

SENATE No. 174

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

An Act establishing the Massachusetts gaming control act..

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

1 SECTION 1. The General Laws are hereby amended by striking out chapter 12B.

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

6 SECTION 3. Said Chapter 10 of the General Laws is hereby amended by inserting after
7 section 24A, as so appearing, the following:- Section 24B. Notwithstanding any general or
8 special law to the contrary, the commission is shall implement chapter 10A, any special or
9 general law that pertains to chapter 10A, to exercise all powers granted thereunder, and to
10 promulgate all rules and regulations necessary thereof.

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

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

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

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

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

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

34 (f) The commission may issue regulations providing for a fine or penalty or interest
35 on such fine or penalty, upon any gaming licensee, for violation of this chapter and chapter 10A.
36 The commission may approve or disapprove transactions and events as provided in this chapter,
37 and chapter 10A take actions reasonably designed to ensure that no unsuitable persons are
38 associated with controlled gaming, and take actions reasonably designed to ensure that gaming
39 activities take place only in suitable premises.

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

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

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

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

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

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

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

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

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

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

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

71 (11) the method and standards of operation of licensed gaming establishments including,
72 but not limited to, games, the type and manner of gaming, wagering limitations, odds, and hours
73 of operation; provided, however, the commission shall not restrict the number of hours of
74 operation of any licensed gaming establishment to fewer hours than of any competing licensed
75 gaming establishment

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

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

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

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

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

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

92 (18) the minimum procedures to be adopted by each licensed gaming establishment to
93 exercise effective supervisory and management control over its fiscal affairs, including the
94 requirement of internal and independent annual financial and operational audits undertaken in
95 accordance with generally accepted accounting principles, and the requirement that quarterly

96 reports be provided by licensed gaming establishments to the commission no more than 30 days
97 after the close of each quarter;

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

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

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

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

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

112 (h) In emergencies, the commission may, without complying with sections 2 or 3 of
113 chapter 30A of the General Laws, summarily adopt, amend, or repeal any regulation, if, at the
114 time, the commission makes a finding that such action is necessary for the preservation of the
115 public peace, health, safety, morals, good order, or general welfare, together with a statement of

116 the facts constituting the emergency; provided, however, all such emergency actions shall not
117 exceed 90 days.

118 (i) Each operating license shall be issued for an initial term of 10 years, and may be
119 renewed at the discretion of the commission for a term not to exceed 10 years; provided that the
120 commission conducts an investigation, which shall include, but is not limited to, the financial
121 and operational functions, impact and mitigation on the host and contiguous communities, and
122 determine the social-economic affect from the licensee prior to reissuance of the license;
123 provided further, that the commission shall set a renewal fee, which shall not be less than
124 \$50,000,000.

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

131 (k) A gaming establishment license issued pursuant to this chapter and chapter 10A
132 must be posted by the licensee and kept posted at all times in a conspicuous place in the area
133 where gaming is conducted in the establishment for which the license is issued until it is replaced
134 by a succeeding license.

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

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

158 (n) No licensed operator, licensed person, licensed party, a licensee's affiliate, a
159 licensee's substantial party of interest, licensee's party of interest, as defined under section 2 of
160 Chapter 10A of the General Laws, shall transfer any license in whole or in part issued by the

161 Commonwealth, municipality, county, authority, district, commission or any other subdivision of
162 the Commonwealth, without the approval of the commission and the commission may require a
163 payment by the transferer or transferee or both, as determined by the commission, to the
164 commission, on behalf of the Commonwealth, and said payment shall be deposited into the
165 General Fund; provided, that the commission shall consider as a factor in determining the
166 amount of the payment the difference in value of the licensee's property between the time of
167 when the licensee received the license and the time of or anticipated time of the transfer through
168 the average of three separate assessments made by the licensee, the commission and an
169 independent assessor chosen by the commission, and the cost of said assessment shall be part of
170 the payment of the transfer; and provided further, that the commission shall consider as a factor
171 in determining the amount of the payment the market value of the license of when it was
172 acquired and at the time of the transfer; provided further, that the commission shall consider as a
173 factor in determining the amount of the payment the increased value of the property, land,
174 establishment, management agent, entity or business value as a result of possessing a gaming
175 operator's license. In no event shall a bona fide commercial financial institution licensed by the
176 division of banks, which becomes a substantial party of interest, as defined under section 2 of
177 Chapter 10A of the General Laws, with a licensee be deemed to be a transfer; provided further,
178 that the commission may reject such transfer if it deems it unsuitable. The commission may
179 place any condition or restriction on the transfer of a license or substantial interest or party of
180 interest, and in all instances it shall consider whether additional compensation is owed to the
181 Commonwealth.

182 (o) No person or entity licensed as a licensed gaming operator, gaming establishment
183 or racing meeting licensee, under chapter 10A, chapter 128A or chapter 128C of the General

184 Laws, shall be permitted to change its business governing structure, including those defined
185 under Chapter 108A, Chapter 109, Chapter 155, Chapter 156, Chapter 156A, Chapter 156B,
186 Chapter 156C and Chapter 156D of the General Laws and those entities established under the
187 rules and regulations of the Secretary of State without the notification and approval of the
188 commission.

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

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

197 (r) The commission may investigate fraud, deceit, misrepresentation or violations by
198 any licensee under this chapter, or the occurrence of any such activity involving any licensee. If
199 the commission has reasonable basis to believe that any licensee has been or is engaged in
200 criminal behavior or that criminal activity is occurring within or involving any licensed gaming
201 establishment, the commission shall report same to the district attorney of the county within
202 which the gaming establishment is located and make available to said district attorney and
203 attorney general all relevant information on such activity. The commission shall direct through
204 the division gaming such state or municipal police officers to guard and protect the lives and
205 safety of the public and property at any such gaming establishment, and to perform any such

206 other duties which may be required by said commission in order to maintain fair and honest
207 gaming establishment. The said police officers so assigned shall, except in the case of an
208 emergency, while on duty at any such establishment be subject to the operational authority of the
209 commission; provided, however, that such assignment or reassignment shall not in any way
210 impair any rights to which any officer may be entitled. The commission assess an annual fee to
211 be paid by the licensees' for the costs associated with the state police as it relates to this chapter
212 and chapter 10A; provided further, that said fee shall be paid by each licensee in equal portions.
213 The commission shall establish a fee schedule for the purposes of defraying the costs incurred by
214 police officers of the department of public safety for work associated under this chapter and
215 chapter 10A and shall direct the division gaming to collect said fee from the licensees.

216 All assignment and reassignments to the commission, except as the commissioner of
217 public safety shall determine that an emergency exists or its threatened, shall be subject to the
218 approval of the commission. Nothing herein shall prevent licensees from applying to the state
219 police if they have jurisdiction in the area where gaming establishment is located, or to the police
220 department of a city or town wherein the gaming establishment is located, in order that such
221 police agency may furnish a police detail for safety or traffic purposes at any gaming
222 establishment authorized by this chapter. The total cost for any such police detail shall be a sum
223 equal to the salaries of the police officers comprising such detail, plus a sum to cover the
224 administrative expenses incurred by the department of each such police officer, which is to be
225 paid by the licensee.

226 (s) The commission, as it deems appropriate, may ask the attorney general to file a
227 civil lawsuit to restrain a violation of this chapter or enforce any provision thereof. An action

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

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

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

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

244 (w) The commission shall promulgate rules and regulations regarding the minimum
245 standards of employment and employee conditions at licensed gaming establishments. Said rules
246 and regulations shall not be below those practiced by the hotel and service industries in
247 Massachusetts, and the commission shall set a minimum wages for employees at licensed
248 gaming establishments to be based on a minimum of 150% of the federal poverty guideline for a

249 family of four as of September 1, 2008, and shall make annual adjustments based on the changes
250 to the consumer price index.

251 SECTION 4. Said chapter 10 is hereby further amended by inserting after section 26, as
252 so appearing, the following section:- Section 26a. The Treasurer shall appoint, subject to the
253 approval of the commission, a director for division gaming pursuant to chapter 10A, hereinafter
254 called the executive director, who shall serve at the pleasure of the commission, shall devote his
255 entire time and attention to the duties of his office, and shall receive such salary as the
256 commission may determine. The executive director shall serve for a term of five years. The
257 executive director shall not serve more than two consecutive terms. He shall supervise and
258 administer the operation of licensed gaming establishments in accordance with the provisions of
259 the chapter 10A, and any special laws and rules and regulations made thereunder.

260 The executive director shall, subject to the approval of the commission, appoint such
261 deputy directors and such other professional, technical and clerical assistants and employees as
262 may be necessary; provided, however, that such deputies, assistants and employees shall not be
263 subject to chapter 31 and section 9A of chapter 30.

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

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

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

277 SECTION 4. The General Laws, as appearing in the 2008 official edition, is hereby
278 amended by inserting after chapter 10 the following new chapter:-Section 1. (a) This act shall
279 be known and may be cited as the "Massachusetts Gaming Control Act."

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

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

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

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

296 "Affiliate," any person that a licensee or applicant directly or indirectly controls or in
297 which an applicant or licensee possesses an interest. For the purposes of this definition,
298 "controls" means either (i) directly or indirectly holding more than 10 percent of voting
299 membership rights or voting stock or partnership interests, or (ii) that a majority of the directors,
300 general partners, trustees, or members of an entity's governing body are representative of, or are
301 directly or indirectly controlled by, the licensee or applicant. For the purposes of this definition,
302 "possesses an interest in" means either (i) directly or indirectly holding more than 5 percent of
303 voting membership rights or voting stock, or (ii) that at least 25 percent of the directors, general
304 partners, trustees, or members of an entity's governing body are representatives of, or are directly
305 or indirectly controlled by, the licensee or applicant.

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

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

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

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

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

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

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

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

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

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

332 written statements are redeemable for cash; and including slot machines, video lottery terminals
333 and video facsimile machines of any type.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

400 (b) The executive director of the division shall be appointed by the state and lottery
401 and gaming commission pursuant to section 26a of chapter 10. The executive director shall be
402 responsible for the oversight and operation of the division. The executive director shall employ
403 such professional, technical, and clerical assistants and employees as necessary, subject to
404 appropriation; provided, however, such assistants and employees shall not be subject to chapter
405 31 or Section 9(A) of chapter 20 of the General Laws. The executive director shall execute and
406 enforce the rules, regulations and directives of the commission and provide the necessary
407 administrative support.

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

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

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

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

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

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

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

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

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

437 (d) The executive director shall investigate the qualifications of each applicant under
438 this chapter and make a recommendation to the commission before any license is issued. The
439 executive director shall also continue to monitor the conduct of all licensees and other persons
440 having a material involvement, directly or indirectly, with a licensee for the purpose of ensuring
441 that licenses are not issued to, or held by, and there is no direct or indirect material involvement
442 with a licensee by unqualified, disqualified, or unsuitable persons, or persons whose operations
443 are conducted in unsuitable manner or in unsuitable or prohibited places, as provided in
444 commission regulations.

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

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

456 (g) Each employee of the executive director and the executive director shall file with
457 the executive director and the state ethics commission a statement of financial interest as defined

458 in Chapter 268B of the General Laws. Such statement shall be under oath and shall be filed at
459 the time of employment and annually thereafter, as required by the state ethics commission.

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

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

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

477 (k) An action brought against a person pursuant to this chapter shall not preclude any
478 other criminal or civil proceeding as may be authorized by law. The executive director must
479 report all criminal action in violation of this chapter or any General Laws to the commission, the

480 appropriate office of the district attorney and to the attorney general, who may take legal action
481 to restrain violations of this chapter or enforce any provision thereof.

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

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

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

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

498 Section 4. (a) There shall be no more than two gaming licenses issued to entities.
499 For the purposes of this section, Worcester and Hampden Counties is designated the region one
500 and Bristol County shall be designated as region two. Each region shall be eligible to receive no
501 more than one gaming license. Region one shall be the first region to have applicants apply and

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

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

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

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

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

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

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

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

568 The commission shall determine the maximum number of electronic gaming devices to
569 be at each licensed premise on an annual basis. The licensee may petition the commission

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

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

579 The applicant must be eligible to be licensed lottery reseller and must agree sell lottery
580 products at its establishment in a conspicuous location;

581 must demonstrate that the applicant is able to invest no less than \$750 million into the
582 facility and property, which shall not include the purchase or lease price of the land where the
583 facility will be located;

584 the applicant must supply a detailed breakdown of new job creation expected as a result
585 of receiving a license;

586 must have a certified and binding vote from the city or town where the gaming facility
587 will be located, including those gaming entities located on public land, and said vote must not be
588 prior to January 1, 2009;

589 must have an agreement between the city or town and the applicant to have a gaming
590 facility and said agreement shall include all stipulations of responsibilities between the city or

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

597 must meet the licensee bonding requirement as set by the commission;

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

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

604 the applicant must meet the licensee bonding requirement as set by the commission;

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

607 applicant is able to demonstrate it is able to comply with the provisions of this chapter.

608 (b) The one time initial license fee for region one shall be determined through an
609 auction, provided that, the commission shall set the starting bid, provided, that said starting bid
610 shall not be less than one hundred million dollars (\$100,000,000); provided, that the applicants
611 have meet all the qualification set forth by the commission and under this chapter. After the

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

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

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

631 The licensing standards must be met at all times by each officer, director, partner, and
632 trustee of the operating entity, by each substantial party in interest of the operating entity or of
633 the premises on which such establishment is located, and by such other party in interest of the

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

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

652 (e) Each operating entity shall identify, in its application, the facilities and structures
653 that will be constructed on the premises containing the establishment where it proposes to
654 conduct its gaming operations. The application shall contain such information regarding the
655 physical location and condition of the premises and the potential impact of the proposed gaming
656 operations upon adjacent properties and the municipality and region within which the premises

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

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

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

673 (h) The commission is hereby authorized to acquire all lands, properties, rights, air
674 rights, subsurface rights, easements and other interests necessary for the development of a casino
675 facility and associated or auxiliary facilities, and to convey the same in fee simple absolute for
676 fair market value to, or to enter into a lease for fair market value not to exceed 50 years at a time
677 with, the designated licensee, as and for a site for the project as provided in this chapter. To
678 carry out and effectuate the foregoing purpose, the commission may take by eminent domain

679 under chapter 79 of the general laws, or acquire by purchase, lease, gift, bequest, grant or
680 otherwise from any party, public or private, and hold, clear, repair, operate and, after having
681 taken or acquired the same, convey fee simple or leasehold interest as provided in this act, any
682 lands and other property, real or personal, improved or unimproved, tangible or intangible, and
683 any interest therein.

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

700 The commission may establish rules and regulations to assess and collect fees pertaining
701 to individual regulatory, licensing or investigative matters that can be assessed against a licensee;

702 provided, that any fees assessed and collected regarding an application or investigation of a
703 license shall be placed in the gaming investigatory account under section 13 of this chapter.

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

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

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

721 Section 7. (a) No official, member, employee, or agent of the commission and the
722 division, having obtained access to confidential records or information in the performance of
723 duties pursuant to this chapter, unless otherwise provided by law, shall knowingly disclose or

724 furnish the records or information, or any part thereof, to any person who is not authorized by
725 law to receive it. Violation of this provision shall be punishable by a fine of not more than
726 \$10,000 or by imprisonment in the house of corrections for not more than 1 year, or by both such
727 fine and imprisonment.

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

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

736 (d) Any person under the age of 21 years who plays, places wagers at, or collects
737 winnings from, whether personally or through an agent, any controlled game, or who is
738 employed as an employee in a licensed gaming establishment shall be punished by imprisonment
739 in the house of correction for not more than 1 year, or by a fine of not more than \$1,000, or by
740 both such imprisonment and fine. Any licensee, or other person, who knowingly allows a person
741 under the age of 21 to play, place wagers at or collect winnings, whether personally or through
742 an agent, shall be punished by imprisonment in the house of correction for a term of not more
743 than 1 year or pay a fine of not more than \$10,000, or by both. A subsequent violation of this
744 section shall subject the licensee to imprisonment in the house of correction for not more than 2
745 years or pay a fine of not more than \$25,000, or by both.

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

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

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

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

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

766 (3) To manufacture or distribute within the territorial boundaries of the
767 commonwealth any gaming equipment to be used in connection with controlled gaming; shall be

768 punished by imprisonment in the house of corrections for not more than 2 1/2 years, or by a fine
769 of not more than \$10,000, or by both imprisonment and fine.

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

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

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

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

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

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

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

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

803 (l) The conviction of a licensee for violation of, an attempt to violate, or conspiracy
804 to violate any provision of this chapter or any regulation thereunder may result in the immediate
805 revocation of all licenses issued to the violator under this chapter; and, in addition, the court,
806 upon application of the commission, may order that no new or additional license under this
807 chapter be issued directly or indirectly to the violator, or be issued to any person who owned the
808 room or premises in which the violation occurred, for one year after the date of revocation.

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

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

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

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

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

827 The executive director shall conduct whatever investigation it deems necessary and shall
828 determine, in its sole discretion and without need for a hearing, whether payment should be
829 made. In the event the executive director determines that payment should be made to the patron,
830 all costs of the investigation shall be borne by the gaming establishment. Failure of the

831 establishment to notify the executive director or inform the patron as provided herein shall
832 subject the establishment to disciplinary action under this chapter.

833 Any party aggrieved by the determination of the executive director may file a petition for
834 reconsideration with the commission setting forth the basis of the request for reconsideration.

835 Any hearing for reconsideration shall be conducted pursuant to regulations adopted by the
836 commission.

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

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

851 Section 12. The commission's financial activities shall be subject to audit by the State
852 Auditor who shall have access to all books and records of the commission. Further, the

853 commission shall annually, on or before January first, provide the State Auditor with all annual
854 independent audits required of all licensees.

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

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

873 Section 14. The commission shall annually assess and collect a fee, not to exceed than six
874 million (\$6,000,000) dollars, to be paid by the licensees for the treatment of compulsive

875 gambling; provided that, the commission shall conduct a public hearing and collect testimony
876 from the public, licensees and compulsive gambling organizations approved by the department
877 of public health as part of its determination of how much money to assess under this section.
878 Said assessment shall be made proportionately against each licensee on the basis of the amount
879 of net gaming; provided that, no less than 25 per cent of the funds received under this paragraph
880 shall be utilized for the purpose of identification, prevention, intervention, and treatment of
881 compulsive gambling in minority and immigrant communities. The commission shall distribute
882 said funds to compulsive gambling organizations or organizations, as determined by the
883 department of public health.

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

887 SECTION 6. Section 17 of Chapter 138 of the General Laws, as appearing in the 2002
888 Official Edition, is hereby amended by inserting at the end thereof the following:
889 Notwithstanding the provisions of this section, or anything to the contrary contained herein, the
890 commission is hereby authorized to issue to a licensee of a gaming establishment pursuant to
891 chapter 10A, one or more alcoholic beverage licenses. Said licenses shall not be transferable to
892 any other premises or entity. All other provisions of chapter 138 shall be applicable to the
893 issuance of said license.

894 SECTION 7. Section 17B of chapter 271 of the General Laws, as appearing in the 2008
895 official edition, is amended by inserting after section 17B the following section:- Section 17C.
896 Whoever uses an local area network or the Internet or both, or being the occupant in control of

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

911 SECTION 8. Said chapter 271 is hereby further amended by inserting after section 22B,
912 as so appearing, the following section:- Section 22C. Nothing in this chapter shall authorize the
913 prosecution, arrest or conviction of any person for promoting or playing, or for allowing to be
914 conducted, promoted or played, the games authorized and licensed under chapter 10 and 10A;
915 provided, said game are conducted under a license issued by the Massachusetts state lottery
916 commission, under the provisions of chapter 10 and 10A.

917 SECTION 9. Notwithstanding any general or special law to the contrary, the governor
918 shall not concur in a determination that a gaming establishment on newly acquired lands would
919 be in the best interest of an Indian tribe, pursuant to 25 U.S.C. section 2719 (b)(1)(A), unless the

920 house of representatives and senate each have authorized, by majority vote, the governor so to
921 concur. The governor shall not negotiate or enter into a tribal-state compact pursuant to 25
922 U.S.C. section 2710(d)(3) unless the house of representatives and the senate each approve of the
923 governor entering into said compact. The governor shall not transfer or concur in the transfer of
924 any real property located in the commonwealth into trust for the benefit of and Indian tribe,
925 pursuant to 25 U.S.C. section 2719, without the approval, by majority vote, of the house of
926 representatives and the senate. The Massachusetts state lottery commission shall have all powers
927 necessary to undertake the Commonwealth's responsibilities and rights under the terms of any
928 compact entered into between the Commonwealth and any federally recognized tribe under the
929 provisions of the Indian Gaming Regulatory Act.