232 unsuitable for licensure under any of the criteria set forth in section 19; provided, however, that
1233 the commission, in its discretion, may issue a license to an applicant for a gaming employee
1234 license or register a gaming service employee who has a prior conviction if said applicant or

1235 registrant can affirmatively demonstrate his rehabilitation. In considering the rehabilitation of an
1236 applicant for a license under this section, the commission shall consider the following: (i) the
1237 nature and duties of the position of the applicant; (ii) the nature and seriousness of the offense or
1238 conduct; (iii) the circumstances under which the offense or conduct occurred; (iv) the date of the
1239 offense or conduct; (v) the age of the applicant when the offense or conduct was committed; (vi)
1240 whether the offense or conduct was an isolated or repeated incident; (vii) any social conditions
1241 which may have contributed to the offense or conduct; and (viii) any evidence of rehabilitation,
1242 including recommendations and references of persons supervising the applicant since the offense
1243 or conduct was committed.

1244 Any orders denying an application under this section shall be accompanied with an
1245 explanation of why an applicant did not meet the qualifications for licensure under this chapter.

1246 (g) The commission shall be authorized to condition, suspend or revoke any license or
1247 registration under this section if the commission finds that a licensee or registrant has: (i) been
1248 arrested or convicted of a crime while employed by a gaming establishment and failed to report
1249 charges or the conviction to the commission; (ii) failed to comply with the provisions of section
1250 12; or (iii) failed to comply with any of the provisions of this chapter pertaining to licensees.

1251 (h) A license or registration issued pursuant to this section shall be issued for a term of 3
1252 years. It shall be the responsibility of the employee to ensure that their license is current.

1253 (i) The commission shall establish fees for a key gaming employee and a gaming
1254 employee license which shall include costs incurred for conducting a background investigation
1255 into an applicant said license.

Section 25. (a) No person or business shall conduct any business with a gaming licensee unless such person has been licensed by or registered with the commission.

(b) Any person seeking a gaming vendor license shall file an application with the commission. Such application shall be on a form prescribed by the commission and shall include, but shall not be limited to, the following: (i) the name of the applicant; (ii) the post office address and if a corporation, the name of the state under the laws of which it is incorporated, the location of its principal place of business and the names and addresses of its directors and stockholders; (iii) a criminal and arrest record; (iv) any civil judgments obtained against the person pertaining to antitrust or security regulation; (v) the identity of every person having a direct or indirect interest in the business, and the nature of such interest; provided further, that if the disclosed entity is a trust, the application shall disclose the names and addresses of all beneficiaries; provided further, that if the disclosed entity is a partnership, the names and addresses of all partners, both general and limited; and provided further, that if the disclosed entity is a limited liability company, the names and addresses of all members; (vi) an independent audit report of all financial activities and interests including, but not limited to, the disclosure of all contributions, donations, loans or any other financial transactions to or from any gaming entity or operator in the past 5 years; and (vii) clear and convincing evidence of financial stability including, but not limited to, bank references, business and personal income and disbursement schedules, tax returns and other reports filed by government agencies, and business and personal accounting check records and ledgers. The commission may require such other information as it deems appropriate including, without limitation, information related to the financial integrity of the applicant and may require the applicant to submit other documentation it deems appropriate including, without limitation, bank accounts and records, bank references, business and personal

1279 income and disbursement schedules, tax returns and other reports filed by government agencies,
1280 and business and personal accounting check records and ledgers.

1281 (c) No person shall manufacture, sell, distribute, test or repair slot machines, other than
1282 antique slot machines as defined in section 5A of chapter 271, without a valid gaming vendor
1283 license issued by the commission

1284 (d) All other suppliers or vendors who are not considered to be gaming vendors
1285 including, but not limited to, construction companies, vending machine providers, linen
1286 suppliers, garbage handlers, maintenance companies, limousine services, food purveyors or
1287 suppliers of alcoholic beverages, shall be considered non-gaming vendors and shall be required
1288 to register with the commission and shall produce such information as the commission may
1289 require; provided, however, that the commission may require any vendor regularly conducting
1290 over \$250,000 of business with a gaming licensee within a 12 month period, or \$100,000 of
1291 business within a 3 year period, to be licensed as a gaming vendor.

1292 (e) Any person owning more than 5 per cent of the common stock of a company required
1293 to be licensed as a gaming vendor, or a holding, intermediary or subsidiary of such company,
1294 shall be required to file for licensure. The commission may waive the licensing requirements for
1295 institutional investors holding up to 15 per cent of the stock of the company, or holding,
1296 intermediary or subsidiary company of the such company, upon a showing by the person
1297 seeking the waiver that the applicant purchased the securities for investment purposes only and
1298 does not have any intention to influence or affect the affairs or operations of the company or a
1299 holding, intermediary or subsidiary of the such company. Any institutional investor granted a
1300 waiver which subsequently determines to influence or affect the affairs or operations of the

1301 gaming vendor, or a holding, intermediary or subsidiary of the gaming vendor, shall provide not
1302 less than 30 days notice to the commission of such intent and shall file an application and be
1303 subject to the licensing requirements of this chapter before taking any action that may influence
1304 or affect the affairs of the applicant company or a holding, intermediary or subsidiary of the
1305 applicant company. Any company holding over 15 per cent of a gaming vendor, or a holding,
1306 intermediary or subsidiary of a gaming vendor, shall be deemed to be a qualifier and shall file an
1307 application form with the commission and be subject to the licensing requirements of this
1308 chapter.

1309 (f) If an applicant for a gaming vendor license or vendor or supplier registration is
1310 licensed or registered in another jurisdiction within the United States and is in good standing in
1311 all the jurisdictions in which it holds a license or registration, the commission may enter into a
1312 reciprocal agreement with the applicant and to allow for an abbreviated licensing or registration
1313 process and issue a gaming vendor license or registration pursuant to this section, provided,
1314 however, that the commission shall reserve its rights to investigate the qualifications of an
1315 applicant at any time and may require the applicant to submit to a full application for a gaming
1316 vendor license or provide further information for registration.

1317 (g) The commission shall deny any application for a gaming vendor license or the
1318 registration of any other vendor or supplier if the commission finds that any applicant or
1319 registrant is disqualified pursuant to section 14 or may be unsuitable for licensure under any of
1320 the criteria set forth in section 19.

1321 (h) The commission shall be authorized to condition, suspend or revoke any license or
1322 registration under this section if the commission finds that a licensee or registrant has: (i) been

1323 arrested or convicted of a crime; (ii) failed to comply with the provisions of section 12; or (iii)
1324 failed to comply with any of the provisions of this chapter pertaining to licensees.

1325 (i) The commission shall establish a master vendor list to monitor all vendor contracts
1326 with a gaming establishment. Any vendor doing business with a gaming establishment who has
1327 failed to submit an application for licensure or registration shall be prohibited from engaging in
1328 any future business with any gaming establishment; provided further that the commission shall
1329 be authorized to terminate any contracts that have been entered into with an unlicensed or
1330 unregistered vendor.

1331 (j) Gaming licensees shall have a continuing duty to inform the commission of all vendor
1332 contracts.

1333 (k) A license or registration issued pursuant to this section shall be issued for a term of 3
1334 years. It shall be the responsibility of the employee to ensure that their license is current.

1335 (l) The commission shall establish fees for gaming vendor licenses which shall include
1336 costs incurred for conducting a background investigation into an applicant for said license.

1337 Section 26. (a) Each labor organization, union or affiliate seeking to represent employees
1338 who are employed at a gaming establishment, including any related facilities, shall register with
1339 the commission.

1340 (b) Neither a labor organization, nor its officers who are not otherwise licensed or
1341 registered under this chapter, may hold any financial interest in a gaming establishment whose
1342 employees they represent.

Section 27. (a) No category 1, category 2 or category 3 licensee shall conduct gaming without an operations certificate issued by the commission. An operations certificate shall only be issued upon compliance with the requirements of this chapter including; (1) implementation of all management controls required by the commission including, without limitation, controls on accounting, wagering and auditing; (2) implementation of all security precautions required by the commission; (3) an up to date listing of all gaming employees; (4) licensing of all gaming employees; (5) the provision of office space at the facility for use by the commission employees; (6) the hours of operation of the facility; and that its personnel and procedures are efficient and prepared to entertain the public.

The operations certificate shall be conspicuously posted and shall state the number of slot machines, table games or other authorized games, if applicable.

(b) A category 1, category 2, or category 3 licensee may operate a gaming establishment from 6:00 am to 5:59 am; provided, however, that said licensee registers their hours of operation with the commission.

(c) Each gaming licensee shall arrange its gaming facility in such a manner as to promote optimum security for the gaming facility operations , including but not limited to: (1) a closed circuit television system according to specifications approved by the commission, with access on the licensed premises to the system or its signal provided to the commission; (2) one or more rooms or locations approved by the commission for use by commission employees; and (3) design specifications that insure that visibility in a facility is not obstructed in any way that might interfere with the ability of the commission or the division to supervise facility operations.

(d) Each applicant for a gaming license shall submit to the commission a description of its minimum system of internal procedures and administrative and accounting controls for gaming and any simulcast wagering operations accompanied by a certification by its chief legal officer that the submitted procedures conform to the provisions of this chapter and any regulations promulgated thereunder as well as a certification by its chief financial officer that the submitted procedures provide adequate and effective controls, establish a consistent overall system of internal procedures and administrative and accounting controls and conform to generally accepted accounting principles and any additional standards required by the commission. Each applicant shall make its submission at least 30 business days before such operations are to commence unless otherwise directed by the commission; provided, however, that no gaming licensee shall commence gaming operations or alter its minimum internal controls until such system of minimum controls is approved by the commission. The commission shall establish regulations for the information required in said internal control submission.

Any proposed changes to a gaming licensee's system of internal procedures and controls shall be submitted to the commission along with 2 new certifications from its chief legal and financial officers. Pending no objections from the commission, the gaming licensee may make said changes 15 business days after submitting a description of the changes to the commission.

(e) Gaming equipment shall not be possessed, maintained or exhibited by any person on the premises of a gaming establishment except in a gaming area approved by the commission or in a restricted area used for the inspection, repair or storage of such equipment and specifically designated for that purpose.

1386 (f) Each gaming facility shall contain a count room and such other secure facilities as
1387 may be required by the commission for the counting and storage of cash, coins, tokens, checks,
1388 plaques, gaming vouchers, coupons and other devices or items of value used in wagering and
1389 approved by the commission that are received in the conduct of gaming and for the inspection,
1390 counting and storage of dice, cards, chips and other representatives of value.

1391 (g) A dealer may accept tips or gratuities from a patron at the table game where such
1392 dealer is conducting play; provided, however, that such tips or gratuities shall be placed in a pool
1393 for distribution among other dealers. The commission shall determine how tips and gratuities
1394 shall be set aside for the dealer pool as well as the manner of distribution among dealers.

1395 (h) No person under the age of 21 shall be permitted to wager or be in an area of a facility
1396 where gaming is conducted; provided, however, that a person 18 years or over of age who is a
1397 licensed employee of the gaming operation may be in an area of a facility where gaming is
1398 conducted if in the performance of the duties he is licensed to undertake.

1399 (i) No category 1, category 2 or category 3 licensee shall operate unless the facility
1400 manager or his designee is on the premises and representatives of the commission are present at
1401 the facility; provided, further that the commission may allow a gaming licensee to conduct
1402 gaming operations for a period not to exceed 48 hours pursuant to a duly filed emergency
1403 operations plan previously filed with, and approved by, the commission that addresses the
1404 internal procedures to be followed during such an emergency to ensure that the gaming licensee
1405 and its employees comply with all pertinent statutes and regulations.

1406 (j) Each gaming establishment shall file an emergency response plan with the fire
1407 department and police department of the host community which shall include without limitation:

1408 (1) a layout identifying all areas within the facility and grounds including support systems and
1409 the internal and external access routes; (2) the location and inventory of emergency response
1410 equipment and the contact information of the emergency response coordinator for the facility; (3)
1411 the location of any hazardous substances as well as a description of any public health or safety
1412 hazards present on site; (4) a description of any special equipment needed to respond to an
1413 emergency at the facility; (5) an evacuation plan; and (6) any other information relating to
1414 emergency response as requested by the fire department or the police department of the host
1415 community.

1416 Section 28. (a) Notwithstanding any general or special law, rule or regulation to the
1417 contrary, an applicant for a category 1 license may request with their gaming license application,
1418 and the commission may grant, a resort casino beverage license for the sale and distribution of
1419 alcoholic beverages to be drunk on the premises of a resort casino including any associated hotel
1420 and individual rooms and mini-bars at such hotels. No alcoholic beverages shall be sold or
1421 distributed on the premises of a gaming establishment without such a license. The authority to
1422 enforce, regulate and control the distribution of alcoholic beverages in the resort casino shall be
1423 exclusively vested in the commission.

1424 (b) Except as otherwise provided in this section, or by regulations promulgated by the
1425 commission, the provisions of chapter 138 and the rules and regulations promulgated by the
1426 alcoholic beverages control commission shall apply to a resort casino and a resort casino
1427 beverage license.

1428 (c) Issuance fees for the casino beverage license shall be included with the gaming
1429 application fee. If a category 1 licensee does not apply for a casino beverage license at the time

1430 of application, said licensee shall be subject to an additional licensing fee determined by the
1431 commission.

1432 (d) A licensee under this section shall be permitted to distribute alcohol free of charge
1433 and for on-premise consumption to patrons on the casino floor or as a complimentary service or
1434 item in the gaming establishment; provided, however, that the commission shall promulgate
1435 regulations on such distribution as well as the forms of identification that may be presented to the
1436 licensee to demonstrate proof that a person has attained the age of 21.

1437 (e) A licensee under this section shall be permitted to sell alcohol daily after 8
1438 antemeridian and before 2 antemeridian.

1439 (f) The request submitted to the commission for a resort casino beverage license by an
1440 applicant or licensee for a category 1 license shall detail all areas where alcoholic beverages will
1441 be served within the resort casino. In issuing said license, the commission shall describe the
1442 scope of the particular license and any restrictions and limitations.

1443 (g) A category 1 licensee shall be responsible for any violations of their casino beverages
1444 license in the gaming establishment. The commission may revoke, suspend, refuse to renew or
1445 refuse to transfer any resort casino beverage license for violations of any provision of chapter
1446 138, regulations promulgated by the alcoholic beverages control commission and the regulations
1447 promulgated by the commission. If, at any time, a licensee elects temporary suspension of their
1448 category 1 license due to violations of this section, said licensee shall owe the commonwealth the
1449 average tax on gross gaming revenue based on an appropriate period of time as determined by
1450 the commission for the number of days operation was suspended.

1451 (h) A resort casino beverage license shall be nontransferable without prior approval from
1452 the commission. If the license granted under this act is cancelled, revoked or no longer in use, it
1453 shall be returned physically, with all the legal rights, privileges and restrictions pertaining
1454 thereto, to the commission and the commission may then grant the license to a new gaming
1455 licensee under the same conditions as specified in this section.

1456 (i) A license granted under this section shall not decrease the number of such licenses
1457 authorized to be granted to the host community under the provisions of chapter 138.

1458 Section 29. (a) A gaming licensee shall be permitted to issue credit to a patron of a
1459 gaming establishment in accordance with regulations promulgated by the commission. Such
1460 regulations shall include, but not be limited to: (i) procedures for confirming that a patron has an
1461 established credit history and is in good standing; (ii) whether the patron has a good credit
1462 history with the gaming establishment; (iii) authorization of any credit instrument; (iv) methods
1463 for acknowledging a credit instrument and payment of debt; and (v) information to be provided
1464 by the patron to the gaming establishment to be shared with the commission for auditing
1465 purposes.

1466 (b) Except as otherwise authorized by the commission through regulations pursuant to
1467 this chapter, no facility , nor any person acting on behalf of said facility shall: (1) cash any
1468 check, make any loan, or otherwise provide or allow to any person any credit or advance of
1469 anything of value, or which represents value, to enable any person to place a wager; or (2)
1470 release or discharge any debt, either in whole or in part, or make any loan which represents any
1471 losses incurred by any player in gaming or simulcast wagering activity, without maintaining a

written record thereof in accordance with the rules of the commission. Nothing in this section shall prohibit a facility from accepting credit cards for non-gaming related purchases or services.

(c) Checks cashed in conformity with the requirements of this chapter shall be valid instruments enforceable under the laws of the commonwealth. Any check cashed, transferred, conveyed or given in violation of this chapter or regulations promulgated thereunder shall be invalid and unenforceable.

(d) The commission shall establish, by regulation, procedures and standards for approving promotional gaming credits, provided that no such credit shall be reported as a promotional gaming credit by an operator of a licensed gaming establishment unless the operator can establish that the credit was issued by the gaming establishment and received from a patron as a wager at a slot machine in the gaming establishment, provided further that such promotional gaming credit shall not be taxable for the purposes of determining gross revenue.

(e) No other person or entity, other than a gaming licensee licensed pursuant to this chapter, shall issue credit to a patron of a gaming establishment.

(f) A person may petition the commission to place his name on a list of persons to whom the extension of credit by a gaming establishment shall be prohibited. Any person filing such petition shall submit to the commission the person's name, address, and date of birth. The person shall not be required to provide a reason for said request. The commission shall provide this list to the credit department of each gaming establishment; provided, however, that neither the commission nor the credit department of a gaming establishment shall divulge the names on this list to any person or entity other than those provided for in this subsection. If such a person wishes to have their name removed from the list, the person shall petition the commission in

1494 accordance with procedures for removal set forth by the commission. If the commission
1495 approves the request, the commission shall so inform the credit department of the gaming
1496 establishments no later than 7 days after approving the request.

1497 (g) Debt collections pursuant to this section and regulations promulgated thereunder shall
1498 be limited to gaming key employees or attorneys acting directly on behalf of gaming licensees;
1499 provided further that a gaming key employee shall be prohibited from making any such
1500 collections if they serve as a junket representative for the gaming licensee.

1501 Section 30. (a) No junkets may be organized or permitted and no person may act as a
1502 junket representative or junket enterprise except as authorized by the commission pursuant to
1503 this chapter.

1504 (b) A junket representative employed by a gaming licensee or affiliate of said licensee
1505 shall be licensed as a gaming employee in accordance with the provisions set forth in section 25,
1506 including provisions for the issuance of a temporary license; provided, however that said licensee
1507 need not be a resident of the commonwealth. Any person who holds a valid gaming employee
1508 license may act as a junket representative while employed by a gaming license or an affiliate.
1509 No gaming licensee shall employ or otherwise engage a junket representative who is not licensed
1510 pursuant to this chapter.

1511 (c) The commission shall deny an application for a license under this section if the
1512 commission finds that an applicant is disqualified pursuant to section 14 or may be unsuitable for
1513 licensure under any of the criteria set forth in section 19.

(d) Each gaming licensee, junket representative or junket enterprise shall file a report with the bureau with respect to each list of junket patrons or potential junket patrons purchased directly or indirectly by the gaming licensee, junket representative or enterprise.

(e) No junket enterprise or junket representative or person acting as a junket representative shall: (i) engage in efforts to collect upon checks that have been returned by banks without full and final payment; (ii) exercise approval authority with regard to the authorization or issuance of credit pursuant to this chapter; (iii) act on behalf of or under any arrangement with a gaming licensee or a gaming patron with regard to the redemption, consolidation, or substitution of the gaming patron's checks awaiting deposit; (iv) individually receive or retain any fee from a patron for the privilege of participating in a junket; or (v) pay for any services, including transportation, or other items of value provided to, or for the benefit of, any patron participating in a junket.

(f) The commission shall promulgate further regulations concerning the conduct of junkets and conditions of junket agreements between gaming licensees and junket representatives.

Section 31. (a) No gaming licensee shall offer to provide any complimentary services, gifts, cash or other items of value to any person unless the complimentary consists of room, food, beverage, transportation, or entertainment expenses provided directly to the patron and his guests by the licensee or indirectly to the patron and his guests on behalf of a third party, or the complimentary consists of coins, tokens, cash or other complimentary items or services provided through a complimentary distribution program which shall be filed and approved by the commission upon the implementation of the program or maintained pursuant to regulation.

1536 (b) A gaming licensee may offer and provide complimentary cash or noncash gifts which
1537 are not otherwise included in subsection (a) to any person, provided that any such gifts in excess
1538 of \$2,000 are documented by the licensee and detail the reasons why such gifts were provided to
1539 the patron.

1540 (c) Each gaming licensee shall maintain a regulated complimentary service account for
1541 thosecomplimentaries which are permitted under this section, and shall submit a quarterly report
1542 to the commission based upon such account and covering all complimentary services offered or
1543 engaged in by the licensee during the immediately preceding quarter. Such reports shall include
1544 identification of the regulated complimentary service and their respective costs, the number of
1545 persons by category of service who received the same and such other information as the
1546 commission may require.

1547 (d) The furnishing of a complimentary service or item by a casino licensee shall be
1548 deemed to constitute the indirect payment for the service or item by the casino licensee, and shall
1549 be valued in an amount based upon the retail price normally charged by the casino licensee for
1550 the service or item. The value of a complimentary service or item not normally offered for sale
1551 by a casino licensee or provided by a third party on behalf of a casino licensee shall be the cost to
1552 the casino licensee of providing the service or item, as determined in accordance with the rules
1553 of the commission.

1554 Section 32. (a) Upon revocation or suspension of a gaming license pursuant to section 20,
1555 or upon the failure or refusal to renew a gaming license the commission may appoint a
1556 conservator to temporarily manage and operate the business of the licensee relating to the
1557 gaming establishment. Such conservator shall be a person of similar experience in the field of

1558 gaming management and, in the case of replacing a gaming licensee, shall have experience
1559 operating a gaming facility of similar caliber in another jurisdiction, and shall be in good
1560 standing in all jurisdictions in which they operate any gaming facility.

1561 Upon appointment, a conservator shall agree to all licensing provisions of the former
1562 licensee.

1563 (b) A conservator shall, before assuming his duties, execute and file a bond for the
1564 faithful performance of his duties payable to the commission with such surety and in such form
1565 and amount as the commission shall approve.

1566 (c) The commission shall require that the former or suspended licensee purchase liability
1567 insurance, in an amount determined by the commission, to protect a conservator from liability for
1568 any acts or omissions of the conservator during his appointment which are reasonably related to,
1569 and within the scope of the conservator's duties.

1570 (d) During the period of temporary management of the resort casino, the commission
1571 shall initiate proceedings pursuant to this chapter to award a new gaming license to a qualified
1572 applicant whose gaming facility shall be located at the site of the preexisting gaming facility.

1573 (e) Applicants for a new gaming license shall be qualified for licensure pursuant to this
1574 chapter; provided, however, that the commission shall determine an appropriate level of
1575 investment by an applicant into the preexisting gaming facility.

1576 (f) Upon award of a gaming license, applicants shall pay the licensing fee for a category
1577 1, category 2 or category 3 license.

Section 33. (a) There shall be within the commission an investigations and enforcement bureau, which shall be the primary enforcement agent for regulatory matters under this chapter and shall perform such functions as the executive director may determine in relation to such enforcement including the investigations of all licensees under this chapter..The bureau shall be under the supervision and control of the deputy director. The deputy director shall be the executive and administrative head of the bureau and shall be responsible for administering and enforcing the provisions of law relative to the bureau and to each administrative unit thereof. The duties given to the deputy director in this chapter and in any other general or special law shall be exercised and discharged subject to the direction, control and supervision of the executive director.

(b) The bureau shall be a law enforcement agency and its employees shall have such law enforcement powers as to effectuate the purposes of this chapter, including the power to receive intelligence on any applicant or licensee under this chapter and to investigate any suspected violation of the provisions of this chapter.

(c) Officers and employees of the gaming enforcement unit of the state police assigned to the commission pursuant to section 70 of chapter 22C shall work with employees of the bureau, under the direction of the deputy director, to investigate violations of this chapter by any licensee under this chapter or any activity taking place on the premises of a gaming establishment. Officers assigned to work with the commission shall record their time and submit total hours to the commission. The commission shall reimburse the state police through monies appropriated from the gaming control fund pursuant to section 8.

1599 (d) The bureau shall notify the division of gaming enforcement in the office of the
1600 attorney general of any criminal violations by a gaming licensee. The bureau and the division
1601 shall cooperate on the regulatory and criminal enforcement of this chapter and may determine
1602 whether to proceed with civil or criminal sanctions, or both against said licensee.

1603 (e) To further effectuate the purposes of this chapter with respect to the investigation and
1604 enforcement of licensed gaming establishments and licensees, the bureau may obtain or provide
1605 pertinent information regarding applicants or licensees from or to law enforcement entities or
1606 gaming authorities and other domestic, federal or foreign jurisdictions, including the federal
1607 bureau of investigation, and may transmit such information to each other electronically.

1608 (f) The bureau, the division and the gaming enforcement unit of the department of state
1609 police shall have exclusive enforcement of any criminal violation that occurs inside a licensed
1610 gaming facility under this chapter; provided, however, that the state police shall execute a
1611 memorandum of understanding with the law enforcement agency of the host community that
1612 shall include, but not be limited to, procedures involving: (i) first responder calls from the
1613 gaming establishment; (ii) emergencies occurring within the gaming establishment, including the
1614 gaming facility; and (iii) criminal investigations involving employees or patrons of the gaming
1615 establishment; provided further that the bureau of investigations and enforcement shall have the
1616 authority to restrict areas in the gaming establishment with direct access to the gaming facility.

1617 Section 34. (a) The bureau shall have the authority to issue orders requiring persons to
1618 cease any activity which is in violation of the provisions of this chapter, any regulation adopted
1619 hereunder, or any law related to gaming in the commonwealth. The commission or bureau may,

1620 in its order, require compliance with such terms and conditions as are reasonably necessary to
1621 effect the purposes of this chapter.

1622 (b) If the bureau finds, in accordance with the procedures established in section 35 and
1623 the regulations adopted thereunder, that any person is not in compliance with any order issued
1624 pursuant to this section, it shall assess a civil administrative penalty on such person as provided
1625 in said section 35 and the regulations adopted thereunder. The penalty may be assessed whether
1626 or not the violation was willful. In determining the amount of the civil penalty, the bureau shall
1627 consider: (i) the nature of the violation; (ii) the length of time the violation occurred; (iii) the risk
1628 to the public and to the integrity of gaming operations created by the conduct of the licensee or
1629 registrant; (iv) the seriousness of the conduct of the licensee or registrant; (v) any justification or
1630 excuse for such conduct by the licensee or registrant; (vi) the prior history of the particular
1631 license or registrant involved with respect to gaming activity; (vii) any corrective action taken by
1632 the licensee or registrant to prevent future misconduct; (viii) and other relevant factors.

1633 (c) In addition to collecting any civil penalties recoverable under this chapter or any other
1634 general or special law, the bureau may bring an action in the superior court to restrain, prevent or
1635 enjoin any conduct prohibited by this chapter or to compel action to comply immediately and
1636 fully with any order issued by the bureau. Except in cases of emergency where, in the opinion of
1637 the court, immediate abatement of the unlawful conduct is required to protect the public interest,
1638 the court may in its decree fix a reasonable time during which the person responsible for the
1639 unlawful conduct may abate and correct the violation. The expense of the proceeding shall be
1640 recoverable from the licensee and deposited into the gaming revenue fund pursuant to section 52.

(d) Upon a recommendation from the bureau, the commission shall issue orders to condition, suspend or revoke a license or permit issued under this chapter.

(e) Notwithstanding the foregoing, the bureau shall be authorized to issue an order to cease and desist any activity if the bureau finds that a licensee has engaged in or is about to engage in an act or practice which constitutes a violation of this chapter or laws of the commonwealth and may take such affirmative action to effect the order. If the bureau finds that the licensee is engaged in an act or practice that would cause irreparable harm to the security and integrity of the gaming establishment or the interests of the commonwealth in ensuring the security and integrity of gaming under this chapter, the bureau may issue a temporary suspension of the license.

(f) Any licensee who has been issued a temporary order of suspension by the bureau shall be entitled to a hearing before the commission on such suspension within 7 days that the order was issued. At the conclusion of the hearing, the commission may issue a final order to condition, suspend or revoke the license in question.

(g) Any licensee shall have the right to an adjudicatory hearing on an order issued by the bureau or commission pursuant to chapter 30A.

Section 35. (a) The bureau may assess a civil administrative penalty on a licensee or registrant who fails to comply with any provision of this chapter or any regulation or order adopted by the commission; provided, however, that such noncompliance occurred after the bureau had given such person written notice of such noncompliance and the time stated in said notice for coming into compliance had elapsed; provided, however, that the bureau may assess such penalty without providing such written notice if such failure to comply: (i) was part of a

pattern of noncompliance and not an isolated instance; (ii) was willful or neglectful and not the result of error; (iii) resulted in a significant breach to the integrity of the gaming establishment or gaming laws of the commonwealth; and (iv) consisted of failure to promptly report any knowledge of a potential violation of this chapter to the commission. Any such penalty shall be in addition to any other civil penalty that may be prescribed by law.

(b) For the purpose of determining whether such noncompliance was part of a pattern of noncompliance and not an isolated instance, the bureau shall consider without limitation the following: (i) whether the bureau had previously notified the person of such noncompliance on more than one occasion during the previous month or of any noncompliance with the same provision of a law, regulation, order, license or approval as the current noncompliance during the previous 6 month period; or (ii) whether the current and previous noncompliances, considered together, indicate a potential threat to the integrity of the gaming establishment and gaming in the commonwealth or an interference with the commission's ability to efficiently and effectively regulate gaming in the commonwealth and enforce any regulation, license or order. If a licensee or registrant who has received a notice of noncompliance fails to come into compliance within the time period stated in such notice, the civil administrative penalty may be assessed by the bureau upon such licensee or registrant from the date of receipt of such notice.

(c) Whenever the bureau seeks to assess a civil administrative penalty on any licensee or registrant, the bureau shall cause to be served upon such licensee or registrant, either by service, in hand, or by certified mail, return receipt requested, a written notice of its intent to assess a civil administrative penalty which shall include a concise statement of the alleged act or omission for which such civil administrative penalty is sought to be assessed, each law, regulation, order, license or approval which has not been complied with as a result of such

1686 alleged act or omission, the amount which the bureau seeks to assess as a civil administrative
1687 penalty for each such alleged act or omission, a statement of such licensee's or registrant's right
1688 to an adjudicatory hearing on the proposed assessment, the requirements such licensee or
1689 registrant must comply with to avoid being deemed to have waived the right to an adjudicatory
1690 hearing and the manner of payment thereof if such person elects to pay the penalty and waive an
1691 adjudicatory hearing. After written notice of noncompliance or intent to assess a civil
1692 administrative penalty has been given, each such day thereafter during which such
1693 noncompliance occurs or continues shall constitute a separate offense and shall be subject to a
1694 separate civil administrative penalty if reasonable efforts have not been made to promptly come
1695 into compliance.

1696 (d) Whenever the bureau seeks to assess a civil administrative penalty on any licensee or
1697 registrant, such licensee or registrant shall have the right to an adjudicatory hearing under
1698 chapter 30A whose provisions shall apply except when they are inconsistent with the provisions
1699 of this chapter.

1700 (e) Such licensee or registrant shall be deemed to have waived such right to an
1701 adjudicatory hearing unless, within 21 days of the date of the bureau's notice that it seeks to
1702 assess a civil administrative penalty, such licensee or registrant files with the bureau a written
1703 statement denying the occurrence of any of the acts or omissions alleged by the bureau in such
1704 notice, or asserting that the money amount of the proposed civil administrative penalty is
1705 excessive. In any adjudicatory hearing authorized pursuant to chapter 30A, the bureau shall, by a
1706 preponderance of the evidence, prove the occurrence of each act or omission alleged by the
1707 bureau.

1708 (f) If a licensee or registrant waives his right to an adjudicatory hearing, the proposed
1709 civil administrative penalty shall be final immediately upon such waiver. If a civil
1710 administrative penalty is assessed at the conclusion of an adjudicatory hearing, said civil
1711 administrative penalty shall be final upon the expiration of 30 days if no action for judicial
1712 review of such decision is commenced pursuant to chapter 30A.

1713 (g) Any licensee or registrant who institutes proceedings for judicial review of the final
1714 assessment of a civil administrative penalty shall place the full amount of the final assessment in
1715 an interest-bearing escrow account in the custody of the clerk or magistrate of the reviewing
1716 court. The establishment of such an interest-bearing escrow account shall be a condition
1717 precedent to the jurisdiction of the reviewing court unless the party seeking judicial review
1718 demonstrates in a preliminary hearing held within 20 days of the filing of the complaint either
1719 the presence of a substantial question for review by the court or an inability to pay. Upon such a
1720 demonstration, the court may grant an extension or waiver of the interest-bearing escrow account
1721 or may require, in lieu of such interest-bearing escrow account, the posting of a bond payable
1722 directly to the commonwealth in the amount of 125 per cent of the assessed penalty. If, after
1723 judicial review, in a case where the requirement for an escrow account has been waived, and in
1724 cases where a bond has been posted in lieu of such requirement, the court affirms, in whole or in
1725 part, the assessment of a civil administrative penalty the commission shall be paid the amount
1726 thereof together with interest at the rate set forth in section 6C of chapter 231. If, after such
1727 review in a case where an interest-bearing escrow account has been established, the court affirms
1728 the assessment of such penalty, in whole or in part, the commission shall be paid the amount
1729 thereof together with the accumulated interest thereon in such interest-bearing escrow account. If
1730 the court sets aside the assessment of a civil administrative penalty in a case where the amount of

such penalty has been deposited in an interest-bearing escrow account, the licensee or registrant on whom the civil administrative penalty was assessed shall be repaid the amount so set aside, together with the accumulated interest thereon.

(h) Each licensee or registrant who fails to pay a civil administrative penalty on time, and each person who issues a bond pursuant to this section and who fails to pay to the commission on time the amount required hereunder, shall be liable to the commonwealth for up to 3 times the amount of the civil administrative penalty, together with costs, plus interest from the time the civil administrative penalty became final and attorneys' fees, including all costs and attorneys' fees incurred directly in the collection thereof. The rate of interest shall be the rate set forth in section 6C of chapter 231. The bureau shall be authorized to require that the amount of a civil administrative penalty imposed pursuant to this section exceed any economic benefit realized by a person for noncompliance.

Section 36. (a) Any person who willfully fails to report, pay, or truthfully account for and pay over any license fee or tax imposed by the provisions of this chapter or by the regulations promulgated hereunder, or willfully attempts in any manner to evade or defeat any such license fee, tax or payment thereof shall be punished by imprisonment in the state prison for not more than 5 years or in a jail or house of correction for not more than 2 and one-half years, or a fine of not more than \$100,000, or both such fine and imprisonment, and in the case of a person other than a natural person, the amount of a fine up to \$5,000,000.

(b) Any person who willfully resists, prevents, impedes, interferes with, or makes any false, fictitious, or fraudulent statement or representation to the authority or to the division or to their agents or employees in the performance of their duties pursuant to this chapter shall be

1753 punished by imprisonment in the state prison for not more than 5 years or in a jail or house of
1754 correction for not more than 2 and one-half years, or a fine of not more than \$25,000, or both
1755 such fine or imprisonment.

1756 (c) Any person who conducts or operates, or permits to be conducted or operated, any
1757 game, electronic gaming equipment in violation of the licensing provisions of this chapter or the
1758 regulations adopted hereunder shall be punished by imprisonment in the state prison for not more
1759 than 5 years or imprisonment in a jail or house of correction for not more than 2 and one-half
1760 years, or a fine of not more than \$25,000, or both such fine or imprisonment, and in the case of a
1761 person other than a natural person, the amount of a fine up to \$100,000.

1762 (d) Any licensee who, without the permission of the authority, (1) places controlled
1763 games or electronic gaming equipment into play or displays such controlled games or electronic
1764 gaming equipment in gaming establishment or (2) receives, directly or indirectly, any
1765 compensation or reward or any percentage or share of the revenue, for keeping, running, or
1766 carrying on any controlled game, or owning the real property or location in which any controlled
1767 game occurs, shall be punished by imprisonment in a jail or house of correction for not more
1768 than 2 and one-half years, or by a fine of not more than \$25,000, or both, and in the case of a
1769 person other than a natural person, the amount of a fine up to \$100,000.

1770 (e) Any person who conducts or operates any controlled game or electronic gaming
1771 equipment after his license has expired and prior to the actual renewal thereof shall be punished
1772 by imprisonment in a jail or house of correction for not more than 1 and one-half years, or a fine
1773 of not more than \$25,000, or both such fine or imprisonment, and in the case of a person other
1774 than a natural person, the amount of a fine up to \$100,000.

1775 (f) In addition to the provisions of section 75 of chapter 266, a person is guilty of
1776 swindling and cheating if the person purposely or knowingly by any trick or sleight of hand
1777 performance or by a fraud or fraudulent scheme, cards, dice, or other gaming equipment, for
1778 himself or for another or a representative of either, wins or attempts to win money or property, ,
1779 or reduces a losing wager or attempts to reduce a losing wager in connection to controlled
1780 gaming.

1781 (g) The penalties for swindling and cheating offenses shall be as follows:

1782 Any person who swindles or cheats where the amount involved is \$75,000 or more shall
1783 be punished by imprisonment in the state prison for not more than 10 years, or in a jail or house
1784 of correction for not more than 2 and one-half years or by a fine of not more than \$1,000,000, or
1785 both such fine or imprisonment.

1786 Any person who swindles or cheats where the amount involved is \$10,000 or more and
1787 less than \$75,000 shall be punished by imprisonment in the state prison for not more than 5
1788 years, or in a jail or house of correction for not more than 2 and one-half years or by a fine of
1789 not more than \$500,000, or both.

1790 Any person who swindles or cheats where the amount involved is \$1,000 or more and
1791 less than \$10,000 shall be punished by imprisonment in the state prison for not more than 3 years
1792 or imprisonment in a jail or house of correction for not more than 2 and one-half years, or by a
1793 fine of not more than \$100,000, or both such fine and imprisonment.

1794 Any person who swindles or cheats where the amount involved is less than \$1,000 shall
1795 be punished by imprisonment in a jail or house of correction for not more than 2 and one-half
1796 years, or by a fine of not more than \$10,000, or both such fine or imprisonment.

1797 (h) Each episode or transaction of swindling or cheating may be the subject of a separate
1798 prosecution and conviction. In the discretion of the prosecutor, multiple episodes or transactions
1799 of swindling and cheating committed as part of a single scheme or course of conduct may be
1800 treated as a single offense, and the amounts involved in acts of swindling and cheating
1801 committed according to a scheme or course of conduct, whether by the same person or several
1802 persons, may be aggregated in determining the amount involved in the offense.

1803 (i) Any person, who in playing, conducting or operating a game in a licensed gaming
1804 establishment, uses or assists another in the use of (1) a computerized, electronic, electrical, or
1805 mechanical device, which is designed, constructed, or programmed specifically for use in
1806 obtaining an advantage in any game in a licensed casino or gaming establishment or (2) any
1807 other swindling or cheating device, including, but not limited to, bogus or counterfeit chips,
1808 coins or dice; coins or tokens attached to strings or wires; marked cards; electronic or magnetic
1809 devices; or tools, drills, wires, keys, or devices designed for the purpose of and suitable for
1810 opening, entering, or affecting the operation of any gaming equipment, or for removing money
1811 or other contents there from, shall be punished by imprisonment in the state prison for not more
1812 than 5 years or imprisonment in a jail or house of correction for not more than 2 and one-half
1813 years, or by a fine of not more than \$25,000, or both such fine and imprisonment.

1814 (j) Any person who possesses any computerized, electronic, electrical, or mechanical
1815 device or other swindling or cheating device described in clause (1) of subsection (i) with the
1816 intent to defraud, cheat, or swindle shall be punished by imprisonment in a jail or house of
1817 correction for not more than 2 and one-half years, or a fine of not more than \$10,000, or both
1818 such fine or imprisonment.

1819 (k) Possession of any computerized, electronic, electrical, or mechanical device or other
1820 swindling or cheating device described in clause (1) of subsection (i) within a casino or gaming
1821 establishment shall constitute prima facie evidence of an intent to defraud, cheat or swindle,
1822 except that possession by any licensee, or employee of a licensee, acting in furtherance of his
1823 employment within a licensed casino or gaming establishment shall not constitute such prima
1824 facie evidence.

1825 (l) Any swindling or cheating device used or possessed in violation of this section shall
1826 be subject to seizure and forfeiture by the bureau.

1827 (m) It shall be unlawful for any licensee or employee to: knowingly conduct or operate,
1828 or allow to be conducted or operated, any swindling or cheating game or device; or knowingly
1829 conduct or operate or expose for play any game or games played with cards, dice, or any
1830 electronic or mechanical device, or any combination of games or devices, which have in any
1831 manner been marked or tampered with, or placed in a condition, or operated in a manner, the
1832 result of which tends to deceive the public or tends to alter the normal random selection of
1833 characteristics or the normal chance of the game or to alter the result of the game.

1834 (n) Any person who violates this section shall be punished by imprisonment in the state
1835 prison for not more than 5 years or imprisonment in a jail or house of correction for not more
1836 than 2 and one-half years, or by a fine of not more than \$25,000, or both such fine and
1837 imprisonment, and in the case of a person other than a natural person, the amount of a fine up to
1838 \$100,000.

1839 (o) Any swindling or cheating game or device used in violation of this section shall be
1840 subject to seizure and forfeiture by the division.

1841 (p) Any person who manufactures, distributes, sells, or services any gaming equipment in
1842 violation of the provisions of this chapter or the regulations promulgated by the authority for the
1843 purposes of defrauding, cheating, or swindling any person playing, operating, or conducting a
1844 controlled game at a casino or gaming establishment shall be punished by imprisonment in the
1845 state prison for not more than 5 years or imprisonment in a jail or house of correction for not
1846 more than 2 and one-half years, or a fine of not more than \$25,000, or both such fine and
1847 imprisonment.

1848 (q) Any such unlawfully manufactured, distributed, sold, or serviced gaming equipment
1849 shall be subject to seizure and forfeiture by the division.

1850 (r) Any person who, without obtaining the requisite license or registration as provided in
1851 this chapter, works or is employed in a position whose duties would require licensing or
1852 registration under the provisions of this chapter shall be punished by imprisonment in a house of
1853 correction for not more than 6 months, or a fine of not more than \$10,000, or both.

1854 (s) Any person who employs or continues to employ an individual not duly licensed or
1855 registered under the provisions of this chapter in a position the duties of which require a license
1856 or registration under the provisions of this chapter shall be punished by imprisonment in a jail or
1857 house of correction for not more than 6 months, or by a fine of not more than \$10,000, or both
1858 such fine or imprisonment, and in the case of a person other than a natural person, the amount of
1859 a fine up to \$100,000.

1860 (t) Any person under the age of 21 who plays, places wagers at, or collects winnings
1861 from, whether personally or through an agent, any controlled game shall be punished by

1862 imprisonment in a jail or house of correction for not more than 6 months, or a fine of not more
1863 than \$1,000, or both such fine or imprisonment.

1864 (u) Any licensee or employee who knowingly allows a person under the age of 21 to
1865 play, place wagers at, or collect winnings from any controlled game, whether personally or
1866 through an agent, shall be punished by imprisonment in a jail or house of correction for not
1867 more than 1 year, or a fine of not more than \$10,000, or both such fine or imprisonment, and in
1868 the case of a person other than a natural person, the amount of a fine may be up to \$500,000. A
1869 subsequent violation of this section shall subject the licensee or employee to imprisonment in a
1870 house of correction for not more than 2 years, or a fine of not more than \$50,000, or both such
1871 fine or imprisonment, and in the case of a person other than a natural person, the amount of a
1872 fine up to \$1,000,000.

1873 (w) This section shall apply to any person who, from within the commonwealth,
1874 transmits a wager to, or receives a wager from, another person or gaming establishment within or
1875 outside of the commonwealth (x) This section shall not apply to the use of a local area network
1876 as a means to place authorized wagers in a licensed gaming establishment, or use of said devices
1877 or equipment by the authority in its duties in regulating, enforcing or auditing a licensed gaming
1878 operator.

1879 (y) A licensee of a gaming establishment who knowingly fails to exclude from the
1880 premises of their licensed gaming establishment any person placed by the commission on the list
1881 of excluded persons shall be punished by a fine of not more than \$5,000 or by imprisonment in a
1882 jail or house of correction for not more than one year, or by both such fine and imprisonment.

1883 Section 37. All penalties collected pursuant to this chapter and any renewal fees for a
1884 gaming establishment shall be deposited into the gaming revenue fund established by section 52.

1885 Section 38. (a) The commission shall, by regulation, provide for the establishment of a
1886 list of excluded persons who are to be excluded or ejected from a gaming establishment. Such
1887 provisions shall include standards relating to persons: (1) who are repeat offenders as defined by
1888 the commission;(2) who are convicted of a criminal offense under the laws of any state or the
1889 United States, punishable by more than 6 months in prison or is a crime of moral turpitude; or (3)
1890 whose presence in a licensed gaming establishment would, in the opinion of the commission,
1891 pose an injurious threat to the interests of the commonwealth in the gaming establishment.

1892 (b) The commission shall further define categories of persons who shall be excluded
1893 pursuant to this section, including cheats and persons whose privileges for licensure or
1894 registration have been revoked. No person shall be placed on the list of excluded persons due to
1895 race, color, religion, national origin, ancestry, sexual orientation, disability or sex.

1896 (c) The commission shall impose sanctions upon a licensed gaming establishment if such
1897 establishment knowingly fails to exclude or eject from its premises any person placed by the
1898 commission on the list of excluded persons.

1899 (d) The list compiled by the commission of persons to be excluded shall not be deemed
1900 an all-inclusive list, and licensed gaming establishments shall have a duty to keep from their
1901 premises persons known to them to be within the classifications in subsection (a) or who whose
1902 presence in their establishment would be injurious to the interests of the gaming establishment
1903 itself or to the commonwealth, or both, as defined by standards set forth by the commission.

1904 (e) Upon petition by any unit under the commission or the division that the name of a
1905 person be placed on the list , the commission shall serve written notice upon such person by
1906 personal service, registered or certified mail return receipt requested to the last ascertainable
1907 address, or by publication in a daily newspaper of general circulation for 1 week.

1908 (f) Within 30 days of receipt of service by mail or 60 days after the last publication
1909 pursuant to subsection (c), a person placed on the list may request an adjudicatory hearing before
1910 the commission pursuant to chapter 30A and show cause as to why the name of said person
1911 should be removed from the list. If the commission determines that the regulation should not
1912 apply to the person, the commission shall remove them from the list and notify all gaming
1913 licensees under the chapter. Any such person aggrieved by a final decision of the commission in
1914 any adjudicatory proceeding under this section may petition for judicial review in accordance
1915 with the provisions of section 14 of chapter 30A.

1916 (g) The commission shall establish a list of self-excluded persons from gaming activity at
1917 gaming establishments. A person may request his name to be placed on the list of self-excluded
1918 persons by filing a statement with the commission acknowledging that said person is a problem
1919 gambler and by agreeing that, during any period of voluntary exclusion, said person may not
1920 collect any winnings or recover any losses resulting from any gaming activity at a gaming
1921 establishment. The commission shall promulgate further regulations for the list of self-excluded
1922 persons including procedures for placement, removal and transmittal of such self-exclusion to
1923 gaming establishments.

1924 (g ½) Gaming establishments shall not market to persons on the excluded persons list.

1925 (h) A person who is prohibited from gaming in a gaming establishment pursuant to this
1926 section shall not collect any winnings or recover any losses arising as a result of any prohibited
1927 activity. Any winnings obtained by a prohibited persons shall be forfeited to the commission and
1928 deposited into the gaming revenue fund established by section 52.

1929 Section 39. (a) No applicant for a gaming license, nor any holding, intermediary or
1930 subsidiary company thereof, nor any officer, director, gaming key employee or principal
1931 employee of an applicant for or holder of a gaming license or of any holding, intermediary or
1932 subsidiary company thereof nor any person or agent on behalf of any such applicant, holder,
1933 company or person, shall directly or indirectly, pay or contribute any money or thing of value to
1934 any candidate for nomination or election to any public office in the commonwealth or to any
1935 group, political party, committee or association organized in support of any such candidate or
1936 political party; except that the provisions of this section shall not be construed to prohibit any
1937 individual who is a candidate for public office from contributing to the candidate's own
1938 campaign.

1939 (b) No political contributions or contributions in kind shall be made to the governing
1940 body of a host community of any gaming establishment by a gaming licensee under this act
1941 outside of the host community agreement approved by the Massachusetts gaming commission.
1942 Any such contributions made to a host community by an applicant prior to issuance of a gaming
1943 license by the commission shall be disclosed by the applicant. This provision shall not preclude
1944 charitable contributions to a host community which shall be disclosed by a licensee to the
1945 commission.

1946 Section 40. (a) A category 1 licensee shall pay a daily tax of 25 per cent on gross gaming
1947 revenues.

1948 (b) Category 2 and category 3 licensees shall pay a daily tax of 40 per cent on gross
1949 gaming revenue.

1950 (c) In addition to the tax imposed under subsection (b), category 2 licensees shall pay a
1951 daily assessment of 8 per cent and category 3 licensees shall pay a daily assessment of 10 per
1952 cent of their gross gaming revenue to the Massachusetts race horse development fund established
1953 by section 53.

1954 (d) If a category 2 and a category 3 license merger is approved by the commission
1955 pursuant to section 20, the new category 2 licensee shall pay a daily assessment of 9 per cent of
1956 their gross gaming revenue to the Massachusetts race Horse Development Fund established by
1957 section 53.

1958 (e) Taxes imposed under this section shall be remitted to the commission by a gaming
1959 licensee the day following each day of wagering.

1960 Section 41. A category 1 licensee, a category 2 licensee and a category 3 licensee shall be
1961 subject to chapters 62 through 62E, inclusive, and chapters 63 through 63B, inclusive.

1962 Section 42 Any liability to the commonwealth under this chapter shall constitute a debt to
1963 the commonwealth. Any such debt shall constitute a lien on all commercial property owned by a
1964 gaming licensee in the commonwealth, once a statement naming such licensee is recorded,
1965 registered or filed, and shall have priority over any encumbrance theretofore recorded, registered
1966 or filed with respect to any site.

1967 Section 43. Prior to disbursement of a prize in excess of \$600, a licensee shall review
1968 information furnished by the IV-D agency and by the department of revenue, as set forth in
1969 chapter 119A and in this section to ascertain whether the holder of a winning ticket owes past
1970 due child support to the commonwealth or to an individual to whom the IV-D agency is
1971 providing services, and to ascertain whether the holder of a winning ticket owes any past-due tax
1972 liability to the commonwealth. If the holder owes past-due child support or a past-due tax
1973 liability, the licensee shall notify the IV-D agency or the commonwealth, respectively, of the
1974 holder's name, address and social security number. Subsequent to statutory state and federal tax
1975 withholding, the licensee shall first disburse to the IV-D agency the full amount of the prize or
1976 such portion of the prize that satisfies the holder's past-due child support obligation and, if funds
1977 remain available after that disbursement, the licensee shall disburse to the department of revenue
1978 the full amount of the prize or such portion of the prize that satisfies the holder's past-due tax
1979 liability. The licensee shall disburse to the holder only that portion of the prize, if any, remaining
1980 after the holder's past-due child support obligation and the holder's past-due tax liability have
1981 been satisfied.

1982 Section 44. The division shall, on a monthly basis, transmit to the department of
1983 transitional assistance and to the IV-D agency, as set forth in chapter 119A, a list of all persons
1984 who were the holders of any winning ticket in excess of \$600.00 in the prior month. The
1985 information shall be provided in a format which is compatible with the automated data
1986 processing systems of said departments, to ensure the immediate identification of persons who
1987 may be receiving public assistance benefits. The information provided shall include the name,
1988 address and social security number of the holder of the winning ticket.

1989 Section 45. Unclaimed prize money shall be retained by the licensee for the person
1990 entitled thereto for 1 year after the drawing in which the prize was won. If no claim is made for
1991 said money within such year, the prize money shall be deposited in the gaming revenue fund
1992 established by section 52.

1993 Section 46. If the person entitled to a prize or any winning ticket is under the age of 21
1994 years said prize shall be remitted to the commission and deposited into the gaming revenue fund
1995 established by section 52.

1996 Section 47. A gaming establishment, including any business located within such
1997 establishment, shall not be a certified project within the meaning of section 3F of chapter 23A.
1998 Gaming establishments shall not be designated an economic opportunity area within the meaning
1999 of section 3E of chapter 23A. Gaming establishments are not eligible for tax increment financing
2000 as set forth in section 59 of chapter 40 or special tax assessments set forth in section 3E of
2001 chapter 23A. Gaming establishments may not be classified and taxed as recreational land under
2002 the provisions of chapter 61B. Gaming establishments may not be designated as a development
2003 district within the meaning of chapter 40Q. Unless otherwise provided, a gaming establishment
2004 or any business located or to be located within a resort casino is not eligible for the following
2005 credits or deductions listed in chapter 62 or chapter 63: the investment tax credit under section
2006 31A of chapter 63, the employment credit under section 31C of chapter 63, the van pool credit
2007 under section 31E of chapter 63, the deduction for expenditures for industrial waste treatment or
2008 air pollution control under section 38D of chapter 63, the deduction for compensation paid to an
2009 eligible business facility's employees domiciled in a section of substantial poverty under section
2010 38F of chapter 63, the alternative energy sources deduction under section 38H of chapter 63, the
2011 research expense credit under section 38M of chapter 63, the economic opportunity area credit

2012 under section 6(g) of chapter 62, and section 38N of chapter 63, the abandoned building
2013 deduction under section 3B(a)(10) of chapter 62, and section 38O of chapter 63, the harbor
2014 maintenance tax credit under section 38P of chapter 63, the brownfields credit under section 6(j)
2015 of chapter 62, and section 38Q of chapter 63, the historic rehabilitation tax credit under section
2016 6J of chapter 62 and section 38R of chapter 63, the automatic sprinkler system depreciation
2017 deduction under section 38S of chapter 63, and the credit for a solar water heating system under
2018 section 38T of chapter 63.

2019 Section 48 The sale, assignment, transfer, pledge or other disposition of any security
2020 issued by a corporation, which holds a gaming license is conditional and shall be ineffective if
2021 disapproved by the commission. If at any time the commission finds that an individual owner or
2022 holder of any security of a corporate licensee or of a holding or intermediary company with
2023 respect thereto is not qualified under this chapter, and if as a result the corporate licensee is no
2024 longer qualified to continue as a gaming licensee in the commonwealth, the commission shall
2025 take any action necessary to protect the interests of the commonwealth including, but not limited
2026 to, suspension or revocation of the gaming license of the corporation.

2027 Each corporation which has been issued a gaming license pursuant to the provisions of
2028 this chapter shall file a report of any change of its corporate officers or members of its board of
2029 directors with the commission. No officer or director shall be entitled to exercise any powers of
2030 office until qualified by the commission.

2031 Section 49. The commission shall audit as often as the commission determines
2032 necessary, but not less than annually, the accounts, programs, activities, and functions of all
2033 licensees, and for said purpose the authorized officers and employees of the commission shall

2034 have access to such accounts at reasonable times and the commission may require the production
2035 of books, documents, vouchers and other records relating to any matter within the scope of such
2036 audit, except tax returns. The superior court shall have jurisdiction to enforce the production of
2037 records that the commission requires to be produced pursuant to this section, and the court shall
2038 order the production of all such records within the scope of any such audit. All such audits shall
2039 be conducted in accordance with generally accepted auditing standards established by the
2040 American Institute of Certified Public Accountants. In any audit report of the accounts, funds,
2041 programs, activities, and functions of a licensee issued by the commission, containing adverse or
2042 critical audit results, the commission may require a response, in writing, to such audit results.
2043 Such response shall be forwarded to the commission within 15 days of notification by the
2044 commission.

2045 On or before April 1 of each year, the commission shall submit a report to the clerks of
2046 the house of representatives and the senate who shall forward the same to the house and senate
2047 committees on ways and means which shall include, but not be limited to: (i) the number of
2048 audits performed under this section; (ii) a summary of findings under said audits; and (iii) the
2049 cost of each audit.

2050 Section 50. Unless the commission otherwise determines it to be in the best fiscal
2051 interests of the commonwealth, the commission shall utilize the services of a private testing
2052 laboratory that has obtained a license as a gaming vendor pursuant to section 26 to perform the
2053 testing of slot machines and other gaming equipment, and may also utilize applicable data from
2054 any such private testing laboratory, or from a governmental agency of a state other than the
2055 Massachusetts, authorized to regulate slot machines and other gaming equipment.

2056 Section 51. There is hereby established and placed upon the books of the commonwealth a
2057 Gaming Licensing Fund which shall receive all licensing fees collected from applicants in
2058 receipt of a category 1, 2 or 3 gaming license. The fund shall expire on December 31, 2015. The
2059 commission shall be the trustee of the fund and shall transfer monies in the fund in order of the
2060 following provisions:-

2061 \$15,000,000 to the community mitigation fund established by section 54;

2062 \$5,000,000 to the General Fund to reimburse the General Fund for the initial regulatory
2063 costs of the commission;

2064 \$40,000,000 to the local capital projects fund established by section 58;

2065 \$50,000,000 shall be transferred to the Manufacturing Fund established by section 56;

2066 \$25,000,000 shall be transferred to the Community College Fund established by section
2067 57;

2068 \$3,000,000 to the Massachusetts tourism fund established pursuant to section 35J of
2069 chapter 10;

2070 Any remaining monies in the fund after disbursement to sections 1 through 6 shall be
2071 transferred to the commonwealth stabilization fund established by section 2H of chapter 29;

2072 Section 52. There is hereby established and placed upon the books of the commonwealth
2073 a Gaming Revenue Fund which shall receive revenues collected from the tax on gross gaming
2074 revenue received from gaming licensees. The commission shall be the trustee of the fund and
2075 shall transfer monies in the fund in accordance with the following provisions:-

2076 (1) Until a category 1 facility is operational, one hundred per cent of the revenue received
2077 from category 2 and category 3 licensees shall be transferred to the gaming local aid fund
2078 established by section 55.

2079 (2) Upon the opening of a category 1 facility, all monies received into the fund shall be
2080 transferred as follows:

2081 (a) One per cent of revenues shall be transferred to the Massachusetts cultural council of
2082 which one half of revenues received shall be dedicated to the organization support program of
2083 the Massachusetts cultural council and of which not less than one half of revenues shall be
2084 dedicated to support not-for-profit or municipally-owned performing arts centers impacted as a
2085 result of the licensure of gaming facilities in the commonwealth of Massachusetts. Funds
2086 dedicated to such performing arts centers shall be for the purpose of subsidizing fees paid to
2087 touring shows or artists; provided, however that funding shall be appropriated through a
2088 competitive grant process to be developed and administered by the Massachusetts cultural
2089 council.

2090 (b) one percent shall be transferred to the Massachusetts tourism fund established
2091 pursuant to section 35J of chapter 10 which shall fund tourist promotion agencies as defined in
2092 subsection (c).

2093 (c) Two per cent shall be transferred to the community mitigation fund established by
2094 section 54; provided, however, that said fund balance shall not exceed \$15,000,000. Funds in
2095 excess of \$15,000,000 shall be transferred to the local capital projects fund established by section
2096 58;

2097 (d) Six per cent shall be transferred to the local capital projects fund established by
2098 section 58;

2099 (e) Thirty per cent shall be transferred to the gaming local aid fund established by section
2100 55;

2101 (f) Thirty per cent shall be transferred to the commonwealth stabilization fund established
2102 by section 2H of chapter 29; provided, however, that in any fiscal year in which the amount
2103 appropriated in item 7061-0008 of the general appropriation act, paid from the General Fund, or
2104 the amount of unrestricted general government aid paid from the general fund, including lottery
2105 aid distribution to cities and towns as paid from the General Fund in accordance with clause (c)
2106 of the second paragraph of section 35 of chapter 10 of the General Laws and the amount of
2107 additional funds distributed to cities and towns as additional assistance paid from the General
2108 Fund, is less than that of the previous fiscal year, up to one-half of the funds otherwise directed
2109 to the Commonwealth Stabilization Fund pursuant to this section, up to an amount equal to the
2110 deficiency between said appropriations for the current and previous fiscal years, shall be
2111 transferred to the gaming local aid fund in addition to the thirty percent provided for in
2112 subsection (e);

2113 (g) Thirty per cent shall be transferred to the Education Fund established by section 59.

2114 Section 53 (a) There is hereby established and placed upon the books of the
2115 commonwealth a Race Horse Development Fund to be administered by the commission. The
2116 commission shall make distributions from the race horse fund to each of the active and operating
2117 category 2 licensees conducting live racing.

2118 (b) Funds from the race horse development fund shall be distributed in proportion to the
2119 gross gaming revenue of each category 2 licensee; provided that the funds received by each
2120 licensee shall be allocated in accordance with the following provisions:

2121 (i) eighty per cent shall be deposited weekly into a separate, interest-bearing purse
2122 account to be established by and for the benefit of the horsemen. The earned interest on the
2123 account shall be credited to the purse account. Licensees shall combine these funds with
2124 revenues from existing purse agreements to fund purses for live races consistent with those
2125 agreements with the advice and consent of the horsemen;

2126 (ii) for a thoroughbred track, 16 per cent shall be deposited on a monthly basis into the
2127 Massachusetts thoroughbred breeding program authorized by the commission pursuant to section
2128 2 of chapter 128;

2129 (iii) for a harness track, 8 per cent shall be deposited on a monthly basis into the
2130 Massachusetts standardbred breeding program authorized by the commission pursuant to section
2131 2 of chapter 128 and an additional 8 per cent shall be deposited on a monthly basis into a
2132 standardbred breeder development program authorized by the commission;

2133 (iv) four per cent shall be used to fund health and pension benefits for the members of the
2134 horsemen's organizations representing the owners and trainers at the racetrack at which the
2135 category 2 licensee operates for the benefit of the organization's members, their families,
2136 employees and others in accordance with the rule and eligibility requirements of the
2137 organization, as approved by the commission. This amount shall be deposited within 5 business
2138 days of the end of each month into a separate account to be established by each respective
2139 horsemen's organization at a banking institution of its choice. Of this amount, the commission

2140 shall determine how much should be paid annually by the horsemen's organization to the
2141 thoroughbred jockeys or standardbred drivers organization at the racetrack at which the licensed
2142 racing entity operates for health insurance, life insurance or other benefits to active and disabled
2143 thoroughbred jockeys or standardbred drivers in accordance with the rules and eligibility
2144 requirements of that organization.

2145 Section 54 (a) There shall be established and set up on the books of the commonwealth a
2146 separate fund to be known as the Community Mitigation Fund. The community fund shall
2147 consist of monies transferred under section 52 and all other monies credited or transferred to the
2148 fund from any other fund or source pursuant to law; provided, however, that the balance of the
2149 fund shall not exceed \$15,000,000.

2150 (b) The commission shall administer the fund and, without further appropriation, shall
2151 expend monies in the fund to assist contiguous communities in offsetting costs related to the
2152 construction and operation of a gaming facility including, but not limited to, communities and
2153 water and sewer districts in the vicinity of a gaming facility and public safety, including the
2154 office of the county district attorney.

2155 (c) Parties requesting appropriations from the community fund shall submit a written
2156 request for funding to the commission before February 1 of each year. The commission may
2157 hold a public hearing in the region of a gaming facility to provide parties with the opportunity to
2158 provide further information about their request for funds and shall distribute funds to requesting
2159 parties based on demonstrated need.

2160 Section 55 There shall be established and set up on the books of the commonwealth a
2161 fund to be known as the Gaming Local Aid Fund. The gaming local aid fund shall consist of

2162 monies transferred under section 52 and all monies credited or transferred to the fund from any
2163 other fund or source pursuant to law.

2164 Notwithstanding any general or special law, rule or regulation to the contrary, monies
2165 from the gaming local aid fund shall be used in addition to the balance of the state lottery fund
2166 for distribution to cities and towns in accordance with the provisions of clause (c) of section 35
2167 of chapter 10 and any monies so distributed shall be considered part of “General revenue sharing
2168 aid” for purposes of annual aid and contribution requirements established pursuant to chapter 70
2169 or section 3 of the annual general appropriation act. Notwithstanding any law or regulation to the
2170 contrary, beginning the first year that Gaming Local Aid funding is available for distribution to
2171 cities and towns, no city or town shall receive as a combination of “General Revenue Sharing
2172 Aid” and “Gaming Local Aid”, in any year, an amount that is less than 25 percent of the total
2173 lottery sales made within that community. Notwithstanding any special or general law to the
2174 contrary, the provisions of this paragraph shall not take effect until such time as the executive
2175 office of administration and finance and the department of revenue has furnished a study of its
2176 impact on the state’s economy and revenue cost to the commonwealth and its cities and towns,
2177 including, but not limited to, a distributional analysis showing the impact on taxpayers of varying
2178 income levels, the current practice of other states, any anticipated change in employment and
2179 ancillary economic activity to the joint committee on revenue and until legislation has been filed
2180 and passed pursuant to Part 2, Chap. 1, Sec. 1, Art. II of the Constitution.

2181 Section 56 There is hereby established and set up on the books of the commonwealth a
2182 fund to be known as the Manufacturing Fund. The manufacturing fund shall be credited any
2183 monies transferred under section 51 and all monies credited to or transferred to the fund from
2184 any other fund or source pursuant to law.

2185 Section 57 There is hereby established and set up on the books of the commonwealth a
2186 fund to be known as the Community College Fund. The community college fund shall be
2187 credited any monies transferred under section 51 and all monies credited to or transferred to the
2188 fund from any other fund or source pursuant to law.

2189 Section 58 There is hereby established and set up on the books of the commonwealth a
2190 fund to be known as the Local Capital Projects Fund. The local capital projects fund shall be
2191 credited any monies transferred under sections 51 or 52 and all monies credited to or transferred
2192 to the fund from any other fund or source pursuant to law.

2193 Section 59 There is hereby established and set up on the books of the commonwealth a
2194 fund to be known as the Education Fund. The education fund shall be credited any monies
2195 transferred under section 52 and all monies credited to or transferred to the fund from any other
2196 fund or source pursuant to law. Expenditures from said fund for the purposes of K-12 education
2197 shall be used to supplement, and not offset, any reduction in line item 7061-0008 of the general
2198 appropriations act.

2199 Section 60 The commission shall continue to evaluate the progress of federally
2200 recognized tribes in the commonwealth as they proceed with any applications to place land into
2201 trust for the purposes of tribal economic development. The commission shall determine whether
2202 it would be in the best interest of the commonwealth to enter into any negotiations with said
2203 tribes for the purposes of establishing Class III gaming on tribal land and shall submit reports as
2204 it deems necessary, but not less than once a year, to the governor and the clerks of the senate and
2205 house of representatives detailing any land in trust issues as well as the financing capabilities of a
2206 proposed tribal casino.

2207 Section 61. There shall be a gaming policy advisory council consisting of 14 members: 1
2208 of whom shall be the state treasurer, or his designee; 1 of whom shall be the attorney general, or
2209 his designee; 1 of whom shall be the chair of the commission; 1 of whom shall be the secretary
2210 of administration and finance, or his designee; 1 of whom shall be appointed by the senate
2211 president; 1 of whom shall be appointed by the speaker of the house of representatives; 1 of
2212 whom shall be appointed by the minority leader of the senate; 1 of whom shall be appointed by
2213 the minority leader of the house of representatives; and 6 of whom shall be appointed by the
2214 governor, 1 of whom shall have an expertise in the treatment of gambling addiction, 1 of whom
2215 shall be a representative from the tourism industry, 1 of whom shall be a member of organized
2216 labor, 1 of whom shall be a representative from a licensed gaming establishment; and 2 of whom
2217 shall be appointed from the vicinity of each resort casino upon determination of the licensee and
2218 site location by the commission. The council shall establish a tourism subcommittee whose
2219 purpose is to develop policies that facilitate the integration of gaming establishments into local
2220 tourism regions. The subcommittee shall submit any proposed recommendations to the
2221 commission within 4 months of the deadline for receipt of applications for a gaming license
2222 pursuant to section 10. Members of the council shall serve for a term of two years. The council
2223 shall convene after all members have been appointed to the commission and annually thereafter
2224 unless otherwise convened by the governor for the purpose of discussing matters of gaming
2225 policy. The recommendations concerning gaming policy made by the council pursuant to this
2226 section shall not be binding on the commission.

2227 Section 62. The commission shall annually submit a complete and detailed report of the
2228 commission's activities within 90 days after the end of the fiscal year to the clerk of the house of
2229 representatives, the clerk of the senate, the chairs of the joint committee on economic

2230 development and emerging technologies and the chairs of the house and senate committees on
2231 ways and means.

2232 SECTION 13 Section 1 of chapter 32 of the General Laws, as appearing in the 2008
2233 Official Edition, is hereby amended by inserting after the word “connector”, in line 211, the
2234 following words:- , the Massachusetts Gaming Commission,.

2235 SECTION 14. Section 2 of chapter 32A of the General Laws, as so appearing, is hereby
2236 amended by inserting after the word “authority”, in line 12, the following words:- , the
2237 Massachusetts gaming commission.

2238 SECTION 15. Section 94 of chapter 41 of the General Laws, as so appearing, is hereby
2239 amended by inserting after the word “and”, in line 7, the first time it appears, the following word:
2240 illegal.

2241 SECTION 16. Section 18D of chapter 58 of the General Laws is hereby repealed

2242 SECTION 17. Subsection (d)(1) of section 2 of chapter 62 of the General Laws, as so
2243 appearing, is hereby amended by inserting after paragraph (P) the following paragraph:-

2244 (Q) Losses from wagering transactions shall be allowed only to the extent of the gains
2245 from such transactions pursuant to section 165 of the Code..

2246 SECTION 18. Section 2 of chapter 62B of the General Laws, as so appearing, is hereby
2247 amended by striking out the seventh paragraph and inserting in place thereof the following
2248 paragraph:-

2249 Every person, including the United States, the commonwealth or any other state, or any
2250 political subdivision or instrumentality of the foregoing, making any payment of lottery or

2251 wagering winnings, which are subject to tax under chapter 62 and which are subject to
2252 withholding under section 3402(q) without the exception for slot machines, and keno, and bingo
2253 played at licensed casinos in the commonwealth in subsection (q)(5) and (r) of the Internal
2254 Revenue Code shall deduct and withhold from such payment an amount equal to 5 percent of
2255 such payment, except that such withholding for purposes of this chapter shall apply to payments
2256 of winnings of \$600 or greater notwithstanding any contrary provisions of the Internal Revenue
2257 Code, as amended from time to time. For purposes of this chapter and chapter 62C, such
2258 payment of winnings shall be treated as if it were wages paid by an employer to an employee.
2259 Every person who is to receive a payment of winnings which is subject to withholding under this
2260 section shall furnish to the person making such payment a statement, made under penalties of
2261 perjury, containing the name, address and taxpayer identification number of the person receiving
2262 the payment and of each person entitled to any portion of such payment.

2263 SECTION 19. Said chapter 62Bis hereby further amended by striking out section 5, as so
2264 appearing, and inserting in place thereof the following section:-

2265 Section 5. Every employer required to deduct and withhold from an employee or payee a
2266 tax under section 2, or who would have been required under said section in the case of an
2267 employee to deduct and withhold a tax if the employee had not claimed any personal exemption
2268 or dependency exemptions, shall furnish to each such employee or payee in respect of the wages
2269 or other payments paid by such employer to such employee or payee during the calendar year, on
2270 or before January 31 of the succeeding year, or, if an employee's employment is terminated
2271 before the close of such calendar year, within 30 days from the day on which the last payment of
2272 wages is made, a written statement in duplicate showing the name of the employer, the name of
2273 the employee or payee and his social security account number, if any, the total amount of wages

2274 or other amounts subject to taxation under chapter 62, and the total amount deducted and
2275 withheld as tax. This statement may contain such other information as the commissioner may
2276 prescribe. The commissioner may grant reasonable extensions of time, not exceeding 60 days,
2277 for the furnishing of the statement.

2278 Every employer who fails to withhold or pay to the commissioner any sums required by
2279 this chapter to be withheld or paid shall be personally and individually liable therefore to the
2280 commonwealth. The term “employer,” as used in this section and in section 11, includes any
2281 person or entity required to withhold tax from any payee, and includes an officer or employee of
2282 a corporation, or a member or employee of a partnership or limited liability company, who as
2283 such officer, employee or member is under a duty to withhold and pay over taxes in accordance
2284 with this section and section 2. Any sum withheld in accordance with section 2 shall be
2285 considered to be held in trust for the commonwealth.

2286 If an employer in violation of the provisions of this chapter fails to withhold the tax in
2287 accordance with section 2, and thereafter the tax against which such tax may be credited,
2288 pursuant to section 9, is paid, the tax so required to be withheld shall not be collected from the
2289 employer; but this paragraph shall in no case relieve the employer from liability for any penalties
2290 or addition to the tax otherwise applicable in respect of such failure to withhold.

2291 SECTION 20. The first paragraph of section 8 of chapter 62C of the General Laws, as so
2292 appearing, is hereby amended by striking out the last sentence and inserting in place thereof the
2293 following sentence:-The same basis of reporting shall be utilized for income that is subject to
2294 taxation or withholding under chapter 62 or 62B but is not subject to taxation or withholding
2295 under the Code.

SECTION 21. Subsection (f) of section 38 of chapter 63 of the General Laws, as so appearing, is hereby amended by striking out the third paragraph and inserting in place thereof the following paragraph:- “,

For the purposes of this subsection: (1) in the case of the licensing of intangible property, the income-producing activity shall be considered to be performed in the commonwealth to the extent that the intangible property is used in the commonwealth; (2) the corporation shall be considered to be taxable in the state of the purchaser if the tangible personal property is delivered or shipped to a purchaser in a foreign country; (3) sales of tangible personal property to the United States government or any agency or instrumentality thereof for purposes of resale to a foreign government or any agency or instrumentality thereof are not sales made in the commonwealth; (4) in the case of the sale, exchange or other disposition of a capital asset, as defined in paragraph (m) of section 1 of chapter 62, used in a taxpayer's trade or business, including a deemed sale or exchange of such asset, "sales" are measured by the gain from the transaction; (5) "security" means any interest or instrument commonly treated as a security as well as other instruments which are customarily sold in the open market or on a recognized exchange, including, but not limited to, transferable shares of a beneficial interest in any corporation or other entity, bonds, debentures, notes, and other evidences of indebtedness, accounts receivable and notes receivable, cash and cash equivalents including foreign currencies, and repurchase and futures contracts; (6) in the case of a sale or deemed sale of a business, the term "sales" does not include receipts from the sale of the business "good will" or similar intangible value, including, without limitation, "going concern value" and "workforce in place."; (7) to the extent authorized pursuant to the life sciences tax incentive program established by section 5 of chapter 23I, a certified life sciences company may be deemed a research and

2319 development corporation for purposes of exemptions under chapters 64H and 64I; and (8) in the
2320 case of a business deriving receipts from operating a gaming facility or otherwise deriving
2321 receipts from conducting a wagering business or activity, income-producing activity shall be
2322 considered to be performed in this commonwealth to the extent that the location of wagering
2323 transactions or activity that generated the receipts is in this commonwealth.

2324 SECTION 22. Section 2 of chapter 128 of the General Laws, as so appearing, is hereby
2325 amended by striking out, in line 99, the words “or dog”.

2326 SECTION 23. Said section 2 of said chapter 128, as so appearing, is hereby further
2327 amended by striking out subsection (i).

2328 SECTION 24. Section 1 of chapter 128A of the General Laws, as so appearing, is hereby
2329 amended by striking out, in line 6, the words “state racing commission” and inserting in place
2330 thereof the following words:- Massachusetts gaming commission established pursuant to chapter
2331 23K.

2332 SECTION 25. Chapter 128A of the General Laws is hereby repealed. .

2333 SECTION 26. Section 1 of chapter 128C of the General Laws, as appearing in the 2008
2334 Official Edition, is hereby amended by striking out, in line 12, the words “state racing
2335 commission” and inserting in place thereof the following words:- Massachusetts gaming
2336 commission established pursuant to chapter 23K.

2337 SECTION 27. Said chapter 128C of the General Laws is hereby repealed.

2338 SECTION 28. Section 1 of chapter 137 of the General Laws, as appearing in the 2008
2339 Official Edition, is hereby amended by inserting after the words “gaming,” in line 2, the

2340 following words:- ,except for gaming conducted in licensed gaming establishments pursuant to
2341 chapter 23K.

2342 SECTION 29. Section 2 of said chapter 137, as so appearing, is hereby amended by
2343 striking out, in line 2, the word “where” and inserting in place thereof the following words:- ,
2344 except for an owner or operator of a licensed gaming establishment pursuant to chapter 23K,
2345 where.

2346 SECTION 30. Section 3 of said chapter 137, as so appearing, is hereby amended by
2347 inserting after the words “betting,” in line 5, the following words:- ,except for legalized gaming
2348 conducted pursuant to chapter 23K.

2349 SECTION 31. Section 18 of chapter 139 of the General Laws, as so appearing, is hereby
2350 amended by inserting after the word “of”, in line 6, the word:- illegal.

2351 SECTION 32. Section 177A of chapter 140 of the General Laws, as so appearing, is
2352 hereby amended by inserting after the word “machines”, in line 12, the following words:- , and
2353 excluding slot machines as defined by chapter 23K.

2354 SECTION 33. Section 26A of chapter 180 of the General Laws, as so appearing, is
2355 hereby amended by striking out, in lines 4 and 16, the following words “ or dog”.

2356 SECTION 34. The General Laws are hereby amended by inserting after chapter 267 the
2357 following chapter:-

2358 Chapter 267A

2359 Money Laundering

2360 Section 1. As used in this chapter, the following words shall, unless the context clearly
2361 requires otherwise, have the following meanings:-

2362 “Conducts”, initiates, concludes or participates in initiating or concluding a transaction.

2363 “Criminal activity”, a criminal offense punishable under the laws of the commonwealth
2364 by imprisonment in a state prison or a criminal offense committed in another jurisdiction
2365 punishable under the laws of that jurisdiction as a felony.

2366 “Financial institution”, any: (1) bank as defined in section 1 of chapter 167; (2) national
2367 banking association, bank, savings and loan, savings bank, cooperative bank, building and loan,
2368 or credit union organized under the laws of the United States; (3) banking association, bank,
2369 savings and loan, savings bank, cooperative bank, building and loan or credit union organized
2370 under the laws of any state; (4) any agency, agent, or branch of a foreign bank; (5) currency
2371 dealer or exchange; (6) any person or business engaged primarily in the cashing of checks; (7)
2372 person or business regularly engaged in the issuing, selling, or redeeming of traveler's checks,
2373 money orders or similar instruments; (8) broker or dealer in securities or commodities; (9)
2374 licensed transmitter of funds or other person or business regularly engaged in the transmission of
2375 funds to a foreign nation for others; (10) investment banker or investment company; (11) insurer;
2376 (12) dealer in precious metals, stones or jewels; (13) pawnbroker or scrap metal dealer; (14)
2377 telegraph or other communications company; (15) personal property or real estate broker; (16)
2378 dealer in vehicles, including, but not limited to, automobiles, aircraft and vessels; (17) operator
2379 of a betting or gambling facility; (18) travel agent; any thrift institution; any operator of a credit
2380 card system; or (19) any loan or finance company.

2381 “Monetary instrument”, the currency and coin of the United States or any foreign
2382 country; any bank check, money order, stock, investment security, or negotiable instrument in
2383 bearer form or otherwise in such form that title passes upon delivery; gold, silver or platinum
2384 bullion or coins; diamonds, emeralds, rubies, or sapphires; any negotiable instrument including:
2385 bank checks, cashier's checks, traveler's checks, or monetary orders made payable to the order of
2386 a named party that have not been endorsed or which bear restrictive endorsements; poker chips,
2387 vouchers or other tokens exchangeable for cash by gaming entities; and credit cards, debit cards,
2388 gift cards, gift certificates, calling cards, or scrips.

2389 “Transaction”, a purchase, sale, loan, pledge, gift, transfer, delivery, or other disposition,
2390 and with respect to a financial institution includes a deposit, withdrawal, bailment, transfer
2391 between accounts, exchange of currency, loan, extension of credit, purchase or sale of any stock,
2392 bond, certificate of deposit, or other monetary instrument, use of a safe deposit box, or any other
2393 payment, transfer, or delivery by, through, or to a financial institution, by whatever means
2394 effected.

2395 Section 2. Whoever knowingly: (1) engages in a transaction involving a monetary
2396 instrument or other property known to be derived from criminal activity with the intent to
2397 promote, carry on or facilitate criminal activity, or knowing that the transaction is designed in
2398 whole or in part either to conceal or disguise the nature, location, source, ownership or control of
2399 the property derived from criminal activity or to avoid a transaction reporting requirement of this
2400 chapter, of the United States, or of any other state; (2) transports or possesses a monetary
2401 instrument or other property that was derived from criminal activity; or (3) directs, organizes,
2402 finances, plans, manages, supervises, or controls the transportation of or transactions in monetary
2403 instruments or other property known to be derived from criminal activity or which a reasonable

2404 person would believe to be derived from criminal activity; is guilty of the crime of money
2405 laundering and shall be punished by imprisonment in the state prison for not more than 6 years or
2406 by a fine of not more than \$250,000 or twice the value of the property transacted, whichever is
2407 greater, or by both such imprisonment and fine; and for any subsequent offense shall be punished
2408 by imprisonment in the state prison for not less than 2 years, but not more than 8 years or by a
2409 fine of not more than \$500,000 or 3 times the value of the property transacted, whichever is
2410 greater, or by both such imprisonment and fine.

2411 Section 3. (a) A financial institution shall file with the attorney general a copy of any and
2412 all reports required by the Currency and Foreign Transactions Act, set forth in 31 U.S.C.,
2413 sections 5311 through 5315, 31 C.F.R. 103.

2414 (b) A financial institution, or any officer, employee, or agent thereof that maintains and
2415 files a record in reliance of this section shall not be liable to its customer, to a state or local
2416 agency, or to any person for any loss or damage caused in whole or in part by the making, filing,
2417 or governmental use of the report, or any information contained therein. Nothing in this chapter
2418 shall be construed to give rise to a private cause of action for relief or damages. This paragraph
2419 does not preclude a financial institution, in its discretion, from instituting contact with, and
2420 thereafter communicating with and disclosing customer financial records to appropriate federal,
2421 state, or local law enforcement agencies when the financial institution has reason to suspect that
2422 the records or information demonstrate that the customer has violated any provisions of this
2423 chapter.

2424 (c) Any report, record, or information obtained by the attorney general pursuant to this
2425 section is not a public record and is not subject to disclosure, except to other state and federal
2426 law enforcement agencies.

2427 (d) Any violation of this section, which is not a violation of section 2, shall be punished
2428 by a fine of \$100 for each report not filed.

2429 (e) The timely filing of complete and accurate reports required under subsection (a) with
2430 the appropriate federal agency is compliance with the requirements of subsection (a).

2431 Section 4. All monetary instruments or other property, real or personal, obtained directly
2432 as a result of a violation of section 2 of this chapter, shall be subject to forfeiture to the
2433 commonwealth.

2434 SECTION 35. Section 1 of chapter 271 of the General Laws, as appearing in the 2008
2435 Official Edition, is hereby amended by inserting after the word “gaming”, in lines 3 and 4, the
2436 following words:- ,except as permitted under chapter 23K.

2437 SECTION 36. Section 2 of said chapter 271, as so appearing, is hereby amended by
2438 inserting after the words “playing”, in line 4, the following words:- ,except as permitted under
2439 chapter 23K.

2440 SECTION 37. Section 3 of said chapter 271, as so appearing, is hereby amended by
2441 inserting after the words “gaming”, in line 3, the following words:- ,except as permitted under
2442 chapter 23K.

2443 SECTION 38. Section 5 of said chapter 271, as so appearing, is hereby amended by
2444 inserting after the words “thing,” in line 7, the following words:- except as permitted under
2445 chapter 23K.

2446 SECTION 39. The second paragraph of section 5A of chapter 271, as so appearing, is
2447 hereby amended by adding the following sentence:-

2448 This section shall not apply to persons who manufacture, transport, sell, offer for sale,
2449 store, display, repair, recondition, possess or use any gambling device or parts for use therein for
2450 controlled gaming conducted under chapter 23K.

2451 SECTION 40. Section 6 of said chapter 271, as so appearing, is hereby amended by
2452 striking out, in lines 3 and 4, the words “gambling or unlawful game and inserting in place
2453 thereof the words:- illegal gaming.

2454 SECTION 41. Section 7 of said chapter 271, as so appearing, is hereby amended by
2455 inserting after the word “device”, in line 7, the first time it appears, the following words:- that is
2456 taking place in a legalized gaming establishment pursuant to chapter 23K,.

2457 SECTION 42. Said chapter 271 is hereby further amended by striking out section 8, as so
2458 appearing, and inserting in place thereof the following section:

2459 Section 8. Whoever owns, occupies, or is in control of a house, shop or building and
2460 knowingly permits the establishing, managing or drawing of such lottery, or such disposal or
2461 attempt to dispose of property, or the sale of a lottery ticket or share of a ticket, or any other
2462 writing, certificate, bill, token or other device purporting or intended to entitle the holder, bearer
2463 or any other person to a prize or to a share of or interest in a prize to be drawn in a lottery, or in

2464 such disposal or property, and whoever knowingly suffers money or other property to be raffled
2465 for or won by throwing or using dice or by any other game of chance that is not being conducted
2466 in a legalized gaming facility pursuant to chapter 23K, shall be punished by a fine of not more
2467 than \$2000 or by imprisonment in a jail or house of correction for not more than 1 year.

2468 SECTION 43. Section 14 of said chapter 271, as so appearing, is hereby further amended
2469 by inserting after the word “by”, in line 3, the first time it appears, the following words:- illegal
2470 games of.

2471 SECTION 44. Section 16A of said chapter 271, as so appearing, is hereby amended by
2472 inserting after the word “wagerers”, in line 14, the following words:- or to persons who organize,
2473 supervise, manage or finance persons for the purpose of controlled gaming conducted under
2474 chapter 23K.

2475 SECTION 45. Section 17 of said chapter 271, as so appearing, is hereby amended by
2476 adding the following sentence:-

2477 This section shall not apply to persons who organize, supervise, manage or finance
2478 persons for the purpose of controlled gaming conducted under chapter 23K.

2479 SECTION 46. Section 19 of said chapter 271, as so appearing, is hereby amended by
2480 inserting after the word “hazard”, in line 16, the following words:- ; provided, however, that this
2481 section shall not apply to advertising of legalized gaming conducted pursuant to chapter 23K.

2482 SECTION 47. Section 20 of said chapter 271, as so appearing, is hereby amended by
2483 inserting after the word “used”, in line 17, the following words:- ;provided, however that this
2484 section shall not apply to advertising of legalized gaming conducted pursuant to chapter 23K.

2485 SECTION 48. Section 22 of said chapter 271, as so appearing, is hereby amended by
2486 inserting after the word “ of”, in line 6, the third time it appears, the following word:- illegal.

2487 SECTION 49. Section 23 of said chapter 271, as so appearing, is hereby amended by
2488 inserting after the word “for”, in line 28, the following words:-; provided, however, that such
2489 provision shall not apply to legalized gaming conducted pursuant chapter 23K.

2490 SECTION 50. Section 28 of said chapter 271, as so appearing, is hereby amended by
2491 inserting after the word “of”, in line 3, the third time it appears, the following word:- illegal.

2492 SECTION 51. Section 31 of said chapter 271, as so appearing, is hereby amended by
2493 inserting after the word “both”, in line 8, the following words:- ;provided, however, that this
2494 section shall not apply to legalized racing conducted pursuant to chapter 23K.

2495 SECTION 52. The General Laws are hereby amended by inserting after chapter 271 the
2496 following new chapter:-

2497

2498 Chapter 271A

2499 Enterprise Crime

2500

2501 Section 1. As used in this chapter, the following words shall, unless the context clearly
2502 requires otherwise, have the following meanings:-

2503 “Criminal enterprise activity”, to commit ,attempt to commit, conspire to commit, or
2504 solicit, coerce, aid, abet, or intimidate another to commit any of the following criminal activity

2505 under the laws of the commonwealth or equivalent crimes under the laws of any other
2506 jurisdiction: murder; rape; manslaughter; assault; assault and battery; mayhem; robbery;
2507 extortion; stalking; criminal harassment; kidnapping; arson; burglary; malicious destruction of
2508 property; commission of a felony for hire; breaking and entering; child exploitation; poison;
2509 human trafficking; violation of constitutional rights; usury; uttering; misuse or fraudulent use of
2510 credit cards; identity fraud; misappropriation of funds; gross fraud; insurance fraud; prize
2511 fighting; boxing matches; counterfeiting; perjury; subornation of perjury; obstruction of justice;
2512 money laundering; witness intimidation; bribery; electronic eavesdropping; prostitution;
2513 receiving stolen property; larceny over \$250.00; larceny by false pretenses or/embezzlement;
2514 forgery; prohibited financial interest; procurement fraud; false claims; tax evasion; filing false
2515 tax return; crimes involving violations of laws relating to gambling and lottery; gift; liquor;
2516 tobacco s; firearms; securities; lobbying; ethics; conflict of interest child and elder abuse; or any
2517 conduct defined as a racketeering activity under Title 18, U.S.C. s. 1961(1)(A)(B) and (D).

2518 “Enterprise”, any individual, sole proprietorship, partnership, corporation, trust or other
2519 legal entity, or any unchartered union, association or group of persons associated in fact although
2520 not a legally recognized entity, and including unlawful and lawful enterprises and governmental
2521 and other entities.

2522

2523 “Pattern of criminal enterprise activity”, engaging in at least two incidents of criminal
2524 enterprise activity that have the same or similar pattern, intents, results, accomplices, victims or
2525 methods of commission, or are otherwise interrelated by distinguishing characteristics and are
2526 not isolated incidents; provided Y at least 1 of the acts occurred after the effective date of this

2527 act and the last of the incidents occurred within 5 years after a prior commission of criminal
2528 enterprise activity.

2529

2530 “Unlawful debt”, a debt incurred or contracted in an illegal gambling activity or business
2531 or which is unenforceable under state or federal law in whole or part as to principal or interest
2532 because of the law relating to usury.

2533

2534 Section 2. Whoever knowingly: (1) through a pattern of criminal enterprise activity or
2535 through the collection of an unlawful debt, receives anything of value or acquires or maintains,
2536 directly or indirectly, any interest in or control of any enterprise; (2) has received any proceeds
2537 derived, directly or indirectly, from a pattern of criminal enterprise activity or through the
2538 collection of an unlawful debt, to use or invest, directly or indirectly, any part of the proceeds
2539 including proceeds derived from the investment, in the acquisition of any interest in real
2540 property, or in the establishment or operation of, any enterprise; (3) is employed by or
2541 associated with any enterprise to conduct or participate, directly or indirectly, in the conduct of
2542 the enterprise's affairs by engaging in a pattern of criminal enterprise activity or through the
2543 collection of an unlawful debt; or (4) conspires or attempts to violate subsections (a), (b), or (c)
2544 of this section; is guilty of enterprise crime and shall be punished by imprisonment in the state
2545 prison for not less than 3 years and not more than 15 years or by a fine of not more than \$25,000,
2546 or by both such imprisonment and fine.

2547 A purchase of securities on the open market for purposes of investment, and without the
2548 intention of controlling or participating in the control of the issuer, or of assisting another to do

2549 so, shall not be unlawful under this section if the securities of the issuer held by the purchaser,
2550 the members of his immediate family, and his or their accomplices in any pattern of criminal
2551 activity or the collection of an unlawful debt after such purchase do not amount in the aggregate
2552 to one percent of the outstanding securities of any one class and do not confer, either in law or in
2553 fact, the power to elect one or more directors of the issuer.

2554 Section 3. All monetary proceeds or other property, real or personal, obtained directly as
2555 a result of a violation of this chapter, shall be subject to seizure and forfeiture to the
2556 commonwealth.

2557 SECTION 53. Section 39 of chapter 272 of the General Laws, as appearing in the 2008
2558 Official Edition, is hereby amended by inserting after the word “in”, in line 7, the following
2559 word:- illegal.

2560 SECTION 54. Section 99 of said chapter 272, as so appearing, is hereby amended by
2561 inserting after the word “forgery,” in line 68, the word:- illegal.

2562 SECTION 55 . Said section 13 of said chapter 494, as most recently amended by section
2563 2 of chapter 114 of the acts of 1991, is hereby further amended by striking out clause (c).

2564 SECTION 56. Clause (d) of said section 13 of said chapter 494, as appearing in said
2565 section 2 of said chapter 114, is hereby amended by striking out, in line 21, the words “(b) or (c
2566)” and inserting in place thereof the following words:- and (b).

2567 SECTION 57. Said section 13 of said chapter 494, as most recently amended by said
2568 section 2 of said chapter 114, is hereby further amended by striking out subsection (f)

2569 SECTION 58. The first paragraph of section 12A of chapter 494 of the acts of 1978 is
2570 hereby amended by striking out the words “and until July 31, 2010”, inserted by section 1 of
2571 chapter 167 of the acts of 2009, and inserting in place thereof the following words:- December
2572 31, 2014.

2573 SECTION 59. The last paragraph of said section 12A of said chapter 494 is hereby
2574 amended by striking out the words “July 31, 2010”, inserted by section 2 of said chapter 167, and
2575 inserting in place thereof the following words:- December 31, 2014.

2576 SECTION 60. The introductory paragraph of section 13 of said chapter 494 is hereby
2577 amended by striking out the words “and until July 31, 2010”, inserted by section 3 of said
2578 chapter 167, and inserting in place thereof the following words:- and until December 31,
2579 2014. SECTION 61. Section 15 of said chapter 494 is hereby amended by striking out the words
2580 “and until July 31, 2010”, inserted by section 4 of said chapter 167, and inserting in place thereof
2581 the following words:- and until December 31, 2014. SECTION 62. The first paragraph of section
2582 9 of chapter 277 of the acts of 1986 is hereby amended by striking out the words “and until July
2583 31, 2010”, inserted by section 5 of said chapter 167, and inserting in place thereof the following
2584 words:- and until December 31, 2014. SECTION 63. The first sentence of the first paragraph of
2585 section 3 of chapter 114 of the acts of 1991 is hereby amended by striking out the words “and
2586 until July 31, 2010”, inserted by section 6 of said chapter 167, and inserting in place thereof the
2587 following words:- and until December 31, 2014. SECTION 64. The last paragraph of said
2588 section 3 of said chapter 114 is hereby amended by striking out the words “July 31, 2010”,
2589 inserted by section 7 of said chapter 167, and inserting in place thereof the following words:-
2590 December 31, 2014. SECTION 65. The first paragraph of section 4 of said chapter 114 is
2591 hereby amended by striking out the words “and until July 31, 2010”, inserted by section 8 of said

chapter 167, and inserting in place thereof the following words:- and until December 31, 2014. SECTION 66. The last paragraph of said section 4 of said chapter 114 is hereby amended by striking out the words “July 31, 2010”, inserted by section 9 of said chapter 167, and inserting in place thereof the following words:- December 31, 2014. SECTION 67. The first paragraph of section 5 of said chapter 114 is hereby amended by striking out the words “and until July 31, 2010”, inserted by section 10 of said chapter 167, and inserting in place thereof the following words:- and until December 31, 2014. SECTION 68. Section 13 of chapter 101 of the acts of 1992 is hereby amended by striking out the words “July 31, 2010”, inserted by section 11 of said chapter 167, and inserting in place thereof the following words:- December 31, 2014. SECTION 69. Section 45 of chapter 139 of the acts of 2001 is hereby amended by striking out the words “July 31, 2010”, inserted by section 12 of said chapter 167, and inserting in place thereof the following words:- December 31, 2014. SECTION 70. Section 20 of chapter 449 of the acts of 2006 is hereby amended by striking out the words “July 31, 2010”, inserted by section 13 of said chapter 167, and inserting in place thereof the following words:- December 31, 2014.

SECTION 71. Notwithstanding any general or special law to the contrary, in making initial appointments to the board of directors of the Massachusetts gaming commission established pursuant to section 3 of chapter 23K of the General Laws, the governor, the attorney general and the treasurer and receiver general, by majority agreement, shall appoint 1 commissioner to serve for a term of 3 years, 1 commissioner to serve for a term of 4 years, 1 commissioner to serve for a term of 5 years, 1 commissioner to serve for a term of 6 years, and 1 commissioner to serve for a term of 7 years.

2613 SECTION 72. Notwithstanding any general or special law to the contrary, the vote of a
2614 municipality required pursuant to section 16 of chapter 23K of the General Laws shall occur
2615 after the effective date of this act.

2616 SECTION 73. Pursuant to section 2 of chapter 1194, 64 Stat. 1134, 15 U.S.C. 1171-1177,
2617 approved January 2, 1951, the commonwealth, acting by and through duly elected and qualified
2618 members of the general court, does declare and proclaim that the commonwealth shall be exempt
2619 from the provisions of chapter 1194, 64 Stat. 1134, 15 U.S.C. 1171 to 1178 for any gambling
2620 device authorized for use and transport under chapter 23K of the General Laws and any
2621 regulations promulgated thereunder.

2622 SECTION 74. All shipments of gambling devices into the commonwealth, including slot
2623 machines, the registering, recording and labeling of which has been duly had by the
2624 manufacturer or dealer thereof in accordance with sections 3 and 4 of an Act of Congress of the
2625 United States entitled “An act to prohibit transportation of gambling devices in interstate and
2626 foreign commerce,” approved January 2, 1951, being chapter 1194, 64 Stat. 1134, and also
2627 designated as 15 USC §§ 1171-1177 , shall be deemed legal shipments thereof into this
2628 commonwealth.

2629 SECTION 75. Notwithstanding any general or special law to the contrary, the
2630 Massachusetts gaming commission shall analyze the pari-mutuel and simulcasting statutes in
2631 effect as of the effective date of this act. Said analysis shall include a review of the efficacy of
2632 said statutes and the need to replace said statutes pursuant to the sunset of chapters 128A and
2633 128C of the General Laws established under this act. Said review shall not include a review of
2634 whether to increase the number of running horse, harness horse or greyhound racing meeting

2635 licensees. Said commission shall report its finding together with legislation, if any, to the clerks
2636 of the house of representatives and senate and to the chairs of the joint committee on economic
2637 development and emerging technologies no later than January 1, 2013.

2638 SECTION 76. Section 25 and 27 of this act shall take effect on July 31, 2014.