

SENATE No. 257

The Commonwealth of Massachusetts

PRESENTED BY:

Brendan P. Crighton

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 to regulate sports wagering.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	
<i>Brendan P. Crighton</i>	<i>Third Essex</i>	
<i>Paul R. Feeney</i>	<i>Bristol and Norfolk</i>	<i>1/27/2021</i>
<i>Adam J. Scanlon</i>	<i>14th Bristol</i>	<i>2/2/2021</i>
<i>William J. Driscoll, Jr.</i>	<i>7th Norfolk</i>	<i>3/12/2021</i>
<i>Steven S. Howitt</i>	<i>4th Bristol</i>	<i>3/17/2021</i>
<i>Joan B. Lovely</i>	<i>Second Essex</i>	<i>3/31/2021</i>

SENATE No. 257

By Mr. Crighton, a petition (accompanied by bill, Senate, No. 257) of Brendan P. Crighton, Paul R. Feeny, Adam J. Scanlon, William J. Driscoll, Jr. and other members of the General Court for legislation to regulate sports wagering. Economic Development and Emerging Technologies.

The Commonwealth of Massachusetts

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

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

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

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

14 CHAPTER 23N.

15 AUTHORIZATION AND REGULATION OF SPORTS WAGERING

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

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

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

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

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

31 “Category 2 license”, (i) a license issued by the commission that permits the operation of
32 sports wagering in person or through a mobile application and other digital platforms approved

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

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

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

49 “Commission”, the Massachusetts gaming commission established in section 3 of chapter
50 23K.

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

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

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

58 “Occupational license”, a license required by an employee of an operator when the
59 employee performs duties directly related to the operation of sports wagering in the
60 commonwealth in a supervisory role.

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

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

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

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

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

76 “Qualified gaming entity”, an entity that: (i) holds a gaming license as defined in section
77 2 of chapter 23K; (ii) holds a license to conduct a racing meeting as defined in section 1 of
78 chapter 128A or was licensed as a grey hound or horse racing meeting licensee pursuant to
79 chapter 128A during calendar year 2020 and conducts pari-mutuel wagering in accordance with
80 applicable laws; (iii) holds a license issued by the commission that permits the operation of
81 sports wagering through a mobile application and other digital platforms and in person at a live
82 thoroughbred race track approved by the commission, provided that said licensee (A) operates a
83 thoroughbred horse racing track with at least a 1 mile circumference; (B) has received approval
84 from the New England Horsemen’s Benevolent and Protective Association to conduct sports
85 wagering pursuant to this chapter; and (C) makes a capital investment of not less than
86 \$25,000,000 within 3 years after receiving a category 1 license. and conducts at least ten race
87 days in a year; or (iv) offers an interactive sports wagering platform.

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

91 “Sports governing body”, an organization that is headquartered in the United States and
92 prescribes final rules and enforces codes of conduct with respect to a sporting event and
93 participants therein.

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

98 platforms; provided, that sports wagering shall not include the acceptance of any wager with an
99 outcome dependent on the performance of an individual athlete in any collegiate sport or athletic
100 event, including but not limited, to in-game or in-play wagers; provided, further that sports
101 wagering shall not include any acceptance of wagers on a high school or youth sporting event;
102 provided further, that sports wagering shall not include fantasy contests as defined in section 135
103 of chapter 219 of the acts of 2016. Sports wagering shall include, but is not limited to, single-
104 game bets, teaser bets, parlays, over-under, moneyline, pools, exchange wagering, in-game
105 wagering, in-play bets, proposition bets and straight bets.

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

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

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

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

116 Section 4. (a) The commission shall have the authority to regulate the conduct of sports
117 wagering under this chapter. The power and authority granted to the commission shall be
118 construed as broadly as necessary for the implementation, administration and enforcement of this
119 chapter.

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

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

127 (d) The commission may promulgate rules and regulations including, but not limited to,
128 those governing the acceptance of wagers on a sports event, other event or a series of sports
129 events; types of wagering receipts which may be used; methods of issuing receipts; methods of
130 accounting to be used by operators; types of records to be kept; types of systems for wagering;
131 protections for patrons placing wagers; and promotion of social responsibility and responsible
132 gambling;

133 (e) The commission shall prescribe the form of the application for sports wagering
134 licenses which shall require, but not be limited to an agreement that the applicant shall mitigate
135 the potential negative public health consequences associated with gambling and the operation of
136 a gaming establishment, including: (i) prominently displaying information on the signs of
137 problem gambling and how to access assistance; (ii) describing a process for individuals to
138 exclude their names and contact information from a gaming licensee's database or any other list
139 held by the gaming licensee for use in marketing or promotional communications; and (iii)
140 instituting other public health strategies as determined by the commission, including leveraging
141 technological tools using mobile technology.

142 (f) The commission shall determine the eligibility of a person to hold or continue to hold
143 a license, shall issue all licenses and shall maintain a record of all licenses issued under this
144 chapter. The commission may accept applications, evaluate qualifications of applicants,
145 undertake initial review of licenses and issue temporary licenses upon the effective date of this
146 chapter.

147 (g) The commission shall levy and collect all fees, surcharges, civil penalties and taxes on
148 adjusted gross sports wagering receipts imposed by this chapter, except as otherwise provided
149 under this chapter.

150 (h) The commission shall have the authority to enforce this chapter and any rule or
151 regulation of the commission and may request that the attorney general bring an action to enforce
152 this chapter or any rule or regulation of the commission by civil action or petition for injunctive
153 relief.

154 (i) The commission may hold hearings, administer oaths and issue subpoenas or
155 subpoenas duces tecum in order to enforce this chapter and the rules and regulations of the
156 commission.

157 (j) The commission may exercise any other powers necessary to effectuate this chapter
158 and the rules and regulations of the commission.

159 (k) Any public records provided to the Commission by an applicant or licensee under this
160 chapter that the Commission determines constitute a trade secret, or are competitively-sensitive
161 or proprietary, and that the public disclosure of the record would be detrimental to or place said
162 applicant or licensee at a competitive disadvantage, may be withheld from disclosure under
163 section 10 of chapter 66.

164 Section 5. (a) No person shall engage in any activity in connection with sports wagering
165 in the commonwealth unless all necessary licenses or temporary licenses have been obtained in
166 accordance with this chapter and rules and 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 1 license to any holder of a gaming license,
199 as defined in section 2 of chapter 23K, that meets the requirements of this chapter and the rules
200 and regulations of the commission.

201 (2) The commission shall issue a category 2 license to: (i) any holder of a license to
202 conduct a racing meeting, as defined in section 1 of chapter 128A or to any person who was
203 licensed as a grey hound or horse racing meeting licensee pursuant to said chapter 128 during the
204 calendar year 2020 and conducts pari-mutuel wagering in accordance with applicable laws; or
205 (ii) a live thoroughbred race track approved by the commission, provided that said licensee (A)
206 operates a thoroughbred horse racing track with at least a 1 mile circumference; (B) has received
207 approval from the New England Horsemen's Benevolent and Protective Association to conduct

208 sports wagering pursuant to this chapter; and (C) makes a capital investment of not less than
209 \$25,000,000 within 3 years after receiving a category 1 license and conducts at least ten race
210 days per year; that meets the requirements of this chapter and the rules and regulations of the
211 commission.

212 (3) The commission shall issue a category 3 license to any entity that offers an interactive
213 sports wagering platform and meets the requirements of this chapter and the rule and regulations
214 of the commission.

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

217 (c) Upon application by a qualified gaming entity and payment of a \$10,000,000
218 application fee, the commission shall grant an operator license to a qualified gaming entity that
219 provides for the right to conduct sports wagering; provided, that the qualified gaming entity
220 meets the requirements for licensure under this chapter and the rules and regulations of the
221 commission. Such license shall be issued for a 5-year period, and may be renewed for 5-year
222 periods upon payment of a \$1,250,000 renewal fee; provided, that an operator continues to meet
223 all requirements under this chapter and the rules and regulations of the commission.

224 (d) An operator shall submit to the commission such documentation or information as the
225 commission may require demonstrating that the operator continues to meet the requirements of
226 this chapter and the rules and regulations of the commission. An operator shall submit required
227 documentation or information no later than 5 years after issuance of its operator license and
228 every 5 years thereafter, or within lesser periods based on circumstances specified by the
229 commission.

230 (e) No licensee shall transfer a category 1, category 2, or category 3 license, or any direct
231 or indirect interest in the license, without the majority approval of the commission. A person
232 seeking to acquire a license through a transfer shall qualify and otherwise be determined by the
233 commission to be eligible for licensure under this chapter. The commission may reject a license
234 transfer or a transfer of interest in the license to an unsuitable person and may reject a proposed
235 transfer that, in the opinion of the commission, would be disadvantageous to the interests of the
236 commonwealth. The commission may promulgate regulations governing this process which may
237 include assessment of a fee to reflect the cost associated with reviewing the proposed transfer.

238 Section 7. (a) There shall be established and set up on the books of the Commonwealth a
239 separate fund to be known as the Sports Wagering Control Fund. The Commission shall be the
240 trustee of the fund and shall expend monies to finance operational activities of the Commission
241 pertaining to sports wagering. Funds from subsections b through d shall be deposited in this
242 Fund. The fund shall be credited any appropriations, bond proceeds or other monies authorized
243 by the general court and specifically designated to be credited thereto, the proceeds of the
244 assessments levied under this section unless otherwise specified, initial application fees for
245 licenses issued under sections 8 and 9 and such additional funds as are subject to the direction
246 and control of the commission. All available monies in the fund that are unexpended at the end
247 of each fiscal year shall not revert to the General Fund and shall be available for expenditure in
248 the subsequent fiscal year.

249 (b) The Commission shall establish fees for any investigation into a violation of this
250 chapter or regulation promulgated hereunder by a sports wagering licensee to be paid by the
251 sports wagering licensee including, but not limited to, billable hours by commission staff

252 involved in the investigation and the costs of services, equipment or other expenses that are
253 incurred by the commission during the investigation.

254 (c) Any remaining costs of the Commission necessary to maintain regulatory control over
255 sports wagering licensees that are not covered by: (i) the fees set forth in subsection (a); (ii) any
256 other fees assessed under this chapter; or (iii) any other designated sources of funding, shall be
257 assessed annually on sports wagering licensees under this chapter in proportion to its share of the
258 Commonwealth's total adjusted gross sports wagering receipts. Each sports wagering licensee
259 shall pay the amount assessed against it within 30 days after the date of the notice of assessment
260 from the commission.

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

264 (e) In addition to the fees collected under this section and any additional costs of the
265 commission, the Commission shall also assess an annual fee of \$1,000,000 in shares to be
266 determined by the Commission against each sports wagering licensee that is not a category 1 or
267 category 2 gaming licensee as defined by MGL Chapter 23K for the costs of service and public
268 health programs dedicated to addressing problems associated with compulsive gambling or other
269 addiction services. Such assessed fees shall be deposited into the Public Health Trust Fund
270 established in section 58 of Chapter 23K.

271 Section 8. (a) An applicant for a sports wagering license shall pay to the commission a
272 nonrefundable processing fee of \$100,000 to defray the costs associated with the processing of
273 the application and investigation of the applicant; provided, however, that if the costs of the

274 investigation exceed the initial application fee, the applicant shall pay the additional amount to
275 the commission within 30 days after notification of insufficient fees or the application shall be
276 rejected.

277 (b) All fees in this section shall be deposited into the Sports Wagering Control Fund
278 established in section 7 of Chapter 23N.

279 Section 9. (a) All persons employed by an operator to perform duties directly related to
280 the operation of sports wagering in Massachusetts in a supervisory role shall maintain a valid
281 occupational license issued by the commission. The commission shall issue such occupational
282 license to a person who meets the requirements of this section.

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

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

290 (d) Each occupational license holder shall every 3 years pay to the commission a license
291 fee of \$100 by March 1 and submit a renewal application on the form required by the
292 commission. An employer may pay an application fee on behalf of the licensed employee.

293 Section 10. (a) For both operator and occupational licenses, the commission shall deny a
294 license to any applicant, reprimand any licensee or suspend or revoke a license, if the applicant
295 or licensee:

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

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

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

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

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

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

307 Section 11. (a) Each operator shall adopt comprehensive house rules for game play
308 governing sports wagering transactions with its patrons. The house rules shall specify the
309 amounts to be paid on winning wagers and the effect of sports event schedule changes. The
310 commission shall approve house rules prior to implementation.

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

314 Section 12. (a) Sports wagering operators shall not offer or accept bets on injuries,
315 penalties, player discipline, or replay reviews and employ commercially reasonable methods to:

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

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

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

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

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

330 (b) A sports governing body may submit to the commission in writing, by providing
331 notice in such form and manner as the commission may require, a request to restrict, limit or
332 exclude a certain type, form or category of sports wagering with respect to sporting events of
333 such body, if the sports governing body believes that such type, form or category of sports
334 wagering with respect to sporting events of such body is contrary to public policy, unfair to

335 consumers, or may undermine the integrity or perceived integrity of such body or sporting events
336 of such body. The commission shall request comment from sports wagering operators on all such
337 requests. After giving due consideration to all comments received, the commission shall, upon a
338 demonstration of good cause from the requestor, grant the request. The commission shall
339 respond to a request concerning a particular event before the start of the event, or if it is not
340 feasible to respond before the start of the event, no later than 7 days after the request is made;
341 provided, that if the commission determines that the requestor is more likely than not to prevail
342 in successfully demonstrating good cause for its request, the commission may provisionally grant
343 the request of the sports governing body until the commission makes a final determination as to
344 whether the requestor has demonstrated good cause. Absent such a provisional grant by the
345 commission, sports wagering operators may continue to offer sports wagering on sporting events
346 that are the subject of such a request during the pendency of the consideration of the applicable
347 request.

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

352 (d) The commission and sports wagering operators shall use commercially reasonable
353 efforts to cooperate with investigations conducted by sports governing bodies or law
354 enforcement agencies, including but not limited to, using commercially reasonable efforts to
355 provide or facilitate the provision of anonymized account-level betting information and audio or
356 video files relating to persons placing wagers. All disclosures under this section are subject to the
357 obligation of a sports wagering operator to comply with all federal, state and local laws and

358 regulations, including but not limited to, laws and regulations relating to privacy and personally
359 identifiable information.

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

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

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

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

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

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

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

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

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

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

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

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

396 (h) Sports wagering operators shall maintain records of all wagers placed by its patrons,
397 including personally identifiable information of the patron, amount and type of the bet, the time
398 the bet was placed, the location of the bet, including the IP address if applicable, the outcome of
399 the bet and records of abnormal betting activity for 3 years after a sporting event occurs and

400 video camera recordings in the case of in-person wagers for at least 1 year after a sporting event
401 occurs, and shall make such data available for inspection upon request of the commission or as
402 required by court order.

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

411 (j) If a sports governing body has notified the commission and demonstrated a need for
412 access to the information described in subsection (i) for wagers placed on sporting events of such
413 sports governing body for integrity monitoring purposes, and demonstrated the capability to use
414 such data for the purpose of effectively monitoring the integrity of sporting events of such sports
415 governing body, a sports wagering operator shall share, in a commercially reasonable frequency,
416 form and manner, with the sports governing body or its designee the same information the sports
417 wagering operator is required to maintain under subsection (i) with respect to sports wagers on
418 sporting events of such sports governing body. A sports governing body and its designee shall
419 only use information received under this section for integrity-monitoring purposes and shall not
420 use information received under this section for any commercial or other purpose. Nothing in this
421 section shall require a sports wagering operator to provide any information that is prohibited by

422 federal, state or local laws or regulations, including but not limited to, laws and regulations
423 relating to privacy and personally identifiable information.

424 (k) A sports wagering operator shall conduct a background check on each newly hired
425 employee, and a single background check on any employee hired prior to the effective date of
426 this act. Background checks shall search for criminal history, charges or convictions involving
427 corruption or manipulation of sporting events and association with organized crime.

428 Section 13. (a) All operators licensed under this chapter to conduct sports wagering shall:

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

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

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

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

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

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

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

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

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

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

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

454 (c) A sports governing body may notify the commission that it desires sports wagering
455 operators to use official league data to settle tier 2 sports wagers on sporting events of such
456 sports governing body. Such notification shall be made in the form and manner as the
457 commission may require. Within 5 days of receipt of such notification, the commission shall
458 notify each sports wagering operator of the requirement to use official league data to settle tier 2
459 sports wagers. If a sports governing body does not notify the commission of its desire to supply
460 official league data, a sports wagering operator is not required to use official league data for
461 determining the results of tier 2 sports wagers on sporting events of such sports governing body.

462 (d) Within 30 days of the commission notifying a sport wagering operator of the
463 requirement to use official league data to settle tier 2 sports wagers pursuant to subsection (c), or

464 such longer period as may be agreed between the sports governing body and the applicable
465 sports wagering operator, a sports wagering operator shall use only official league data to
466 determine the results of tier 2 sports wagers on sporting events of that sports governing body,
467 unless:

468 (1) the sports governing body or its designee cannot provide a feed of official league data
469 to determine the results of a particular type of tier 2 sports wager, in which case a sports
470 wagering operator is not required to use official league data for determining the results of the
471 applicable tier 2 sports wager until such time a data feed becomes available from the sports
472 governing body on commercially reasonable terms and conditions; or

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

476 (e) The following is a nonexclusive list of other factors the commission may consider in
477 evaluating whether official league data is offered on commercially reasonable terms conditions
478 for purposes of paragraphs (1) and (2) of subsection (d) above, provided that no single factor on
479 its own will be deemed evidence that official league data is being offered on terms that are not
480 commercially reasonable:

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

483 (2) market information regarding the purchase by sports wagering operators of the same
484 or comparable data (provided that such data is secured and used lawfully, without violating the
485 terms of any valid applicable license or other agreement) from any authorized source including

486 sports governing bodies or their designees for the purpose of settling sports wagers in the
487 commonwealth and other jurisdictions;

488 (3) the nature and quantity of data, including and without limitation its speed, quality and
489 the complexity of the process used for collecting such data; and

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

493 (f) Notwithstanding anything to the contrary set forth herein, including but not limited to,
494 subsection (d), during the pendency of the determination of the commission as to whether a
495 sports governing body or its designee may provide official league data on commercially
496 reasonable terms, a sports wagering operator may use any data source to determine the results of
497 tier 2 sports wagers. The determination shall be made within 60 days of the sports wagering
498 operator notifying the commission that it requests to demonstrate that the sports governing body
499 or its designee will not provide a feed of official league data to the sports wagering operator on
500 commercially reasonable terms.

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

506 Section 14. (a) Holders of category 1 and category 2 licenses may accept wagers on
507 sports events and other events authorized under this chapter in person at authorized facilities.

508 (b) Holders of category 1, category 2 and category 3 licenses may accept wagers on
509 sports events and other events authorized under this chapter from individuals physically located
510 within the commonwealth using mobile applications or digital platforms approved by the
511 commission, through the patron's sports wagering account. The branding for each mobile
512 application or digital platform shall be determined by the operator. All bets authorized under this
513 section must be initiated, received and otherwise made within the commonwealth. Consistent
514 with the intent of the federal Unlawful Internet Gambling Enforcement Act of 2006, 31 U.S.C.
515 section 5361 to 5367, inclusive, the intermediate routing of electronic data related to a lawful
516 intrastate wager authorized under this chapter shall not determine the location or locations in
517 which the wager is initiated, received or otherwise made.

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

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

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

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

529 A person may request such person's name to be placed on the list of self-excluded persons by

530 filing a statement with the commission acknowledging that the person is a problem gambler and
531 by agreeing that, during any period of voluntary exclusion, the person shall not collect any
532 winnings or recover any losses resulting from any sports wagering. The commission shall adopt
533 further regulations for the self-excluded persons list including procedures for placement, removal
534 and transmittal of such list to sports wagering operators. The commission may revoke, limit,
535 condition, suspend or fine a sports wagering operator if the operator knowingly or recklessly
536 fails to exclude or eject from its premises any person placed on the list of self-excluded persons.

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

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

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

543 Section 15. (a)(1) For the privilege of holding a license to operate sports wagering under
544 this chapter, the commonwealth shall impose and collect an excise equal to 15 per cent of the
545 operator's adjusted gross sports wagering receipts from the operation of sports wagering,
546 hereinafter "privilege tax". The accrual method of accounting shall be used for purposes of
547 calculating the amount of the tax owed by the licensee.

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

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

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

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

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

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

561 (4) When adjusted gross receipts for a month is a negative number because the winnings
562 paid to patrons wagering on the operator's sports wagering exceed the operator's total gross
563 receipts from sports wagering by patrons, the commission shall allow the operator to carry over
564 the negative amount to returns filed for subsequent months. The negative amount of adjusted
565 gross receipts shall not be carried back to an earlier month and taxes previously received by the
566 commission will not be refunded, except if the operator surrenders its license and the operator's
567 last return reported negative adjusted gross receipts.

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

571 (d) Annually, not later than July 1, the commission shall annually publish a report stating
572 the amount received from sports wagering operators in fees, surcharges, civil penalties and taxes.

573 Section 16. The commission may impose on any person who violates this chapter a civil
574 penalty not to exceed \$2,000 for each violation or \$5,000 for violations arising from the same
575 series of events. Such penalty shall be imposed on all individuals and is not limited to individuals
576 licensed under this chapter.

577 Section 17. (a) Any person, other than an operator under this chapter, who engages in
578 accepting, facilitating or operating a sports wagering operation is guilty of a misdemeanor and,
579 upon conviction thereof, shall be fined not more than \$10,000 or confined in jail for not more
580 than 90 days, or both fined and confined.

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

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

588 Section 18. No person shall be able to place a sports wager on a National Collegiate
589 Athletic Association team from the Commonwealth of Massachusetts.”