

HOUSE No. 3548

The Commonwealth of Massachusetts

PRESENTED BY:

Daniel Cahill

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 an online lottery.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Daniel Cahill</i>	<i>10th Essex</i>	<i>1/15/2019</i>
<i>Thomas P. Walsh</i>	<i>12th Essex</i>	<i>1/30/2019</i>
<i>Stephan Hay</i>	<i>3rd Worcester</i>	<i>1/30/2019</i>
<i>Andres X. Vargas</i>	<i>3rd Essex</i>	<i>1/31/2019</i>
<i>Daniel J. Ryan</i>	<i>2nd Suffolk</i>	<i>1/31/2019</i>
<i>Brian M. Ashe</i>	<i>2nd Hampden</i>	<i>2/1/2019</i>
<i>Brendan P. Crighton</i>	<i>Third Essex</i>	<i>2/1/2019</i>
<i>James K. Hawkins</i>	<i>2nd Bristol</i>	<i>2/1/2019</i>

HOUSE No. 3548

By Mr. Cahill of Lynn, a petition (accompanied by bill, House, No. 3548) of Daniel Cahill and others relative to establishing an online lottery. Consumer Protection and Professional Licensure.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-First General Court
(2019-2020)**

An Act establishing an online lottery.

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. Chapter 10 of the General Laws is hereby amended by striking out section
2 24, as appearing in the 2016 Official Edition, and inserting in place thereof the following
3 section:-

4 Section 24. The commission is hereby authorized to conduct a state lottery and shall
5 determine: (i) the types of lottery or lotteries, to be conducted; (ii) the price, or prices, of tickets
6 or shares in the lottery; (iii) the numbers and sizes of the prizes on the winning tickets or shares;
7 (iv) the manner of selecting the winning tickets or shares; (v) the manner of payment of prizes to
8 the holders of winning tickets or shares; (vi) the frequency of the drawings or selections of
9 winning tickets or shares; (vii) the type or types of locations at which tickets or shares may be
10 sold; (viii) the method to be used in selling tickets or shares; (ix) the licensing of agents to sell
11 tickets or shares; provided, however, that no person under the age of eighteen shall be licensed as
12 an agent; (x) the manner and amount of compensation, if any, to be paid licensed sales agents;

13 provided, however, that the amount of compensation, if any, to be paid to licensed sales agents as
14 a commission pursuant to this section shall be calculated on the total face value of each ticket or
15 share sold and not on any discounted price of any such ticket or share sold; and (xi) such other
16 matters necessary or desirable for the efficient and economical operation and administration of
17 the lottery and for the convenience of the purchasers of tickets or shares and the holders of
18 winning tickets or shares. The commission is authorized to operate the daily numbers game
19 seven days a week. Each physical state lottery ticket or share shall have imprinted thereon the
20 state seal and a serial number. The commission may establish, and from time to time revise, such
21 rules and regulations as it deems necessary or desirable and shall file the same with the office of
22 the state secretary.

23 The commission shall establish rules and regulations for lotteries conducted online, over
24 the internet, through the use of a mobile application or through any other means that shall, at a
25 minimum:

26 (i) require age verification measures to be reasonably designed to block access to and
27 prevent sales of lottery tickets, games or shares online, over the internet, through the use of a
28 mobile application or through any other means to persons under the age of 18;

29 (ii) limit sales of lottery tickets, games or shares online, over the internet, through the use
30 of a mobile application or through any other means to transactions initiated and received, or
31 otherwise made, within the commonwealth;

32 (iii) allow any player to voluntarily prohibit or otherwise exclude themselves from
33 purchasing a lottery ticket, game or share online, over the internet, through the use of a mobile
34 application or through any other means;

35 (iv) establish maximum limits for account deposits and transactions of lottery tickets,
36 games or shares conducted online, over the internet, through the use of a mobile application or
37 through any other means and allow players to reduce their own deposit or transaction limit at any
38 time;

39 (v) clarify that money in a lottery account belongs solely to the owner of the account and
40 may be withdrawn by the owner at any time; and

41 (vi) require the commission to implement promotional activities to encourage the
42 purchase of lottery tickets, games or shares through licenses sales agents including, but not
43 limited to, the sale of prepaid gift cards for lottery sales through licensed sales agents.

44 Notwithstanding any general or special law to the contrary

45 Notwithstanding any general or special law to the contrary, the name, address, transaction
46 history, account balance or other personal or identifying information of an individual who
47 purchases lottery tickets, games or shares online, over the internet, through the use of a mobile
48 application or through any other means shall not be deemed public records of the commission for
49 the purposes of section 10 of chapter 66; provided, however, that this section shall not prohibit
50 the commission from maintaining, using or sharing such information in the course of an
51 investigation by law enforcement or in compliance with sections 28A or 28B of this chapter.

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

57 statement of lottery revenues, prize disbursements and other expenses, including such
58 recommendations as it may deem necessary or advisable, which shall be made available
59 electronically to the general public not later than the earliest date established for reports in
60 section 12 of chapter 7A. The commission shall report immediately to the governor and the
61 general court any matters which require immediate changes in the laws of the commonwealth in
62 order to prevent abuses and evasions of the lottery law or rules and regulations promulgated
63 thereunder or to rectify undesirable conditions in connection with the administration or operation
64 of the state lottery.

65 The commission is authorized to carry on a continuous study and investigation of said
66 lottery throughout the commonwealth in order (1) to ascertain any defects in the state lottery law
67 or in the rules and regulations issued thereunder whereby any abuse in the administration and
68 operation of the lottery or any evasion of said law or said rules and regulations may arise or be
69 practiced, (2) to formulate recommendations for changes in said law and the rules and
70 regulations promulgated thereunder to prevent such abuses and evasions, and (3) to guard against
71 the use of said law and rules and regulations issued thereunder as a cloak for the carrying on of
72 organized gambling and crime.

73 The commission shall make a continuous study and investigation of the operation and
74 administration of similar laws in other states or countries, of any literature on the subject which
75 from time to time may be published or available, of any federal laws which may affect the
76 operation of the lottery, and of the reaction of citizens of the commonwealth to existing and
77 potential features of the lottery with a view to recommending or effecting changes that will tend
78 to better serve and implement the purposes of the state lottery law.

79 The concurrence of the chairman and of not less than two other members of the
80 commission shall be required for all official actions of the commission. A copy of the minutes of
81 each meeting of the commission, including any rules and regulations adopted by the commission
82 or any amendments thereof, shall be forthwith transmitted, by and under the certification of the
83 secretary thereof, to the governor.

84 The commission shall have the power to issue subpoenas to compel the attendance of
85 witnesses and the production of documents, papers, books, records and other evidence before it
86 in any matter over which it has jurisdiction, control or supervision. The commission shall have
87 the power to administer oaths and affirmations to persons whose testimony is required.

88 SECTION 2. Section 24A of said chapter 10, as so appearing, is hereby amended by
89 striking out subsection (a) and inserting in place thereof the following subsection:-

90 (a) For the purposes of this section, "group agreement" shall mean any lottery activity in
91 which the commission participates pursuant to a written agreement between the commission, on
92 behalf of the commonwealth, and any state, territory, country or other sovereignty. The
93 commission is hereby authorized to enter into agreements with one or more states or other
94 jurisdictions, hereinafter referred to as a group, for the purpose of creating and maintaining
95 multi-jurisdictional lottery games, including multi-jurisdictional lottery games to be conducted
96 online, over the internet, through the use of a mobile application or through any other means;
97 provided, however, that any such lottery game to be conducted online, over the internet, through
98 the use of a mobile application or through any other means has been properly authorized by each
99 state or other jurisdiction that is part of the group; provided, further, that a group agreement shall
100 not include the state lottery games created pursuant to section 24; provided further, that nothing

101 in this section and nothing in a group agreement shall authorize the commission to make
102 expenditures that are not consistent with restrictions on expenditures by the commission
103 provided in any other general or special law. The group shall determine the types of lotteries to
104 be conducted, the prices of tickets or shares, the manner of selecting the winning tickets or
105 shares, the manner of payment of prizes to the holders of winning tickets or shares and the
106 frequency of the drawings or selection of winning tickets or shares. The commission may
107 establish, and from time to time revise, such rules and regulations as it deems necessary or
108 desirable to carry out the group agreement and shall file the same with the office of the state
109 secretary.

110 SECTION 3. Said chapter, as so appearing, is hereby amended by striking out section 25
111 and inserting in place thereof the following section:-

112 Section 25. The apportionment of the total revenues accruing from the sale of lottery
113 tickets or shares and from all other sources at the point of sale shall be as follows:--(a) the
114 payment of prizes to the holders of winning tickets or shares which in any case shall be no less
115 than forty-five per cent of the total revenues accruing from the sale of lottery tickets; (b) the
116 payment of costs incurred in the operation and administration of the lottery, including the
117 expenses of the commission and the costs resulting from any contract or contracts entered into
118 for promotional, advertising or operational services or for the purchase or lease of lottery
119 equipment and materials which in no case shall exceed fifteen per cent of the total revenues
120 accruing from the sale of lottery tickets, subject to appropriation; and (c) the balance shall be
121 used to fund budgeted aid to cities and towns as provided in section 18C of chapter 58, subject to
122 appropriation.

123 The apportionment of the total revenues accruing from the sale of lotteries conducted
124 online, over the internet, through the use of a mobile application or through any other means as
125 authorized by section 24 of this chapter shall be as follows:-- (a) the payment of prizes to the
126 holders of winning tickets or shares; (b) the payment of costs incurred in the operation and
127 administration of such lotteries, including the expenses of the commission and the costs resulting
128 from any contract or contracts entered into for promotional, advertising or operational services or
129 for the purchase or lease of lottery equipment and materials which in no case shall exceed fifteen
130 per cent of the total revenues accruing from the sale of lottery tickets, subject to appropriation;
131 and (c) the balance shall be used to fund budgeted aid to cities and towns as provided in section
132 18C of chapter 58, subject to appropriation; provided that, in any fiscal year where the balance
133 used to fund such budgeted aid exceeds one-hundred-three per cent of budgeted aid apportioned
134 in the previous fiscal year, the portion of the balance exceeding one-hundred-three per cent shall
135 be apportioned as follows:-- (i) twenty five per cent to the Massachusetts School Building
136 Authority established in section 1A of chapter 70B; (ii) twenty five per cent to special education
137 programs as set forth in chapter 71B; and (iii) fifty per cent to fund budgeted aid to cities and
138 towns as provided in section 18C of chapter 58, subject to appropriation.

139 SECTION 4. Section 3 of chapter 137 of the General Laws, as appearing in the 2016
140 Official Edition, is hereby amended by inserting after the word “to”, in line 6, the following
141 words:- “chapter 10 or”.