

SENATE No. 2351

The Commonwealth of Massachusetts

—————
In the One Hundred and Eighty-Ninth General Court
(2015-2016)
—————

SENATE, Monday, June 20, 2016

The committee on Consumer Protection and Professional Licensure to whom was referred the petition (accompanied by bill, Senate, No. 151) of Jennifer L. Flanagan for legislation relative to lottery online products,- reports the accompanying bill (Senate, No. 2351).

For the committee,
Barbara A. L'Italien

SENATE No. 2351

The Commonwealth of Massachusetts

In the One Hundred and Eighty-Ninth General Court
(2015-2016)

An Act relative to online lottery products.

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

1 SECTION 1. Section 24 of chapter 10 of the General Laws, as appearing in the 2014
2 Official Edition, is hereby amended by striking out the first paragraph and inserting in place
3 thereof the following paragraph: -

4 The commission is hereby authorized to conduct a state lottery, including a lottery or
5 lotteries conducted online, over the internet, or through the use of mobile applications, and shall
6 determine the types of lottery or lotteries to be conducted, the price, or prices, of tickets, games,
7 or shares in the lottery, the numbers and sizes of the prizes on the winning tickets, games, or
8 shares, the manner of selecting the winning tickets, games, or shares, the manner of payment of
9 prizes to the holders of winning tickets, games, or shares, the frequency of the drawings or
10 selections of winning tickets, games, or shares and the type or types of locations at which
11 tickets, games, or shares may be sold, the method to be used in selling tickets, games, or shares,
12 the licensing of agents to sell tickets, games, or shares; provided, however, that no person under
13 the age of eighteen shall be licensed as an agent, the manner and amount of compensation, if any,
14 to be paid licensed sales agents, and such other matters necessary or desirable for the efficient

15 and economical operation and administration of the lottery and for the convenience of the
16 purchasers of tickets, games, or shares and the holders of winning tickets, games, or shares;
17 provided, however, that the amount of compensation, if any, to be paid to licensed sales agents as
18 a commission pursuant to this section shall be calculated on the total face value of each ticket,
19 game, or share sold and not on any discounted price of any such ticket, game, or share sold. The
20 commission is authorized to operate the daily numbers game seven days a week. Each state
21 lottery ticket, game, or share shall have imprinted thereon the state seal and a serial number. The
22 commission may establish, and from time to time revise, such rules and regulations as it deems
23 necessary or desirable and shall file the same with the office of the state secretary. With respect
24 to a lottery or lotteries conducted online, over the internet, or through use of mobile applications,
25 such rules and regulations shall, at a minimum, provide that:

26 (i) age verification measures be reasonably designed to block access to and prevent
27 sales of lottery tickets or shares online or over the internet to persons under the age of eighteen;

28 (ii) sales of lottery tickets, games, or shares online, over the internet, or through the
29 use of mobile applications are limited to transactions initiated and received or otherwise made
30 within the commonwealth;

31 (iii) privacy protections exist so that the personal and financial information of
32 individuals who purchase lottery tickets, games, or shares online, over the internet, or through
33 the use of mobile applications is not available as a public record upon request;

34 (iv) lottery winnings in excess of \$200 but less than \$600 from lottery tickets, games,
35 or shares conducted online, over the internet, or through use of a mobile application must be
36 collected in person, by the winner, at a physical location that is a licensed sales agent;

37 (v) lottery winnings in excess of \$600 from lottery tickets, games, or shares
38 conducted online, over the internet, or through use of a mobile application must be collected in
39 person, by the winner, at the lottery commission office and shall not be distributed until the
40 commission office has determined that the individual does not have outstanding child or spousal
41 support payments or other state debt

42 (vi) maximum daily, weekly, and monthly limits exist for purchases of lottery tickets,
43 games, or shares conducted online, over the internet, or through the use of a mobile application,
44 and that players may lower their own deposit limit at any time;

45 (vii) a player may not use direct deposit to transfer funds from a bank account to an
46 online lottery account;

47 (viii) a mechanism exists to ensure that a player has the option to withdraw any and all
48 winnings at any time;

49 (ix) an option exists to purchase an online game card from an existing licensed sales
50 agent; and

51 (x) the use of credit or debit cards to purchase lottery tickets shall be limited to online
52 transactions and transactions at the lottery commission office.

53 The commission shall advise and make recommendations to the director regarding the
54 operation and administration of the lottery. The commission shall report monthly to the
55 governor, the attorney general and the general court, the total lottery revenues, prize
56 disbursements and other expenses for the preceding month, and shall make an annual report to
57 the same which shall include a full and complete statement of lottery revenues, prize

58 disbursements and other expenses, including such recommendations as it may deem necessary or
59 advisable. The commission shall report immediately to the governor and the general court any
60 matters which require immediate changes in the laws of the commonwealth in order to prevent
61 abuses and evasions of the lottery law or rules and regulations promulgated thereunder or to
62 rectify undesirable conditions in connection with the administration or operation of the state
63 lottery.

64 SECTION 2. Section 24A of chapter 10 of the General Laws, as appearing in the 2014
65 Official Edition, is hereby amended by inserting in line 8, after the words “creating and
66 maintaining multi-jurisdictional lottery games”, the following words: - , including such multi-
67 jurisdictional lottery games to be conducted online, over the internet, or through the use of
68 mobile applications, provided that any such lottery or lotteries conducted online, over the
69 internet, or through the use of mobile applications has been properly authorized by each state or
70 other jurisdiction that is part of the group

71 SECTION 3. Section 3 of chapter 137 of the General Laws, as most recently amended by
72 chapter 194, section 44 of the Acts of 2011, is hereby amended by inserting, after the words “but
73 not including gaming conducted pursuant to chapter 23K”, the following words: - and chapter
74 10.