

SENATE No. 2458

Text of amendment (Senator Feeney) to the Senate Bill making appropriations for the fiscal year 2020 for the maintenance of the departments, boards, commissions, institutions and certain activities of the commonwealth, for interest, sinking fund and serial bond requirements and for certain permanent improvements (Senate, No. 3).

The Commonwealth of Massachusetts

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

1 by inserting after section X the following section: -

2 "Section X. Section 7 of chapter 4 of the General Laws, appearing in the 2018 Official
3 Edition, is hereby amended by striking out the Tenth clause and inserting in place thereof the
4 following clause:-

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

13 SECTION 7. The General Laws are hereby amended by inserting after chapter 23M the
14 following chapter:-

15 CHAPTER 23N.

16 AUTHORIZATION AND REGULATION OF SPORTS WAGERING

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

19 Section 2. Notwithstanding any provision of law to the contrary, the operation of sports
20 wagering and ancillary activities are lawful when conducted in accordance with the provisions of
21 this chapter and the rules and regulations of the commission.

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

24 “Adjusted gross sports wagering receipts”, an operator’s total gross receipts from sports
25 wagering, excluding sports wagers made with promotional gaming credits, less the total of all
26 winnings, not including voided wagers, paid to wagerers in such games, which shall include the
27 cash equivalent of any merchandise or thing of value awarded as a prize, and all excise taxes
28 paid pursuant to federal law.

29 “Category S1 - Master”, a license issued by the commission that permits the operation of
30 sports wagering through a mobile application and other digital platforms approved by the
31 commission and in person at a category 1 or category 2 gaming establishment as defined in
32 section 2 of chapter 23K.

33 “Category S1 - Sub”, a license issued by the commission that permits the operation of
34 sports wagering through a mobile application and other digital platforms approved by the
35 commission by a category 1 or category 2 gaming establishment as defined in section 2 of

36 chapter 23k, that is separately and distinctly branded from the licensee’s “S1-Master” license and
37 may be contracted by the license holder to a services provider approved by the commission.

38 “Category S2 - Track”, (i) a license issued by the commission that permits the operation
39 of sports wagering in person or through a mobile application and other digital platforms
40 approved by the commission at a race track as defined in section 1 of chapter 128A or at a
41 facility owned or operated by a person who was a racing meeting licensee under said chapter
42 128A during calendar year 2020 and conducts pari-mutuel wagering in accordance with
43 applicable laws; or (ii) a license issued by the commission that permits the operation of sports
44 wagering in person or through a mobile application and other digital platforms and in person at a
45 live thoroughbred race track approved by the commission, provided that said licensee (A)
46 operates a thoroughbred horse racing track with at least a 1 mile circumference; (B) has received
47 approval from the New England Horsemen’s Benevolent and Protective Association to conduct
48 sports wagering pursuant to this chapter; and (C) makes a capital investment of not less than
49 \$25,000,000 within 3 years after receiving said license and conducts at least twenty race days in
50 a year.

51 “Category S3 - Mobile” a license issued by the commission that permits the operation of
52 sports wagering through a mobile application and other digital platforms approved by the
53 commission to any entity that has offered fantasy sports contests in the commonwealth pursuant
54 to 940 C.M.R. 34.00 for at least 1 year at the time of enactment of this act, has been permitted to
55 offer sports wagering in at least 2 other jurisdictions in the United States by the relevant
56 regulatory body in those jurisdictions and meets the requirements of this chapter and the rule and
57 regulations of the commission.

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

61 “Commission”, the Massachusetts gaming commission established in section 3 of chapter
62 23K.

63 “Governmental authority”, any governmental unit of a national, state or local body
64 exercising governmental functions, other than the United States government.

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

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

70 “Occupational license”, a license required by an employee of an operator when the
71 employee performs duties directly related to the operation of sports wagering in the
72 commonwealth in a supervisory role. This shall not include employees who do not accept wagers
73 or have the ability to alter material aspects of sports wagering in the Commonwealth.

74 “Operator” or “sports wagering operator”, any entity permitted under this chapter to offer
75 sports wagering to persons in the commonwealth through a category S1-Master license, category
76 S1-Sub license, category S2-Track license or category S-3 Mobile license.

77 “Operator license”, a license issued by the commission that permits the operation of
78 sports wagering in the following categories: category S1-Master license, category S1-Sub
79 license, category S2-Track license or category S-3 Mobile license to operate sports wagering.

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

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

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

90 “Qualified gaming entity”, an entity that: (i) holds a gaming license as defined in section
91 2 of chapter 23K; (ii) holds a license to conduct a racing meeting as defined in section 1 of
92 chapter 128A or was licensed as a greyhound or horse racing meeting licensee pursuant to
93 chapter 128A during calendar year 2020 and conducts pari-mutuel wagering in accordance with
94 applicable laws; (iii) holds a license issued by the commission that permits the operation of
95 sports wagering through a mobile application and other digital platforms and in person at a live
96 thoroughbred race track approved by the commission, provided that said licensee (A) operates a
97 thoroughbred horse racing track with at least a 1 mile circumference; (B) has received approval
98 from the New England Horsemen’s Benevolent and Protective Association to conduct sports

99 wagering pursuant to this chapter; and (C) makes a capital investment of not less than
100 \$25,000,000 within 3 years after receiving a said license. and conducts at least twenty race days
101 in a year; or (iv) offers fantasy sports contests in the commonwealth pursuant to 940 C.M.R.
102 34.00 for at least 1 year at the time of enactment of this act, has been permitted to offer sports
103 wagering in at least 2 other jurisdictions in the United States by the relevant regulatory body in
104 those jurisdictions and meets the requirements of this chapter and the rule and regulations of the
105 commission.

106 “Sports wagering”, the business of accepting wagers on sporting events or portions of
107 sporting events, other events, the individual performance statistics of athletes in a sporting event
108 or other events or a combination of any of the same by any system or method of wagering
109 approved by the commission including, but not limited to, mobile applications and other digital
110 platforms; provided, that sports wagering shall not include the acceptance of any wager with an
111 outcome dependent on the performance of an individual athlete in any athletic event, including
112 but not limited, to in-game or in-play wagers; provided, further that sports wagering shall not
113 include any acceptance of wagers on a high school or youth sporting event; provided further, that
114 sports wagering shall not include fantasy contests as defined in section 135 of chapter 219 of the
115 acts of 2016. Sports wagering shall include, but is not limited to, single-game bets, teaser bets,
116 parlays, over-under, moneyline, pools, exchange wagering, in-game wagering, in-play bets,
117 proposition bets and straight bets.

118 “Sports wagering account”, a financial record established by an operator for an individual
119 patron in which the patron may deposit by any method approved by the commission and
120 withdraw funds for sports wagering and other authorized purchases, and to which the operator
121 may credit winnings or other amounts due to or authorized by that patron. Such account may be

122 established and funded by the patron electronically through an approved mobile application or
123 digital platform.

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

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

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

128 Section 4. (a) The commission shall have the authority to regulate the conduct of sports
129 wagering under this chapter.

130 (b) The commission shall examine the rules and regulations implemented in other states
131 where sports wagering is authorized and shall, as far as practicable, adopt a similar regulatory
132 framework through promulgation of rules and regulations.

133 (c) The commission shall have the authority to promulgate rules and regulations
134 necessary for the implementation, administration and enforcement of this chapter. The
135 commission may promulgate emergency rules and regulations in accordance with applicable
136 procedures for the promulgation of emergency rules and regulations.

137 (d) The commission may promulgate rules and regulations including, but not limited to,
138 those governing the acceptance of wagers on a sports event, other event or a series of sports
139 events; types of wagering receipts which may be used; methods of issuing receipts; methods of
140 accounting to be used by operators; types of records to be kept; types of systems for wagering;
141 protections for patrons placing wagers; and promotion of social responsibility and responsible
142 gambling; provided, that such regulations shall include a requirement that all mobile applications

143 and digital platforms authorized for sports wagering include prominently upon each entry into
144 the application or platform, the following statement: “If you or someone you know has a
145 gambling problem and wants help, call the Massachusetts Council on Compulsive Gambling
146 hotline at 1-800-426-1234.”

147 (e) The commission shall determine the eligibility of a person to hold or continue to hold
148 a license, shall issue all licenses and shall maintain a record of all licenses issued under this
149 chapter. The commission may accept applications, evaluate qualifications of applicants,
150 undertake initial review of licenses and issue temporary licenses upon the effective date of this
151 chapter.

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

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

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

162 (i) The commission may exercise any other powers necessary to effectuate this chapter
163 and the rules and regulations of the commission. ~~§§§§~~ Section 5. (a) No person shall engage in
164 any activity in connection with sports wagering in the commonwealth unless all necessary

165 licenses or temporary licenses have been obtained in accordance with this chapter and rules and
166 regulations of the commission.

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

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

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

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

181 (c) Each controlling person pursuant to subsection (b) shall submit to the commission an
182 application in a form determined by the commission, and each such controlling person who is a
183 natural person shall submit to the commission: (i) fingerprints for a national criminal records
184 check by the department of the state police and the Federal Bureau of Investigation; and (ii) a
185 signed authorization for the release of information by the department of the state police and the
186 Federal Bureau of Investigation; provided, however, that a controlling person who is a natural

187 person that has submitted to a national criminal records check in any jurisdiction within the
188 previous year shall not be required to submit to another national criminal records check if such
189 person submits to the commission the results of such previous national criminal records check.
190 Any applicant convicted of any disqualifying offense shall not be licensed.

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

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

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

198 (b)(1) The commission shall issue a category S1-Master license to any holder of a gaming
199 license, as defined in section 2 of chapter 23K, that meets the requirements of this chapter and
200 the rules and regulations of the commission.

201 (2) The commission shall issue 2 category S1-Sub licenses to any and each holder of a
202 gaming license, as defined in section 2 of chapter 23k, that meets the requirements of this chapter
203 and the rules and regulations of the commission.

204 (3) The commission shall issue a category S2-Track license to: (i) any holder of a license
205 to conduct a racing meeting, as defined in section 1 of chapter 128A or to any person who was
206 licensed as a grey hound or horse racing meeting licensee pursuant to said chapter 128 during the
207 calendar year 2020 and conducts pari-mutuel wagering in accordance with applicable laws; or

208 (ii) a live thoroughbred race track approved by the commission, provided that said licensee (A)
209 operates a thoroughbred horse racing track with at least a 1 mile circumference; (B) has received
210 approval from the New England Horsemen's Benevolent and Protective Association to conduct
211 sports wagering pursuant to this chapter; and (C) makes a capital investment of not less than
212 \$25,000,000 within 3 years after receiving a said license and conducts at least twenty race days
213 per year; that meets the requirements of this chapter and the rules and regulations of the
214 commission.

215 (3) The commission shall issue a category S3 - Mobile license to any entity that has
216 offered fantasy sports contests in the commonwealth pursuant to 940 C.M.R. 34.00 for at least 1
217 year at the time of enactment of this act, has been permitted to offer sports wagering in at least 2
218 other jurisdictions in the United States by the relevant regulatory body in those jurisdictions and
219 meets the requirements of this chapter and the rule and regulations of the commission. The
220 commission shall issue no more than 1 license of this category type.

221 (4) All fees, surcharges, civil penalties and taxes collected by the Commission under this
222 chapter shall revert to the General Fund unless otherwise specified.

223 (c) Upon application by a qualified gaming entity and payment of a \$5,000,000
224 application fee, the commission shall grant an operator license to a qualified gaming entity that
225 provides for the right to conduct sports wagering; provided, that the qualified gaming entity
226 meets the requirements for licensure under this chapter and the rules and regulations of the
227 commission. Such license shall be issued for a 3-year period, and may be renewed for 3-year
228 periods upon payment of a \$1,000,000 renewal fee; provided, that an operator continues to meet
229 all requirements under this chapter and the rules and regulations of the commission.

230 (d) An operator shall submit to the commission such documentation or information as the
231 commission may require demonstrating that the operator continues to meet the requirements of
232 this chapter and the rules and regulations of the commission. An operator shall submit required
233 documentation or information no later than 3 years after issuance of its operator license and
234 every 3 years thereafter, or within lesser periods based on circumstances specified by the
235 commission.

236 Section 7. (a) All persons employed by an operator to perform duties directly related to
237 the operation of sports wagering in Massachusetts in a supervisory role shall maintain a valid
238 occupational license issued by the commission. This shall not include employees who do not
239 accept wagers or have the ability to alter material aspects of sports wagering in the
240 Commonwealth. The commission shall issue such occupational license to a person who meets
241 the requirements of this section.

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

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

249 (d) Each occupational license holder shall annually pay to the commission a license fee of
250 \$100 by March 1 and submit a renewal application on the form required by the commission. The
251 employer shall pay the application fee on behalf of the applicant.

252 Section 8. (a) For both operator and occupational licenses, the commission shall deny a
253 license to any applicant, reprimand any licensee or suspend or revoke a license, if the applicant
254 or licensee:

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

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

258 (3) has been convicted of a crime of moral turpitude, a gambling-related offense or a theft
259 or fraud offense;

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

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

264 (6) has been found by the Federal or State authority having jurisdiction to have violated
265 Federal, State or Local labor and employment law.

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

268 Section 9. (a) Each operator shall adopt comprehensive house rules for game play
269 governing sports wagering transactions with its patrons. The house rules shall specify the
270 amounts to be paid on winning wagers and the effect of sports event schedule changes. The
271 commission shall approve house rules prior to implementation.

272 (b) The house rules, together with any other information the commission deems
273 appropriate, shall be accessible to any patrons of the sports wagering system. The operator shall
274 make copies readily available to patrons and shall display and post the house rules in a
275 conspicuous place easily visible by patrons.

276 Section 10. (a) Sports wagering operators shall employ commercially reasonable methods
277 to:

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

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

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

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

288 (5) maintain the security of wagering data, customer data and other confidential
289 information from unauthorized access and dissemination; provided, however, that nothing in this
290 chapter shall preclude the use of internet or cloud-based hosting of such data and information or
291 disclosure as required by court order, other law or this chapter.

292 (b) A sports governing body may submit to the commission in writing, by providing
293 notice in such form and manner as the commission may require, a request to restrict, limit or
294 exclude a certain type, form or category of sports wagering with respect to sporting events of
295 such body, if the sports governing body believes that such type, form or category of sports
296 wagering with respect to sporting events of such body is contrary to public policy, unfair to
297 consumers, may undermine the perceived integrity of such body or sporting events of such body
298 or affects the integrity of such body or sporting events of such body. The commission shall
299 request comment from sports wagering operators on all such requests. After giving due
300 consideration to all comments received, the commission shall, upon a demonstration of good
301 cause from the requestor, grant the request. The commission shall respond to a request
302 concerning a particular event before the start of the event, or if it is not feasible to respond before
303 the start of the event, no later than 7 days after the request is made; provided, that if the
304 commission determines that the requestor is more likely than not to prevail in successfully
305 demonstrating good cause for its request, the commission may provisionally grant the request of
306 the sports governing body until the commission makes a final determination as to whether the
307 requestor has demonstrated good cause. Absent such a provisional grant by the commission,
308 sports wagering operators may continue to offer sports wagering on sporting events that are the
309 subject of such a request during the pendency of the consideration of the applicable request.

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

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

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

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

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

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

330 (4) any other conduct that corrupts a betting outcome of a sporting event or events for
331 purposes of financial gain, including match fixing; and

332 (5) suspicious or illegal wagering activities, including use of funds derived from illegal
333 activity, wagers to conceal or launder funds derived from illegal activity, using agents to place
334 wagers and using false identification.

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

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

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

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

347 (2) shall maintain the confidentiality of such information, unless disclosure is required by
348 this chapter, the commission, other law or court order or unless the sports wagering operator
349 consents to disclosure; provided, that the sports governing body may make disclosures necessary
350 to conduct and resolve integrity-related investigations and may publicly disclose such
351 information if required by its integrity policies or if deemed by the sports governing body in its
352 reasonable judgment to be necessary to maintain the actual or perceived integrity of its sporting
353 events, and subject in all cases to the sports governing body's compliance with federal, state and
354 local laws and regulations, including but not limited to, laws and regulations relating to privacy
355 and personally identifiable information. Prior to any such public disclosure that would identify

356 the sports wagering operator by name, the sports governing body shall provide such sports
357 wagering operator with notice of such disclosure and an opportunity to object to such disclosure.

358 (h) Sports wagering operators shall maintain records of all wagers placed by its patrons,
359 including personally identifiable information of the patron, amount and type of the bet, the time
360 the bet was placed, the location of the bet, including the IP address if applicable, the outcome of
361 the bet and records of abnormal betting activity for 3 years after a sporting event occurs and
362 video camera recordings in the case of in-person wagers for at least 1 year after a sporting event
363 occurs, and shall make such data available for inspection upon request of the commission or as
364 required by court order.

365 (i) A sports wagering operator shall use commercially reasonable efforts to maintain in
366 real time and at the account level, anonymized information for each patron, including the amount
367 and type of bet, the time the bet was placed, the location of the bet, including the IP address if
368 applicable, the outcome of the bet and records of abnormal betting activity. The commission may
369 request such information in the form and manner as it requires. Nothing in this section shall
370 require a sports wagering operator to provide any information prohibited by federal, state or local
371 laws or regulations, including but not limited to, laws and regulations relating to privacy and
372 personally identifiable information.

373 (j) If a sports governing body has notified the commission and demonstrated a need for
374 access to the information described in subsection (i) for wagers placed on sporting events of such
375 sports governing body for integrity monitoring purposes, and demonstrated the capability to use
376 such data for the purpose of effectively monitoring the integrity of sporting events of such sports
377 governing body, a sports wagering operator shall share, in a commercially reasonable frequency,

378 form and manner, with the sports governing body or its designee the same information the sports
379 wagering operator is required to maintain under subsection (i) with respect to sports wagers on
380 sporting events of such sports governing body. A sports governing body and its designee shall
381 only use information received under this section for integrity-monitoring purposes and shall not
382 use information received under this section for any commercial or other purpose. Nothing in this
383 section shall require a sports wagering operator to provide any information that is prohibited by
384 federal, state or local laws or regulations, including but not limited to, laws and regulations
385 relating to privacy and personally identifiable information.

386 (k) The commission shall promulgate through rules and regulations a framework of
387 sufficient vetting and background checks on a sports wagering operator's certain existing
388 employees and certain newly hired employees, such as officers, directors, executive level
389 employees, and those in similarly situated roles that are consistent with industry standards and
390 practices. Background checks if so required by the commission shall search for criminal history,
391 charges or convictions involving corruption or manipulation of sporting events and association
392 with organized crime.

393 Section 11. (a) All operators licensed under this chapter to conduct sports wagering shall:

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

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

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

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

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

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

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

411 and

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

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

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

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

419 (c) A sports governing body may notify the commission that it desires sports wagering
420 operators to use official league data to settle tier 2 sports wagers on sporting events of such
421 sports governing body. Such notification shall be made in the form and manner as the
422 commission may require. Within 5 days of receipt of such notification, the commission shall
423 notify each sports wagering operator of the requirement to use official league data to settle tier 2
424 sports wagers. If a sports governing body does not notify the commission of its desire to supply
425 official league data, a sports wagering operator may use any data source for determining the
426 results of tier 2 sports wagers on sporting events of such sports governing body.

427 (d) Within 45 days of the commission notifying a sport wagering operator of the
428 requirement to use official league data to settle tier 2 sports wagers pursuant to subsection (c), or
429 such longer period as may be agreed between the sports governing body and the applicable
430 sports wagering operator, a sports wagering operator shall use only official league data to
431 determine the results of tier 2 sports wagers on sporting events of that sports governing body,
432 unless:

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

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

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

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

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

449 (3) the nature and quantity of data, including the quality and complexity of the process
450 used for collecting such data; and

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

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

462 (g) A sports governing body may enter into commercial agreements with a sports
463 wagering operator or other entity in which such sports governing body may share in the amount
464 bet or revenues derived from sports wagering on sporting events of such sports governing body.
465 A sports governing body shall not be required to obtain a license or any other approval from the
466 commission to lawfully accept such amounts or revenues.

467 Section 12. (a) Holders of category S1-Master and category S2-Track licenses may
468 accept wagers on sports events and other events authorized under this chapter in person at
469 authorized gaming facilities.

470 (b) Holders of category S1-Master, category S1-Sub, category S2-Track, and category
471 S3-Mobile licenses may accept wagers on sports events and other events authorized under this
472 chapter from individuals physically located within the commonwealth using mobile applications
473 or digital platforms approved by the commission, through the patron's sports wagering account.
474 The branding for each mobile application or digital platform shall be determined by the operator.
475 All bets authorized under this section must be initiated, received and otherwise made within the
476 commonwealth. Consistent with the intent of the federal Unlawful Internet Gambling
477 Enforcement Act of 2006, 31 U.S.C. section 5361 to 5367, inclusive, the intermediate routing of
478 electronic data related to a lawful intrastate wager authorized under this chapter shall not
479 determine the location or locations in which the wager is initiated, received or otherwise made.

480 (c) An operator may accept wagers placed by other operators, and may place wagers with
481 other operators; provided, that any operator that places a wager with another operator shall
482 inform the operator accepting the wager that the wager is being placed by an operator and shall
483 disclose its identity.

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

485 (e)(1) The commission or operator may ban any person from participating in the play or
486 operation of any sports wagering consistent with rules and regulations promulgated by the
487 commission. A list of all excluded patrons shall be kept by the commission and provided to each
488 licensee, and no patron on the exclusion list shall be permitted to conduct sports wagering under
489 this chapter.

490 (2) The commission shall establish a list of self-excluded persons from sports wagering.
491 A person may request such person's name to be placed on the list of self-excluded persons by
492 filing a statement with the commission acknowledging that the person is a problem gambler and
493 by agreeing that, during any period of voluntary exclusion, the person shall not collect any
494 winnings or recover any losses resulting from any sports wagering. The commission shall adopt
495 further regulations for the self-excluded persons list including procedures for placement, removal
496 and transmittal of such list to sports wagering operators. The commission may revoke, limit,
497 condition, suspend or fine a sports wagering operator if the operator knowingly or recklessly
498 fails to exclude or eject from its premises any person placed on the list of self-excluded persons.

499 (f) No licensed employee may place a sports wager through any mobile application or
500 digital platform owned or operated by their employer.

501 (g) No licensed employee may place a sports wager at any facility owned or operated by
502 their employer.

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

505 (i) The commission may adopt rules to establish internet sports wagering accounts, but
506 nothing in this bill shall prohibit account registration in person at a sports gaming facility, or
507 over the internet without appearing in person. An operator shall adopt reasonable procedures to
508 ensure that individuals have no more than one internet wagering account with the operator, or
509 S1-Sub license holder offering internet wagering on the operator's behalf.~~[[L]]~~~~[[L]]~~~~[[L]]~~~~[[L]]~~(j) The
510 Commission shall adopt rules requiring that sports gaming may only be conducted with chips,
511 tokens, electronic cards, or other means including:

512 (a) Cash;

513 (b) Cash equivalent;

514 (c) Debit or credit card;

515 (d) Reloadable prepaid card or online account;

516 (e) ACH

517 (f) PayPal

518 (g) Promotional Funds;

519 (h) Winnings; and

520 (i) Any other means approved by the commission.~~[[L]]~~~~[[L]]~~~~[[L]]~~~~[[L]]~~ Section 13. (a)(1) For the privilege
521 of holding a license to operate sports wagering under this chapter, the commonwealth shall
522 impose and collect an excise equal to 14 percent of the operator's adjusted gross sports wagering
523 receipts from the operation of sports wagering within a gaming establishment facility permitted
524 under a category S1 - Master license; 18 percent of the operator's adjusted gross sports wagering

525 receipts from the operation of sports wagering using mobile and online platforms permitted
526 under category S1-Master licenses, category S1-Sub licenses, category S2- Track licenses, and
527 category S3-Mobile licenses, hereinafter “privilege tax”. The accrual method of accounting shall
528 be used for purposes of calculating the amount of the tax owed by the licensee.

529 (b)(1) The tax levied and collected pursuant to paragraph (1) of subsection (a) shall be
530 due and payable to the commission in monthly installments on or before the 15th calendar day
531 following the calendar month in which the adjusted gross sports wagering receipts were received.

532 (2) The operator shall complete and submit the return for the preceding month by
533 electronic communication to the commission, on or before the 15th of each month, in the form
534 prescribed by the commission that provides:

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

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

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

540 (3) The tax amount shown to be due shall be remitted by electronic funds transfer
541 simultaneously with the filing of the return.

542 (4) When adjusted gross receipts for a month is a negative number because the winnings
543 paid to patrons wagering on the operator’s sports wagering exceed the operator’s total gross
544 receipts from sports wagering by patrons, the commission shall allow the operator to carry over
545 the negative amount to returns filed for subsequent months. The negative amount of adjusted

546 gross receipts shall not be carried back to an earlier month and taxes previously received by the
547 commission will not be refunded, except if the operator surrenders its license and the operator's
548 last return reported negative adjusted gross receipts.

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

552 Section 14. The commission may impose on any person who violates this chapter a civil
553 penalty not to exceed \$2,000 for each violation or \$5,000 for violations arising from the same
554 series of events. Such penalty shall be imposed on all individuals and is not limited to individuals
555 licensed under this chapter.

556 Section 15. (a) Any person, other than an operator under this chapter, who engages in
557 accepting, facilitating or operating a sports wagering operation is guilty of a misdemeanor and,
558 upon conviction thereof, shall be fined not more than \$10,000 or confined in jail for not more
559 than 90 days, or both fined and confined.

560 (b) Any person convicted of a second violation of subsection (a) is guilty of a
561 misdemeanor and, upon conviction thereof, shall be fined not more than \$50,000, or confined in
562 jail for not more than 6 months, or both fined and confined.

563 (c) Any person convicted of a third or subsequent violation of subsection (a) is guilty of a
564 felony, and upon conviction thereof, shall be fined not less than \$25,000 nor more than \$100,000
565 or imprisoned in a state correctional facility for not less than 1 year nor more than 5 years, or
566 both fined and confined.

567 Section 16. No person shall be permitted to place or receive a sports wager on a National
568 Collegiate Athletic Association team from the Commonwealth of Massachusetts."