

HOUSE No. 3977

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, July 21, 2021.

The committee on Ways and Means, to whom was referred the Bill to regulate sports wagering (House, No. 3974), reports recommending that the accompanying bill (House, No. 3977) ought to pass with an amendment substituting therefor the accompanying bill (House, No. 3977).

For the committee,

AARON MICHLEWITZ.

HOUSE No. 3977

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Second General Court
(2021-2022)**

An Act regulating 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 7 of chapter 4 of the General Laws is hereby amended by striking
2 out clause Tenth, as appearing in the 2018 Official Edition, and inserting in place thereof the
3 following clause:-

4 Tenth, “Illegal gaming”, a banking or percentage game played with cards, dice, tiles,
5 dominoes, or an electronic, electrical or mechanical device or machine for money, property,
6 checks, credit or any representative of value, but excluding: (i) a lottery game conducted by the
7 state lottery commission, under sections 24, 24A and 27 of chapter 10; (ii) a game conducted
8 under chapter 23K; (iii) sports wagering conducted under chapter 23N; (iv) pari-mutuel wagering
9 on horse races under chapters 128A and 128C and greyhound races under said chapter 128C; (v)
10 a game of bingo conducted under chapter 271; and (vi) charitable gaming conducted under said
11 chapter 271.

12 SECTION 2. Chapter 12 of the General Laws is hereby amended by inserting after
13 section 11M the following section:-

14 Section 11M^{1/2}. Notwithstanding sections 24, 24A and 27 of chapter 10, chapter 271 or
15 any other general or special law to the contrary, a person or entity that offers fantasy contests for
16 a cash prize to members of the public may offer a fantasy contest to residents of the
17 commonwealth pursuant to and in accordance with regulations promulgated by the attorney
18 general; provided further, for the purposes of section 7 of chapter 4, a fantasy contest shall not be
19 considered illegal gaming. “Fantasy contest” includes any fantasy or simulated game or contest,
20 including, but not limited to, any fantasy or simulated game or contest based on college or
21 professional sports events in which: (i) the value of all prizes and awards offered to winning
22 participants are established and made known to the participants in advance of the contest; (ii) all
23 winning outcomes reflect the relative knowledge and skill of the participants and shall be
24 determined predominantly by accumulated statistical results of the performance of individuals,
25 including athletes in the case of sports events; and (iii) no winning outcome is based on the
26 score, point spread, or any performance or performances of any single actual team or
27 combination of such teams or solely on any single performance of an individual athlete or player
28 in any single actual event.

29 SECTION 3. Section 4 of chapter 23K, as appearing in the 2018 Official Edition, is
30 hereby amended by striking out subsections (40) and (41) and inserting in place thereof the
31 following 3 subsections:-

32 (40) provide assistance to the governor in negotiating a compact with a federally-
33 recognized Indian tribe in the commonwealth;

34 (41) regulate and enforce section 7A of chapter 271 relating to bazaars; provided,
35 however, that nothing in this section shall limit the attorney general's authority over public
36 charities pursuant to the General Laws; and

37 (42) regulate and enforce chapter 23N relating to sports wagering.

38 SECTION 4. The General Laws are hereby amended by inserting after chapter 23M the
39 following chapter:-

40 CHAPTER 23N

41 AUTHORIZATION AND REGULATION OF SPORTS WAGERING

42 Section 1. This chapter shall be known and may be cited as the "Massachusetts Sports
43 Wagering Act".

44 Section 2. Notwithstanding any general or special law to the contrary, the operation of
45 sports wagering and ancillary activities shall be lawful when conducted in accordance with this
46 chapter and the rules and regulations of the commission.

47 Section 3. As used in this chapter the following words shall, unless the context clearly
48 requires otherwise, have the following meanings:

49 "Adjusted gross sports wagering receipts", an operator's total gross receipts from sports
50 wagering, excluding sports wagers made with promotional gaming credits, less the total of all
51 winnings paid to wagerers in such games, which shall include the cash equivalent of any
52 merchandise or thing of value awarded as a prize, and all excise taxes paid pursuant to federal
53 law.

54 “Affiliate”, a person who directly or indirectly controls, or is controlled by, or is under
55 common control with, a specified person.

56 “Applicant”, a person who has applied for a license to engage in activity regulated under
57 this chapter.

58 “Category 1 license”, a license issued by the commission that permits the operation of
59 sports wagering in person at a gaming establishment, as defined in section 2 of chapter 23K, and
60 through not more than 3 individually-branded mobile applications or other digital platforms
61 approved by the commission; provided, that the mobile applications or other digital platforms
62 shall be qualified for and issued a category 3 license.

63 “Category 2 license”, a license issued by the commission that permits the operation of
64 sports wagering in-person on the premises where either: (1) live horse racing is conducted in
65 accordance with chapter 128A or (2) the licensee is authorized by law to conduct simulcast
66 wagering on horse or greyhound racing, and through not more than 1 individually branded
67 mobile application or other digital platform approved by the commission; provided, that the
68 mobile applications or other digital platforms shall be qualified for and issued a category 3
69 license; provided further, that the commission may issue a category 2 license to: (1) a person or
70 entity licensed by the commission in accordance with said chapter 128A to conduct a live horse
71 racing meeting, (2) a running horse racing licensee that conducted simulcast wagering as of
72 December 31, 2021 as authorized by law, or (3) a greyhound meeting licensee that conducted
73 simulcast wagering as of December 31, 2021 as authorized by law.

74 “Category 3 license”, a license issued by the commission that permits the operation of
75 sports wagering through a mobile application and other digital platforms approved by the
76 commission.

77 “Close associate”, a person who holds a relevant financial interest in, or is entitled to
78 exercise power in, the business of an applicant or licensee and, by virtue of that interest or
79 power, is able to exercise a significant influence over the management or operation of a gaming
80 establishment or business licensed under this chapter

81 “Collegiate sport or athletic event”, a sport or athletic event offered or sponsored by, or
82 played in connection with, a public or private institution that offers educational services beyond
83 the secondary level.

84 “Commission”, the Massachusetts gaming commission established in section 3 of chapter
85 23K.

86 “Governmental authority”, any governmental unit of a national, state or local body
87 exercising governmental functions, except the United States government.

88 “License”, any license applied for or issued by the commission under this chapter,
89 including, but not limited to: (i) an operator license or (ii) an occupational license.

90 “National criminal history background check system”, the criminal history record system
91 maintained by the Federal Bureau of Investigation, based on fingerprint identification or any
92 other method of positive identification.

93 “Occupational license”, a license required to be held by an employee of an operator when
94 the employee performs duties directly related to the operation of sports wagering in the
95 commonwealth in a supervisory role.

96 “Official league data”, statistics, results, outcomes and other data relating to a sporting
97 event that is obtained pursuant to an agreement with the relevant sports governing body, or with
98 an entity expressly authorized by the relevant sports governing body to provide such data to
99 sports wagering operators, which authorizes the use of such data for determining the outcome of
100 tier 2 sports wagers on such sporting event.

101 “Operator” or “sports wagering operator”, any entity permitted under this chapter to offer
102 sports wagering to persons in the commonwealth through a category 1 license, category 2 license
103 or category 3 license.

104 “Operator license”, a category 1 license, category 2 license or category 3 license to
105 operate sports wagering.

106 “Personal biometric data”, any information about an athlete that is derived from that
107 athlete’s physical or physiological characteristics, including, but not limited to, deoxyribonucleic
108 acid, heart rate, blood pressure, perspiration rate, internal or external body temperature, hormone
109 levels, glucose levels, hydration levels, vitamin levels, bone density, muscle density or sleep
110 patterns.

111 “Professional sport or athletic event”, an event at which 2 or more persons participate in a
112 sports event and receive compensation in excess of actual expenses for their participation in such
113 event.

114 “Promotional gaming credit”, a sports wagering credit or other item issued by an operator
115 to a patron to enable the placement of a sports wager.

116 “Qualified gaming entity”, an entity that: (i) holds a gaming license as defined in section
117 2 of chapter 23K; (ii) (a) is licensed by the commission in accordance with chapter 128A to
118 conduct a live horse racing meeting, (b) is a running horse racing licensee that conducted
119 simulcast wagering as of December 31, 2021 as authorized by law or (c) is a greyhound meeting
120 licensee that conducted simulcast wagering as of December 31, 2021 as authorized by law; or
121 (iii) offers an interactive sports wagering platform through a mobile application or other digital
122 platform.

123 “Sports event” or “sporting event”, any professional sport or athletic event, collegiate
124 sport or athletic event, motor race event, electronic sports event, competitive video game event
125 or any other event authorized by the commission under this chapter.

126 “Sports governing body”, an organization that is headquartered in the United States and
127 prescribes final rules and enforces codes of conduct with respect to a sporting event and
128 participants therein; provided, however, that, notwithstanding the foregoing, the commission
129 shall adopt regulations to determine the governing body for electronic sports for the purposes of
130 this chapter.

131 “Sports wager”, a wager on a sporting event or a portion of a sporting event.

132 “Sports wagering”, the business of accepting wagers on sporting events or portions of
133 sporting events, other events, the individual performance statistics of athletes in a sporting event
134 or other events or a combination of any of the same by any system or method of wagering
135 approved by the commission including, but not limited to, mobile applications and other digital

136 platforms; provided, that sports wagering shall not include the acceptance of any wager: (i) with
137 an outcome dependent on the performance of an individual athlete in any collegiate sport or
138 athletic event, including, but not limited, to in-game or in-play wagers; (ii) on a high school or
139 youth sporting event; or (iii) on injuries, penalties, player discipline or replay review; and
140 provided further, that sports wagering shall not include fantasy contests as defined in section
141 11M½ of chapter 12. Sports wagering shall include, but shall not be limited to, single-game bets,
142 teaser bets, parlays, over-under, moneyline, pools, exchange wagering, in-game wagering, in-
143 play bets, proposition bets and straight bets.

144 “Sports wagering account”, a financial record established by an operator for an individual
145 patron in which the patron may deposit by any method approved by the commission and
146 withdraw funds for sports wagering and other authorized purchases, and to which the operator
147 may credit winnings or other amounts due to or authorized by that patron. Such account may be
148 established and funded by the patron electronically through an approved mobile application or
149 digital platform.

150 “Tier 1 sports wager”, a sports wager that is determined solely by the final score or
151 outcome of a sporting event and is placed before the sporting event has begun.

152 “Tier 2 sports wager”, a sports wager that is not a tier 1 sports wager.

153 “Wager”, a sum of money or thing of value risked on an uncertain occurrence.

154 Section 4. (a) The commission shall regulate the conduct of sports wagering under this
155 chapter.

156 (b) The commission may promulgate rules and regulations necessary for the
157 implementation, administration and enforcement of this chapter. The commission may
158 promulgate emergency rules and regulations in accordance with applicable procedures for the
159 promulgation of emergency rules and regulations.

160 (c) The commission shall promulgate regulations to prohibit: (i) the purchase or other use
161 of any personal biometric data of an athlete for sports wagering or aiding a patron in placing a
162 wager with sports wagering operators; and (ii) the following advertising, marketing and branding
163 activities:

164 (A) advertisements, marketing and branding in such a manner that it is deceptive, false,
165 misleading, or untrue, or tends to deceive or create a misleading impression whether directly, or
166 by ambiguity or omission;

167 (B) use of unsolicited pop-up advertisements on the internet or by text message directed
168 to an individual on the list of self-excluded persons established pursuant to paragraph (2) of
169 subsection (e) of section 13;

170 (C) any form of advertising, marketing or branding that the commission deems
171 unacceptable or disruptive to the viewer experience at a sports event;

172 (D) advertising, marketing and branding deemed to appeal directly to a person younger
173 than 21 years old; and

174 (E) advertising on any billboards, or any other public signage, which fails to comply with
175 any federal state or local law.

176 (d) The commission may promulgate rules and regulations including, but not limited to,
177 those governing the acceptance of wagers on a sports event, other event or a series of sports
178 events; types of wagering receipts which may be used; methods of issuing receipts; methods of
179 accounting to be used by operators; types of records to be kept; types of systems for wagering;
180 protections for patrons placing wagers; and promotion of social responsibility and responsible
181 gambling; provided, that such regulations shall include a requirement that all mobile applications
182 and digital platforms authorized for sports wagering include prominently upon each entry into
183 the application or platform, the following statement: “If you or someone you know has a
184 gambling problem and wants help, call the Massachusetts Council on Gaming and Health on the
185 Safer Gaming Education Line at 1-800-426-1234 or the Massachusetts Department of Public
186 Health helpline at 1-800-327-5050.”

187 (e) The commission shall: (i) determine the eligibility of a person to hold or continue to
188 hold a license; (ii) issue all licenses; and (iii) maintain a record of all licenses issued under this
189 chapter. The commission may accept applications, evaluate qualifications of applicants,
190 undertake initial review of licenses and issue temporary licenses.

191 (f) The commission shall levy and collect all fees, surcharges, civil penalties and taxes on
192 adjusted gross sports wagering receipts imposed by this chapter, except as otherwise provided
193 under this chapter.

194 (g) The commission shall have the authority to enforce this chapter and any rule or
195 regulation of the commission and may request that the attorney general bring an action to enforce
196 this chapter or any rule or regulation of the commission by civil action or petition for injunctive
197 relief.

198 (h) The commission may hold hearings, administer oaths and issue subpoenas or
199 subpoenas duces tecum in order to enforce this chapter and the rules and regulations of the
200 commission.

201 (i) The commission may exercise any other powers necessary to effectuate this chapter
202 and the rules and regulations of the commission.

203 Section 5. (a) No person shall engage in any activity in connection with sports wagering
204 in the commonwealth unless all necessary licenses or temporary licenses have been obtained in
205 accordance with this chapter and the rules and regulations of the commission.

206 (b) The commission shall not grant an operator license, other than a temporary license
207 pursuant to subsection (c) of section 6, until it determines that each person who has control of the
208 applicant meets all qualifications for licensure. The following persons are considered to have
209 control of an applicant:

210 (1) Each person who owns 10 per cent or more of a corporate applicant and who has the
211 ability to control the activities of the corporate applicant; provided, however, that a bank or other
212 licensed lending institution which holds a mortgage or other lien acquired in the ordinary course
213 of business shall not be considered to have control of an applicant;

214 (2) Each person who holds a beneficial or proprietary interest of 10 per cent or more of a
215 non-corporate applicant's business operation and who has the ability to control the activities of
216 the non-corporate applicant; and

217 (3) At the commission's discretion, any executive, employee or agent having the power
218 to exercise significant influence over decisions concerning the applicant's sports wagering
219 operations in the commonwealth.

220 (c) Each controlling person pursuant to subsection (b) shall submit to the commission an
221 application in a form determined by the commission, and each such controlling person who is a
222 natural person shall submit to the commission: (i) fingerprints for a national criminal records
223 check by the department of the state police and the Federal Bureau of Investigation; and (ii) a
224 signed authorization for the release of information by the department of the state police and the
225 Federal Bureau of Investigation; provided, however, that a controlling person who is a natural
226 person that has submitted to a national criminal records check in any jurisdiction within the
227 previous year shall not be required to submit to another national criminal records check if such
228 person submits to the commission the results of such previous national criminal records check.
229 Any applicant convicted of any disqualifying offense, as determined by the commission, shall
230 not be licensed.

231 (d) Each person licensed under this chapter shall give the commission written notice
232 within 30 days of any change to any material information provided in the application for a
233 license or renewal.

234 (e) No commission employee shall be an applicant for any license issued under this
235 chapter.

236 Section 6. (a) A licensed qualified gaming entity may operate sports wagering upon the
237 approval of the commission.

238 (b)(1) The commission shall issue a category 1 license to any holder of a gaming license,
239 as defined in section 2 of chapter 23K, that meets the requirements of this chapter and the rules
240 and regulations of the commission; provided, however, that any holder of a category 1 license
241 shall not be issued a category 2 license.

242 (2) The commission shall issue a category 2 license to: (i) any holder of a license to
243 conduct a live horse racing meeting in accordance with chapter 128A, or its successor; (ii) a
244 running horse racing licensee that conducted simulcast wagering as of 2021 as authorized by
245 law; or (iii) a greyhound meeting licensee that conducted simulcast wagering as of 2021 as
246 authorized by law; that meets the requirements of this chapter and the rules and regulations of the
247 commission; provided, however, that any holder of a category 2 license shall not be issued a
248 category 1 license; and provided further, that no more than 1 category 2 license shall be issued to
249 any 1 person, entity, or affiliate or close associate of such person or entity.

250 (3) The commission may issue a category 3 license to any entity that offers sports
251 wagering through a mobile application or other digital platform that meets the requirements of
252 this chapter and the rules and regulations of the commission.

253 (4) A category 1 or category 2 licensee may enter into agreements related to mobile or
254 digital sports wagering with a category 3 licensee pursuant to the approval of the commission.

255 (c)(1) A qualified gaming entity may submit to the commission a request for a temporary
256 license for the immediate commencement of sports wagering operations. Such request shall
257 include an initial licensing fee of \$1,000,000 payable to the commission.

258 (2) Upon receiving a request for a temporary license, the executive director of the
259 commission shall review the request. If the executive director determines that the entity

260 requesting the temporary license is a qualified gaming entity and has paid the sports wagering
261 initial licensing fee pursuant to paragraph (1), the commission shall authorize the qualified
262 gaming entity to conduct sports wagering for a period of 1 year under a temporary license or
263 until a final determination on its operator license application is made.

264 (3) All sports wagering conducted under authority of a temporary license shall comply
265 with the house rules adopted under section 10.

266 (d) Upon receipt of an application for an operator license, the commission shall
267 commence an investigation into the suitability of the applicant. The commission may use
268 information obtained from the applicant pursuant to chapter 23K, chapter 128A, chapter 128C, or
269 information from other jurisdictions where the applicant is authorized to conduct sports
270 wagering. In evaluating the suitability of the applicant, the commission shall consider the overall
271 reputation of the applicant including, without limitation:

272 (1) the integrity, honesty, good character and reputation of the applicant;

273 (2) the financial stability, integrity and background of the applicant;

274 (3) the business practices and the business ability of the applicant to establish and
275 maintain a successful sports wagering operation;

276 (4) whether the applicant has a history of compliance with gaming or sports wagering
277 licensing requirements in other jurisdictions;

278 (5) whether the applicant, at the time of application, is a defendant in litigation involving
279 its business practices; and

280 (6) the suitability of all parties in interest to the license, including affiliates and close
281 associates and the financial resources of the applicant.

282 (e) The commission may deny an application, if the commission determines during its
283 investigation that an applicant has failed to: (i) establish the applicant's integrity or the integrity
284 of any affiliate, close associate, financial resources or any person required to be qualified by the
285 commission; (ii) demonstrate responsible business practices in any jurisdiction; or (iii) overcome
286 any other reason, as determined by the commission, as to why it would be injurious to the
287 interests of the commonwealth to award the applicant an operator license.

288 (f) Upon application by a qualified gaming entity that is not denied pursuant to subsection
289 (e) and payment of a \$5,000,000 licensing fee, the commission shall grant an operator license to
290 a qualified gaming entity that provides the right to conduct sports wagering; provided, that the
291 qualified gaming entity shall meet the requirements for licensure under this chapter and the rules
292 and regulations of the commission. Such license shall be issued for a 5-year period, and may be
293 renewed for 5-year periods upon payment of a \$5,000,000 renewal fee; provided, that the
294 operator shall continue to meet all requirements under this chapter and the rules and regulations
295 of the commission. The commission shall credit any initial licensing fee paid pursuant to
296 paragraph (1) of subsection (c) to a successful applicant for an operator license against the
297 licensing fee due under this subsection.

298 (g) An operator shall submit to the commission such documentation or information as the
299 commission may require to demonstrate that the operator continues to meet the requirements of
300 this chapter and the rules and regulations of the commission. An operator shall submit required
301 documentation or information no later than 5 years after issuance of its operator license and

302 every 5 years thereafter, or within lesser periods based on circumstances specified by the
303 commission.

304 (h) No licensee shall transfer an operator license, or any direct or indirect interest in the
305 license, without the majority approval of the commission. A person seeking to acquire such
306 license through a transfer shall qualify and otherwise be determined by the commission to be
307 eligible for licensure under this chapter. The commission may reject a proposed license transfer
308 or a proposed transfer of interest in the license to an unsuitable person and may reject a proposed
309 transfer that, in the determination of the commission, would be injurious to the interests of the
310 commonwealth. The commission may promulgate regulations governing this process which may
311 include assessment of a fee to reflect the cost associated with reviewing the proposed transfer.

312 (i) Applications for operator licenses shall be public records under section 10 of chapter
313 66; provided however, that trade secrets, competitively-sensitive or other proprietary information
314 provided in the course of an application for an operator license under this chapter, the disclosure
315 of which would place the applicant at a competitive disadvantage, may be withheld from
316 disclosure under said section 10 of said chapter 66.

317 Section 7. (a) An applicant for an operator license shall pay to the commission a
318 nonrefundable processing fee of \$100,000 to defray the costs associated with the processing of
319 the application and investigation of the applicant; provided, however, that if the costs of the
320 investigation exceed the initial application fee, the applicant shall pay the additional amount to
321 the commission within 30 days after notification of insufficient fees or the application shall be
322 rejected.

323 (b) All fees in this section shall be deposited into the Sports Wagering Control Fund
324 established in section 15.

325 Section 8. (a) All persons employed by an operator to perform duties directly related to
326 the operation of sports wagering in the commonwealth in a supervisory role shall maintain a
327 valid occupational license issued by the commission. The commission shall issue such
328 occupational license to a person who meets the requirements of this section.

329 (b) An occupational license authorizes the licensee to be employed in the capacity
330 designated by the commission while the license is active. The commission may establish, by rule
331 or regulation, job classifications with different requirements based on the extent to which a
332 particular job impacts, or has the potential to impact, the lawful operation of sports wagering.

333 (c) An applicant for an occupational license shall submit any required application forms
334 established by the commission and shall pay a nonrefundable application fee of \$100. An
335 employer may pay an application fee on behalf of an applicant.

336 (d) Each occupational license holder shall annually pay to the commission a license fee of
337 \$100 by March 1 and submit a renewal application on the form established by the commission.
338 An employer may pay a license fee on behalf of the licensed employee.

339 Section 9. (a) The commission may deny a license to any applicant, reprimand any
340 licensee or suspend or revoke a license, if the applicant or licensee:

341 (1) has knowingly made a false statement of a material fact to the commission;

342 (2) has had a license revoked by any governmental authority responsible for regulation of
343 gaming activities;

344 (3) has been convicted of a felony or other crime involving embezzlement, theft, fraud,
345 perjury, or a gambling-related offense;

346 (4) has not demonstrated to the satisfaction of the commission financial responsibility
347 sufficient to adequately meet the requirements of the proposed enterprise;

348 (5) has affiliates or close associates that would not qualify for a license or whose
349 relationship with the applicant may pose an injurious threat to the interests of the commonwealth
350 in awarding an operator license to the applicant; or

351 (6) is not the true owner of the business or is not the sole owner and has not disclosed the
352 existence or identity of other persons who have an ownership interest in the business.

353 (b) The commission may deny, suspend or revoke an operator license or reprimand any
354 licensee if the applicant or licensee has not met the requirements of this chapter.

355 Section 10. (a) Each operator and each qualified gaming entity conducting sports
356 wagering under a temporary license shall adopt comprehensive house rules for game play
357 governing sports wagering transactions with its patrons. The house rules shall specify the
358 amounts to be paid on winning wagers and the effect of sports event schedule changes. The
359 commission shall approve house rules prior to implementation by an operator or entity
360 conducting sports wagering under a temporary license.

361 (b) The house rules, together with any other information the commission deems
362 appropriate, shall be accessible to any patrons of the sports wagering operator. The operator shall
363 make copies readily available to patrons.

364 Section 11. (a) Sports wagering operators shall employ commercially reasonable methods
365 to:

366 (1) prohibit the operator, directors, officers, owners and employees of the operator, and
367 any relative living in the same household as such persons, from placing bets with the operator;

368 (2) prohibit athletes, coaches, referees, team owners, employees of a sports governing
369 body or its member teams and player and referee union personnel from wagering on any sporting
370 event of their sport's governing body; provided, that in determining which persons are excluded
371 from placing wagers under this subsection, operators shall use lists of such persons that the
372 sports governing body may provide to the commission;

373 (3) prohibit any individual with access to non-public confidential information held by the
374 operator from placing wagers with the operator;

375 (4) prohibit persons from placing wagers as agents or proxies for others; and

376 (5) maintain the security of wagering data, customer data and other confidential
377 information from unauthorized access and dissemination; provided, however, that nothing in this
378 chapter shall preclude the use of internet or cloud-based hosting of such data and information or
379 disclosure as required by court order, other law or this chapter; and provided further, that such
380 data and information shall be hosted in the United States.

381 (b) A sports governing body may submit to the commission in writing, by providing
382 notice in such form and manner as the commission may require, a request to restrict, limit or
383 exclude a certain type, form or category of sports wagering with respect to sporting events of
384 such body, if the sports governing body believes that such type, form or category of sports

385 wagering with respect to sporting events of such body is contrary to public policy, unfair to
386 consumers, may undermine the perceived integrity of such body or sporting events of such body
387 or affects the integrity of such body or sporting events of such body. The commission shall
388 request comment from sports wagering operators on all such requests. After giving due
389 consideration to all comments received, the commission shall, upon a demonstration of good
390 cause from the requestor, grant the request. The commission shall respond to a request
391 concerning a particular event before the start of the event, or if it is not feasible to respond before
392 the start of the event, no later than 7 days after the request is made; provided, that if the
393 commission determines that the requestor is more likely than not to prevail in successfully
394 demonstrating good cause for its request, the commission may provisionally grant the request of
395 the sports governing body until the commission makes a final determination as to whether the
396 requestor has demonstrated good cause. Absent such a provisional grant by the commission,
397 sports wagering operators may continue to offer sports wagering on sporting events that are the
398 subject of such a request during the pendency of the consideration of the applicable request.

399 (c) The commission shall designate a state law enforcement entity to have primary
400 responsibility for conducting, or assisting the commission in conducting, investigations into
401 abnormal betting activity, match fixing and other conduct that corrupts a betting outcome of a
402 sporting event or events for purposes of financial gain.

403 (d) The commission and sports wagering operators shall use commercially reasonable
404 efforts to cooperate with investigations conducted by sports governing bodies or law
405 enforcement agencies, including, but not limited to, using commercially reasonable efforts to
406 provide or facilitate the provision of anonymized account-level betting information and audio or
407 video files relating to persons placing wagers. All disclosures under this section are subject to the

408 obligation of a sports wagering operator to comply with all federal, state and local laws and
409 regulations, including, but not limited to, laws and regulations relating to privacy and personally
410 identifiable information.

411 (e) Sports wagering operators shall immediately report to the commission any
412 information relating to:

413 (1) criminal or disciplinary proceedings commenced against the sports wagering operator
414 in connection with its operations;

415 (2) abnormal betting activity or patterns that may indicate a concern with the integrity of
416 a sporting event or events;

417 (3) any potential breach of the internal rules and codes of conduct pertaining to sports
418 wagering of a relevant sports governing body;

419 (4) any other conduct that corrupts a betting outcome of a sporting event or events for
420 purposes of financial gain, including, but not limited to, match fixing; and

421 (5) suspicious or illegal wagering activities, including, but not limited to: (i) use of funds
422 derived from illegal activity; (ii) wagers to conceal or launder funds derived from illegal activity;
423 (iii) use of agents to place wagers; and (iv) use of false identification.

424 Sports wagering operators shall immediately report information relating to conduct
425 described in paragraphs (2), (3) and (4) of this subsection to the relevant sports governing body.

426 (f) The commission and sports wagering operators shall maintain the confidentiality of
427 information provided by a sports governing body for purposes of investigating or preventing the
428 conduct described in paragraphs (2), (3) and (4) of subsection (e), unless disclosure is required

429 by this chapter, the commission, other law or court order or unless the sports governing body
430 consents to disclosure.

431 (g) With respect to any information provided by a sports wagering operator to a sports
432 governing body relating to conduct described in paragraphs (2), (3) and (4) of subsection (e), a
433 sports governing body:

434 (1) shall only use such information for integrity purposes and shall not use the
435 information for any commercial or other purpose; and

436 (2) shall maintain the confidentiality of such information, unless disclosure is required by
437 this chapter, the commission, other law or court order or unless the sports wagering operator
438 consents to disclosure; provided, that the sports governing body may make disclosures necessary
439 to conduct and resolve integrity-related investigations and may publicly disclose such
440 information if required by its integrity policies or if deemed by the sports governing body in its
441 reasonable judgment to be necessary to maintain the actual or perceived integrity of its sporting
442 events, and subject in all cases to the sports governing body's compliance with federal, state and
443 local laws and regulations, including, but not limited to, laws and regulations relating to privacy
444 and personally identifiable information. Prior to any such public disclosure that would identify
445 the sports wagering operator by name, the sports governing body shall provide such sports
446 wagering operator with notice of such disclosure and an opportunity to object to such disclosure.

447 (h) Sports wagering operators shall maintain records of all wagers placed by its patrons,
448 including: (i) personally identifiable information of the patron; (ii) amount and type of the bet;
449 (iii) the time the bet was placed; (iv) the location of the bet, including the Internet Protocol, or
450 IP, address if applicable; (v) the outcome of the bet; and (vi) records of abnormal betting activity

451 for 3 years after a sporting event occurs and video camera recordings in the case of in-person
452 wagers for at least 1 year after a sporting event occurs, and shall make this data available for
453 inspection upon request of the commission or as required by court order.

454 (i) A sports wagering operator shall use commercially reasonable efforts to maintain in
455 real time and at the account level, anonymized information for each patron, including: (i) the
456 amount and type of bet; (ii) the time the bet was placed; (iii) the location of the bet, including the
457 Internet Protocol, or IP, address if applicable; (iv) the outcome of the bet; and (v) records of
458 abnormal betting activity. The commission may request the information in the form and manner
459 as it requires. Nothing in this section shall require a sports wagering operator to provide any
460 information prohibited by federal, state or local laws or regulations, including, but not limited to,
461 laws and regulations relating to privacy and personally identifiable information.

462 (j) If a sports governing body has notified the commission and demonstrated a need for
463 access to the information described in subsection (i) for wagers placed on sporting events of the
464 sports governing body for integrity monitoring purposes, and demonstrated the capability to use
465 the data for the purpose of effectively monitoring the integrity of sporting events of the sports
466 governing body, a sports wagering operator shall share, in a commercially reasonable frequency,
467 form and manner, with the sports governing body or its designee the same information the sports
468 wagering operator is required to maintain pursuant to subsection (i) with respect to sports wagers
469 on sporting events of the sports governing body. A sports governing body and its designee shall
470 only use information received pursuant to this section for integrity-monitoring purposes and shall
471 not use information received pursuant to this section for any commercial or other purpose.
472 Nothing in this section shall require a sports wagering operator to provide any information that is

473 prohibited by federal, state or local laws or regulations, including, but not limited to, laws and
474 regulations relating to privacy and personally identifiable information.

475 (k)(1) A sports wagering operator shall conduct a background check on each newly hired
476 employee. Background checks shall search for criminal history, charges or convictions involving
477 corruption or manipulation of sporting events and association with organized crime.

478 (2) A sports wagering operator shall conduct a single background check on any employee
479 hired prior to the effective date of this act. Background checks shall search for criminal history,
480 charges or convictions involving corruption or manipulation of sporting events and association
481 with organized crime.

482 Section 12. (a) All operators licensed pursuant to this chapter to conduct sports wagering
483 shall:

484 (1) employ a monitoring system utilizing software to identify irregularities in volume or
485 changes in odds that could signal suspicious activities and promptly report such information to
486 the commission for further investigation. System requirements and specifications shall be
487 developed according to industry standards and implemented by the commission as part of the
488 minimum internal control standards;

489 (2) promptly report to the commission any facts or circumstances related to the operation
490 of a sports wagering licensee which constitute a violation of state or federal law and promptly
491 report to the appropriate state or federal authorities any suspicious betting over a threshold set by
492 the operator that has been approved by the commission;

493 (3) conduct all sports wagering activities and functions in a manner that does not pose a
494 threat to the public health, safety or welfare of the residents of the commonwealth;

495 (4) keep current in all payments and obligations to the commission;

496 (5) prevent any person from tampering with or interfering with the operation of any
497 sports wagering;

498 (6) ensure that mobile sports wagering occurs only using a commission-approved mobile
499 application or other digital platform to accept wagers initiated within the commonwealth;

500 (7) maintain sufficient cash and other supplies to conduct sports wagering at all times;

501 and

502 (8) maintain daily records showing the gross sports wagering receipts and adjusted gross
503 sports wagering receipts of the licensee from sports wagering and timely file with the
504 commission any additional reports required by rule, regulation or this chapter.

505 (b) Sports wagering operators may use any data source for determining:

506 (1) the results of any and all tier 1 sports wagers on any and all sporting events; and

507 (2) the results of any and all tier 2 sports wagers on sporting events of an organization
508 that is not headquartered in the United States.

509 (c) A sports governing body may notify the commission that it desires sports wagering
510 operators to use official league data to settle tier 2 sports wagers on sporting events of such
511 sports governing body. The notification shall be made in the form and manner as the commission
512 may require. Within 5 days of receipt of the notification, the commission shall notify each sports

513 wagering operator of the requirement to use official league data to settle tier 2 sports wagers. If a
514 sports governing body does not notify the commission of its desire to supply official league data,
515 a sports wagering operator may use any data source for determining the results of any and all tier
516 2 sports wagers on sporting events of the sports governing body.

517 (d) Within 60 days of the commission notifying a sport wagering operator of the
518 requirement to use official league data to settle tier 2 sports wagers pursuant to subsection (c), or
519 such longer period as may be agreed between the sports governing body and the applicable
520 sports wagering operator, a sports wagering operator shall use only official league data to
521 determine the results of tier 2 sports wagers on sporting events of that sports governing body,
522 unless:

523 (1) the sports governing body or its designee cannot provide a feed of official league data
524 to determine the results of a particular type of tier 2 sports wager, in which case a sports
525 wagering operator may use any data source for determining the results of the applicable tier 2
526 sports wager until such time a data feed becomes available from the sports governing body on
527 commercially reasonable terms and conditions; or

528 (2) a sports wagering operator can demonstrate to the commission that the sports
529 governing body or its designee will not provide a feed of official league data to the sports
530 wagering operator on commercially reasonable terms and conditions.

531 (e) In evaluating whether official league data is offered on commercially reasonable
532 terms and conditions for purposes of paragraphs (1) and (2) of subsection (d), the commission
533 may consider factors, including, but not limited to:

534 (1) the availability of official league data to a sports wagering operator from more than 1
535 authorized source;

536 (2) market information, including, but not limited to, price and other terms and conditions
537 regarding the purchase by sports wagering operators of comparable data for the purpose of
538 settling sports wagers in the commonwealth and other jurisdictions;

539 (3) the nature and quantity of data, including the quality and complexity of the process
540 used for collecting the data; and

541 (4) the extent to which a sports governing body or its designee has made data used to
542 settle tier 2 wagers available to sports wagering operators and any terms and conditions relating
543 to the use of that data.

544 (f) Notwithstanding anything to the contrary set forth herein, including, but not limited to,
545 subsection (d), during the pendency of the determination of the commission as to whether a
546 sports governing body or its designee may provide official league data on commercially
547 reasonable terms, a sports wagering operator may use any data source to determine the results of
548 tier 2 sports wagers. The determination shall be made within 120 days of the sports wagering
549 operator notifying the commission that it requests to demonstrate that the sports governing body
550 or its designee will not provide a feed of official league data to the sports wagering operator on
551 commercially reasonable terms.

552 (g) A sports governing body may enter into commercial agreements with a sports
553 wagering operator or other entity in which such sports governing body may share in the amount
554 wagered or revenues derived from sports wagering on sporting events of the sports governing

555 body. A sports governing body shall not be required to obtain a license or any other approval
556 from the commission to lawfully accept such amounts or revenues.

557 Section 13. (a) Holders of category 1 and category 2 licenses may accept wagers on
558 sports events and other events authorized pursuant to this chapter in person at authorized
559 facilities.

560 (b) Holders of an operator license may accept wagers on sports events and other events
561 authorized pursuant to this chapter from individuals physically located within the commonwealth
562 using mobile applications or digital platforms approved by the commission, through the patron's
563 sports wagering account. The branding for each mobile application or digital platform shall be
564 determined by the operator. All bets authorized pursuant to this section must be initiated,
565 received and otherwise made within the commonwealth. Consistent with the intent of the federal
566 Unlawful Internet Gambling Enforcement Act of 2006, 31 U.S.C. section 5361 to 5367,
567 inclusive, the intermediate routing of electronic data related to a lawful intrastate wager
568 authorized pursuant to this chapter shall not determine the location or locations in which the
569 wager is initiated, received or otherwise made.

570 (c) An operator may: (i) accept wagers placed by other operators and (ii) place wagers
571 with other operators; provided, that any operator that places a wager with another operator shall
572 inform the operator accepting the wager that the wager is being placed by an operator and shall
573 disclose the operator's identity.

574 (d) A person placing a wager shall be at least 21 years of age.

575 (e)(1) The commission or operator may ban any person from participating in the play or
576 operation of any sports wagering consistent with rules and regulations promulgated by the

577 commission. A list of all excluded patrons shall be kept by the commission and provided to each
578 licensee. No patron on the exclusion list shall be permitted to conduct sports wagering pursuant
579 to this chapter.

580 (2) The commission shall establish a list of self-excluded persons from sports wagering.
581 A person may request their name to be placed on the list of self-excluded persons by filing a
582 statement with the commission acknowledging that they are a problem gambler and by agreeing
583 that, during any period of voluntary exclusion, they shall not collect any winnings or recover any
584 losses resulting from any sports wagering. The commission shall adopt further regulations for the
585 self-excluded persons list including procedures for placement, removal and transmittal of the list
586 to sports wagering operators. The commission may revoke, limit, condition, suspend or fine a
587 sports wagering operator if the operator knowingly or recklessly fails to exclude or eject from its
588 premises any person placed on the list of self-excluded persons. The list of self-excluded persons
589 from sports wagering shall not be open to public inspection.

590 (f) No employee may place a sports wager at any facility or through any mobile
591 application or digital platform owned or operated by their employer.

592 (g) Sections 24, 24A and 27 of chapter 10 of the General Laws shall not apply to an
593 operator conducting sports wagering in accordance with this chapter.

594 Section 14. (a)(1) An excise is hereby imposed upon sports wagering operators in the
595 commonwealth at the rate of: (i) 12.5 per cent of the operator's adjusted gross sports wagering
596 receipts from the operation of in-person sports wagering; and (ii) 15 per cent of the operator's
597 adjusted gross sports wagering receipts from the operation of sports wagering through mobile
598 applications and other digital platforms approved by the commission. The accrual method of

599 accounting shall be used for purposes of calculating the amount of the tax owed by the licensee.
600 The excise shall be paid to the commission at the time provided for filing the return pursuant to
601 subsection (b).

602 (2) Annually not later than October 15, each sports wagering operator shall submit to the
603 commission the number of sports events that took place at sports stadiums or other sports
604 facilities physically located in the commonwealth and the adjusted gross sports wagering receipts
605 collected from each event. The commission shall impose and collect an excise equal to 1 per cent
606 of the operator's adjusted gross sports wagering receipts from these events. Annually, not later
607 than December 31, the excise collected by the commission pursuant to this paragraph shall be
608 proportionately distributed to each sports stadium or other sports facility based on the amount of
609 excise collected from sports events that took place at each sports stadium or other sports facility
610 during the previous calendar year. A sports stadium or other sports facility shall use the funds
611 received pursuant to this paragraph only for the purpose of sports wagering security and integrity
612 and shall report annually to the commission the amounts spent and purposes of such spending in
613 a form prescribed by the commission.

614 (b)(1) The excise imposed and collected pursuant to paragraph (1) of subsection (a) shall
615 be due and payable to the commission in monthly installments on or before the fifteenth calendar
616 day following the calendar month in which the adjusted gross sports wagering receipts were
617 received.

618 (2) On or before the fifteenth calendar day of each month, the operator shall complete and
619 submit the return for the preceding month by electronic communication to the commission in a
620 form prescribed by the commission that provides:

621 (i) the total gross sports wagering receipts and adjusted gross sports wagering receipts
622 from operation of sports wagering during that month;

623 (ii) the tax amount for which the sports wagering licensee is liable; and

624 (iii) any additional information necessary in the computation and collection of the tax on
625 adjusted gross sports wagering receipts required by the commission.

626 (3) The excise amount shown to be due shall be remitted by electronic funds transfer
627 simultaneously with the filing of the return.

628 (4) When an operator's adjusted gross sports wagering receipts for a month is a negative
629 number because the winnings paid to wagerers and excise taxes paid pursuant to federal law
630 exceed the operator's total gross receipts from sports wagering, the commission shall allow the
631 operator to carry over the negative amount to returns filed for subsequent months. The negative
632 amount of adjusted gross sports wagering receipts shall not be carried back to an earlier month
633 and taxes previously received by the commission shall not be refunded unless the operator
634 surrenders its license and the operator's last return reported negative adjusted gross sports
635 wagering receipts.

636 (c) The excise on adjusted gross sports wagering receipts imposed by this section shall be
637 in lieu of all other state and local taxes and fees imposed on the operation of, or the proceeds
638 from operation of, sports wagering.

639 (d) Annually, not later than July 1, the commission shall publish a report stating the
640 amount received from sports wagering operator licensees in fees, surcharges, civil penalties and
641 taxes.

642 Section 15. (a) There shall be established and set up on the books of the commonwealth a
643 separate fund to be known as the Sports Wagering Control Fund. The commission shall be the
644 trustee of the fund and shall expend monies to finance operational activities of the commission
645 pertaining to sports wagering. The fund shall be credited with: (i) any appropriation, bond
646 proceeds or other monies authorized by the general court and specifically designated to be
647 credited thereto; (ii) the proceeds of any fees collected pursuant to this section unless otherwise
648 specified; (iii) application processing fees collected pursuant to sections 7 and 8; and (iv) such
649 additional funds as are subject to the direction and control of the commission. All available
650 monies in the fund that are unexpended at the end of each fiscal year shall not revert to the
651 General Fund and shall be available for expenditure in the subsequent fiscal year.

652 (b) The commission shall establish fees for any investigation into a violation of this
653 chapter or regulation promulgated hereunder by a sports wagering operator licensee to be paid by
654 the sports wagering operator licensee including, but not limited to, billable hours by commission
655 staff involved in the investigation and the costs of services, equipment or other expenses that are
656 incurred by the commission during the investigation.

657 (c) Any remaining costs of the commission necessary to maintain regulatory control over
658 sports wagering operator licensees that are not covered by: (i) the fees set forth in subsection (b);
659 (ii) any other fees assessed pursuant to this chapter; or (iii) any other designated sources of
660 funding, shall be assessed annually on sports wagering operator licensees pursuant to this chapter
661 in proportion to its share of the commonwealth's total adjusted gross sports wagering receipts.
662 Each sports wagering operator licensee shall pay the amount assessed against it within 30 days
663 after the date of the notice of assessment from the commission.

664 (d) If the fees collected pursuant to subsections (b) and (c) exceed the cost required to
665 maintain regulatory control, the surplus funds shall be credited in proportional shares against
666 each sports wagering operator licensee's next assessment.

667 (e) In addition to the fees collected pursuant to this section and any additional costs of the
668 commission, the commission shall assess an annual fee of \$1,000,000 in shares to be determined
669 by the commission against each sports wagering operator licensee that is not a category 1 or
670 category 2 gaming licensee, as defined in section 2 of chapter 23K. The fee collected pursuant to
671 this subsection shall be deposited into the Public Health Trust Fund established in section 58 of
672 said chapter 23K and shall be used for the costs of services and public health programs dedicated
673 to addressing problems associated with compulsive gambling or other addiction services.

674 Section 16. There shall be established and set up on the books of the commonwealth a
675 Sports Wagering Fund which shall receive revenues collected pursuant to sections 6 and 14. The
676 commission shall be the trustee of the fund and shall transfer monies from the fund as follows:

- 677 (1) 40 per cent to the Workforce Investment Trust Fund established in section 17;
678 (2) 30 per cent to the Gaming Local Aid Fund established in section 63 of section 23K;
679 (3) 20 per cent to the Youth Development and Achievement Fund established in section
680 18;
681 (4) 9 per cent to the Public Health Trust Fund established in section 58 of section 23K;
682 and
683 (5) 1 per cent to the Players' Benevolence Fund established in section 19.

684 Section 17. (a) There is hereby established and set up on the books of the commonwealth
685 a separate fund to be known as the Workforce Investment Trust Fund. There shall be credited to
686 the fund any sports wagering revenue transferred from the Sports Wagering Fund pursuant to
687 section 16. Monies transferred to the fund shall be continuously expended, without regard for
688 fiscal year, exclusively for carrying out the purposes of this section. Money remaining in the
689 fund at the end of a fiscal year shall not revert to the General Fund.

690 (b) The fund shall be administered by the secretary of housing and economic
691 development. Money in the fund shall be competitively granted to develop and strengthen
692 workforce opportunities for low-income communities and vulnerable youth and young adults in
693 the commonwealth, including providing opportunities and strategies to promote stable
694 employment and wage growth.

695 (c) Eligible grant recipients shall provide opportunities which: (i) target at risk youth,
696 including resources to empower youth to succeed in the workforce; (ii) provide job skills
697 trainings, including programs offering trainings in multiple languages and areas for development,
698 including education and hands on skills; and (iii) promote adult literacy, including strategies to
699 master reading and writing and providing digital formats to increase accessibility. The secretary
700 of housing and economic development shall establish criteria to evaluate applications for the
701 grant program; provided, that the criteria shall include, but shall not be limited to, at risk
702 populations; provided further, that preference shall be given to eligible grant recipients providing
703 opportunities for individuals who meet at least 2 of the following: (i) is under 30 years of age;
704 (ii) is a victim of violence; (iii) is over 18 years of age and does not have a high school diploma;
705 (iv) has been convicted of a felony; (v) has been unemployed or has had a family income below

706 250 per cent of the federal poverty level for not less than 6 months; or (vi) lives in a census tract
707 where over 20 per cent of the populations fall below the federal poverty line.

708 (d) Annually, not later than October 1, the secretary of housing and economic
709 development shall provide a report of the grants given and a breakdown of expenditures made by
710 the fund. The report shall be posted on the website of the executive office of housing and
711 economic development.

712 Section 18. There shall be established and set up on the books of the commonwealth a
713 fund to be known as the Youth Development and Achievement Fund. The fund shall be credited
714 any monies transferred from the Sports Wagering Fund pursuant to section 16 and all monies
715 credited to or transferred to the fund from any other fund or source. Expenditures from the fund
716 shall be subject to appropriation and shall be expended equally for the following purposes:

717 (1) For the purposes of providing financial assistance to students from the commonwealth
718 enrolled in and pursuing a program of higher education in any approved public or independent
719 college, university, school of nursing or any other approved institution furnishing a program of
720 higher education; and

721 (2) For the purposes of funding after-school and out-of-school activities, including, but
722 not limited to, youth athletics and other activities that improve student health, literacy programs,
723 academic tutoring, art, theater and music programs and community service programs.

724 Section 19. (a) There shall be a Players' Benevolence Fund to be administered by the
725 commission. The fund shall be credited with: (i) funds transferred from the Sports Wagering
726 Fund pursuant to section 16; (ii) revenue from appropriations or other money authorized by the
727 general court and specifically designated to be credited to the fund; (iii) interest earned on money

728 in the fund; and (iv) funds from private sources, including, but not limited to, gifts, grants and
729 donations received by the commonwealth that are specifically designated to be credited to the
730 fund. All amounts credited to the fund shall be used without further appropriation for the purpose
731 of making distributions to charitable organizations as recommended pursuant to subsection (c).
732 Any unexpended balance in the fund at the close of a fiscal year shall not revert to the General
733 Fund and shall be available for expenditure in subsequent fiscal years.

734 (b) There shall be a Players' Benevolence Fund advisory committee. The advisory
735 committee shall consist of 9 members: 1 of whom shall be appointed by the governor and who
736 shall serve as chair; 1 of whom shall be the state treasurer, or a designee; 1 of whom shall be
737 appointed by the senate president; 1 of whom shall be appointed by the speaker of the house of
738 representatives; 1 of whom shall be a designee of the National Football League Players
739 Association; 1 of whom shall be a designee of the Major League Baseball Players Association; 1
740 of whom shall be a designee of the National Basketball Players Association; 1 of whom shall be
741 a designee of the National Hockey League Players' Association; and 1 of whom shall be a
742 designee of the Major League Soccer Players Association.

743 (c) The advisory committee shall convene at least annually and make recommendations
744 to the commission for distributions from the Players' Benevolence Fund in a method to be
745 determined by the committee. The committee shall recommend to the commission a distribution
746 schedule for funds deposited in the Players' Benevolence Fund to organizations that benefit
747 current and former professional sports players or their charitable foundations. In developing its
748 recommendations, the advisory committee shall consider charitable organizations, including, but
749 not limited to, organizations involved in: (i) medical research related to athletic participation; (ii)

750 the delivery of literacy and other academic assistance to disadvantaged and underserved youth
751 populations; (iii) financial literacy; and (iv) education.

752 (d) Annually, not later than July 1, the commission shall report to the clerks of the house
753 of representatives and senate on the fund's activities. The report shall include, but not be limited
754 to: (i) the source and amounts of funds received; and (ii) the amounts and purpose of
755 expenditures from the fund, including the name of each organization to which funds were
756 distributed.

757 Section 20. The commission shall conduct a study into the feasibility of allowing retail
758 locations in the commonwealth to operate sports wagering kiosks. The commission shall study
759 issues including, but not limited to: (i) the economic impact of this chapter on retail
760 establishments that serve alcohol, such as restaurants and bars; (ii) which retail locations have
761 the ability to operate a sports wagering kiosk; (iii) the economic impact to the commonwealth of
762 authorizing retail locations to operate a sports wagering kiosk; (iv) the public health and safety
763 impacts to the commonwealth of authorizing retail locations to operate a sports wagering kiosk;
764 (v) the potential effect of sports wagering kiosks at retail locations on problem gaming or
765 gambling; and (vi) the impact of sports wagering kiosks at retail locations on minors. The
766 commission shall report its findings to the clerks of the house and senate, the house and senate
767 committees on ways and means and the joint committee on economic development and emerging
768 technologies no later than December 31, 2022.

769 Section 21. (a) The commission may impose on any person who violates this chapter a
770 civil penalty not to exceed \$2,000 for each violation or \$5,000 for violations arising from the

771 same series of events. Such penalty shall be imposed on all persons and is not limited to persons
772 licensed under this chapter.

773 (b) The commission may condition, suspend, reprimand, assess a fine or revoke an
774 operator license upon a finding that a licensee: (i) has committed a criminal or civil offense
775 under this chapter or under any other laws of the commonwealth; (ii) is not in compliance with
776 sports wagering regulations; (iii) is under criminal investigation in another jurisdiction; (iv) has
777 breached a condition of licensure; (v) has affiliates, close associates or employees that are not
778 qualified or licensed under this chapter with whom the licensee continues to conduct business or
779 employ; (vi) is no longer capable of maintaining operations as a sports wagering operator or data
780 supplier; or (vii) whose business practice, upon a determination by the commission,
781 is injurious to the policy objectives of this chapter.

782 Section 22. (a) Whoever, other than an operator under this chapter, engages in accepting,
783 facilitating or operating a sports wagering operation shall be punished by imprisonment in the
784 house of correction for not more than 90 days or by a fine not to exceed \$10,000, or both; and for
785 a second offense, by imprisonment in the house of correction for not more than 6 months or by a
786 fine of not more than \$50,000, or both; and in the case of a third or subsequent violation by
787 imprisonment in the state prison for not less than 1 but not more than 5 years or by a fine of not
788 less than \$25,000 and not more than \$100,000, or both.

789 SECTION 5. Section 1 of chapter 137 of the General Laws, as appearing in the 2018
790 Official Edition, is hereby amended by inserting after the figure “23K”, in line 3, the following
791 words:- or sports wagering conducted pursuant to chapter 23N.

792 SECTION 6. Section 2 of said chapter 137, as so appearing, is hereby amended by
793 inserting after the figure “23K”, in line 3, the following words:- or an operator who offers sports
794 wagering pursuant to chapter 23N.

795 SECTION 7. Section 3 of said chapter 137, as so appearing, is hereby amended by
796 inserting after the figure “23K”, in line 7, the following words:- or sports wagering conducted
797 pursuant to chapter 23N.

798 SECTION 8. Section 1 of chapter 271 of the General Laws, as so appearing, is hereby
799 amended by striking out, in line 4, the words “chapter 23K” and inserting in place thereof the
800 following words:- chapters 23K and 23N.

801 SECTION 9. Section 2 of said chapter 271, as so appearing, is hereby amended by
802 striking out, in line 4, the words “chapter 23K” and inserting in place thereof the following
803 words:- chapters 23K and 23N.

804 SECTION 10. Section 3 of said chapter 271, as so appearing, is hereby amended by
805 striking out, in line 1, the words “chapter 23K” and inserting in place thereof the following
806 words:- chapters 23K and 23N.

807 SECTION 11. Section 5 of said chapter 271, as so appearing, is hereby amended by
808 striking out, in line 1, the words “chapter 23K” and inserting in place thereof the following
809 words:- chapters 23K and 23N.

810 SECTION 12. Section 5A of said chapter 271, as so appearing, is further amended by
811 inserting after the words “chapter 23K”, in line 32, the following words:- or sports wagering
812 conducted pursuant to chapter 23N.

813 SECTION 13. Section 5B of said chapter 271, as so appearing, is hereby amended by
814 striking out, in line 58, the words “chapter 23K” and inserting in place thereof the following
815 words:- chapters 23K and 23N.

816 SECTION 14. Section 8 of said chapter 271, as so appearing, is hereby amended by
817 striking out, in lines 10 to 11, the words “other game of chance that is not being conducted in a
818 gaming establishment licensed under chapter 23K” and inserting in place thereof the following
819 words:- other game that is not being conducted pursuant to chapter 23K and any other sports
820 wagering that is not being conducted pursuant to chapter 23N.

821 SECTION 15. Section 17 of said chapter 271, as so appearing, is hereby amended by
822 inserting after the words “chapter 23K”, in line 27, the following words:- or for the purpose of
823 sports wagering conducted in accordance with chapter 23N.

824 SECTION 16. Said chapter 271, as so appearing, is hereby further amended by striking
825 out section 17A and inserting in place thereof the following section:-

826 Section 17A. Except as permitted under chapter 23N, whoever uses a telephone, internet
827 or other communications technology or, being the occupant in control of premises where a
828 telephone, internet or other communications technology is located or a subscriber for such
829 communications technology, knowingly permits another to use a telephone, internet or other
830 communications technology so located or for which such person subscribes, as the case may be,
831 for the purpose of accepting wagers or bets, or buying or selling of pools, or for placing all or
832 any portion of a wager with another, upon the result of a trial or contest of skill, speed or
833 endurance of man, beast, bird or machine, or upon the result of an athletic game or contest, or
834 upon the lottery called the numbers game, or for the purpose of reporting the same to a

835 headquarters or booking office, or who under another name or otherwise falsely or fictitiously
836 procures telephone, internet or other communications technology service for oneself or another
837 for such purposes, shall be punished by a fine of not more than \$2,000 or by imprisonment for
838 not more than 1 year.

839 SECTION 17. Section 19 of said chapter 271, as so appearing, is hereby amended by
840 inserting after the words “chapter 23K”, in line 19, the following words:- and shall not apply to
841 advertising of sports wagering conducted pursuant to chapter 23N.

842 SECTION 18. Section 20 of said chapter 271, as so appearing, is hereby amended by
843 adding the following sentence:- Nothing in this section shall prohibit an operator licensed under
844 chapter 23N from posting, advertising or displaying materials relevant to its sports wagering
845 operations.

846 SECTION 19. Section 23 of said chapter 271, as so appearing, is hereby amended by
847 inserting after the words “chapter 23K”, in line 31, the following words:- and shall not apply to
848 sports wagering conducted pursuant to chapter 23N.

849 SECTION 20. Section 27 of said chapter 271, as so appearing, is hereby amended by
850 inserting after the word “thereto”, in line 15, the following words:- ; provided, however, that
851 such provisions shall not apply to sports wagering conducting pursuant to chapter 23N.

852 SECTION 21. Section 28 of said chapter 271, as so appearing, is hereby amended by
853 inserting after the word “prescribed”, in line 12, the following words:- ; provided, however, that
854 such provisions shall not apply to sports wagering conducted pursuant to chapter 23N.

855 SECTION 22. Section 42 of said chapter 271, as so appearing, is hereby amended by
856 inserting after the word “both”, in line 4, the following words:- ; provided, however, that such
857 provisions shall not apply to sports wagering conducted pursuant to chapter 23N.

858 SECTION 23. Section 135 of chapter 219 of the acts of 2016 is hereby repealed.