

**SENATE . . . . . No. 231**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

*James T. Welch*

*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 relative to sports wagering.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	
<i>James T. Welch</i>	<i>Hampden</i>	
<i>Paul R. Feeney</i>	<i>Bristol and Norfolk</i>	<i>1/31/2019</i>

**SENATE . . . . . No. 231**

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By Mr. Welch, a petition (accompanied by bill, Senate, No. 231) of James T. Welch and Paul R. Feeney for legislation relative to sports wagering. Economic Development and Emerging Technologies.

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**The Commonwealth of Massachusetts**

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

An Act relative to sports wagering.

*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 2 of Chapter 23K, as so appearing, is hereby amended by striking  
2 the definition of “Category 1 License” and replacing it with the following definition:-

3 "Category 1 license", a license issued by the commission that permits the licensee to  
4 operate a gaming establishment with table games, slot machines and sports wagering.

5 SECTION 2. Section 2 of Chapter 23K, as so appearing, is hereby amended by striking  
6 the definition of “Category 2 License” and replacing it with the following definition:-

7 "Category 2 license", a license issued by the commission that permits the licensee to  
8 operate a gaming establishment with no table games, not more than 1,250 slot machines and  
9 sports wagering.

10 SECTION 3. Section 2 of Chapter 23K, as so appearing, is hereby amended by striking  
11 the definition of “Gross revenue” or “gross gaming revenue” and replacing it with the following  
12 definition:-

13 “Gross gaming revenue”, the total of all sums actually received by a gaming licensee  
14 from gaming operations less the total of all sums paid out as winnings to patrons; provided,  
15 however, that the total of all sums paid out as winnings to patrons shall not include the cash  
16 equivalent value of any merchandise or thing of value included in a jackpot or payout; and  
17 provided further, that "Gross revenue" shall not include any amount received by a gaming  
18 licensee from simulcast wagering, sports wagering or from credit extended or collected by the  
19 gaming licensee for purposes other than gaming; provided further, that the issuance to or  
20 wagering by patrons of a gaming establishment of any promotional gaming credit shall not be  
21 taxable for the purposes of determining gross revenue.

22 SECTION 4. Section 2 of Chapter 23K, as so appearing, is hereby amended by adding  
23 the following definitions:-

24 “Gross sports wagering revenue”, the total of all sums actually received by a gaming  
25 licensee from sports wagering less the total of all sums paid out as winnings to patrons; provided,  
26 however, that the total of all sums paid out as winnings to patrons shall not include the cash  
27 equivalent value of any merchandise or thing of value included in a jackpot or payout; and  
28 provided further, that "Gross sports wagering revenue" shall not include any amount received by  
29 a gaming licensee from gaming, simulcast wagering, or from credit extended or collected by the  
30 gaming licensee for purposes other than sports wagering; provided further, that the issuance to or

31 wagering by patrons of a gaming establishment of any promotional sports wagering credit shall  
32 not be taxable for the purposes of determining gross sports wagering revenue.

33 “Sports wagering” means the business of accepting wagers on sporting events or on the  
34 individual performance statistics of athletes in a sporting event or combination of sporting events  
35 by any means of wagering.

36 “Sporting event” means any professional sport or athletic event, any Olympic or  
37 international sports competition event and any collegiate sport or athletic event, or any portion  
38 thereof or event therein, including, but not limited to, the individual performance of athletes or  
39 statistics in a sports event or combination of sports events.

40 “Sports wagering certificate” A certificate approved by the Commission under this  
41 chapter that authorizes a category 1 or category 2 licensee to conduct sports wagering in  
42 accordance with this chapter.

43 “Sports wagering area” means an area wherein sports wagering is operated within a  
44 gaming establishment.

45 SECTION 5. Section 4 of Chapter 23K, as so appearing, is hereby amended by adding  
46 the following new subsection after subsection (41):-

47 (42) Notwithstanding sections 24, 24A and 27 of chapter 10 of the General Laws, chapter  
48 271 of the General Laws or any other general or special law to the contrary, authorize category 1  
49 and category 2 gaming licensees to conduct sports wagering including but not limited to  
50 accepting onsite wagers and through the use of a mobile or other electronic platform; provided

51 that such offsite mobile or electronic platform may only be used within the jurisdiction of the  
52 Commonwealth.

53 SECTION 6. Section 5 of Chapter 23K, as so appearing, is hereby amended by adding  
54 the following new subsection section after subsection (18):-

55 (19) prescribe the conduct of sports wagering by a category 1 or category 2 gaming  
56 licensee including but not limited to the approval of a sports wagering certificate for onsite sports  
57 wagering at a category 1 or category 2 gaming establishment and through mobile or other  
58 electronic platforms within the jurisdiction of the Commonwealth.

59 SECTION 7. Section 5 of Chapter 23K, as so appearing, is hereby amended by adding  
60 the following new section after section 7:-

61 Section 7A. Grant of sports wagering certificate

62 Section 7A (a) The Commission shall administer sport wagering in the Commonwealth.  
63 The Commission shall grant, upon the request of a category 1 or category 2 gaming licensee, a  
64 sports wagering certificate that authorizes a category 1 or category 2 gaming licensee to conduct  
65 sports wagering at the licensed gaming establishment or through use of a mobile or other  
66 electronic platform. A petition seeking authorization to conduct sports wagering shall include  
67 the following:

68 (1) The name, business address and contact information of the petitioner;

69 (2) The name, business address, job title of the licensed gaming employee who will be  
70 responsible for conduct of sports wagering;

71 (3) Documentation, as the Commission may require, to establish that the petitioner has  
72 sufficient business ability and experience to conduct sports wagering;

73 (4) Detailed site plans identifying the petitioner's proposed sports wagering area within  
74 the gaming establishment;

75 (5) Detailed plans for the establishment of sports wagering accounts and for the use of  
76 mobile or other electronic devices for sports wagering as approved by the Commission including  
77 but not limited to controls to ensure that sports wagers are only placed from within the  
78 Commonwealth by patrons that are twenty one years of age or older; and

79 (5) A description of its minimum system of internal procedures and administrative and  
80 accounting controls for sports wagering operations.

81 (b) A sports wagering certificate shall be concurrent with a category 1 or category 2  
82 gaming licensee.

83 SECTION 8. Section 55 of Chapter 23K, as so appearing, is hereby amended by striking  
84 the section in its entirety and replacing it with the following Section :-

85 Section 55: Daily tax and assessment payable by category 1 and category 2 licensees

86 Section 55. (a) A category 1 licensee shall pay a daily tax of 25 per cent on gross gaming  
87 revenues.

88 (b) A category 1 licensee or a category 2 licensee shall pay a daily tax of 6.75 per cent on  
89 gross sports wagering revenues.

90 (c) A category 2 licensee shall pay a daily tax of 40 per cent on gross gaming revenues.

91           (d) In addition to the tax imposed under subsections (b) and (c), a category 2 licensee  
92 shall pay a daily assessment of 9 per cent of its gross gaming revenue to the Race Horse  
93 Development Fund established in section 60.

94           (e) Taxes imposed under this section shall be remitted to the commission by a gaming  
95 licensee the day following each day of wagering.