

# HOUSE . . . . . No. 5164

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## The Commonwealth of Massachusetts

The committee of conference on the disagreeing votes of the two branches with reference to the Senate amendment (striking out all after the enacting clause and inserting in place thereof the text contained in Senate document numbered 2862) of the House Bill regulating sports wagering (House, No. 3993), reports recommending passage of the accompanying bill (House, No. 5164). August 1, 2022.

Jerald A. Parisella	Michael J. Rodrigues
Aaron Michlewitz	Eric P. Lesser
David K. Muradian	Patrick M. O'Connor

**HOUSE . . . . . No. 5164**

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**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 2020 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; (vi) charitable gaming conducted under said  
11 chapter 271; and (vii) a fantasy contest conducted under section 11M½.

12           SECTION 2. 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 3. 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 professional  
30 sports events in which: (i) the value of all prizes and awards offered to winning participants are  
31 established and made known to the participants in advance of the contest; (ii) all winning  
32 outcomes reflect the relative knowledge and skill of the participants and shall be determined  
33 predominantly by accumulated statistical results of the performance of individuals, including  
34 athletes in the case of sports events; and (iii) no winning outcome is based on the score, point  
35 spread, or any performance or performances of any single actual team or combination of such

36 teams or solely on any single performance of an individual athlete or player in any single actual  
37 event.

38 SECTION 4. Section 4 of chapter 23K of the General Laws, as appearing in the 2020  
39 Official Edition, is hereby amended by inserting the following subsection:-

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

41 SECTION 5. The General Laws are hereby amended by inserting after chapter 23M the  
42 following chapter:-

43 CHAPTER 23N

44 AUTHORIZATION AND REGULATION OF SPORTS WAGERING

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

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

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

52 “Adjusted gross fantasy wagering receipts”, the total gross receipts from fantasy contests  
53 as defined in section 11M1/2 of chapter 12, less only the total of all cash prizes paid to  
54 participants in the fantasy contests; provided, however, that the total of all cash prizes paid to

55 participants shall not include the cash equivalent of any merchandise or thing of value awarded  
56 as a prize.

57 “Adjusted gross sports wagering receipts”, the total gross receipts from sports wagering  
58 less the sum of: (i) the total of all winnings paid to participants; and (ii) all excise taxes paid  
59 pursuant to federal law; provided, however, that the total of all winnings paid to participants  
60 shall not include the cash equivalent of any merchandise or thing of value awarded as a prize.

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

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

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

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

71 “Category 2 license”, a license issued by the commission that permits the operation of  
72 sports wagering in-person on the premises where either: (1) live horse racing is conducted in  
73 accordance with chapter 128A or (2) the licensee is authorized by law to conduct simulcast  
74 wagering on horse or greyhound racing, and through not more than 1 individually branded  
75 mobile application or other digital platform approved by the commission; provided, that the

76 mobile applications or other digital platforms shall be qualified for and issued a category 3  
77 license; provided further, that the commission may issue a category 2 license to: (1) a person or  
78 entity licensed by the commission in accordance with said chapter 128A to conduct a live horse  
79 racing meeting, (2) a running horse racing licensee that conducted simulcast wagering as of  
80 December 31, 2020 as authorized by law, or (3) a greyhound meeting licensee that conducted  
81 simulcast wagering as of December 31, 2020 as authorized by law; provided further, a category 2  
82 licensee shall make a capital investment of not less than \$7,500,000 within 3 years after  
83 receiving a sports wagering license.

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

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

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

94 “Collegiate tournament”, a series of collegiate sports or athletic events involving four or  
95 more collegiate teams that make up a single unit of competition.

96 “Commission”, the Massachusetts gaming commission established in section 3 of chapter  
97 23K.

98 “Electronic sports”, a single or multiplayer video game played competitively for  
99 spectators.

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

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

104 “National criminal history background check”, a criminal history background check  
105 conducted using the criminal history record system maintained by the Federal Bureau of  
106 Investigation and based on fingerprint identification or any other method of positive  
107 identification.

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

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

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

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

121 “Person”, an individual, corporation, association, operation, firm, partnership, trust or  
122 other form of business association.

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

128 “Players association”, a professional sports association recognized by a sports governing  
129 body that represents professional athletes.

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

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

135 “Qualified gaming entity”, an entity that: (i) holds a gaming license as defined in section  
136 2 of chapter 23K; (ii) (a) is licensed by the commission in accordance with chapter 128A to  
137 conduct a live horse racing meeting, (b) is a running horse racing licensee that conducted  
138 simulcast wagering as of December 31, 2020 as authorized by law or (c) is a greyhound meeting  
139 licensee that conducted simulcast wagering as of December 31, 2020 as authorized by law; or

140 (iii) offers an interactive sports wagering platform through a mobile application or other digital  
141 platform.

142 “Sports event” or “sporting event”, a professional sport or athletic event, collegiate sport  
143 or athletic event, a collegiate tournament, motor race event, electronic sports event or other event  
144 authorized by the commission under this chapter; provided, however, that “sporting event” shall  
145 not include: (i) high school and youth sports or athletic events; or (ii) a collegiate sport or athletic  
146 event involving 1 or more collegiate teams from the commonwealth unless they are involved in a  
147 collegiate tournament.

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

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

154 “Sports wagering”, the business of accepting wagers on sporting events or portions of  
155 sporting events, other events, the individual performance statistics of athletes in a sporting event  
156 or other events or a combination of any of the same by any system or method of wagering  
157 approved by the commission including, but not limited to, mobile applications and other digital  
158 platforms; provided, that sports wagering shall not include the acceptance of any wager: (i) with  
159 an outcome dependent on the performance of an individual athlete in any collegiate sport or  
160 athletic event, including, but not limited, to in-game or in-play wagers; (ii) on a high school or  
161 youth sporting event; (iii) on injuries, penalties, player discipline or replay review; and provided

162 further, that sports wagering shall not include fantasy contests as defined in section 11M½ of  
163 chapter 12. Sports wagering shall include, but shall not be limited to, single-game bets, teaser  
164 bets, parlays, over-under, moneyline, pools, exchange wagering, in-game wagering, in-play bets,  
165 proposition bets and straight bets.

166 “Sports wagering account”, a financial record established by an operator for a patron in  
167 which the patron may deposit by any method approved by the commission and withdraw funds  
168 for sports wagering and other authorized purchases and to which the operator may credit  
169 winnings or other amounts due to or authorized by that patron; provided, however, that such  
170 account may be established and funded by the patron electronically through an approved mobile  
171 application or digital platform; and provided further, that a deposit into a sports wagering  
172 account shall not be made using a credit card.

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

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

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

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

179 (b) The commission shall promulgate rules and regulations necessary for the  
180 implementation, administration and enforcement of this chapter. The commission may  
181 promulgate emergency rules and regulations in accordance with applicable procedures for the  
182 promulgation of emergency rules and regulations.

183 (c) The commission shall promulgate regulations to prohibit: (i) the purchase or other use  
184 of any personal biometric data of an athlete for sports wagering or aiding a patron in placing a  
185 wager with sports wagering operators; and (ii) the following advertising, marketing and branding  
186 activities: (A) advertisements, marketing and branding in such a manner that it is deceptive,  
187 false, misleading, or untrue, or tends to deceive or create a misleading impression whether  
188 directly, or by ambiguity or omission; (B) use of unsolicited pop-up advertisements on the  
189 internet or by text message directed to an individual on the list of self-excluded persons  
190 established pursuant to paragraph (2) of subsection (e) of section 13; (C) any form of advertising,  
191 marketing or branding that the commission deems unacceptable or disruptive to the viewer  
192 experience at a sports event; (D) advertising, marketing and branding deemed to appeal directly  
193 to a person younger than 21 years old; and (E) advertising on any billboards, or any other public  
194 signage, which fails to comply with any federal, state or local law.

195 (d)(1) The commission may promulgate rules and regulations including, but not limited  
196 to, those governing the acceptance of wagers on a sports event, other event or a series of sports  
197 events; types of wagering receipts which may be used; methods of issuing receipts; methods of  
198 accounting to be used by operators; types of records to be kept; types of systems for wagering;  
199 and any other sports wagering-related issues.

200 (2) The commission shall promulgate rules and regulations regarding protections for  
201 patrons placing wagers and the promotion of social responsibility and responsible gaming that  
202 shall include, but not be limited to, a requirement that an operator: (i) implement responsible  
203 gaming programs that include comprehensive employee trainings on responding to  
204 circumstances in which individuals present signs of gambling addiction; (ii) assess, prevent and  
205 address problem gaming by an operator's consumers; (iii) permit a consumer to permanently

206 close an account registered to the consumer on any or all platforms owned or operated by the  
207 operator at any time and for any reason; (iv) offer consumers access to their account history and  
208 account details; (v) refrain from making claims as to a consumer's winnings or money earned  
209 that is not net of wagers placed; (vi) allow a consumer to withdraw funds without further  
210 solicitation or promotion in the manner in which the funds were deposited; (vii) annually submit  
211 a problem gaming plan for approval by the commission, in consultation with the department of  
212 public health, that includes the objectives of and timetables for implementing the plan,  
213 identification of the persons responsible for implementing and maintaining the plan, procedures  
214 for identifying consumers with suspected or known problem gaming behavior, procedures for  
215 providing information to consumers concerning problem gaming identification and resources,  
216 procedures to prevent gaming by minors and self-excluded persons and any other information the  
217 commission may require; and (viii) shall not offer or provide a line of credit to any consumer.

218 (3) The commission shall promulgate regulations that require mobile applications and  
219 digital platforms authorized for sports wagering to prominently display upon each entry into the  
220 application or platform the telephone number and website for a problem gambling hotline  
221 overseen by the department of public health.

222 (e) The commission shall: (i) determine the eligibility of a person to hold or continue to  
223 hold a license; (ii) issue all licenses; and (iii) maintain a record of all licenses issued under this  
224 chapter.

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

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

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

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

237 Section 5. (a) A person shall not engage in any activity in connection with sports  
238 wagering in the commonwealth unless all required licenses have been obtained in accordance  
239 with this chapter and the rules and regulations of the commission.

240 (b) The commission shall not grant an operator license until it determines that each  
241 person who has control of the applicant meets all qualifications for licensure. For the purposes of  
242 this chapter, the following shall be considered to have control of an applicant: (i) a person who  
243 owns 10 per cent or more of a corporate applicant and who has the ability to control the activities  
244 of the corporate applicant; provided, however, that a bank or other licensed lending institution  
245 that holds a mortgage or other lien acquired in the ordinary course of business shall not be  
246 considered to have control of an applicant; (ii) a person who holds a beneficial or proprietary  
247 interest of 10 per cent or more of a non-corporate applicant's business operation and who has the  
248 ability to control the activities of the non-corporate applicant; and (iii) at the commission's

249 discretion, an executive, employee or agent having the power to exercise significant influence  
250 over decisions concerning the applicant's sports wagering operations in the commonwealth.

251 (c) A person having control of an applicant pursuant to subsection (b) shall submit to the  
252 commission an application in a form determined by the commission. Each such person who is a  
253 natural person shall also submit to the commission: (i) fingerprints for a national criminal records  
254 check by the department of state police and the Federal Bureau of Investigation; and (ii) a signed  
255 authorization for the release of the person's information by the department of state police and the  
256 Federal Bureau of Investigation; provided, however, that a person having control of an applicant  
257 who is a natural person that has submitted to a national criminal records check in any jurisdiction  
258 within the previous year shall not be required to submit to another national criminal records  
259 check if such person submits to the commission the results of such previous national criminal  
260 records check. Any applicant convicted of any disqualifying offense, as determined by the  
261 commission, shall not be licensed.

262 (d) Each person licensed under this chapter shall give the commission written notice not  
263 more than 30 days after any change to any material information provided in the application for a  
264 license or renewal.

265 (e) A commission employee shall not be an applicant for any license issued under this  
266 chapter.

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

269 (b)(1) The commission shall issue a category 1 license to any holder of a gaming license,  
270 as defined in section 2 of chapter 23K, that meets the requirements of this chapter and the rules

271 and regulations of the commission; provided, however, that any holder of a category 1 license  
272 shall not be issued a category 2 license.

273 (2) The commission shall issue a category 2 license to: (i) any holder of a license to  
274 conduct a live horse racing meeting in accordance with chapter 128A; (ii) a running horse racing  
275 licensee that conducted simulcast wagering as of December 31, 2020 as authorized by law; or  
276 (iii) a greyhound meeting licensee that conducted simulcast wagering as of December 31, 2020  
277 as authorized by law; that meets the requirements of this chapter and the rules and regulations of  
278 the commission; provided, however, that any holder of a category 2 license shall not be issued a  
279 category 1 license; and provided further, that no more than 1 category 2 license shall be issued to  
280 any 1 person, entity, or affiliate or close associate of such person or entity.

281 (3) The commission may issue a category 3 license to any entity that offers sports  
282 wagering through a mobile application or other digital platform that meets the requirements of  
283 this chapter and the rules and regulations of the commission; provided, however, the commission  
284 shall issue no more than 7 category 3 licenses that are not connected to a category 1 or category  
285 2 license.

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

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

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

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

301           (d) Prior to issuing an operator license, the commission shall commence an investigation  
302 into the suitability of the applicant. The commission may use information obtained from the  
303 applicant pursuant to chapter 23K, chapter 128A, chapter 128C, or information from other  
304 jurisdictions where the applicant is authorized to conduct sports wagering. In evaluating the  
305 suitability of the applicant, the commission shall consider the overall reputation of the applicant  
306 including, but not limited to: (i) the integrity, honesty, good character and reputation of the  
307 applicant; (ii) the financial stability, integrity and background of the applicant; (iii) the business  
308 practices and the business ability of the applicant to establish and maintain a successful sports  
309 wagering operation; (iv) whether the applicant has a history of compliance with gaming or sports  
310 wagering licensing requirements in other jurisdictions; (v) whether the applicant, at the time of  
311 application, is a defendant in litigation involving its business practices; and (vi) the suitability of  
312 all parties in interest to the license, including affiliates and close associates, and the financial  
313 resources of the applicant.

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

320 (f) Upon application by a qualified gaming entity that is not denied pursuant to subsection  
321 (e) and payment of a \$5,000,000 licensing fee, the commission shall grant an operator license to  
322 a qualified gaming entity that provides the right to conduct sports wagering; provided, that the  
323 qualified gaming entity shall meet the requirements for licensure under this chapter and the rules  
324 and regulations of the commission. Such license shall be issued for a 5-year period, and may be  
325 renewed for 5-year periods upon payment of a \$5,000,000 renewal fee; provided, that the  
326 operator shall continue to meet all requirements under this chapter and the rules and regulations  
327 of the commission. The commission shall credit any initial licensing fee paid pursuant to  
328 paragraph (1) of subsection (c) to a successful applicant for an operator license against the  
329 licensing fee due under this subsection.

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

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

344 (i) Applications for operator licenses shall be public records under section 10 of chapter  
345 66; provided however, that trade secrets, competitively-sensitive or other proprietary information  
346 provided in the course of an application for an operator license under this chapter, the disclosure  
347 of which would place the applicant at a competitive disadvantage, may be withheld from  
348 disclosure under said section 10 of said chapter 66.

349 Section 7. (a) An applicant for an operator license shall pay to the commission a  
350 nonrefundable processing fee of \$200,000 for the costs associated with the processing of the  
351 application and investigation of the applicant; provided, however, that if the costs of the  
352 investigation exceed the initial application fee, the applicant shall pay the additional amount to  
353 the commission not more than 30 days after notification of insufficient fees or the application  
354 shall be rejected.

355 (b) All fees in this section shall be deposited into the Sports Wagering Control Fund  
356 established in section 14.

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

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

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

368 (d) Not later than March 1 of the third calendar year following the issuance or renewal of  
369 an occupational license, an occupational license holder shall pay a nonrefundable license renewal  
370 fee of \$100 and submit a renewal application on a form established by the commission. An  
371 employer may pay the license renewal fee on behalf of the licensed employee.

372 Section 9. Section 9. (a) The commission may deny a license to any applicant, reprimand  
373 any licensee or suspend or revoke a license if the applicant or licensee: (i) has knowingly made a  
374 false statement of a material fact to the commission; (ii) has had a license revoked by any  
375 governmental authority responsible for regulation of gaming activities; (iii) has been convicted  
376 of a felony or other crime involving embezzlement, theft, fraud, perjury, or a gambling-related  
377 offense; (iv) has not demonstrated to the satisfaction of the commission financial responsibility  
378 sufficient to adequately meet the requirements of the proposed enterprise; (v) has affiliates or

379 close associates that would not qualify for a license or whose relationship with the applicant may  
380 pose an injurious threat to the interests of the commonwealth in awarding an operator license to  
381 the applicant; or (vi) in the case of an operator or an applicant for an operator license, is not the  
382 true owner of the business or is not the sole owner and has not disclosed the existence or identity  
383 of other persons who have an ownership interest in the business.

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

386 Section 10. (a) An operator shall adopt comprehensive house rules for game play  
387 governing sports wagering transactions with the operator's patrons. The house rules shall specify  
388 the amounts to be paid on winning wagers and the effect of sports event schedule changes. An  
389 operator shall not conduct sports wagering until the commission has approved the house rules  
390 and an operator shall not conduct sports wagering in a manner inconsistent with approved house  
391 rules.

392 (b) The house rules, together with any other information the commission deems  
393 appropriate, shall be accessible to any patrons of the sports wagering operator. The operator shall  
394 make copies readily available to patrons and shall post the house rules as required by the  
395 commission, including on a prominent place on the operator's public website and mobile  
396 application or other digital platform.

397 Section 11. (a) An operator shall employ commercially reasonable methods to: (i)  
398 prohibit the operator, directors, officers, owners and employees of the operator and any relative  
399 living in the same household as any such person from placing bets with the operator; (ii) prohibit  
400 athletes, coaches, referees, team owners, employees of a sports governing body or its member

401 teams and player and referee union personnel from wagering on any sporting event of their  
402 sport's governing body; provided, however, that the operator shall use lists of such persons that a  
403 sports governing body may provide to the commission to determine which persons are excluded  
404 from placing wagers under this subsection; and provided further, that the commission may use  
405 the list of barred employees from the operator and may work directly with a member team to  
406 determine the risk posed by certain employees for obtaining nonpublic confidential information  
407 on a sporting event and may remove an employee without knowledge of team strategy or game  
408 operations from such a list if the commission determines any such risk is de minimis; (iii)  
409 prohibit any individual with access to nonpublic confidential information held by the operator  
410 from placing wagers with the operator; (iv) prohibit persons from placing wagers as agents or  
411 proxies for others; and (v) maintain the security of wagering data, customer data and other  
412 confidential information from unauthorized access and dissemination; provided, however, that  
413 nothing in this chapter shall preclude the use of internet or cloud-based hosting of such data and  
414 information or disclosure as required by court order, other law or this chapter; and provided  
415 further, that such data and information shall be hosted in the United States.

416 (b) A sports governing body or players association representing athletes who participate  
417 in sporting events of the sports governing body may submit to the commission, in writing, by  
418 providing notice in a form and manner as the commission may require, a request to restrict, limit  
419 or exclude a certain type, form or category of sports wagering with respect to sporting events of  
420 the sports governing body, if the sports governing body or players association believes that such  
421 type, form or category of sports wagering with respect to sporting events of the sports governing  
422 body: (i) is contrary to public policy; (ii) unfair to consumers; (iii) may undermine the perceived  
423 integrity of the sports governing body, sporting events of the sports governing body or the

424 athletes participating therein; or (iv) affects the integrity of the sports governing body or sporting  
425 events of the sports governing body or the athletes participating therein.

426           The commission shall request comment from operators on all such requests. After giving  
427 due consideration to all comments received, the commission shall, upon a demonstration of good  
428 cause from the requestor, grant the request. The commission shall respond to a request  
429 concerning a particular event before the start of the event or, if it is not feasible to respond before  
430 the start of the event, not later than 7 days after the request is made; provided, however, that if  
431 the commission determines that the requestor is more likely than not to prevail in successfully  
432 demonstrating good cause for its request, the commission may provisionally grant the request  
433 until the commission makes a final determination as to whether the requestor has demonstrated  
434 good cause. Absent a provisional grant by the commission, an operator may continue to offer  
435 sports wagering on sporting events that are the subject of a request during the pendency of the  
436 consideration of the applicable request.

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

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

446 operator to comply with all federal, state and local laws and regulations, including, but not  
447 limited to, laws and regulations relating to privacy and personally identifiable information.

448 (e) An operator shall immediately report to the commission any information relating to:  
449 (i) criminal or disciplinary proceedings commenced against the operator in connection with its  
450 operations; (ii) abnormal betting activity or patterns that may indicate a concern with the  
451 integrity of a sporting event; (iii) any potential breach of the internal rules and codes of conduct  
452 pertaining to sports wagering of a relevant sports governing body; (iv) any other conduct that  
453 corrupts a betting outcome of a sporting event for purposes of financial gain, including, but not  
454 limited to, match fixing; or (v) suspicious or illegal wagering activities, including, but not limited  
455 to: (A) use of funds derived from illegal activity; (B) wagers to conceal or launder funds derived  
456 from illegal activity; (C) use of agents to place wagers; and (D) use of false identification. An  
457 operator shall immediately report information relating to conduct described in clauses (ii), (iii)  
458 and (iv) of this subsection to the relevant sports governing body.

459 (f) The commission and operators shall maintain the confidentiality of information  
460 provided by a sports governing body for purposes of investigating or preventing the conduct  
461 described in clauses (ii), (iii) and (iv) of subsection (e), unless disclosure is required by this  
462 chapter, the commission, other law or court order or unless the sports governing body consents to  
463 disclosure.

464 (g) With respect to any information provided by an operator to a sports governing body  
465 relating to conduct described in clauses (ii), (iii) and (iv) of subsection (e), a sports governing  
466 body shall: (i) only use such information for integrity purposes and shall not use the information  
467 for any commercial or other purpose; and (ii) maintain the confidentiality of such information,

468 unless disclosure is required by this chapter, the commission, other law or court order or unless  
469 the operator consents to disclosure; provided, however, that the sports governing body may make  
470 any disclosure necessary to conduct and resolve integrity-related investigations and may publicly  
471 disclose such information if required by its integrity policies or if deemed by the sports  
472 governing body in its reasonable judgment to be necessary to maintain the actual or perceived  
473 integrity of its sporting events, and subject in all cases to the sports governing body's compliance  
474 with federal, state and local laws and regulations, including, but not limited to, laws and  
475 regulations relating to privacy and personally identifiable information; and provided further, that  
476 prior to any such public disclosure that would identify the operator by name, the sports  
477 governing body shall provide the operator with notice of such disclosure and an opportunity to  
478 object to such disclosure.

479 (h) An operator shall maintain records of all wagers placed by its patrons, including: (i)  
480 personally identifiable information of a patron who places a sports wager through a mobile  
481 application or other digital platform or a patron who places an in-person sports wager that  
482 exceeds an amount determined by the commission; (ii) amount and type of the bet; (iii) the time  
483 the bet was placed; (iv) the location of the bet, including the Internet Protocol address if  
484 applicable; (v) the outcome of the bet; and (vi) records of abnormal betting activity for 3 years  
485 after a sporting event occurs and video camera recordings in the case of in-person wagers for at  
486 least 1 year after a sporting event occurs. An operator shall make these records available for  
487 inspection upon request of the commission or as required by court order.

488 (i) An operator shall use commercially reasonable efforts to maintain, in real time and at  
489 the account level, anonymized information for each patron, including: (i) the amount and type of  
490 bet; (ii) the time the bet was placed; (iii) the location of the bet, including the Internet Protocol

491 address if applicable; (iv) the outcome of the bet; and (v) records of abnormal betting activity.  
492 The commission may request the information in the form and manner as it requires. Nothing in  
493 this section shall require an operator to provide any information prohibited by federal, state or  
494 local laws or regulations, including, but not limited to, laws and regulations relating to privacy  
495 and personally identifiable information.

496 (j) If a sports governing body has notified the commission and demonstrated a need for  
497 access to the information described in subsection (i) for wagers placed on sporting events of the  
498 sports governing body for integrity monitoring purposes and demonstrated the capability to use  
499 the data for the purpose of effectively monitoring the integrity of sporting events of the sports  
500 governing body, an operator shall share, in a commercially reasonable frequency, form and  
501 manner, with the sports governing body or its designee the same information the operator is  
502 required to maintain pursuant to said subsection (i) with respect to sports wagers on sporting  
503 events of the sports governing body. A sports governing body and its designee shall only use  
504 information received pursuant to this section for integrity-monitoring purposes and shall not use  
505 information received pursuant to this section for any commercial or other purpose. Nothing in  
506 this section shall require an operator to provide any information that is prohibited by federal,  
507 state or local law or regulation, including, but not limited to, laws and regulations relating to  
508 privacy and personally identifiable information.

509 (k)(1) An operator shall conduct a background check on each newly hired employee.  
510 Background checks shall search for criminal history, charges or convictions involving corruption  
511 or manipulation of sporting events and association with organized crime.

512 (2) An operator shall conduct a single background check on any employee hired before  
513 the operator was issued an operator license. Background checks shall search for criminal history,  
514 charges or convictions involving corruption or manipulation of sporting events and association  
515 with organized crime.

516 Section 12. (a) An operator shall: (i) employ a monitoring system utilizing software to  
517 identify irregularities in volume or changes in odds that could signal suspicious activities and  
518 promptly report such information to the commission for further investigation; provided,  
519 however, that system requirements and specifications shall be developed according to industry  
520 standards and implemented by the commission as part of the minimum internal control  
521 standards; (ii) promptly report to the commission any facts or circumstances related to the  
522 operation of a sports wagering license that constitute a violation of state or federal law and  
523 promptly report to the appropriate state or federal authorities any suspicious betting over a  
524 threshold set by the operator that has been approved by the commission; (iii) conduct all sports  
525 wagering activities and functions in a manner that does not pose a threat to the public health,  
526 safety or welfare of the residents of the commonwealth; (iv) keep current in all payments and  
527 obligations to the commission; (v) prevent any person from tampering or interfering with the  
528 operation of any sports wagering; (vi) ensure that mobile sports wagering occurs only using a  
529 commission-approved mobile application or other digital platform to accept wagers initiated  
530 within the commonwealth; (vii) maintain sufficient cash and other supplies to conduct sports  
531 wagering at all times; (viii) maintain daily records showing the gross sports wagering receipts  
532 and adjusted gross sports wagering receipts of the operator from sports wagering; (ix) timely file  
533 with the commission any additional reports required by this chapter or by any rule or regulation;

534 and (x) use commercially reasonable efforts to prevent a person under 21 years old from placing  
535 a wager.

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

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

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

540 (c) A sports governing body may notify the commission that it desires sports wagering  
541 operators to use official league data to settle tier 2 sports wagers on sporting events of such  
542 sports governing body. The notification shall be made in the form and manner as the commission  
543 may require. Within 5 days of receipt of the notification, the commission shall notify each sports  
544 wagering operator of the requirement to use official league data to settle tier 2 sports wagers. If a  
545 sports governing body does not notify the commission of its desire to supply official league data,  
546 a sports wagering operator may use any data source for determining the results of any and all tier  
547 2 sports wagers on sporting events of the sports governing body.

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

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

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

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

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

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

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

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

575 (f) Notwithstanding subsection (d) or any provision of this subsection to the contrary,  
576 during the pendency of the determination of the commission as to whether a sports governing  
577 body or its designee may provide official league data on commercially reasonable terms, a sports  
578 wagering operator may use any data source to determine the results of tier 2 sports wagers. The  
579 determination shall be made within 120 days of the sports wagering operator notifying the  
580 commission that it requests to demonstrate that the sports governing body or its designee will not  
581 provide a feed of official league data to the sports wagering operator on commercially reasonable  
582 terms.

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

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

591 (b) Holders of an operator license may accept wagers on sports events and other events  
592 authorized pursuant to this chapter from individuals physically located within the commonwealth  
593 using mobile applications or digital platforms approved by the commission, through the patron's  
594 sports wagering account. The branding for each mobile application or digital platform shall be  
595 determined by the operator. All bets authorized pursuant to this section must be initiated,  
596 received and otherwise made within the commonwealth. Consistent with the intent of the federal

597 Unlawful Internet Gambling Enforcement Act of 2006, 31 U.S.C. section 5361 to 5367,  
598 inclusive, the intermediate routing of electronic data related to a lawful intrastate wager  
599 authorized pursuant to this chapter shall not determine the location or locations in which the  
600 wager is initiated, received or otherwise made.

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

605 (d) An operator shall not accept: (i) a wager from a person who is less than 21 years of  
606 age; or (ii) a credit card .

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

612 (2) The commission shall establish a list of self-excluded persons from sports wagering.  
613 A person may request their name to be placed on the list of self-excluded persons by filing a  
614 statement with the commission acknowledging that they are a problem gambler and by agreeing  
615 that, during any period of voluntary exclusion, they shall not collect any winnings or recover any  
616 losses resulting from any sports wagering. The commission shall adopt further regulations for the  
617 self-excluded persons list including procedures for placement, removal and transmittal of the list  
618 to sports wagering operators. The commission may revoke, limit, condition, suspend or fine a

619 sports wagering operator if the operator knowingly or recklessly fails to exclude or eject from its  
620 premises any person placed on the list of self-excluded persons. The list of self-excluded persons  
621 from sports wagering shall not be open to public inspection.

622 (3) An operator that operates sports wagering through a mobile application or other  
623 digital platform may allow patrons to set self-imposed limitations on sports wagering when the  
624 patron joins the mobile application or digital platform.

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

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

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

633 Section 14. (a) An excise is hereby imposed upon sports wagering operators in the  
634 commonwealth at the rate of: (i) 15 per cent of the operator's adjusted gross sports wagering  
635 receipts from the operation of in-person sports wagering; (ii) 20 per cent of the operator's  
636 adjusted gross sports wagering receipts from the operation of sports wagering through mobile  
637 applications and other digital platforms approved by the commission; and (iii) 15 per cent of the  
638 adjusted gross fantasy wagering receipts of a person or entity that offers fantasy contests, as  
639 defined in section 11M½. The accrual method of accounting shall be used for purposes of

640 calculating the amount of the tax owed by the licensee. The excise shall be paid to the  
641 commission at the time provided for filing the return pursuant to subsection (b).

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

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

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

650 (ii) the total gross fantasy wagering receipts and adjusted gross fantasy wagering receipts  
651 from the offering of fantasy contests, as defined in section 11M½ of chapter 12, during that  
652 month;

653 (iii) the tax amount for which an operator or a person or entity that offers fantasy  
654 contests, as defined in said section 11M½ of said chapter 12, is liable; and

655 (iv) any additional information necessary in the computation and collection of the tax on  
656 adjusted gross sports wagering receipts and adjusted gross fantasy wagering receipts required by  
657 the commission.

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

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

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

671 (d) Annually, not later than July 1, the commission shall publish on its website a report  
672 stating the amount in fees, surcharges and civil penalties received from operators and taxes  
673 received from operators and from people or entities that offer fantasy contests, as defined in  
674 section 11M $\frac{1}{2}$  of chapter 12.

675 Section 15. (a) There shall be established and set up on the books of the commonwealth a  
676 separate fund to be known as the Sports Wagering Control Fund. The commission shall be the  
677 trustee of the fund and shall expend money to finance the operational activities of the  
678 commission pertaining to sports wagering. The fund shall be credited with: (i) any appropriation,  
679 bond proceeds or other monies authorized by the general court and specifically designated to be  
680 credited thereto; (ii) the proceeds of any fees collected pursuant to this section unless otherwise  
681 specified; (iii) fees collected pursuant to sections 7 and 8; (iv) breaks; and (v) such additional

682 funds as are subject to the direction and control of the commission. All available money in the  
683 fund that is unexpended at the end of each fiscal year shall not revert to the General Fund and  
684 shall be available for expenditure in the subsequent fiscal year.

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

690 (c) Any remaining costs of the commission necessary to maintain regulatory control over  
691 sports wagering operators that are not covered by: (i) the fees set forth in subsection (b); (ii) any  
692 other fees assessed pursuant to this chapter; or (iii) any other designated sources of funding, shall  
693 be annually assessed on sports wagering operators pursuant to this chapter in proportion to each  
694 operator's share of the commonwealth's total adjusted gross sports wagering receipts. Each  
695 operator shall pay the amount assessed against the operator not more than 30 days after the date  
696 of the notice of assessment from the commission.

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

700 (e) The commission shall annually assess and collect a \$1,000,000 fee in shares to be  
701 determined by the commission against each sports wagering operator that is not a category 1 or  
702 category 2 gaming licensee, as defined in section 2 of chapter 23K. The fee collected pursuant to  
703 this subsection shall be deposited into the Public Health Trust Fund established in section 58 of

704 said chapter 23K and shall be used for the costs of services and public health programs provided  
705 for in said section 58 of said chapter 23K.

706           Section 16. (a) The commission may assess a civil administrative penalty on an operator  
707 who fails to comply with any provision of this chapter, house rules or any regulation or order  
708 adopted by the commission; provided, however, that the noncompliance shall have occurred after  
709 the commission has given such operator written notice of the noncompliance and the time stated  
710 in the notice for coming into compliance has elapsed; provided further, that the commission may  
711 assess a penalty without providing written notice if the failure to comply: (i) was part of a pattern  
712 of noncompliance and not an isolated instance; (ii) was willful or neglectful and not the result of  
713 error; (iii) resulted in a significant breach to the integrity of the operator or the sports wagering  
714 laws of the commonwealth; or (iv) consisted of failure to promptly report to the commission any  
715 knowledge of evidence or circumstances that would cause a reasonable person to believe that a  
716 violation of this chapter has been committed. The civil administrative penalty shall be in addition  
717 to any other civil penalty that may be prescribed by law.

718           (b) For the purpose of determining whether such noncompliance was part of a pattern of  
719 noncompliance and not an isolated instance, the commission shall consider, but not be limited to;  
720 (i) whether the commission had previously notified the operator of such noncompliance on more  
721 than 1 occasion during the previous month or of any noncompliance with the same provision of a  
722 law, regulation, order, license or approval as the current noncompliance during the previous 6-  
723 month period; or (ii) whether the current and previous instances of noncompliance, considered  
724 together, indicate a potential threat to the integrity of the operator and sports wagering in the  
725 commonwealth or an interference with the commission's ability to efficiently and effectively  
726 regulate sports wagering in the commonwealth and enforce any regulation, license or order. If an

727 operator that has received a notice of noncompliance fails to come into compliance within the  
728 time period stated in the notice, the civil administrative penalty may be assessed by the  
729 commission upon the operator from the date of receipt of such notice.

730 (c) If the commission seeks to assess a civil administrative penalty on an operator, the  
731 commission shall cause to be served upon the operator, by service in hand or by certified mail,  
732 return receipt requested, a written notice of its intent to assess a civil administrative penalty that  
733 shall include: (i) a concise statement of the alleged act or omission for which such civil  
734 administrative penalty is sought to be assessed; (ii) each law, regulation, order, license or  
735 approval that has not been complied with as a result of such alleged act or omission; (iii) the  
736 amount that the commission seeks to assess as a civil administrative penalty for each alleged act  
737 or omission; (iv) a statement of the operator's right to an adjudicatory hearing on the proposed  
738 assessment; (v) the requirements the operator shall comply with to avoid being deemed to have  
739 waived the right to an adjudicatory hearing; and (vi) the manner of payment thereof if the  
740 operator elects to pay the penalty and waive an adjudicatory hearing. After written notice of  
741 noncompliance or intent to assess a civil administrative penalty has been given, each day  
742 thereafter during which noncompliance occurs or continues shall constitute a separate offense  
743 and shall be subject to a separate civil administrative penalty if reasonable efforts have not been  
744 made by the operator to promptly come into compliance.

745 (d) If the commission seeks to assess a civil administrative penalty on an operator, the  
746 operator shall have the right to an adjudicatory hearing under chapter 30A, the provisions of  
747 which shall apply except when they are inconsistent with the provisions of this chapter.

748 (e) An operator shall be deemed to have waived its right to an adjudicatory hearing  
749 unless, not more than 21 days after the date of the commission's notice that the commission  
750 seeks to assess a civil administrative penalty, the operator files with the commission a written  
751 statement denying the occurrence of any of the acts or omissions alleged by the commission in  
752 the notice or asserting that the amount of the proposed civil administrative penalty is excessive.  
753 In an adjudicatory hearing authorized under chapter 30A, the commission shall be required to  
754 prove, by a preponderance of the evidence, the occurrence of each act or omission alleged by the  
755 commission in the notice.

756 (f) If an operator waives the right to an adjudicatory hearing, the proposed civil  
757 administrative penalty shall be final immediately upon such waiver. If a civil administrative  
758 penalty is assessed at the conclusion of an adjudicatory hearing, the civil administrative penalty  
759 shall be final upon the expiration of 30 days unless an action for judicial review of the decision is  
760 commenced under chapter 30A.

761 (g) An operator who institutes proceedings for judicial review of the final assessment of a  
762 civil administrative penalty shall place the full amount of the final assessment in an interest-  
763 bearing escrow account in the custody of the clerk or magistrate of the reviewing court. The  
764 establishment of an interest-bearing escrow account shall be a condition precedent to the  
765 jurisdiction of the reviewing court unless the party seeking judicial review demonstrates, in a  
766 preliminary hearing held not more than 20 days after the filing of the complaint, the presence of  
767 a substantial question for review by the court or the operator's inability to pay. Upon such a  
768 demonstration, the court may grant an extension or waiver of the interest-bearing escrow account  
769 requirement or may require, in lieu of such interest-bearing escrow account, the posting of a

770 bond payable directly to the commonwealth in the amount of 125 per cent of the assessed  
771 penalty.

772 If, after judicial review, in a case where the escrow account requirement has been waived,  
773 and in cases where a bond has been posted in lieu of such requirement, the court affirms, in  
774 whole or in part, the assessment of a civil administrative penalty, the commission shall be paid  
775 the amount thereof together with interest at the rate provided in section 6C of chapter 231. If,  
776 after judicial review in a case where an interest-bearing escrow account has been established, the  
777 court affirms the assessment of such penalty, in whole or in part, the commission shall be paid  
778 the amount thereof together with the accumulated interest in the interest-bearing escrow account.  
779 If the court sets aside the assessment of a civil administrative penalty in a case where the amount  
780 of such penalty has been deposited in an interest-bearing escrow account, the operator on whom  
781 the civil administrative penalty was assessed shall be repaid the amount so set aside, together  
782 with the accumulated interest thereon.

783 (h) Each operator who fails to timely pay a civil administrative penalty and each operator  
784 who issues a bond under this section and fails to timely pay to the commission the amount  
785 required for the bond, shall be liable to the commonwealth for up to 3 times the amount of the  
786 civil administrative penalty, together with costs, plus interest accrued from the time the civil  
787 administrative penalty became final and attorneys' fees, including all costs and attorneys fees  
788 incurred directly in the collection of the penalty. The rate of interest shall be the rate provided in  
789 section 6C of chapter 231. The commission may require that the amount of a civil administrative  
790 penalty imposed under this section exceed any economic benefit realized by a person.

791 (i) The commission may impose conditions on, suspend or revoke an operator’s license or  
792 reprimand or assess a fine on an operator upon a finding that the operator: (i) has committed a  
793 criminal or civil offense under this chapter or under any other law; (ii) is not in compliance with  
794 sports wagering regulations promulgated pursuant to this chapter; (iii) is under criminal  
795 investigation in another jurisdiction; (iv) has breached a condition of licensure; (v) has affiliates,  
796 close associates or employees that are not qualified or licensed under this chapter with whom the  
797 operator continues to conduct business or employ; (vi) is no longer capable of maintaining  
798 operations as a sports wagering operator; or (vii) whose business practice, upon a determination  
799 by the commission, is injurious to the policy objectives of this chapter.

800 Section 17. There shall be established and set up on the books of the commonwealth a  
801 Sports Wagering Fund which shall receive revenues collected pursuant to sections 6 and 14. The  
802 commission shall be the trustee of the fund and shall transfer monies from the fund as follows:

- 803 (1) 45 per cent to the General Fund;
- 804 (2) 17.5 per cent to the Workforce Investment Trust Fund established in section 18;
- 805 (3) 27.5 per cent to the Gaming Local Aid Fund established in section 63 of section 23K;
- 806 (4) 1 per cent to the Youth Development and Achievement Fund established in section  
807 19; and
- 808 (5) 9 per cent to the Public Health Trust Fund established in section 58 of section 23K.

809 Section 18. (a) There is hereby established and set up on the books of the commonwealth  
810 a separate fund to be known as the Workforce Investment Trust Fund. There shall be credited to  
811 the fund any sports wagering revenue transferred from the Sports Wagering Fund pursuant to

812 section 16. Monies transferred to the fund shall be continuously expended, without regard for  
813 fiscal year, exclusively for carrying out the purposes of this section. Money remaining in the  
814 fund at the end of a fiscal year shall not revert to the General Fund.

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

820 (c) Eligible grant recipients shall provide opportunities which: (i) target at risk youth,  
821 including resources to empower youth to succeed in the workforce; (ii) provide job skills  
822 trainings, including programs offering trainings in multiple languages and areas for development,  
823 including education and hands on skills; (iii) promote adult literacy, including strategies to  
824 master reading and writing and providing digital formats to increase accessibility; and (iv)  
825 provide English language learning programs to promote access to the workforce. The secretary  
826 of housing and economic development shall establish criteria to evaluate applications for the  
827 grant program; provided, that the criteria shall include, but shall not be limited to, at risk  
828 populations; provided further, that preference shall be given to eligible grant recipients providing  
829 opportunities for individuals who meet at least 2 of the following: (i) is under 30 years of age;  
830 (ii) is a victim of violence; (iii) is over 18 years of age and does not have a high school diploma;  
831 (iv) has been convicted of a felony; (v) has been unemployed or has had a family income below  
832 250 per cent of the federal poverty level for not less than 6 months; (vi) lives in a census tract  
833 where over 20 per cent of the populations fall below the federal poverty line; or (vii) is an  
834 immigrant, refugee or person of color.

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

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

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

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

852 (3) For the purposes of providing matching grants to elementary and secondary youth  
853 sports, organizations, clubs and other school groups to attend events including, but not limited to,  
854 academic events and programs, cultural events and award ceremonies both nationally and  
855 internationally.

856 Section 20. The commission shall conduct a study into the feasibility of allowing retail  
857 locations in the commonwealth to operate sports wagering kiosks. The study by the commission  
858 shall include, but not be limited to, an analysis of: (i) the economic impact of this chapter on  
859 retail establishments that serve alcoholic beverages for on premises consumption, such as  
860 restaurants and bars; (ii) which retail locations have the ability to operate a sports wagering  
861 kiosk; (iii) the economic impact to the commonwealth of authorizing retail locations to operate a  
862 sports wagering kiosk; (iv) the methods and availability of payouts of winnings by a sports  
863 wagering kiosks at retail locations; (v) the public health and safety impacts to the commonwealth  
864 of authorizing retail locations to operate a sports wagering kiosk; (vi) the potential effect of  
865 sports wagering kiosks at retail locations on problem gaming or gambling; (vii) the impact of  
866 sports wagering kiosks at retail locations on minors; (viii) the economic impact of authorizing  
867 this method of sports wagering on businesses owned by people of color; (ix) the public health  
868 and economic impact of this method of sports wagering as an alternative to the current black  
869 market, particularly in communities far from authorized in-person sports wagering; and (x)  
870 recommendations to ensure diversity, equity and inclusion are included in this method of sports  
871 wagering. As part of the study, the commission shall consult retailers, convenience stores,  
872 restaurants, women and minority owned businesses and small business owners. The commission  
873 shall report on its findings and submit any recommendations to the clerks of the house and  
874 senate, the house and senate committees on ways and means, the joint committee on consumer  
875 protection and professional licensure and the joint committee on economic development and  
876 emerging technologies no later than December 31, 2022.

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

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

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

890 Section 21. (a) Whoever, other than an operator under this chapter, engages in accepting,  
891 facilitating or operating a sports wagering operation shall be punished by imprisonment in the  
892 house of correction for not more than 90 days or by a fine not to exceed \$10,000, or both; and for  
893 a second offense, by imprisonment in the house of correction for not more than 6 months or by a  
894 fine of not more than \$50,000, or both; and in the case of a third or subsequent violation by  
895 imprisonment in the state prison for not less than 1 but not more than 5 years or by a fine of not  
896 less than \$25,000 and not more than \$100,000, or both.

897 Section 22. An operator shall not discharge, demote, suspend, threaten, harass or in any  
898 other manner discriminate against an employee because of any lawful act done by the employee  
899 to provide information, cause information to be provided or otherwise assist in an investigation

900 regarding any conduct that the employee reasonably believes constitutes a violation of this  
901 chapter.

902           Section 23. (a) The commission shall develop an annual research agenda in order to  
903 understand the social and economic effects of sports wagering in the commonwealth and to  
904 obtain scientific information relative to the neuroscience, psychology, sociology, epidemiology  
905 and etiology of sports wagering. The secretary of health and human services, with the advice and  
906 consent of the commission, may expend funds from the Public Health Trust Fund established in  
907 section 58 of chapter 23K to implement the objectives of the sports wagering research agenda;  
908 provided, however, that the objectives of the sports wagering research agenda shall, to the extent  
909 practicable, be substantially similar to the objectives of the research agenda established under  
910 section 71 of said chapter 23K. The sports wagering research agenda shall also include, but not  
911 be limited to: (i) an assessment of whether problem sports wagering is comorbid with problem  
912 gambling; (ii) an assessment as to whether the individuals participating in sports wagering are  
913 different than those who participate in other forms of gaming or gambling; (iii) an assessment of  
914 the impact of sports wagering on youth under the age of 25; (iv) an assessment of the impacts of  
915 sports wagering on college athletics and professional sports; and (v) the costs of implementing  
916 this chapter.

917           (b) Annually, the commission shall make scientifically-based recommendations that  
918 reflect the results of the research under clause (a) to the clerks of the senate and house of  
919 representatives, the senate and house committees on ways and means, the joint committee on  
920 economic development and emerging technologies, the joint committee on mental health,  
921 substance use and recovery and the joint committee on public health. The commission shall  
922 consider any such recommendations, research and findings in all decisions related to enhancing

923 responsible gambling and mitigating problem sports wagering. The recommendations shall be  
924 posted on the commission's website.

925 SECTION 6. Chapter 128C of the General Laws is hereby amended by inserting the  
926 following new section:-

927 Section 9. Notwithstanding sections 1 to 8, inclusive, or any other general or special law  
928 to the contrary, no racing meeting licensee, including licensees holding racing meetings in  
929 connection with a state or county fair as defined in section 1 of chapter 128A, shall simulcast or  
930 accept a wager on greyhound dog racing, and a running horse racing meeting licensee shall  
931 conduct not less than 20 live racing days at a thoroughbred horse racing track, provided, the  
932 commission may waive this requirement as necessary and appropriate to ensure the financial  
933 ability of the licensee to develop and operate a race track.

934 SECTION 7. Section 1 of chapter 137 of the General Laws, as appearing in the 2018  
935 Official Edition, is hereby amended by inserting after the figure "23K", in line 3, the following  
936 words:- or sports wagering conducted pursuant to chapter 23N.

937 SECTION 8. Section 2 of said chapter 137, as so appearing, is hereby amended by  
938 inserting after the figure "23K", in line 3, the following words:- or an operator who offers sports  
939 wagering pursuant to chapter 23N.

940 SECTION 9. Section 3 of said chapter 137, as so appearing, is hereby amended by  
941 inserting after the figure "23K", in line 7, the following words:- or sports wagering conducted  
942 pursuant to chapter 23N.

943 SECTION 10. Section 1 of chapter 271 of the General Laws, as so appearing, is hereby  
944 amended by striking out, in line 4, the words “chapter 23K” and inserting in place thereof the  
945 following words:- chapters 23K and 23N.

946 SECTION 11. Section 2 of said chapter 271, as so appearing, is hereby amended by  
947 striking out, in line 4, the words “chapter 23K” and inserting in place thereof the following  
948 words:- chapters 23K and 23N.

949 SECTION 12. Section 3 of said chapter 271, as so appearing, is hereby amended by  
950 striking out, in line 1, the words “chapter 23K” and inserting in place thereof the following  
951 words:- chapters 23K and 23N.

952 SECTION 13. Section 5 of said chapter 271, as so appearing, is hereby amended by  
953 striking out, in line 1, the words “chapter 23K” and inserting in place thereof the following  
954 words:- chapters 23K and 23N.

955 SECTION 14. Section 5A of said chapter 271, as so appearing, is further amended by  
956 inserting after the words “chapter 23K”, in line 32, the following words:- or sports wagering  
957 conducted pursuant to chapter 23N.

958 SECTION 15. Section 5B of said chapter 271, as so appearing, is hereby amended by  
959 striking out, in line 58, the words “chapter 23K” and inserting in place thereof the following  
960 words:- chapters 23K and 23N.

961 SECTION 16. Section 8 of said chapter 271, as so appearing, is hereby amended by  
962 striking out, in lines 10 to 11, the words “other game of chance that is not being conducted in a  
963 gaming establishment licensed under chapter 23K” and inserting in place thereof the following

964 words:- other game that is not being conducted pursuant to chapter 23K and any other sports  
965 wagering that is not being conducted pursuant to chapter 23N.

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

969 SECTION 18. Said chapter 271, as so appearing, is hereby further amended by striking  
970 out section 17A and inserting in place thereof the following section:-

971 Section 17A. Except as permitted under chapter 23N, whoever uses a telephone, internet  
972 or other communications technology or, being the occupant in control of premises where a  
973 telephone, internet or other communications technology is located or a subscriber for such  
974 communications technology, knowingly permits another to use a telephone, internet or other  
975 communications technology so located or for which such person subscribes, as the case may be,  
976 for the purpose of accepting wagers or bets, or buying or selling of pools, or for placing all or  
977 any portion of a wager with another, upon the result of a trial or contest of skill, speed or  
978 endurance of man, beast, bird or machine, or upon the result of an athletic game or contest, or  
979 upon the lottery called the numbers game, or for the purpose of reporting the same to a  
980 headquarters or booking office, or who under another name or otherwise falsely or fictitiously  
981 procures telephone, internet or other communications technology service for oneself or another  
982 for such purposes, shall be punished by a fine of not more than \$2,000 or by imprisonment for  
983 not more than 1 year; provided, however, that this section shall not apply to use of telephones or  
984 other devices or means to place wagers authorized pursuant to the provisions of section 5C of  
985 chapter 128A.

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

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

993 SECTION 21. Section 23 of said chapter 271, as so appearing, is hereby amended by  
994 inserting after the words “chapter 23K”, in line 31, the following words:- and shall not apply to  
995 sports wagering conducted pursuant to chapter 23N.

996 SECTION 22. Section 27 of said chapter 271, as so appearing, is hereby amended by  
997 inserting after the word “thereto”, in line 15, the following words:- ; provided, however, that  
998 such provisions shall not apply to sports wagering conducting pursuant to chapter 23N.

999 SECTION 23. Section 28 of said chapter 271, as so appearing, is hereby amended by  
1000 inserting after the word “prescribed”, in line 12, the following words:- ; provided, however, that  
1001 such provisions shall not apply to sports wagering conducted pursuant to chapter 23N.

1002 SECTION 24. Section 42 of said chapter 271, as so appearing, is hereby amended by  
1003 inserting after the word “both”, in line 4, the following words:- ; provided, however, that such  
1004 provisions shall not apply to sports wagering conducted pursuant to chapter 23N.

1005 SECTION 25. 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-owned and women-owned businesses that contract with or provide  
1012 services to sports wagering licensees and employers; (iv) any barriers to employment of women  
1013 and 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 senate and house of representatives, the house and senate committees on ways and means, the  
1019 joint committee on racial equity, civil rights, and inclusion and the joint committee on economic  
1020 development and emerging technologies not later than December 31, 2022.

1021 SECTION 26. Section 135 of chapter 219 of the acts of 2016 is hereby repealed.

1022 SECTION 27. Sections 2 and 6 shall take effect 1 year after the effective date of this act.