

**SENATE . . . . . No. 2040**

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**The Commonwealth of Massachusetts**

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**In the Year Two Thousand Nine**  
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An Act establishing the Massachusetts pari-mutuel enhancement act..

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

1           SECTION 1. General Provisions   (a) This chapter shall be known and may be cited as  
2 the “Massachusetts Pari-mutuel Enhancement Act.”

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

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

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

11           Section 2. Definitions.

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

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

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

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

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

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

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

35 (g) “Commissioner”, means a member of the state gaming commission.

36 (h) “Committee”, means the state gaming policy committee.

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

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

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

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

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

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

56 thing of value, whether the payoff is made automatically from the machine or in any other  
57 manner.

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

61 (l) “Game” and “gambling game”, means any game approved by the commission and  
62 played with equipment or any mechanical, electromechanical or electronic device or machine,  
63 including slot machine as defined by this act, for money, property, checks, credit or any  
64 representative of value, but does not include games played with cards in private homes or  
65 residences in which no person makes money for operating the game, except as a player, or games  
66 defined within chapter ten or chapter two hundred seventy-one of the General Laws of the  
67 commonwealth,

68 (m) “Gaming”, “gambling”, and “gaming operations”, means to operate, carry on,  
69 conduct, maintain or expose for play any game as defined in this section.

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

74 (p) “Gaming employee”, means any person employed in a properly licensed gaming  
75 facility including, without limitation, boxmen; floormen; machine mechanics; security  
76 employees; count room personnel; cage personnel; slot machine and slot booth personnel;  
77 collection personnel; surveillance personnel; and data processing personnel; or any other person

78 whose employment duties predominantly involves the maintenance or operation of gaming  
79 activity or equipment and assets associated therewith or who, in the judgment of the commission,  
80 is so regularly required to work in a restricted area that licensure as a gaming employee is  
81 appropriate.

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

84 (s) "Gaming license" or "license", means any license or work permit issued by the  
85 commission under this chapter that authorizes the person named therein to engage or participate  
86 in controlled gaming, including, work permits and licenses issued to gaming establishments, to  
87 gaming suppliers, to parties in interest, to gaming schools, and to officers and directors of  
88 licensed persons or entities;

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

91 (u) "Gaming service industry", means any form of enterprise which provides more than  
92 one hundred thousand dollars per annum in goods or services regarding the realty, construction,  
93 maintenance, or business of a proposed or existing gaming facility on a regular or continuing  
94 basis which directly relate to gaming activities or indirectly relate to gaming operations  
95 including, without limitation, junket enterprises; security businesses; manufacturers, suppliers,  
96 distributors and servicers of gaming devices or equipment; waste disposal companies;  
97 maintenance companies; schools teaching gaming and either playing or dealing techniques;  
98 suppliers of alcoholic beverages, food and nonalcoholic beverages; vending machine providers;  
99 linen suppliers; shopkeepers located within the approved hotels; limousine services; and

100 construction companies contracting with gaming applicants or licensees or their employees or  
101 agents, or any other enterprise which purchases more than fifty thousand dollars per annum in  
102 goods or services from or which does more than fifty thousand dollars worth of business per  
103 annum with licensed gaming facilities provided that professional services such as accountants,  
104 auditors, attorneys, and broker dealers, or other professions which are regulated by a public  
105 agency, are exempt from the provisions of this subsection.

106 (v) "Holding company", means any corporation, firm, partnership, trust, or other form of  
107 business organization not a natural person that, directly or indirectly, owns, has the power or  
108 right to control, or holds with power to vote, all or any part of the limited partnership interests or  
109 outstanding voting securities of a corporation or any other business entity that holds or applies  
110 for a state gambling license. In addition, a holding company indirectly has, holds, or owns any  
111 power, right, or security mentioned herein if it does so through any interest in a subsidiary or  
112 successive subsidiaries, however many of these subsidiaries may intervene between the holding  
113 company and the corporate licensee or applicant.

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

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

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

121 (bb) “License fees”, means any money required by law to be paid to obtain or renew a  
122 gaming license, manufacturer’s or distributor’s license.

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

125 (dd) “Licensee”, means any person to whom a valid gaming license, manufacturer’s or  
126 distributor’s license has been issued.

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

133 (ff) “Manufacturer’s, seller’s or distributor’s license”, means a license issued pursuant to  
134 this act.

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

139 (jj) “Party in interest”, means any corporation, firm, partnership, trust, or other entity or  
140 person with any direct or indirect pecuniary interest in a licensed gaming establishment, or a

141 person who owns any interest in the premises of a licensed gaming establishment, or land upon  
142 which such premises is licensed, whether he leases the property directly or through an affiliate.

143 (kk) “Person” or “party”, means a natural person, corporation, partnership, limited  
144 partnership, trustee, holding company, joint venture, association, or any business entity.

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

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

157 (rr) “Work permit”, means any card, certificate, or permit issued by the commission  
158 authorizing the holder to be employed in a licensed gaming facility.

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

160 (a) There shall be established a Massachusetts gaming control commission consisting of  
161 five members. Each member shall be a citizen of the United States and a resident of the



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

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

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

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

204 (e) The commission shall establish and maintain its general place of business in Boston,  
205 Massachusetts. The commission may hold meetings at any place within the state when the  
206 interests of the public may be better served. Except as otherwise provided for herein, meetings of  
207 the commission shall be subject to the provisions of section eleven A and eleven A and one-half

208 of chapter thirty of the General Laws. A majority of the membership of the commission is a  
209 quorum of the commission. A public record of every vote shall be maintained at the  
210 commission's general office. The commission may maintain any other files and records as it  
211 deems appropriate.

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

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

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

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

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

274 (i) The commission shall assure, to the extent required by this act, that licenses,  
275 approvals, certificates, or permits shall not be issued to nor held by, nor shall there be any  
276 material involvement, directly or indirectly, with the licensed gaming facility operation or the

277 ownership thereof by, unqualified or disqualified persons or persons whose operations are  
278 conducted in a manner not conforming with the provisions of this act. In enforcing the provisions  
279 of this act, the commission shall have the power and authority to deny any application; limit or  
280 restrict any license, registration, certificate, permit or approval; suspend or revoke any license,  
281 registration, certificate, permit or approval; and, impose a penalty on any person licensed,  
282 registered, or previously approved for any cause deemed reasonable by the commission pursuant  
283 to rules and regulations promulgated thereby.(j) No commission member or person employed by  
284 the commission shall represent any person or party other than the commonwealth before or  
285 against the commission for a period of two years from the termination of his office or  
286 employment with the commission.

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

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

293 (m) The commission shall have the power to acquire, lease, use, hold and mortgage real,  
294 personal or mixed property or any interest, easements or rights therein, as may be necessary or  
295 appropriate to carry out the provisions of this act; to enter into agreements or other transactions  
296 with the commonwealth or any political subdivision or public instrumentalities thereof, the  
297 United States government or any federal, state or other governmental agency; to formulate plans  
298 for the projects involving the acquisition and operation of facilities pursuant to the provisions of

299 this act, and to construct or reconstruct, expand, remodel, to fix and revise from time to time, and  
300 to charge and collect rates, fees, rentals and other charges for the use of any building, structure,  
301 other property or portion thereof under its control; and to acquire in the name of the commission  
302 by purchase or otherwise, in such terms and conditions and in such manner as it may deem  
303 proper, or except with respect to the state, by exercise of the power of eminent domain, pursuant  
304 to the provisions of chapter seventy-nine of the General Laws, any land and other property and  
305 any and all rights, title and interest in such land and other property, and any fee simple absolute  
306 in, easements upon or the benefit of restrictions upon abutting property, and to preserve and  
307 protect any project.

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

320 (o) No person shall transfer a direct or indirect pecuniary interest in a licensed operating  
321 entity or premises, or enter into an option contract or other agreement providing for such transfer

322 in the future, without having notified the commission. No person shall transfer a greater than five  
323 percent direct or indirect pecuniary interest in a licensed operating entity or premises without the  
324 issuance by the commission to the transferee of an operating license or an affirmative statement  
325 that the transferee has met the operating license standards, as the commission may require.

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

#### 332 Section 4. Records of Commission Proceedings

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

335 (b) Notwithstanding any other general or special law to the contrary all files, records,  
336 reports, and other information in possession of any state or local governmental agency including  
337 tax filings and related information that are relevant to an investigation by the commission  
338 conducted pursuant to this act shall be made available to the commission as requested. However,  
339 any tax or financial information received from a governmental agency shall be used solely for  
340 effectuating the purposes of this act. To the extent that these files, records, reports, or  
341 information are confidential or otherwise privileged from disclosure under any law they shall not  
342 lose that confidential or privileged status for having been disclosed to the commission.



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

348 (d) The attorney general, every district attorney, and every state and local law  
349 enforcement agency shall notify the commission of any investigation or prosecution of any  
350 person if it appears that a violation of any law related to gambling had occurred.

351 Section 5. Finding of suitability. License approval.

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

365 application, and any additional sums as are required by the commission to pay final costs and  
366 charges.

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

372 (c) The commission may require a finding of suitability or the licensing of any person  
373 who furnishes services or property to a state gaming licensee under any arrangement pursuant to  
374 which the person receives payments based on earnings, profits or receipts from gaming.

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

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

393 (2) Persons licensed to conduct greyhound dog racing meetings in Suffolk and Bristol  
394 County, as of January 1, 2000, or their respective assigns and/or successors in interest, not  
395 including greyhound dog racing meetings held in connection with a state or county fair, who run  
396 a full schedule of live races as defined in section two of chapter one hundred twenty-eight C,  
397 shall be authorized to each operate one thousand five hundred electronic, gaming devices or slot  
398 machines to be operated only, respectively, on the premises of a greyhound dog racing meeting  
399 licensee in Suffolk and Bristol Counties, as approved by the commission; provided, however,  
400 that where two or more greyhound dog racing meeting licensees in Bristol County use the same  
401 track during a calendar year, said Bristol County licensees, for purposes of seeking a licensed  
402 operator license, shall be considered one applicant.

403 (e) A person may apply to be a licensed operator by filing an application with the  
404 commission, in the form and with such accompanying application fees as the commission may  
405 establish. Information on the application will be used as the basis for a thorough background  
406 investigation which the bureau shall conduct with respect to each applicant. Each application  
407 shall disclose the identity of each party in interest, each holding company and intermediary  
408 company, and each affiliate of the operating entity. The application shall disclose, in the case of  
409 a privately held corporation, the names and addresses of all directors, officers, and stockholders;

410 in the case of a publicly traded corporation, the names and addresses of all directors, officers,  
411 and persons holding at least one percent of the total capital stock issued and outstanding; in the  
412 case of a partnership, the names and addresses of all partners, both general and limited; and in  
413 the case of a trust, the names and addresses of all trustees and beneficiaries.

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

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

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

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

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

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

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

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

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

468 (n) The commission has full and absolute power and authority to deny any application for  
469 any cause it deems reasonable. If an application is denied, the commission shall prepare and file  
470 its written decision upon which its order denying the application is based.

471 (o) A person who has had his application for a license denied or who has been found  
472 unsuitable by the commission shall not retain his interest in a corporation, partnership, limited  
473 partnership, limited-liability company or joint venture beyond that period prescribed by the

474 commission; and shall not accept more for his interest in a corporation, partnership, limited  
475 partnership, limited-liability company or joint venture than he paid for it or the market value on  
476 the date of the denial of the license or the finding of unsuitability.

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

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

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

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

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

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

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

515 (b) Any person included on the list of persons to be excluded or ejected from a gambling  
516 establishment pursuant to regulations promulgated pursuant to this act who knowingly enters or  
517 remains on the premises of a licensed gambling establishment shall be punished by a fine to be  
518 determined by the commission, in addition to any other penalties prescribed by law.



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

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

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

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

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

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

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

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

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

562 (i) Any former commission member who, within three years after his employment on said  
563 commission has ceased, solicits or accepts employment with or provides consultant services to  
564 any licensee or at any licensed gaming facility shall be deemed to have violated chapter two  
565 hundred sixty-eight B of the General Laws. Any licensed gaming facility which employs a  
566 former commission member in violation of this subsection shall be punishable by a fine to be  
567 determined by the commission.

568 (j) It is unlawful for any person:

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

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

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

579 As used in this section, “cheat” means to alter the selection of criteria which determine:

580 (a) the results of a game; or (b) the amount or frequency of payment in a game.

581 (4) to have on his person or in his possession on or off the premises of any licensed  
582 gaming establishment any key or device known to have been designed for the purpose of and

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

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

595 (1) In addition to any other penalty imposed under this section, a violation of this section  
596 by a licensed gaming establishment shall subject to forfeiture to the commonwealth any or all of  
597 the gaming equipment related to the violation. A district attorney may petition the superior court  
598 in the name of the commonwealth in the nature of a proceeding in to order forfeiture of any such  
599 gaming equipment subject to forfeiture under the provisions of this paragraph. Such petition shall  
600 be filed in the court having jurisdiction over said gaming equipment or having final jurisdiction  
601 over any related criminal proceedings brought under any provision of this chapter. In all such  
602 suits where the property is claimed by any person, other than the commonwealth, the  
603 commonwealth shall have the burden of proving to the court the existence of probable cause to  
604 institute the action, and any such claimant shall then have the burden of proving that the gaming  
605 equipment is not forfeitable. The court shall order the commonwealth to give notice by certified

606 or registered mail to the owner of said gaming equipment and to such other persons as appear to  
607 have an interest therein, and the court shall promptly, but not less than two weeks after notice,  
608 hold a hearing on the petition. Upon the motion of the owner of said gaming equipment the court  
609 may continue the hearing on the petition pending the outcome of any criminal trial related to the  
610 violation of this chapter. At such hearing the court shall hear evidence and make conclusions of  
611 law, and shall thereupon issue a final order, from which the parties shall have a right of appeal.  
612 In all such suits where a final order results in a forfeiture, said final order shall provide for  
613 disposition of said gaming equipment, by the commonwealth in any manner not prohibited by  
614 law, including official use by an authorized law enforcement or in other public agency, or sale at  
615 public auction or by competitive bidding. The proceeds of any such sale shall be used to pay the  
616 reasonable expenses of the forfeiture proceedings, seizure, storage, maintenance of custody,  
617 advertising, and notice, and the balance thereof shall be deposited in the gaming regulatory  
618 account established by this chapter.

619 Section 8. Revenues; License Fees; Penalties.

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

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

634 (c) All revenue received from any game or gaming device which is leased for operation  
635 on the premises of the licensee-owner to a person other than the owner thereof, or located in an  
636 area or space on the premises which is leased by the licensee-owner to any such person, must be  
637 attributed to the owner for the purposes of this section and be counted as part of the gross  
638 revenue of the owner. The lessee is liable to the owner for his proportionate share of the license  
639 fees.

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

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

648 (f) There is hereby imposed upon each slot machine operated in this state an annual  
649 excise tax of two hundred and fifty dollars. If a slot machine is replaced by another, the  
650 replacement is not considered a different slot machine for the purpose of imposing this tax. The

651 commission shall collect the tax annually on or before June twentieth, as a condition precedent to  
652 the issuance of a state gaming license to operate any slot machine for the ensuing fiscal year  
653 beginning July first, from a licensee whose operation is continuing; collect the tax in advance  
654 from a licensee who begins operation or puts additional slot machines into play during the fiscal  
655 year, prorated monthly after July thirty-first; include the proceeds of the tax in its reports of state  
656 gaming taxes collected. The commission shall pay over the tax as collected to the treasurer of the  
657 municipality within which the gaming facility is located to be deposited to the general fund of  
658 said municipality.

659           Section 9. Reporting Violations of Act.

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

665           Section 10. Licensing of Gaming Service Industries.

666           (a) All gaming service industries as defined in this act offering goods or services which  
667 directly relate to gaming activities or indirectly relate to gaming operations shall be licensed in  
668 accordance with rules of the commission and prior to conducting any business whatsoever with a  
669 gaming applicant or licensee, its employees or agents, and in the case of a school, prior to  
670 enrollment of any students or offering of any courses to the public whether for compensation or  
671 not. Gaming service industries that directly relate to gaming activities shall include gaming and  
672 wagering equipment manufacturers, suppliers and repairers, schools teaching gaming and either

673 playing or dealing techniques, and gaming security services. Gaming service industries that  
674 indirectly relate to gaming operations shall include junket enterprises; suppliers of alcoholic  
675 beverages, food and nonalcoholic beverages; garbage handlers; vending machine providers; linen  
676 suppliers; maintenance companies; shopkeepers located within the approved hotels; limousine  
677 services and construction companies contracting with gaming applicants or licensees or their  
678 employees or agents.

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

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

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

694 Section 11. Gaming Revenue Payable to Commission.



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

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

716 (c) Notwithstanding the foregoing, if adjusted net gaming revenues of any licensed  
717 operator under section twelve (a) and (b) exceed, in any calendar year, fifty million dollars, such

718 licensed operator(s) shall pay to the commission, on behalf of the commonwealth, as the  
719 commission shall direct, from the adjusted net gaming revenue above said amount, a percentage  
720 on behalf of the commonwealth.

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

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

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

738 Section 12. Problem Gambling Education and Treatment.

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

745           Section 13. Disclosure requirements.

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

750           Section 14. Recovery of Gaming Debts by Patrons.

751           (a) Whenever a licensee refuses payment of alleged winnings to a patron, the licensee and  
752 the patron are unable to resolve the dispute to the satisfaction of the patron and the dispute  
753 involves, 1) at least five hundred dollars, the licensee shall immediately notify the commission;  
754 or 2) less than five hundred dollars, the licensee shall inform the patron of his right to request  
755 that the commission conduct an investigation. The bureau shall conduct whatever investigation it  
756 deems necessary and shall determine, in its sole discretion and without need for a hearing,  
757 whether payment should be clone. In the event the commission determines that payment should  
758 be made, all costs of the investigation shall be borne by the licensee. Failure of the licensee to  
759 notify the bureau or inform the patron as provided herein shall subject the licensee to disciplinary  
760 action.

761 (b) Any party aggrieved by the determination of the commission may file a petition for  
762 reconsideration with the commission setting forth the basis of the request for reconsideration.  
763 Any hearing for reconsideration shall be conducted pursuant to regulations adopted by the  
764 commission.

765 Section 15. Off-Track Betting.

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

773 Section 16. Severability.

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