

SENATE No. 169

The Commonwealth of Massachusetts

PRESENTED BY:

Marc R. Pacheco

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act establishing the Massachusetts pari-mutuel enhancement act.

PETITION OF:

NAME:

Marc R. Pacheco

DISTRICT/ADDRESS:

SENATE No. 169

By Mr. Pacheco, a petition (accompanied by bill, Senate, No. 169) of Marc R. Pacheco for legislation to establish the Massachusetts pari-mutuel enhancement act. Economic Development and Emerging Technologies.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. 2040 OF 2009-2010.]

The Commonwealth of Massachusetts

In the Year Two Thousand Eleven

An Act establishing the Massachusetts pari-mutuel enhancement act.

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

1 SECTION 1. General Provisions

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

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

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

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

12 Section 2. Definitions.

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

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

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

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

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

34 (e) “Chairman”, means the chairman of the state gaming commission.

35 (f) “Commission”, means the Massachusetts state gaming commission;

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

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

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

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

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

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

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

50 (j) “Electronic Gaming Device”, means any mechanical, electrical or other device,
51 contrivance or machine, including any so-called video wagering terminal, video lottery terminal

52 or video poker machine, which, upon insertion of a coin, token or similar object, or upon
53 payment of any consideration, is available to play or operate, the plan or operation of which,
54 whether by reason of the skill of the operator in playing a gambling game which is presented for
55 play by the machine or application of the element of chance, or both, may deliver or entitle the
56 person playing or operating the machine to receive cash, premiums, merchandise, tokens or any
57 thing of value, whether the payoff is made automatically from the machine or in any other
58 manner.

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

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

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

71 (n) "Gaming device", means any equipment or mechanical, electromechanical or
72 electronic contrivance, component or machine, including slot machine as defined in this section,

73 used remotely or directly in connection with gaming or any game which affects the result of a
74 wager by determining win or loss.

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

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

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

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

92 (u) "Gaming service industry", means any form of enterprise which provides more than
93 one hundred thousand dollars per annum in goods or services regarding the realty, construction,
94 maintenance, or business of a proposed or existing gaming facility on a regular or continuing

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

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

115 (w) "Intermediary company" means any corporation, firm, partnership, trust, or other
116 form of business organization other than natural person that is both of the following: (1) a

117 holding company with respect to a corporation or limited partnership that holds or applies for a
118 gaming license, and (2) a subsidiary with respect to a holding company.

119 (x) “Land-based licensed gaming facility” means any licensed gaming facility that is
120 principally located on land.

121 (aa) “License”, means a gaming license, or a manufacturer’s or distributor’s license.

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

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

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

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

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

136 (gg) “Net gaming revenue”, means the total, prior to the deduction of any operating,
137 capital or other expenses whatsoever, of all gaming revenue derived from slot machines and

138 retained by any gaming establishment licensed under this chapter derived from the conduct of
139 any controlled game;

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

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

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

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

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

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

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

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

183 removed by the governor for just cause, and shall be removed immediately upon conviction of
184 any felony. Any person so suspended and later acquitted of any such felony shall be reinstated to
185 the commission upon such acquittal, with full back pay.

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

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

205 (e) The commission shall establish and maintain its general place of business in Boston,
206 Massachusetts. The commission may hold meetings at any place within the state when the
207 interests of the public may be better served. Except as otherwise provided for herein, meetings of
208 the commission shall be subject to the provisions of section eleven A and eleven A and one-half
209 of chapter thirty of the General Laws. A majority of the membership of the commission is a
210 quorum of the commission. A public record of every vote shall be maintained at the
211 commission's general office. The commission may maintain any other files and records as it
212 deems appropriate.

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

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

249 (g) The commission shall conduct hearings in accordance with the provisions of chapter
250 thirty A. The commission may, by a majority vote, issue subpoenas for the attendance of

251 witnesses or the production of any records, books, memoranda, documents, or other papers, or
252 things, at or prior to any hearing as is necessary to enable the commission to effectually
253 discharge its duties, and may administer oaths or affirmations as necessary in connection
254 therewith. The commission may petition a superior court for an order requiring compliance with
255 a subpoena. The commission shall have the authority to propound written interrogatories and
256 may appoint hearing examiners, to whom may be delegated the power and authority to
257 administer oaths, issue subpoenas, propound written interrogatories, require testimony under
258 oath, report same, and fashion recommended decisions upon the recommendation of said
259 commission.

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

273 licensed gambling establishment or other location as may be pertinent to the investigative powers
274 of the commission.

275 (i) The commission shall assure, to the extent required by this act, that licenses,
276 approvals, certificates, or permits shall not be issued to nor held by, nor shall there be any
277 material involvement, directly or indirectly, with the licensed gaming facility operation or the
278 ownership thereof by, unqualified or disqualified persons or persons whose operations are
279 conducted in a manner not conforming with the provisions of this act. In enforcing the provisions
280 of this act, the commission shall have the power and authority to deny any application; limit or
281 restrict any license, registration, certificate, permit or approval; suspend or revoke any license,
282 registration, certificate, permit or approval; and, impose a penalty on any person licensed,
283 registered, or previously approved for any cause deemed reasonable by the commission pursuant
284 to rules and regulations promulgated thereby.

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

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

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

294 (m) The commission shall have the power to acquire, lease, use, hold and mortgage real,
295 personal or mixed property or any interest, easements or rights therein, as may be necessary or
296 appropriate to carry out the provisions of this act; to enter into agreements or other transactions
297 with the commonwealth or any political subdivision or public instrumentalities thereof, the
298 United States government or any federal, state or other governmental agency; to formulate plans
299 for the projects involving the acquisition and operation of facilities pursuant to the provisions of
300 this act, and to construct or reconstruct, expand, remodel, to fix and revise from time to time, and
301 to charge and collect rates, fees, rentals and other charges for the use of any building, structure,
302 other property or portion thereof under its control; and to acquire in the name of the commission
303 by purchase or otherwise, in such terms and conditions and in such manner as it may deem
304 proper, or except with respect to the state, by exercise of the power of eminent domain, pursuant
305 to the provisions of chapter seventy-nine of the General Laws, any land and other property and
306 any and all rights, title and interest in such land and other property, and any fee simple absolute
307 in, easements upon or the benefit of restrictions upon abutting property, and to preserve and
308 protect any project.

309 (n) The commission may investigate, civilly or criminally, fraud, deceit,
310 misrepresentation or violations of law by any person licensed or registered under this act, or the
311 occurrence of any such activity within or involving any licensed gambling establishment or
312 gambling operation. If the commission has reasonable basis to believe that any person licensed
313 or registered under this act is engaged in criminal behavior or that criminal activity is occurring
314 within or involving any licensed gaming facility or licensed gambling operation said commission
315 shall report same to the attorney general of the commonwealth and the district attorney of the
316 county within which the gaming facility is located and make available to the attorney general and

317 said district attorney all relevant information on such activity. The commission, as it deems
318 appropriate, may ask the attorney general and/or said district attorney to restrain a violation of
319 this act or enforce any provision thereof. An action brought against a person pursuant to this act
320 does not preclude any other criminal or civil proceeding as may be authorized by law.

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

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

333 Section 4. Records of Commission Proceedings

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

336 (b) Notwithstanding any other general or special law to the contrary all files, records,
337 reports, and other information in possession of any state or local governmental agency including
338 tax filings and related information that are relevant to an investigation by the commission

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

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

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

352 Section 5. Finding of suitability. License approval.

353 (a) The commission shall investigate the qualifications of each applicant under this act
354 before any license is issued or any registration, finding of suitability or approval of acts or
355 transactions for which commission approval is required or permission is granted, and shall
356 continue to monitor the conduct of all licensees and registrants and other persons having a
357 material involvement, directly or indirectly with a licensed gaming facility or holding company
358 to ensure that licenses are not issued or held by, nor is there any material involvement directly or
359 indirectly with a licensed gaming facility or holding company by unqualified, disqualified or
360 unsuitable persons, or persons whose operations are conducted in an unsuitable manner or in

361 unsuitable or prohibited places or locations, as provided in commission regulations. All expenses
362 associated with the licensing of any applicant shall be borne by the applicant. Pursuant to its
363 regulations, the commission shall require each applicant for a gambling license to deposit with
364 the commission, together with the application therefore, an application fee. Such fee shall
365 constitute the anticipated costs and charges incurred in the investigation and processing of the
366 application, and any additional sums as are required by the commission to pay final costs and
367 charges.

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

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

376 (d) No person shall operate a gaming establishment without having obtained all necessary
377 operating licenses from the commission. There shall be a single licensed operator for each
378 gaming establishment. The licensing standards must be met at all times by each officer, director,
379 partner, and trustee of the operating entity, by each substantial party in interest of the operating
380 entity or of the premises on which such establishment is located, and by such other party in
381 interest of the operating entity, the premises, or any holding company or intermediary company
382 of the operating entity or the premises as the commission may require. In no event shall the

383 commission permit a person or entity previously convicted of a felony to be a party in interest of
384 the operating entity or of the premises or of any holding or intermediary company of the
385 operating entity or the premises. A separate license shall be required for any person described
386 above, unless the commission specifically determines otherwise. The commission may grant not
387 more than four licensed operator licenses to be issued to the following:

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

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

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

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

424 (g) No licensed operator shall obtain any gaming equipment from a person who does not
425 hold a license. No licensed operator shall enter into any agreement for the receipt of goods or
426 services, of any form and in any amount, from a person who does not hold a license, when a

427 license is required for such agreement under this act or under regulations promulgated by the
428 commission.

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

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

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

447 (j) Any state license in force may be renewed by the commission for the next succeeding
448 license period upon proper application for renewal and payment of state license fees and taxes as

449 required by law and the regulations of the commission. If any licensee or other person fails to
450 renew his license the commission may order the immediate closure of all his gaming activity
451 until the license is renewed by the payment of the necessary fees, taxes, interest and any
452 penalties.

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

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

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

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

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

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

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

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

486 Section 6. Right to Hearing.

487 Any person aggrieved by a determination by the commission to issue, deny, modify,
488 revoke or suspend any license or approval, or to issue an order, under the provisions of this act,
489 may request an adjudicatory hearing before the commission under the provisions of chapter

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

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

498 (a) Except as otherwise provided in this act or in chapter ten or in section seven A of
499 chapter two hundred seventy-one of the General Laws, it is unlawful for any person to deal,
500 operate, carry on, conduct, maintain or expose for play in the commonwealth of Massachusetts
501 any gambling game, gaming device, or slot machine as defined by this act; to receive, directly or
502 indirectly, any compensation or reward or any percentage or share of the money or property
503 played, for keeping, running or carrying on any gambling game, gaming device, or slot machine;
504 to permit any gambling game, gaming device, or slot machine to be conducted, operated, dealt or
505 carried on in any house or building or other premises owned by him, in whole or in part; to lend,
506 let, lease or otherwise deliver or furnish any equipment of any gambling game, including any slot
507 machine, for any interest, percentage or share of the money or property played, under guise of
508 any agreement whatever; to lend, let, lease or otherwise deliver or furnish, except by a bona fide
509 sale or capital lease, any slot machine under guise of any agreement whereby any consideration
510 is paid or is payable for the right to possess or use that slot machine, whether the consideration is
511 measured by a percentage of the revenue derived from the machine or by a fixed fee or
512 otherwise; to furnish services or property, real or personal, on the basis of a contract, lease or

513 license, pursuant to which that person receives payments based on earnings or profits from any
514 gambling game, including any slot machine, without having first procured a state gaming license
515 from the commission.

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

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

533 (d) Any person who willfully fails to report, pay, or truthfully account for and pay over
534 any license registration fee, penalty, fine, or interest thereon imposed by this act, or willfully

535 attempts in any manner to evade or defeat the license fee, penalty, fine, or interest thereon or
536 payment thereof shall be punished by a fine to be determined by the commission.

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

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

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

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

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

552 (3) to manufacture or distribute within the territorial boundaries of the
553 commonwealth any gaming equipment to be used in connection with controlled gaming shall be
554 punished by imprisonment in the state prison for not more than five years, or by imprisonment in

555 a house of correction for not more than two and one-half years, or by a fine of not more than ten
556 thousand dollars, or by both such imprisonment and fine.

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

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

569 (j) It is unlawful for any person:

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

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

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

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

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

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

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

618 proceedings, seizure, storage, maintenance of custody, advertising, and notice, and the balance
619 thereof shall be deposited in the gaming regulatory account established by this chapter.

620 Section 8. Revenues; License Fees; Penalties.

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

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

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

640 revenue of the owner. The lessee is liable to the owner for his proportionate share of the license
641 fees.

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

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

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

661 Section 9. Reporting Violations of Act.

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

667 Section 10. Licensing of Gaming Service Industries.

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

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

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

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

696 Section 11. Gaming Revenue Payable to Commission.

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

706 amount above that thirty-five million dollars, on behalf of the commonwealth a sum on behalf of
707 the horse owners at the racing meeting licensee for said purses.

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

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

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

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

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

740 Section 12. Problem Gambling Education and Treatment.

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

747 Section 13. Disclosure requirements.

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

752 Section 14. Recovery of Gaming Debts by Patrons.

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

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

767 Section 15. Off-Track Betting.

768 In the event that an off-track betting system is sanctioned by the commonwealth each
769 licensed gaming facility shall, on reasonable terms and conditions, make available within said

770 facility space for an off-track betting facility to be jointly leased and operated by all persons
771 licensed under section three of chapter one hundred and twenty-eight A, other than licensees
772 conducting horse or dog racing in connection with a state or county fair, to be operated in
773 accordance with the rules and regulations applicable to the enabling legislation of that off-track
774 betting system.

775 Section 16. Severability.

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