

HOUSE No. 3993

The Commonwealth of Massachusetts

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

SENATE, April 25, 2022.

The committee on Senate Ways and Means to whom was referred the House Bill regulating sports wagering (House, No. 3993) (also based on Senate, No. 269); reports, recommending that the same ought to pass with an amendment striking out all after the enacting clause and inserting in place thereof the text of Senate document numbered 2844.

For the committee,
Michael J. Rodrigues

HOUSE No. 3993

House bill No. 3977, as changed by the committee on Bills in the Third Reading, and as amended and passed to be engrossed by the House. July 22, 2021.

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 1A. Section 7 of chapter 4 of the General Laws is hereby amended by striking
13 out clause Tenth, as inserted by section 1, and inserting in place thereof the following clause:-

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

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

23 Section 11M½. Notwithstanding sections 24, 24A and 27 of chapter 10, chapter 271 or
24 any other general or special law to the contrary, a person or entity that offers fantasy contests for
25 a cash prize to members of the public may offer a fantasy contest to residents of the
26 commonwealth pursuant to and in accordance with regulations promulgated by the attorney
27 general; provided further, for the purposes of section 7 of chapter 4, a fantasy contest shall not be
28 considered illegal gaming. “Fantasy contest” includes any fantasy or simulated game or contest,
29 including, but not limited to, any fantasy or simulated game or contest based on college or
30 professional sports events in which: (i) the value of all prizes and awards offered to winning
31 participants are established and made known to the participants in advance of the contest; (ii) all
32 winning outcomes reflect the relative knowledge and skill of the participants and shall be
33 determined predominantly by accumulated statistical results of the performance of individuals,

34 including athletes in the case of sports events; and (iii) no winning outcome is based on the
35 score, point spread, or any performance or performances of any single actual team or
36 combination of such teams or solely on any single performance of an individual athlete or player
37 in any single actual event.

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

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

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

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

47 SECTION 3A. Chapter 23K of the General Laws is hereby amended by inserting after
48 section 20 the following section:-

49 Section 20A. (a) As used in this section, the following words shall, unless the context
50 clearly requires otherwise, have the following meanings:

51 "Limited slot machine establishment", the premises owned or leased by a veterans'
52 organization for use by its members in good standing.

53 “Limited slot machine license”, a gaming license issued by the commission that permits a
54 veterans’ organization to operate a gaming establishment with no table games and not more than
55 5 slot machines at a limited slot machine establishment.

56 “Limited slot machine licensee”, a veterans’ organization that holds a limited slot
57 machine license for its limited slot machine establishment.

58 “Local licensing authority”, the local licensing authority in the city or town in which the
59 limited slot machine establishment is located.

60 “Veterans’ organization”, any veterans’ organization that is: (i) incorporated by the
61 Congress of the United States and (ii) included in section 4E of chapter 9.

62 (b) The commission may issue a limited slot machine license to veterans’ organizations
63 in the commonwealth.

64 A limited slot machine license shall only be issued to a veterans’ organization that: (i) has
65 been organized and actively functioning as a veterans’ organization for not less than 5 years prior
66 to being issued a license; (ii) has received the approval of the local licensing authority; and (iii)
67 has been deemed suitable and qualified pursuant to regulations adopted by the commission
68 pursuant to subsection (l).

69 No limited slot machine license issued to a veterans’ organization pursuant to this section
70 shall be transferred or assigned.

71 (c) A limited slot machine license issued by the commission pursuant to this section may
72 be suspended or revoked at the discretion of the commission or upon written request to the
73 commission by the local licensing authority. The suspension or revocation of a license issued

74 pursuant to this section may be appealed by the limited slot machine licensee to the full
75 commission, and the commission shall hear the appeal on the record. The decision rendered by
76 the commission after the hearing shall be final and the licensee shall not be entitled to further
77 review; provided, however, that in the case of a license revocation, the licensee shall be entitled
78 to reapply for a license not less than 5 years from the date in which the final decision of the
79 commission was issued.

80 (d) A limited slot machine licensee shall limit the promotion and operation of, and access
81 to, slot machines to members in good standing of the veterans' organization; provided, that no
82 member of the veterans' organization holding a limited slot machine license shall receive
83 remuneration in any form for time or effort devoted to the promotion or operation of the slot
84 machines. No member of the general public shall be permitted access to any slot machine in a
85 limited slot machine establishment.

86 (e) The profits of any slot machines shall be the property of the limited slot machine
87 licensee, and shall be used for charitable, fraternal or civic purposes, including, but not limited
88 to, veterans' benefits.

89 (f) A limited slot machine license issued pursuant to this section shall be valid for a
90 period of 5 years. The commission shall establish procedures for application and renewal and
91 may establish a fee for application or renewal not to exceed \$500. Application and renewal fees
92 shall be deposited into the Gaming Revenue Fund established in section 59.

93 (g) Each licensee shall keep accurate records and books showing: (i) the total amount of
94 all monies deposited by members in good standing of the veterans' organization who played the
95 slot machines located in the limited slot machine establishment; (ii) the expenses incurred; and

96 (iii) the name and address of each person receiving greater than \$100 in winnings in a 24-hour
97 period. A separate checking account shall be kept of receipts and expenditures. Money for
98 expenses shall be withdrawn only by checks having preprinted consecutive numbers and made
99 payable to a specific person or corporation. No check shall be made payable to cash. All monies
100 expended for said charitable, fraternal or civic purposes shall be duly and accurately recorded as
101 to specific amounts expended and the purposes for which said amounts were expended. Proceeds
102 from the operation of the slot machines shall be kept in a separate bank account and the licensee
103 shall file an annual report on or before December 31 of each year of the charitable, fraternal and
104 civic disbursements made during the preceding year with the commission and the local licensing
105 authority in such form as the commission may prescribe. Such annual report shall be a public
106 record. The commission and the local licensing authority, or their duly authorized agents or
107 representatives, shall at all times have access to the limited slot machine establishment, as well
108 as the records and books of any licensee for the purpose of examining and checking the same.

109 (h) Each licensee shall file a return with the commission, on a form prepared by the
110 commission, and shall pay therewith a tax of 5 per cent of the gross profits derived from the slot
111 machines located in the limited slot machine establishment, which shall be deposited into the
112 Gaming Revenue Fund established in section 59.

113 (i) No person under 21 years of age shall be permitted in that portion of any building or
114 premises of the licensee during such time as a slot machine is being played.

115 (j) A limited slot machine establishment shall keep conspicuously posted on their
116 premises a notice containing the following statement: "If you or someone you know has a
117 gambling problem and wants help, call the Massachusetts Council on Gaming and Health on the

118 Safer Gaming Education Line at 1-800-426-1234 or the Massachusetts Department of Public
119 Health helpline at 1-800-327-5050.”

120 (k) Limited slot machine licensees shall only acquire slot machines from a person
121 licensed as a gaming vendor under section 31.

122 (l) The commission shall, consistent with the public objectives of this chapter established
123 in section 1, promulgate regulations for the implementation, administration and enforcement of
124 this section including, without limitation, regulations that prescribe: (i) the method and form of
125 application which an applicant for licensure shall follow and complete before consideration by
126 the commission; (ii) the information to be furnished by an applicant for a limited slot machine
127 license or for the renewal of a limited slot machine license; (iii) suitability standards for
128 applicants for licensure pursuant to this section; (iv) the criteria for evaluation of the application
129 for a limited slot machine license and qualifications for licensure pursuant to this section; (v) the
130 information to be furnished by a veterans’ organization relating to the members of the veterans’
131 organization tasked with managing the slot machines; (vi) criteria for eligibility for licensure
132 under this section; (vii) conditions on the operation and control of a limited slot machine
133 establishment; and (viii) grounds and procedures for the revocation or suspension of a limited
134 slot machine license.

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

137 CHAPTER 23N

138 AUTHORIZATION AND REGULATION OF SPORTS WAGERING

139 Section 1. This chapter shall be known and may be cited as the “Massachusetts Sports
140 Wagering Act”.

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

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

146 “Adjusted gross sports wagering receipts”, an operator’s total gross receipts from sports
147 wagering, excluding sports wagers made with promotional gaming credits, less the total of all
148 winnings paid to wagerers in such games, which shall include the cash equivalent of any
149 merchandise or thing of value awarded as a prize, and all excise taxes paid pursuant to federal
150 law.

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

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

155 “Breaks”, the odd cents over any multiple of 10 cents of winnings per \$1 wagered.

156 “Category 1 license”, a license issued by the commission that permits the operation of
157 sports wagering in person at a gaming establishment, as defined in section 2 of chapter 23K, and
158 through not more than 3 individually-branded mobile applications or other digital platforms

159 approved by the commission; provided, that the mobile applications or other digital platforms
160 shall be qualified for and issued a category 3 license.

161 “Category 2 license”, a license issued by the commission that permits the operation of
162 sports wagering in-person on the premises where either: (1) live horse racing is conducted in
163 accordance with chapter 128A or (2) the licensee is authorized by law to conduct simulcast
164 wagering on horse or greyhound racing, and through not more than 1 individually branded
165 mobile application or other digital platform approved by the commission; provided, that the
166 mobile applications or other digital platforms shall be qualified for and issued a category 3
167 license; provided further, that the commission may issue a category 2 license to: (1) a person or
168 entity licensed by the commission in accordance with said chapter 128A to conduct a live horse
169 racing meeting, (2) a running horse racing licensee that conducted simulcast wagering as of
170 December 31, 2020 as authorized by law, or (3) a greyhound meeting licensee that conducted
171 simulcast wagering as of December 31, 2020 as authorized by law.

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

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

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

182 “Commission”, the Massachusetts gaming commission established in section 3 of chapter
183 23K.

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

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

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

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

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

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

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

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

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

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

214 “Qualified gaming entity”, an entity that: (i) holds a gaming license as defined in section
215 2 of chapter 23K; (ii) (a) is licensed by the commission in accordance with chapter 128A to
216 conduct a live horse racing meeting, (b) is a running horse racing licensee that conducted
217 simulcast wagering as of December 31, 2020 as authorized by law or (c) is a greyhound meeting
218 licensee that conducted simulcast wagering as of December 31, 2020 as authorized by law; or
219 (iii) offers an interactive sports wagering platform through a mobile application or other digital
220 platform.

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

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

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

230 “Sports wagering”, the business of accepting wagers on sporting events or portions of
231 sporting events, other events, the individual performance statistics of athletes in a sporting event
232 or other events or a combination of any of the same by any system or method of wagering
233 approved by the commission including, but not limited to, mobile applications and other digital
234 platforms; provided, that sports wagering shall not include the acceptance of any wager: (i) with
235 an outcome dependent on the performance of an individual athlete in any collegiate sport or
236 athletic event, including, but not limited, to in-game or in-play wagers; (ii) on a high school or
237 youth sporting event; or (iii) on injuries, penalties, player discipline or replay review; and
238 provided further, that sports wagering shall not include fantasy contests as defined in section
239 11M½ of chapter 12. Sports wagering shall include, but shall not be limited to, single-game bets,
240 teaser bets, parlays, over-under, moneyline, pools, exchange wagering, in-game wagering, in-
241 play bets, proposition bets and straight bets.

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

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

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

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

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

254 (b) The commission may promulgate rules and regulations necessary for the
255 implementation, administration and enforcement of this chapter. The commission may
256 promulgate emergency rules and regulations in accordance with applicable procedures for the
257 promulgation of emergency rules and regulations.

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

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

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

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

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

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

274 (d) The commission may promulgate rules and regulations including, but not limited to,
275 those governing the acceptance of wagers on a sports event, other event or a series of sports
276 events; types of wagering receipts which may be used; methods of issuing receipts; methods of
277 accounting to be used by operators; types of records to be kept; types of systems for wagering;
278 protections for patrons placing wagers; and promotion of social responsibility and responsible
279 gambling, including, a requirement that sports wagering operator licensees shall display
280 warnings prominently in person and on mobile applications and digital platforms related to the
281 use of credit cards and cash advances; provided, that such regulations shall include a requirement
282 that all mobile applications and digital platforms authorized for sports wagering include
283 prominently upon each entry into the application or platform, the following statement: "If you or

284 someone you know has a gambling problem and wants help, call the Massachusetts Council on
285 Gaming and Health on the Safer Gaming Education Line at 1-800-426-1234 or the
286 Massachusetts Department of Public Health helpline at 1-800-327-5050.”

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

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

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

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

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

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

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

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

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

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

320 (c) Each controlling person pursuant to subsection (b) shall submit to the commission an
321 application in a form determined by the commission, and each such controlling person who is a
322 natural person shall submit to the commission: (i) fingerprints for a national criminal records
323 check by the department of the state police and the Federal Bureau of Investigation; and (ii) a
324 signed authorization for the release of information by the department of the state police and the

325 Federal Bureau of Investigation; provided, however, that a controlling person who is a natural
326 person that has submitted to a national criminal records check in any jurisdiction within the
327 previous year shall not be required to submit to another national criminal records check if such
328 person submits to the commission the results of such previous national criminal records check.
329 Any applicant convicted of any disqualifying offense, as determined by the commission, shall
330 not be licensed.

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

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

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

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

342 (2) The commission shall issue a category 2 license to: (i) any holder of a license to
343 conduct a live horse racing meeting in accordance with chapter 128A; (ii) a running horse racing
344 licensee that conducted simulcast wagering as of December 31, 2020 as authorized by law; or
345 (iii) a greyhound meeting licensee that conducted simulcast wagering as of December 31, 2020
346 as authorized by law; that meets the requirements of this chapter and the rules and regulations of

347 the commission; provided, however, that any holder of a category 2 license shall not be issued a
348 category 1 license; and provided further, that no more than 1 category 2 license shall be issued to
349 any 1 person, entity, or affiliate or close associate of such person or entity.

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

353 (4) A category 1 or category 2 licensee may enter into agreements related to mobile or
354 digital sports wagering with a category 3 licensee pursuant to the approval of the commission.
355 Nothing in this chapter shall require a category 3 licensee to partner with or have any
356 commercial relationship with a category 1 or 2 licensee.

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

360 (2) Upon receiving a request for a temporary license, the executive director of the
361 commission shall review the request. If the executive director determines that the entity
362 requesting the temporary license is a qualified gaming entity and has paid the sports wagering
363 initial licensing fee pursuant to paragraph (1), the commission shall authorize the qualified
364 gaming entity to conduct sports wagering for a period of 1 year under a temporary license or
365 until a final determination on its operator license application is made.

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

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

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

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

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

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

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

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

384 (e) The commission may deny an application, if the commission determines during its
385 investigation that an applicant has failed to: (i) establish the applicant's integrity or the integrity
386 of any affiliate, close associate, financial resources or any person required to be qualified by the
387 commission; (ii) demonstrate responsible business practices in any jurisdiction; or (iii) overcome

388 any other reason, as determined by the commission, as to why it would be injurious to the
389 interests of the commonwealth to award the applicant an operator license.

390 (f) Upon application by a qualified gaming entity that is not denied pursuant to subsection
391 (e) and payment of a \$5,000,000 licensing fee, the commission shall grant an operator license to
392 a qualified gaming entity that provides the right to conduct sports wagering; provided, that the
393 qualified gaming entity shall meet the requirements for licensure under this chapter and the rules
394 and regulations of the commission. Such license shall be issued for a 5-year period, and may be
395 renewed for 5-year periods upon payment of a \$5,000,000 renewal fee; provided, that the
396 operator shall continue to meet all requirements under this chapter and the rules and regulations
397 of the commission. The commission shall credit any initial licensing fee paid pursuant to
398 paragraph (1) of subsection (c) to a successful applicant for an operator license against the
399 licensing fee due under this subsection.

400 (g) An operator shall submit to the commission such documentation or information as the
401 commission may require to demonstrate that the operator continues to meet the requirements of
402 this chapter and the rules and regulations of the commission. An operator shall submit required
403 documentation or information no later than 5 years after issuance of its operator license and
404 every 5 years thereafter, or within lesser periods based on circumstances specified by the
405 commission.

406 (h) No licensee shall transfer an operator license, or any direct or indirect interest in the
407 license, without the majority approval of the commission. A person seeking to acquire such
408 license through a transfer shall qualify and otherwise be determined by the commission to be
409 eligible for licensure under this chapter. The commission may reject a proposed license transfer

410 or a proposed transfer of interest in the license to an unsuitable person and may reject a proposed
411 transfer that, in the determination of the commission, would be injurious to the interests of the
412 commonwealth. The commission may promulgate regulations governing this process which may
413 include assessment of a fee to reflect the cost associated with reviewing the proposed transfer.

414 (i) Applications for operator licenses shall be public records under section 10 of chapter
415 66; provided however, that trade secrets, competitively-sensitive or other proprietary information
416 provided in the course of an application for an operator license under this chapter, the disclosure
417 of which would place the applicant at a competitive disadvantage, may be withheld from
418 disclosure under said section 10 of said chapter 66.

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

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

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

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

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

438 (d) Each occupational license holder shall annually pay to the commission a license fee of
439 \$100 by March 1 and submit a renewal application on the form established by the commission.
440 An employer may pay a license fee on behalf of the licensed employee.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

483 (b) A sports governing body may submit to the commission in writing, by providing
484 notice in such form and manner as the commission may require, a request to restrict, limit or
485 exclude a certain type, form or category of sports wagering with respect to sporting events of
486 such body, if the sports governing body believes that such type, form or category of sports
487 wagering with respect to sporting events of such body is contrary to public policy, unfair to
488 consumers, may undermine the perceived integrity of such body or sporting events of such body
489 or affects the integrity of such body or sporting events of such body. The commission shall
490 request comment from sports wagering operators on all such requests. After giving due
491 consideration to all comments received, the commission shall, upon a demonstration of good

492 cause from the requestor, grant the request. The commission shall respond to a request
493 concerning a particular event before the start of the event, or if it is not feasible to respond before
494 the start of the event, no later than 7 days after the request is made; provided, that if the
495 commission determines that the requestor is more likely than not to prevail in successfully
496 demonstrating good cause for its request, the commission may provisionally grant the request of
497 the sports governing body until the commission makes a final determination as to whether the
498 requestor has demonstrated good cause. Absent such a provisional grant by the commission,
499 sports wagering operators may continue to offer sports wagering on sporting events that are the
500 subject of such a request during the pendency of the consideration of the applicable request.

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

505 (d) The commission and sports wagering operators shall use commercially reasonable
506 efforts to cooperate with investigations conducted by sports governing bodies or law
507 enforcement agencies, including, but not limited to, using commercially reasonable efforts to
508 provide or facilitate the provision of anonymized account-level betting information and audio or
509 video files relating to persons placing wagers. All disclosures under this section are subject to the
510 obligation of a sports wagering operator to comply with all federal, state and local laws and
511 regulations, including, but not limited to, laws and regulations relating to privacy and personally
512 identifiable information.

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

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

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

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

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

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

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

528 (f) The commission and sports wagering operators shall maintain the confidentiality of
529 information provided by a sports governing body for purposes of investigating or preventing the
530 conduct described in paragraphs (2), (3) and (4) of subsection (e), unless disclosure is required
531 by this chapter, the commission, other law or court order or unless the sports governing body
532 consents to disclosure.

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

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

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

549 (h) Sports wagering operators shall maintain records of all wagers placed by its patrons,
550 including: (i) personally identifiable information of the patron; (ii) amount and type of the bet;
551 (iii) the time the bet was placed; (iv) the location of the bet, including the Internet Protocol, or
552 IP, address if applicable; (v) the outcome of the bet; and (vi) records of abnormal betting activity
553 for 3 years after a sporting event occurs and video camera recordings in the case of in-person

554 wagers for at least 1 year after a sporting event occurs, and shall make this data available for
555 inspection upon request of the commission or as required by court order.

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

564 (j) If a sports governing body has notified the commission and demonstrated a need for
565 access to the information described in subsection (i) for wagers placed on sporting events of the
566 sports governing body for integrity monitoring purposes, and demonstrated the capability to use
567 the data for the purpose of effectively monitoring the integrity of sporting events of the sports
568 governing body, a sports wagering operator shall share, in a commercially reasonable frequency,
569 form and manner, with the sports governing body or its designee the same information the sports
570 wagering operator is required to maintain pursuant to subsection (i) with respect to sports wagers
571 on sporting events of the sports governing body. A sports governing body and its designee shall
572 only use information received pursuant to this section for integrity-monitoring purposes and shall
573 not use information received pursuant to this section for any commercial or other purpose.
574 Nothing in this section shall require a sports wagering operator to provide any information that is
575 prohibited by federal, state or local laws or regulations, including, but not limited to, laws and
576 regulations relating to privacy and personally identifiable information.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

611 (c) A sports governing body may notify the commission that it desires sports wagering
612 operators to use official league data to settle tier 2 sports wagers on sporting events of such
613 sports governing body. The notification shall be made in the form and manner as the commission
614 may require. Within 5 days of receipt of the notification, the commission shall notify each sports
615 wagering operator of the requirement to use official league data to settle tier 2 sports wagers. If a
616 sports governing body does not notify the commission of its desire to supply official league data,
617 a sports wagering operator may use any data source for determining the results of any and all tier
618 2 sports wagers on sporting events of the sports governing body.

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

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

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

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

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

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

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

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

646 (f) Notwithstanding subsection (d) or any provision of this subsection to the contrary,
647 during the pendency of the determination of the commission as to whether a sports governing
648 body or its designee may provide official league data on commercially reasonable terms, a sports
649 wagering operator may use any data source to determine the results of tier 2 sports wagers. The
650 determination shall be made within 120 days of the sports wagering operator notifying the
651 commission that it requests to demonstrate that the sports governing body or its designee will not
652 provide a feed of official league data to the sports wagering operator on commercially reasonable
653 terms.

654 (g) A sports governing body may enter into commercial agreements with a sports
655 wagering operator or other entity in which such sports governing body may share in the amount
656 wagered or revenues derived from sports wagering on sporting events of the sports governing
657 body. A sports governing body shall not be required to obtain a license or any other approval
658 from the commission to lawfully accept such amounts or revenues.

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

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

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

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

677 (e)(1) The commission or operator may ban any person from participating in the play or
678 operation of any sports wagering consistent with rules and regulations promulgated by the
679 commission. A list of all excluded patrons shall be kept by the commission and provided to each
680 licensee. No patron on the exclusion list shall be permitted to conduct sports wagering pursuant
681 to this chapter.

682 (2) The commission shall establish a list of self-excluded persons from sports wagering.

683 A person may request their name to be placed on the list of self-excluded persons by filing a

684 statement with the commission acknowledging that they are a problem gambler and by agreeing
685 that, during any period of voluntary exclusion, they shall not collect any winnings or recover any
686 losses resulting from any sports wagering. The commission shall adopt further regulations for the
687 self-excluded persons list including procedures for placement, removal and transmittal of the list
688 to sports wagering operators. The commission may revoke, limit, condition, suspend or fine a
689 sports wagering operator if the operator knowingly or recklessly fails to exclude or eject from its
690 premises any person placed on the list of self-excluded persons. The list of self-excluded persons
691 from sports wagering shall not be open to public inspection.

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

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

696 (h) Unclaimed winning sports wagers shall be retained by the operator for the person
697 entitled to the wager for 1 year after the game or event in which the wager was won. If no claim
698 is made for the wager within 1 year, the cash or equivalent cash value of the wager shall be
699 deposited in the Sports Wagering Control Fund established in section 15.

700 Section 14. (a)(1) An excise is hereby imposed upon sports wagering operators in the
701 commonwealth at the rate of: (i) 12.5 per cent of the operator's adjusted gross sports wagering
702 receipts from the operation of in-person sports wagering; and (ii) 15 per cent of the operator's
703 adjusted gross sports wagering receipts from the operation of sports wagering through mobile
704 applications and other digital platforms approved by the commission. The accrual method of
705 accounting shall be used for purposes of calculating the amount of the tax owed by the licensee.

706 The excise shall be paid to the commission at the time provided for filing the return pursuant to
707 subsection (b).

708 (2) Annually not later than October 15, each sports wagering operator shall submit to the
709 commission the number of sports events that took place at sports stadiums or other sports
710 facilities physically located in the commonwealth and the adjusted gross sports wagering receipts
711 collected from each event. The commission shall impose and collect an excise equal to 1 per cent
712 of the operator's adjusted gross sports wagering receipts from these events. Annually, not later
713 than December 31, the excise collected by the commission pursuant to this paragraph shall be
714 proportionately distributed to each sports stadium or other sports facility based on the amount of
715 excise collected from sports events that took place at each sports stadium or other sports facility
716 during the previous calendar year. A sports stadium or other sports facility shall use the funds
717 received pursuant to this paragraph only for the purpose of sports wagering security and integrity
718 and shall report annually to the commission the amounts spent and purposes of such spending in
719 a form prescribed by the commission.

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

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

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

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

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

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

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

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

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

748 Section 15. (a) There shall be established and set up on the books of the commonwealth a
749 separate fund to be known as the Sports Wagering Control Fund. The commission shall be the
750 trustee of the fund and shall expend monies to finance operational activities of the commission
751 pertaining to sports wagering. The fund shall be credited with: (i) any appropriation, bond
752 proceeds or other monies authorized by the general court and specifically designated to be
753 credited thereto; (ii) the proceeds of any fees collected pursuant to this section unless otherwise
754 specified; (iii) application processing fees collected pursuant to sections 7 and 8; (iv) breaks; and
755 (v) such additional funds as are subject to the direction and control of the commission. All
756 available monies in the fund that are unexpended at the end of each fiscal year shall not revert to
757 the General Fund and shall be available for expenditure in the subsequent fiscal year. (b) The
758 commission shall establish fees for any investigation into a violation of this chapter or regulation
759 promulgated hereunder by a sports wagering operator licensee to be paid by the sports wagering
760 operator licensee including, but not limited to, billable hours by commission staff involved in the
761 investigation and the costs of services, equipment or other expenses that are incurred by the
762 commission during the investigation.

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

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

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

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

- 783 (1) 40 per cent to the Workforce Investment Trust Fund established in section 17;
784 (2) 33 per cent to the Gaming Local Aid Fund established in section 63 of section 23K;
785 (3) 20 per cent to the Youth Development and Achievement Fund established in section
786 18;
787 (4) 6 per cent to the Public Health Trust Fund established in section 58 of section 23K;
788 and
789 (5) 1 per cent to the Players' Benevolence Fund established in section 19.

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

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

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

813 250 per cent of the federal poverty level for not less than 6 months; (vi) lives in a census tract
814 where over 20 per cent of the populations fall below the federal poverty line; or (vii) is an
815 immigrant, refugee or person of color.

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

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

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

829 (2) For the purposes of funding after-school and out-of-school activities, including, but
830 not limited to, youth athletics and other activities that improve student health, literacy programs,
831 English language learning programs, academic tutoring, art, theater and music programs and
832 community service programs; and

833 (3) For the purposes of providing matching grants to elementary and secondary youth
834 sports, organizations, clubs and other school groups to attend events including, but not limited to,

835 academic events and programs, cultural events and award ceremonies both nationally and
836 internationally.

837 Section 19. (a) There shall be a Players' Benevolence Fund to be administered by the
838 commission. The fund shall be credited with: (i) funds transferred from the Sports Wagering
839 Fund pursuant to section 16; (ii) revenue from appropriations or other money authorized by the
840 general court and specifically designated to be credited to the fund; (iii) interest earned on money
841 in the fund; and (iv) funds from private sources, including, but not limited to, gifts, grants and
842 donations received by the commonwealth that are specifically designated to be credited to the
843 fund. All amounts credited to the fund shall be used without further appropriation for the purpose
844 of making distributions to charitable organizations as recommended pursuant to subsection (c).
845 Any unexpended balance in the fund at the close of a fiscal year shall not revert to the General
846 Fund and shall be available for expenditure in subsequent fiscal years.

847 (b) There shall be a Players' Benevolence Fund advisory committee. The advisory
848 committee shall consist of 11 members: 1 of whom shall be appointed by the governor and who
849 shall serve as chair; 1 of whom shall be the state treasurer, or a designee; 1 of whom shall be
850 appointed by the senate president; 1 of whom shall be appointed by the speaker of the house of
851 representatives 1 of whom shall be the minority leader of the house of representatives, or a
852 designee; 1 of whom shall the minority leader of the senate, or a designee; 1 of whom shall be a
853 designee of the National Football League Players Association; 1 of whom shall be a designee of
854 the Major League Baseball Players Association; 1 of whom shall be a designee of the National
855 Basketball Players Association; 1 of whom shall be a designee of the National Hockey League
856 Players' Association; and 1 of whom shall be a designee of the Major League Soccer Players
857 Association.

858 (c) The advisory committee shall convene at least annually and make recommendations
859 to the commission for distributions from the Players' Benevolence Fund in a method to be
860 determined by the committee. The committee shall recommend to the commission a distribution
861 schedule for funds deposited in the Players' Benevolence Fund to organizations that benefit
862 current and former professional sports players or their charitable foundations. In developing its
863 recommendations, the advisory committee shall consider charitable organizations, including, but
864 not limited to, organizations involved in: (i) medical research related to athletic participation; (ii)
865 the delivery of literacy and other academic assistance to disadvantaged and underserved youth
866 populations; (iii) financial literacy; and (iv) education.

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

872 Section 20. The commission shall conduct a study into the feasibility of allowing retail
873 locations in the commonwealth to operate sports wagering kiosks. The study by the commission
874 shall include, but not be limited to, an analysis of: (i) the economic impact of this chapter on
875 retail establishments that serve alcoholic beverages for on premises consumption, such as
876 restaurants and bars; (ii) which retail locations have the ability to operate a sports wagering
877 kiosk; (iii) the economic impact to the commonwealth of authorizing retail locations to operate a
878 sports wagering kiosk; (iv) the methods and availability of payouts of winnings by a sports
879 wagering kiosks at retail locations; (v) the public health and safety impacts to the commonwealth
880 of authorizing retail locations to operate a sports wagering kiosk; (vi) the potential effect of

881 sports wagering kiosks at retail locations on problem gaming or gambling; (vii) the impact of
882 sports wagering kiosks at retail locations on minors; (viii) the economic impact of authorizing
883 this method of sports wagering on businesses owned by people of color; (ix) the public health
884 and economic impact of this method of sports wagering as an alternative to the current black
885 market, particularly in communities far from authorized in-person sports wagering; and (x)
886 recommendations to ensure diversity, equity and inclusion are included in this method of sports
887 wagering. As part of the study, the commission shall consult retailers, convenience stores,
888 restaurants, women and minority owned businesses and small business owners. The commission
889 shall report on its findings and submit any recommendations to the clerks of the house and
890 senate, the house and senate committees on ways and means, the joint committee on consumer
891 protection and professional licensure and the joint committee on economic development and
892 emerging technologies no later than December 31, 2022. Section 21. (a) The commission may
893 impose on any person who violates this chapter a civil penalty not to exceed \$2,000 for each
894 violation or \$5,000 for violations arising from the same series of events. Such penalty shall be
895 imposed on all persons and is not limited to persons licensed under this chapter.

896 (b) The commission may condition, suspend, reprimand, assess a fine or revoke an
897 operator license upon a finding that a licensee: (i) has committed a criminal or civil offense
898 under this chapter or under any other laws of the commonwealth; (ii) is not in compliance with
899 sports wagering regulations; (iii) is under criminal investigation in another jurisdiction; (iv) has
900 breached a condition of licensure; (v) has affiliates, close associates or employees that are not
901 qualified or licensed under this chapter with whom the licensee continues to conduct business or
902 employ; (vi) is no longer capable of maintaining operations as a sports wagering operator or data

903 supplier; or (vii) whose business practice, upon a determination by the commission,
904 is injurious to the policy objectives of this chapter.

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

912 SECTION 4A. Chapter 128C of the General Laws is hereby amended by inserting the
913 following new section:-

914 Section 9. Notwithstanding sections 1 to 8, inclusive, or any other general or special law
915 to the contrary, no racing meeting licensee, including licensees holding racing meetings in
916 connection with a state or county fair as defined in section 1 of chapter 128A, may simulcast or
917 accept a simulcast wager on greyhound dog racing.

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

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

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

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

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

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

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

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

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

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

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

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

955 Section 17A. Except as permitted under chapter 23N, whoever uses a telephone, internet
956 or other communications technology or, being the occupant in control of premises where a
957 telephone, internet or other communications technology is located or a subscriber for such
958 communications technology, knowingly permits another to use a telephone, internet or other
959 communications technology so located or for which such person subscribes, as the case may be,
960 for the purpose of accepting wagers or bets, or buying or selling of pools, or for placing all or
961 any portion of a wager with another, upon the result of a trial or contest of skill, speed or
962 endurance of man, beast, bird or machine, or upon the result of an athletic game or contest, or
963 upon the lottery called the numbers game, or for the purpose of reporting the same to a
964 headquarters or booking office, or who under another name or otherwise falsely or fictitiously
965 procures telephone, internet or other communications technology service for oneself or another
966 for such purposes, shall be punished by a fine of not more than \$2,000 or by imprisonment for

967 not more than 1 year; provided, however, that this section shall not apply to use of telephones or
968 other devices or means to place wagers authorized pursuant to the provisions of section 5C of
969 chapter 128A.

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

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

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

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

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

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

989 SECTION 22A. The Massachusetts Gaming Commission shall study the feasibility of
990 professional sports teams or their designees, or professional sports facilities offering sports
991 wagering through mobile applications or other digital platforms, or in-person at a facility that
992 hosts professional sports in the commonwealth. The study shall include, but shall not be limited
993 to: (i) the ability of professional sports teams or their designee or professional sports facilities to
994 operate sports wagering and to meet qualifications of licensure under chapter 23N of the General
995 Laws; (ii) whether sports wagering must be operated by a professional sports team or their
996 designee, a professional sports facility or by an independent third party; (iii) the economic,
997 public health and safety impacts to the commonwealth of authorizing sports wagering at a
998 facility that hosts professional sports; (iv) the potential effect of sports wagering at a facility that
999 hosts professional sports and the surrounding community, including, but not limited to: (A)
1000 minors; (B) problem gaming or gambling; and (C) the viewer experience at a professional sports
1001 event; and (v) any other effects or impacts the commission deems relevant. The commission
1002 shall report its findings to the clerks of the house and senate, the house and senate committees on
1003 ways and means and the joint committee on economic development and emerging technologies
1004 not later than December 31, 2022.

1005 SECTION 22B. The Massachusetts gaming commission shall conduct a study on the
1006 participation by minority business enterprises, women business enterprises and veteran business
1007 enterprises in the sports wagering industry in the commonwealth. The study shall include, but not
1008 be limited to, an analysis of: (i) participation in activities related to the regulation, licensing and

1009 promotion of sports wagering operators; (ii) the level of participation of women, minority and
1010 veteran employees working for sports wagering licensees and employers; (iii) the level of
1011 participation by minority and women-owned businesses that contract with or provide services to
1012 sports wagering licensees and employers; (iv) any barriers to employment of women and
1013 minorities in the sports wagering industry; and (v) methods for increasing racial and gender
1014 diversity in the workforce in the sports wagering industry, including whether to set reasonable
1015 and appropriate goals and procedures for increasing the number of minority business enterprises
1016 providing sports wagering industry-related services to sports wagering licensees and employers.
1017 The commission shall report on its findings and submit any recommendations to the clerks of the
1018 house and senate, the house and senate committees on ways and means, the joint committee on
1019 racial equity, civil rights, and inclusion and the joint committee on economic development and
1020 emerging technologies no later than July 1, 2022.

1021 SECTION 23. Section 135 of chapter 219 of the acts of 2016 is hereby repealed.

1022 SECTION 24. Section 1A and 4A shall take effect 2 years after the effective date of this
1023 act.