

The Commonwealth of Massachusetts

PRESENTED BY:

Paul R. Feeney

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act establishing an online lottery.

PETITION OF:

NAME:

Paul R. Feeney

DISTRICT/ADDRESS:

Bristol and Norfolk

By Mr. Feeney, a petition (accompanied by bill, Senate, No. 203) of Paul R. Feeney for legislation to establish an online lottery. Consumer Protection and Professional Licensure.

The Commonwealth of Massachusetts

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

An Act establishing an online lottery.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Chapter 10 of the General Laws is hereby amended by striking out section
 24, as appearing in the 2018 Official Edition, and inserting in place thereof the following
 section:-

4 Section 24. The commission is hereby authorized to conduct a state lottery and shall 5 determine: (i) the types of lottery or lotteries, to be conducted; (ii) the price, or prices, of tickets 6 or shares in the lottery; (iii) the numbers and sizes of the prizes on the winning tickets or shares; 7 (iv) the manner of selecting the winning tickets or shares; (v) the manner of payment of prizes to 8 the holders of winning tickets or shares; (vi) the frequency of the drawings or selections of 9 winning tickets or shares; (vii) the type or types of locations at which tickets or shares may be 10 sold; (viii) the method to be used in selling tickets or shares; (ix) the licensing of agents to sell 11 tickets or shares; provided, however, that no person under the age of eighteen shall be licensed as 12 an agent; (x) the manner and amount of compensation, if any, to be paid licensed sales agents; 13 provided, however, that the amount of compensation, if any, to be paid to licensed sales agents as

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

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

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

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

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

35 (iv) establish maximum limits for account deposits and transactions of lottery tickets, 36 games or shares conducted online, over the internet, through the use of a mobile application or 37 through any other means and allow players to reduce their own deposit or transaction limit at any 38 time; 39 (v) clarify that money in a lottery account belongs solely to the owner of the account and 40 may be withdrawn by the owner at any time; and 41 (vi) require the commission to implement promotional activities to encourage the 42 purchase of lottery tickets, games or shares through licenses sales agents including, but not

43 limited to, the sale of prepaid gift cards for lottery sales through licensed sales agents.

44 Notwithstanding any general or special law to the contrary

45 Notwithstanding any general or special law to the contrary, the name, address, 46 transaction history, account balance or other personal or identifying information of an individual 47 who purchases lottery tickets, games or shares online, over the internet, through the use of a 48 mobile application or through any other means shall not be deemed public records of the 49 commission for the purposes of section 10 of chapter 66; provided, however, that this section 50 shall not prohibit the commission from maintaining, using or sharing such information in the 51 course of an investigation by law enforcement or in compliance with sections 28A or 28B of this 52 chapter.

53 The commission shall advise and make recommendations to the director regarding the 54 operation and administration of the lottery. The commission shall report monthly to the 55 governor, the attorney general and the general court, the total lottery revenues, prize 56 disbursements and other expenses for the preceding month, and shall make an annual

57 independently audited financial report to the same which shall include a full and complete 58 statement of lottery revenues, prize disbursements and other expenses, including such 59 recommendations as it may deem necessary or advisable, which shall be made available 60 electronically to the general public not later than the earliest date established for reports in 61 section 12 of chapter 7A. The commission shall report immediately to the governor and the 62 general court any matters which require immediate changes in the laws of the commonwealth in 63 order to prevent abuses and evasions of the lottery law or rules and regulations promulgated 64 thereunder or to rectify undesirable conditions in connection with the administration or operation 65 of the state lottery.

66 The commission is authorized to carry on a continuous study and investigation of said 67 lottery throughout the commonwealth in order (1) to ascertain any defects in the state lottery law 68 or in the rules and regulations issued thereunder whereby any abuse in the administration and 69 operation of the lottery or any evasion of said law or said rules and regulations may arise or be 70 practiced, (2) to formulate recommendations for changes in said law and the rules and 71 regulations promulgated thereunder to prevent such abuses and evasions, and (3) to guard against 72 the use of said law and rules and regulations issued thereunder as a cloak for the carrying on of 73 organized gambling and crime.

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

80 The concurrence of the chairman and of not less than two other members of the 81 commission shall be required for all official actions of the commission. A copy of the minutes of 82 each meeting of the commission, including any rules and regulations adopted by the commission 83 or any amendments thereof, shall be forthwith transmitted, by and under the certification of the 84 secretary thereof, to the governor. 85 The commission shall have the power to issue subpoenas to compel the attendance of 86 witnesses and the production of documents, papers, books, records and other evidence before it 87 in any matter over which it has jurisdiction, control or supervision. The commission shall have 88 the power to administer oaths and affirmations to persons whose testimony is required. 89 SECTION 2. Section 24A of said chapter 10, as so appearing, is hereby amended by 90 striking out subsection (a) and inserting in place thereof the following subsection:-91 (a) For the purposes of this section, "group agreement" shall mean any lottery activity in 92 which the commission participates pursuant to a written agreement between the commission, on 93 behalf of the commonwealth, and any state, territory, country or other sovereignty. The 94 commission is hereby authorized to enter into agreements with one or more states or other 95 jurisdictions, hereinafter referred to as a group, for the purpose of creating and maintaining 96 multi-jurisdictional lottery games, including multi-jurisdictional lottery games to be conducted 97 online, over the internet, through the use of a mobile application or through any other means; 98 provided, however, that any such lottery game to be conducted online, over the internet, through 99 the use of a mobile application or through any other means has been properly authorized by each 100 state or other jurisdiction that is part of the group; provided, further, that a group agreement shall 101 not include the state lottery games created pursuant to section 24; provided further, that nothing

102 in this section and nothing in a group agreement shall authorize the commission to make 103 expenditures that are not consistent with restrictions on expenditures by the commission 104 provided in any other general or special law. The group shall determine the types of lotteries to 105 be conducted, the prices of tickets or shares, the manner of selecting the winning tickets or 106 shares, the manner of payment of prizes to the holders of winning tickets or shares and the 107 frequency of the drawings or selection of winning tickets or shares. The commission may 108 establish, and from time to time revise, such rules and regulations as it deems necessary or 109 desirable to carry out the group agreement and shall file the same with the office of the state 110 secretary.

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

113 Section 25. The apportionment of the total revenues accruing from the sale of lottery 114 tickets or shares and from all other sources at the point of sale shall be as follows:--(a) the 115 payment of prizes to the holders of winning tickets or shares which in any case shall be no less 116 than forty-five per cent of the total revenues accruing from the sale of lottery tickets; (b) the 117 payment of costs incurred in the operation and administration of the lottery, including the 118 expenses of the commission and the costs resulting from any contract or contracts entered into 119 for promotional, advertising or operational services or for the purchase or lease of lottery 120 equipment and materials which in no case shall exceed fifteen per cent of the total revenues 121 accruing from the sale of lottery tickets, subject to appropriation; and (c) the balance shall be 122 used to fund budgeted aid to cities and towns as provided in section 18C of chapter 58, subject to 123 appropriation.

124 The apportionment of the total revenues accruing from the sale of lotteries conducted 125 online, over the internet, through the use of a mobile application or through any other means as 126 authorized by section 24 of this chapter shall be as follows:-- (a) the payment of prizes to the 127 holders of winning tickets or shares; (b) the payment of costs incurred in the operation and 128 administration of such lotteries, including the expenses of the commission and the costs resulting 129 from any contract or contracts entered into for promotional, advertising or operational services or 130 for the purchase or lease of lottery equipment and materials which in no case shall exceed fifteen 131 per cent of the total revenues accruing from the sale of lottery tickets, subject to appropriation; 132 and (c) the balance shall be used to fund budgeted aid to cities and towns as provided in section 133 18C of chapter 58, subject to appropriation; provided that, in any fiscal year where the balance 134 used to fund such budgeted aid exceeds one-hundred-three per cent of budgeted aid apportioned 135 in the previous fiscal year, the portion of the balance exceeding one-hundred-three per cent shall 136 be apportioned as follows:-- (i) twenty five per cent to the Massachusetts School Building 137 Authority established in section 1A of chapter 70B; (ii) twenty five per cent to special education 138 programs as set forth in chapter 71B; and (ii) fifty per cent to fund budgeted aid to cities and 139 towns as provided in section 18C of chapter 58, subject to appropriation.

SECTION 4. Section 3 of chapter 137 of the General Laws, as appearing in the 2018
Official Edition, is hereby amended by inserting after the word "to", in line 6, the following
words:- "chapter 10 or".