

SENATE No. 2844

The Commonwealth of Massachusetts

—————
In the One Hundred and Ninety-Second General Court
(2021-2022)
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SENATE, April 25, 2022.

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

For the committee,
Michael J. Rodrigues

The Commonwealth of Massachusetts

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

1 SECTION 1. Section 7 of chapter 4 of the General Laws is hereby amended by striking
2 out clause Tenth, as appearing in the 2020 Official Edition, and inserting in place thereof the
3 following clause:-

4 Tenth, “Illegal gaming”, a banking or percentage game played with cards, dice, tiles,
5 dominoes or with an electronic, electrical or mechanical device or machine for money, property,
6 checks, credit or any representative of value; provided, however, that “illegal gaming” shall not
7 include: (i) a lottery game conducted by the state lottery commission under sections 24, 24A and
8 27 of chapter 10; (ii) a game conducted under chapter 23K; (iii) sports wagering conducted under
9 chapter 23N; (iv) pari-mutuel wagering on horse races under chapters 128A and 128C; (v) a
10 game of bingo or any other charitable gaming conducted under chapter 271; and (vi) a fantasy
11 contest conducted under section 11M½ of chapter 12.

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

14 Section 11M½. Notwithstanding sections 24, 24A and 27 of chapter 10, chapter 271 or
15 any other general or special law to the contrary, a person or entity that offers fantasy contests for
16 a cash prize to members of the public may offer a fantasy contest to residents of the

17 commonwealth in accordance with regulations promulgated by the attorney general. For the
18 purposes of this section, “fantasy contest” shall mean a fantasy or simulated game or contest
19 including, but not limited to, a fantasy or simulated game or contest based on a professional
20 sports event in which: (i) the value of all prizes and awards offered to winning participants are
21 established and made known to the participants in advance of the contest; (ii) all winning
22 outcomes shall be determined predominantly by accumulated statistical results of the
23 performance of individual athletes; (iii) no winning outcome is based on the score, point spread
24 or any performance of a single actual team or combination of teams or solely on a single
25 performance of an individual athlete or player in a single actual event; (iv) all winning outcomes
26 are based upon a participant’s performance relative to other participants in the contest; and (v)
27 the per cent of gross revenue retained by the person or entity offering the fantasy contest is
28 prominently displayed prior to a participant’s entry into the fantasy or simulated game or contest.

29 SECTION 3. Section 4 of chapter 23K of the General Laws, as appearing in the 2020
30 Official Edition, is hereby amended by striking out subsections (40) and (41) and inserting in
31 place thereof the following 2 subsections:-

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

34 (41) regulate and enforce chapter 23N relating to sports wagering.

35 SECTION 4. Section 58 of said chapter 23K, as so appearing, is hereby amended by
36 striking out, in line 6, the word “may” and inserting in place thereof the following words:- , in
37 addition to expenditures for administering the compulsive gambling direct assistance program,
38 may.

39 SECTION 5. Said section 58 of said chapter 23K, as so appearing, is hereby further
40 amended by adding the following paragraph:-

41 The secretary of health and human services shall expend money in the fund to administer
42 a compulsive gambling direct assistance program to provide counselling, treatment, referrals and
43 direct or indirect financial recovery to residents with a gambling addiction. Participants in the
44 program shall be required to self-exclude from gambling under chapters 23K and 23N and attend
45 treatment or other counselling to be eligible for direct or indirect financial recovery; provided,
46 however, that financial recovery shall not exceed \$5,000 per participant.

47 SECTION 6. Clause (2) of section 59 of said chapter 23K, as so appearing, is hereby
48 amended by striking out subclause (l) and inserting in place thereof the following subclause:-

49 (l) 2.5 per cent to: (i) the Race Horse Development Fund established in section 60 if not
50 less than 20 live racing days at a thoroughbred horse track with a 1-mile circumference occurred
51 in the immediately preceding calendar year; or (ii) the Education Fund established in section 64
52 if not more than 19 live racing days at a thoroughbred horse track with a 1-mile circumference
53 occurred in the immediately preceding calendar year.

54 SECTION 7. Section 60 of said chapter 23K, as so appearing, is hereby amended by
55 adding the following subsection:-

56 (d) Notwithstanding subsection (c), if not more than 19 live racing days occurred in the
57 immediately preceding calendar year at a thoroughbred horse track with a 1-mile circumference,
58 all money in the fund may go to the benefit of standardbred accounts.

59 SECTION 8. The General Laws are hereby further amended by inserting after chapter
60 23M the following chapter:-

61 CHAPTER 23N.

62 AUTHORIZATION AND REGULATION OF SPORTS WAGERING.

63 Section 1. Notwithstanding any general or special law to the contrary, the operation of
64 sports wagering and ancillary activities shall be conducted in accordance with this chapter and
65 the rules and regulations of the commission.

66 Section 2. As used in this chapter, the following words shall have the following meanings
67 unless the context clearly requires otherwise:

68 “Adjusted gross fantasy wagering receipts”, the total gross receipts from fantasy contests
69 as defined in section 11M½ of chapter 12, less only the total of all cash prizes paid to
70 participants in the fantasy contests; provided, however, that the total of all cash prizes paid to
71 participants shall not include the cash equivalent of any merchandise or thing of value awarded
72 as a prize.

73 “Adjusted gross sports wagering receipts”, the total gross receipts from sports wagering
74 less only the total of all winnings paid to participants; provided, however, that the total of all
75 winnings paid to participants shall not include the cash equivalent of any merchandise or thing of
76 value awarded as a prize.

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

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

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

84 “Category 2 license”, a license issued by the commission that permits the operation of
85 sports wagering in person at a facility approved by the commission and through 1 mobile
86 application or other digital platform approved by the commission.

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

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

94 “Commission”, the Massachusetts gaming commission established in section 3 of chapter
95 23K.

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

98 “Governmental authority”, a governmental unit of a national, state or local body
99 exercising governmental functions; provided, however, that “governmental authority” shall not
100 include the United States government.

101 “License”, a license applied for or issued under this chapter including, but not limited to:
102 (i) an operator license; or (ii) an occupational license.

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

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

109 “Operator”, an entity under this chapter that is authorized to offer sports wagering to
110 persons in the commonwealth through a category 1 license or category 2 license.

111 “Operator license”, a category 1 license or category 2 license to operate sports wagering.

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

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

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

121 “Professional sport or athletic event”, an event at which 2 or more persons participate in a
122 sport or athletic event and receive compensation in excess of actual expenses for their
123 participation in the event.

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

126 “Sporting event”, a professional sport or athletic event, motor race event or other event
127 authorized by the commission under this chapter; provided, however, that “sporting event” shall
128 not include: (i) electronic sports; or (ii) amateur sports or athletic events including, but not
129 limited to, collegiate, high school and youth sports or athletic events or Olympic sports or
130 athletic events.

131 “Sports governing body”, a sports organization that has a regulatory, sanctioning or
132 organizing function for a specific sporting event including, but not be limited to, a professional
133 sports organization as defined in 28 U.S.C. 3701(3) and a national governing body as defined in
134 36 U.S.C. 220501(b)(9).

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

136 “Sports wagering”, the business of accepting wagers on sporting events or portions of
137 sporting events, the individual performance statistics of athletes in a sporting event or any
138 combination thereof by any system or method of wagering approved by the commission
139 including, but not limited to, a mobile application or other digital platform; provided, however,

140 that “sports wagering” shall include, but not be limited to, single-game bets, teaser bets, parlays,
141 over-under, moneyline, pools, exchange wagering, in-game wagering, in-play bets, proposition
142 bets and straight bets; provided further, that “sports wagering” shall not include the acceptance
143 of a wager on injuries, penalties, player discipline or replay review; and provided further, that
144 “sports wagering” shall not include fantasy contests as defined in section 11M½ of chapter 12.

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

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

153 Section 3. (a) The commission shall regulate the conduct of sports wagering under this
154 chapter.

155 (b) The commission shall promulgate rules and regulations necessary for the
156 implementation, administration and enforcement of this chapter. The commission may
157 promulgate emergency rules and regulations in accordance with applicable procedures for the
158 promulgation of emergency rules and regulations.

159 (c) The commission shall promulgate regulations to prohibit: (i) the purchase or other use
160 of any personal biometric data of an athlete for sports wagering or aiding a patron in placing a
161 wager with sports wagering operators; (ii) advertising, marketing or branding in a manner that is

162 deceptive, false, misleading or untrue or that tends to deceive or create a misleading impression
163 whether directly or by ambiguity or omission; (iii) the use of unsolicited pop-up advertisements
164 on the internet or by text message; (iv) any form of advertising, marketing or branding that is
165 determined by the commission to disrupt the ability of a viewer, at a sporting event or remotely,
166 to watch, listen to or otherwise experience a sporting event; (v) advertising, marketing and
167 branding deemed to appeal directly to a person younger than 21 years old; (vi) advertising,
168 marketing or branding, including statements by an operator, that makes any false or misleading
169 statements concerning other operators and the conduct and products of such other operators; (vii)
170 advertising, marketing and branding through certain identified promotional items that, as
171 determined by the commission, tend to increase the likelihood of problem gambling, which may
172 include giveaways, coupons or promotional gaming credits; (viii) advertising on billboards or
173 any other public signage that does not comply with federal, state or local law; (ix) advertising on
174 television during the live broadcast or online streaming of a sporting event, to the extent
175 practicable, including the period beginning 5 minutes before the start of the sporting event and
176 ending 5 minutes after the end of the sporting event; and (x) advertising, marketing and branding
177 by means of television, radio or internet, to the extent practicable, unless at least 85 per cent of
178 the audience is reasonably expected to be 21 years of age or older, as determined by reliable, up-
179 to-date audience composition data.

180 (d)(1) The commission may promulgate rules and regulations regarding: (i) the
181 acceptance of wagers on a sporting event or series of sporting events; (ii) types of wagering
182 receipts that may be used; (iii) methods of issuing receipts; (iv) methods of accounting to be used
183 by operators; (v) types of records that shall be kept; (vi) types of systems for wagering; and (vii)
184 any other sports wagering-related issues.

185 (2) The commission shall promulgate rules and regulations regarding protections for
186 patrons placing wagers and the promotion of social responsibility and responsible gambling that
187 shall include, but not be limited to, a requirement that an operator: (i) implement responsible
188 gaming programs that include comprehensive employee trainings on responding to
189 circumstances in which individuals present signs of a gambling addiction; (ii) assess, prevent and
190 address problem gaming by an operator’s consumers; (iii) permit a consumer to permanently
191 close an account registered to the consumer on any or all platforms owned or operated by the
192 operator at any time and for any reason; (iv) offer consumers access to their account history and
193 account details; (v) refrain from making claims as to a consumer’s winnings or money earned
194 that is not net of wagers placed; (vi) allow a consumer to withdraw funds without further
195 solicitations or promotion; (vii) annually submit a problem gaming plan for approval by the
196 commission, in consultation with the department of public health, that includes the objectives of
197 and timetables for implementing the plan, identification of the persons responsible for
198 implementing and maintaining the plan, procedures for identifying consumers with suspected or
199 known problem gaming behavior, procedures for providing information to consumers concerning
200 problem gaming identification and resources, procedures to prevent gaming by minors and self-
201 excluded persons and any other information the commission may require; and (viii) shall not
202 offer or provide a line of credit to any consumer.

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

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

210 (f) The commission shall levy and collect all fees, surcharges, civil penalties and taxes on
211 adjusted gross sports wagering receipts imposed by this chapter, except as otherwise provided in
212 this chapter. All such fees, surcharges, civil penalties and taxes shall revert to the General Fund
213 unless otherwise specified in this chapter; provided however, that 9 per cent of said fees,
214 surcharges, civil penalties and taxes shall be deposited in the public health trust fund established
215 under section 58 of chapter 23K.

216 (g) The commission may enforce this chapter and any rule or regulation of the
217 commission and may request that the attorney general bring an action to enforce this chapter or
218 any rule or regulation of the commission by civil action or petition for injunctive relief.

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

222 (i) The commission may exercise any other powers necessary or convenient to carry out
223 and effectuate the commission's purposes including, but not limited to, the power to: (i) develop
224 criteria, in addition to those outlined in this chapter, to assess which applications for an operator
225 license will provide the highest and best value to the commonwealth and the region in which in-
226 person sports wagering is to be operated; and (ii) demand access to and inspect, examine,
227 photocopy and audit all papers, books and records of any affiliate of an operator that the
228 commission suspects is involved in the financing, operation or management of the operator;

229 provided, however, that the inspection, examination, photocopying or audit shall take place on
230 the affiliate's premises or elsewhere, as practicable, and in the presence of the affiliate or the
231 affiliate's agent.

232 Section 4. (a) A person shall not engage in any activity in connection with sports
233 wagering in the commonwealth unless all required licenses have been obtained in accordance
234 with this chapter and the rules and regulations of the commission.

235 (b) The commission shall not grant an operator license until it determines that each
236 person who has control of the applicant meets all qualifications for licensure. For the purposes of
237 this chapter, the following shall be considered to have control of an applicant:

238 (i) a person who owns 10 per cent or more of a corporate applicant and who has the
239 ability to control the activities of the corporate applicant; provided, however, that a bank or other
240 licensed lending institution that holds a mortgage or other lien acquired in the ordinary course of
241 business shall not be considered to have control of an applicant;

242 (ii) a person who holds a beneficial or proprietary interest of 10 per cent or more of a
243 non-corporate applicant's business operation and who has the ability to control the activities of
244 the non-corporate applicant; and

245 (iii) at the commission's discretion, an executive, employee or agent having the power to
246 exercise significant influence over decisions concerning the applicant's sports wagering
247 operations in the commonwealth.

248 (c) A person having control of an applicant pursuant to subsection (b) shall submit to the
249 commission an application in a form determined by the commission. Each such person who is a

250 natural person shall also submit to the commission: (i) fingerprints for a national criminal records
251 check by the department of state police and the Federal Bureau of Investigation; and (ii) a signed
252 authorization for the release of the person's information by the department of state police and the
253 Federal Bureau of Investigation; provided, however, that a person having control of an applicant
254 who is a natural person that has submitted to a national criminal records check in any jurisdiction
255 within the previous year shall not be required to submit to another national criminal records
256 check if such person submits to the commission the results of the previous national criminal
257 records check.

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

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

263 Section 5. (a) A person with a category 1 license or category 2 license may operate sports
264 wagering.

265 (b)(1) The commission shall issue a category 1 license to a holder of a gaming license, as
266 defined in section 2 of chapter 23K, that meets the requirements of this chapter and the rules and
267 regulations of the commission.

268 (2)(A) The commission may issue not more than 6 category 2 licenses based on the
269 applications and competitive bids submitted to the commission; provided, however, that at least
270 1 category 2 license shall be made available in each region established in subsection (a) of
271 section 19 of chapter 23K. If the commission is not convinced that there is an applicant that has

272 both met the eligibility criteria and provided convincing evidence that the applicant will provide
273 value to the commonwealth and promote responsible sports wagering, a category 2 license shall
274 not be awarded. In selecting the locations of the category 2 licensed facilities, the commission
275 shall take into consideration the physical distance of the category 2 licensed facilities as they
276 relate to each other and to category 1 license facilities and how they maximize benefits to the
277 commonwealth.

278 (B) The commission shall establish a competitive application process for the issuance of
279 category 2 licenses. As a part of the application process, the commission shall require applicants
280 to submit a proposal. Each proposal shall be scored on the following factors: (i) economic
281 development, which shall include, but not be limited to: (A) capital investments, or commitments
282 for capital investments, made prior to or after the receipt of the license, which may include new
283 construction or improvements to existing infrastructure for the operation of sports wagering in
284 person at a facility and ancillary activities; (B) an estimate of the applicant's projected taxable
285 revenues from ancillary activities at the facility; (C) an estimate of the number of long-term
286 employees to be hired to support the operation of sports wagering and ancillary activities at the
287 facility and an estimate of the projected wages of such employees; (ii) specific efforts
288 demonstrating a commitment to responsible sports wagering and the mitigation of negative
289 economic and public health outcomes for consumers, including, but not limited to, self-exclusion
290 functionality, bet limits, wellness checks, financial health checks and cooling-off periods; (iii)
291 the promotion of diversity, equity and inclusion, which shall include, but not be limited to, the
292 inclusion of an affirmative action program of equal opportunity and an affirmative marketing
293 program that are consistent with the requirements for gaming licensees under clauses (20) to
294 (22), inclusive, of section 21 of chapter 23K; (iv) community support for the proposed in person

295 sports wagering facility demonstrated in a manner established by the commission; and (v) any
296 other factor the commission determines is necessary to maximize the benefits to the
297 commonwealth or to promote responsible sports wagering. The commission shall set
298 requirements concerning the size, furnishings and equipment of an in person sports wagering
299 facility and the minimum capital investment made or to be made in a sports wagering facility that
300 is necessary to ensure strong economic development; provided, however, that all sports wagering
301 at a sports wagering facility shall be done in person and not through an automated kiosk or other
302 computer terminal that is owned or operated by the operator unless the automated kiosk or
303 computer terminal is in the gaming area of a category 1 licensee or located in a portion of a
304 sports wagering facility limited to persons 21 years of age or older; provided further, that the
305 automated kiosk shall collect the same customer data that is required to be collected through a
306 mobile application or other digital platform under this chapter.

307 (C) The commission shall provide public notice of its intent to solicit applications and
308 competitive bids for category 2 licenses by posting the notice, application instructions and
309 materials on its website not less than 120 calendar days before the applications are due. Failure
310 by an applicant to submit all required information may result in the application being
311 disqualified. The commission may notify an applicant that the applicant's application is
312 incomplete and provide an opportunity to cure. Application instructions shall include a brief
313 overview of the selection process and how applications are scored.

314 (c) Prior to issuing an operator license, the commission shall commence an investigation
315 into the suitability of the applicant. The commission may use information obtained from the
316 applicant pursuant to chapter 23K, chapter 128A or chapter 128C or information from other
317 jurisdictions where the applicant is authorized to conduct sports wagering. In evaluating the

318 suitability of the applicant, the commission shall consider the overall reputation of the applicant
319 including, but not limited to:

320 (i) the integrity, honesty, good character and reputation of the applicant;

321 (ii) the financial stability, integrity and background of the applicant;

322 (iii) the business practices and the business ability of the applicant to establish and
323 maintain a successful sports wagering operation;

324 (iv) whether the applicant has a history of compliance with gaming or sports wagering
325 licensing requirements in other jurisdictions;

326 (v) whether the applicant, at the time of application, is a defendant in litigation involving
327 its business practices; and

328 (vi) the suitability of all parties in interest to the license, including affiliates and close
329 associates, and the financial resources of the applicant.

330 (d) The commission shall consider the rehabilitation of an applicant for a license and
331 shall not automatically disqualify an applicant if the applicant affirmatively demonstrates, by
332 clear and convincing evidence, that the applicant has financial responsibility, character,
333 reputation, integrity and general fitness as such to warrant belief by the commission that the
334 applicant will act honestly, fairly, soundly and efficiently as a licensee under this chapter. The
335 commission may deny an application, if the commission determines during its investigation that
336 an applicant has failed to: (i) establish the applicant's integrity or the integrity of any of the
337 applicant's affiliates, close associates or financial resources; (ii) demonstrate responsible
338 business practices in any jurisdiction; or (iii) overcome any other reason, as determined by the

339 commission, as to why it would be injurious to the interests of the commonwealth to award the
340 applicant an operator license.

341 (e) (1) The commission shall grant a category 1 license to a qualified applicant after the
342 applicant pays a \$5,000,000 licensing fee; provided, however, that the applicant shall meet the
343 requirements for licensure under this chapter and the rules and regulations of the commission.
344 The license shall be issued for a 5-year period and may be renewed for additional 5-year periods
345 upon payment of a \$5,000,000 renewal fee; provided, however, that the operator shall continue
346 to meet all requirements under this chapter and the rules and regulations of the commission.

347 (2) The commission may issue a category 2 license after the competitive application
348 process described in subparagraph (B) of paragraph (2) of subsection (b) and after the selected
349 applicant makes a payment of a \$5,000,000 licensing fee; provided, however, that the applicant
350 meets the requirements for licensure under this chapter and the rules and regulations of the
351 commission. The license shall be issued for a 5-year period and may be renewed for additional 5-
352 year periods upon payment of a \$5,000,000 renewal fee; provided, however, that an operator
353 continues to meet all requirements under this chapter and the rules and regulations of the
354 commission.

355 (3) The commission shall have full discretion as to whether to issue a license. Applicants
356 shall have no legal right or privilege to an operator license and shall not be entitled to any further
357 review if denied by the commission

358 (f) An operator shall submit to the commission such documentation or information as the
359 commission may require to demonstrate that the operator continues to meet the requirements of
360 this chapter and the rules and regulations of the commission.

361 (g) An operator shall not transfer an operator license, or any direct or indirect interest in
362 the operator license, without the majority approval of the commission. A person seeking to
363 acquire an operator license through a transfer shall qualify and otherwise be determined by the
364 commission to be eligible for licensure under this chapter. The commission may reject a
365 proposed license transfer or a proposed transfer of interest in the license to an unsuitable person,
366 as determined by the commission, and may reject a proposed transfer that, in the determination
367 of the commission, would be disadvantageous to the interests of the commonwealth. The
368 commission may promulgate regulations governing this process that may include the assessment
369 of a fee to reflect the cost associated with reviewing the proposed transfer. The commission may
370 also require the transferor, transferee or both to pay to the commission an amount representing
371 the commonwealth's share of the increased value for the transferred licenses or interest;
372 provided, however, that the commission shall consider the market value of the license or interest,
373 at the time the license or interest was acquired and at the time of the transfer, as a factor in
374 determining the amount of the payment. The commission may place additional conditions or
375 restrictions on a transfer that the commission considers suitable. Any payment collected by the
376 commission on behalf of the commonwealth based on the transfer shall be deposited in the same
377 manner as license fees are deposited.

378 (h) An application for an operator license and records and information provided to the
379 commission as part of the commission's regulatory oversight function shall be a public record
380 under clause twenty-sixth of section 7 of chapter 4 and section 10 of chapter 66; provided,
381 however, that trade secrets, competitively-sensitive or other proprietary information provided in
382 the course of an application for an operator license or as part of the commission's regulatory

383 oversight function under this chapter, the disclosure of which would place the applicant at a
384 competitive disadvantage, may be withheld from disclosure.

385 (i) No person shall hold, or have a controlling interest in, more than 1 operator license.
386 The commission shall not issue an operator license or permit the transfer of an operator license,
387 or a controlling interest therein, to a person that already has an operator license or a controlling
388 interest therein.

389 (j) An operator may enter into an agreement, subject to the approval of the commission,
390 with another person to operate sports wagering in person or through a mobile application or other
391 digital platform on behalf of the operator; provided, however, that the person who operates the
392 sports wagering shall be subject to any requirement imposed upon the operator under this chapter
393 that the commission determines is necessary to effectuate this chapter and the rules and
394 regulations of the commission.

395 Section 6. (a) An applicant for an operator license shall pay to the commission a
396 nonrefundable processing fee of \$200,000 for the costs associated with the processing of the
397 application and investigation of the applicant; provided, however, that if the costs of the
398 investigation exceed the initial application fee, the applicant shall pay the additional amount to
399 the commission not more than 30 days after notification of insufficient fees or the application
400 shall be rejected.

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

403 Section 7. (a) All persons employed by an operator to perform supervisory duties directly
404 related to the operation of sports wagering in the commonwealth shall maintain a valid

405 occupational license issued by the commission. The commission shall issue such occupational
406 license to a person who meets the requirements of this section.

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

411 (c) The commission shall not grant or renew an occupational license to a person who
412 holds a position of authority or influence sufficient to exert influence over the participants in a
413 sporting event including, but not limited to, coaches, managers, handlers and athletic trainers.

414 (d) An applicant for an occupational license shall submit any required application form
415 established by the commission and shall pay a nonrefundable application fee of \$100. An
416 employer may pay the application fee on behalf of an applicant.

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

421 (f) All fees in this section shall be deposited into the Sports Wagering Control Fund
422 established in section 14.

423 Section 8. (a) The commission may deny a license to any applicant, reprimand any
424 licensee or suspend or revoke a license if the applicant or licensee:

425 (i) has knowingly made a false statement of a material fact to the commission;

426 (ii) has had a license revoked by any governmental authority responsible for regulation of
427 gaming activities;

428 (iii) has been convicted of a felony or other crime involving embezzlement, theft, fraud,
429 perjury or a gambling-related offense;

430 (iv) has not demonstrated to the satisfaction of the commission financial responsibility
431 sufficient to adequately meet the requirements of the proposed enterprise;

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

435 (vi) in the case of an operator or an applicant for an operator license, is not the true owner
436 of the business or is not the sole owner and has not disclosed the existence or identity of other
437 persons who have an ownership interest in the business.

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

440 Section 9. (a) An operator shall adopt comprehensive house rules for game play
441 governing sports wagering transactions with the operator's patrons. The house rules shall specify
442 the amounts to be paid on winning wagers and the effect of sports event schedule changes. An
443 operator shall not conduct sports wagering until the commission has approved the house rules
444 and an operator shall not conduct sports wagering in a manner inconsistent with approved house
445 rules.

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

449 Section 10. (a) An operator shall:

450 (i) prohibit the operator, directors, officers, owners and employees of the operator and
451 any relative living in the same household as any such person from placing bets with the operator;

452 (ii) prohibit athletes, coaches, referees, team owners, employees of a sports governing
453 body or its member teams and player and referee union personnel from wagering on any sporting
454 event of their sport's governing body; provided, however, that the operator shall use lists of such
455 persons that a sports governing body may provide to the commission to determine which persons
456 are excluded from placing wagers under this subsection;

457 (iii) prohibit any individual with access to non-public confidential information held by
458 the operator from placing wagers with the operator;

459 (iv) prohibit persons from placing wagers as agents or proxies for others; and

460 (v) employ commercially reasonable methods to maintain the security of wagering data,
461 customer data and other confidential information from unauthorized access and dissemination;
462 provided, however, that nothing in this chapter shall preclude the use of internet or cloud-based
463 hosting of such data and information or disclosure as required by court order, other law or this
464 chapter; and provided further, that such data and information shall be hosted in the United States.

465 (b) A sports governing body or players association representing athletes who participate
466 in sporting events of the sports governing body may submit to the commission, in writing, by

467 providing notice in a form and manner as the commission may require, a request to restrict, limit
468 or exclude a certain type, form or category of sports wagering with respect to sporting events of
469 the sports governing body, if the sports governing body or players association believes that such
470 type, form or category of sports wagering with respect to sporting events of the sports governing
471 body: (i) is contrary to public policy; (ii) unfair to consumers; (iii) may undermine the perceived
472 integrity of the sports governing body, sporting events of the sports governing body or the
473 athletes participating therein; or (iv) affects the integrity of the sports governing body or sporting
474 events of the sports governing body or the athletes participating therein.

475 The commission shall request comment from operators on all such requests. After giving
476 due consideration to all comments received, the commission shall, upon a demonstration of good
477 cause from the requestor, grant the request. The commission shall respond to a request
478 concerning a particular event before the start of the event or, if it is not feasible to respond before
479 the start of the event, not later than 7 days after the request is made; provided, however, that if
480 the commission determines that the requestor is more likely than not to prevail in successfully
481 demonstrating good cause for its request, the commission may provisionally grant the request
482 until the commission makes a final determination as to whether the requestor has demonstrated
483 good cause. Absent a provisional grant by the commission, an operator may continue to offer
484 sports wagering on sporting events that are the subject of a request during the pendency of the
485 consideration of the applicable request.

486 (c) The department of state police shall have primary responsibility for conducting, or
487 assisting the commission in conducting, investigations into abnormal betting activity, match
488 fixing and other conduct that corrupts a betting outcome of a sporting event for purposes of
489 financial gain.

490 (d) The commission and operators shall use commercially reasonable efforts to cooperate
491 with investigations conducted by sports governing bodies or law enforcement agencies,
492 including, but not limited to, using commercially reasonable efforts to provide or facilitate the
493 provision of anonymized account-level betting information and audio or video files relating to
494 persons placing wagers. All disclosures under this section are subject to the obligation of an
495 operator to comply with all federal, state and local laws and regulations, including, but not
496 limited to, laws and regulations relating to privacy and personally identifiable information.

497 (e) An operator shall immediately report to the commission any information relating to:

498 (i) criminal or disciplinary proceedings commenced against the operator in connection
499 with its operations;

500 (ii) abnormal betting activity or patterns that may indicate a concern with the integrity of
501 a sporting event;

502 (iii) any potential breach of the internal rules and codes of conduct pertaining to sports
503 wagering of a relevant sports governing body;

504 (iv) any prohibited conduct including, but not limited to, match fixing; or

505 (v) suspicious or illegal wagering activities, including, but not limited to: (A) use of funds
506 derived from illegal activity; (B) wagers to conceal or launder funds derived from illegal activity;
507 (C) use of agents to place wagers; and (D) use of false identification.

508 An operator shall immediately report information relating to conduct described in clauses
509 (ii), (iii) and (iv) of this subsection to the relevant sports governing body.

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

515 (g) With respect to any information provided by an operator to a sports governing body
516 relating to conduct described in clauses (ii), (iii) and (iv) of subsection (e), a sports governing
517 body shall:

518 (i) only use such information for integrity purposes and shall not use the information for
519 any commercial or other purpose; and

520 (ii) maintain the confidentiality of such information, unless disclosure is required by this
521 chapter, the commission, other law or court order or unless the operator consents to disclosure;
522 provided, however, that the sports governing body may make any disclosure necessary to
523 conduct and resolve integrity-related investigations and may publicly disclose such information
524 if required by its integrity policies or if deemed by the sports governing body in its reasonable
525 judgment to be necessary to maintain the actual or perceived integrity of its sporting events, and
526 subject in all cases to the sports governing body's compliance with federal, state and local laws
527 and regulations, including, but not limited to, laws and regulations relating to privacy and
528 personally identifiable information; and provided further, that prior to any such public disclosure
529 that would identify the operator by name, the sports governing body shall provide the operator
530 with notice of such disclosure and an opportunity to object to such disclosure.

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

540 (i) An operator shall use commercially reasonable efforts to maintain, in real time and at
541 the account level, anonymized information for each patron, including: (i) the amount and type of
542 bet; (ii) the time the bet was placed; (iii) the location of the bet, including the internet protocol
543 address if applicable; (iv) the outcome of the bet; and (v) records of abnormal betting activity.
544 The commission may request the information in the form and manner as it requires. Nothing in
545 this section shall require an operator to provide any information prohibited by federal, state or
546 local laws or regulations, including, but not limited to, laws and regulations relating to privacy
547 and personally identifiable information.

548 (j) If a sports governing body has notified the commission and demonstrated a need for
549 access to the information described in subsection (i) for wagers placed on sporting events of the
550 sports governing body for integrity monitoring purposes and demonstrated the capability to use
551 the data for the purpose of effectively monitoring the integrity of sporting events of the sports
552 governing body, an operator shall share, in a commercially reasonable frequency, form and
553 manner, with the sports governing body or its designee the same information the operator is

554 required to maintain pursuant to said subsection (i) with respect to sports wagers on sporting
555 events of the sports governing body. A sports governing body and its designee shall only use
556 information received pursuant to this section for integrity-monitoring purposes and shall not use
557 information received pursuant to this section for any commercial or other purpose. Nothing in
558 this section shall require an operator to provide any information that is prohibited by federal,
559 state or local law or regulation, including, but not limited to, laws and regulations relating to
560 privacy and personally identifiable information.

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

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

568 Section 11. An operator shall:

569 (i) employ a monitoring system utilizing software to identify irregularities in volume or
570 changes in odds that could signal suspicious activities and promptly report such information to
571 the commission for further investigation; provided, however, that system requirements and
572 specifications shall be developed according to industry standards and implemented by the
573 commission as part of the minimum internal control standards;

574 (ii) promptly report to the commission any facts or circumstances related to the operation
575 of a sports wagering license that constitute a violation of state or federal law and promptly report

576 to the appropriate state or federal authorities any suspicious betting over a threshold set by the
577 operator that has been approved by the commission;

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

580 (iv) keep current in all payments and obligations to the commission;

581 (v) prevent any person from tampering or interfering with the operation of any sports
582 wagering;

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

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

586 (viii) maintain daily records showing the gross sports wagering receipts and adjusted
587 gross sports wagering receipts of the operator from sports wagering; and

588 (ix) timely file with the commission any additional reports required by rule, regulation or
589 this chapter.

590 Section 12. (a) An operator may accept wagers on sporting events in person at a facility
591 approved by the commission.

592 (b) An operator may accept wagers on sporting events from individuals physically
593 located within the commonwealth using mobile applications or digital platforms approved by the
594 commission through the patron's sports wagering account. The branding for each mobile
595 application or digital platform shall be determined by the operator. A bet authorized pursuant to
596 this section shall be initiated, received and otherwise made within the commonwealth. Consistent

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

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

605 (d) An operator shall not accept: (i) a wager from a person who is less than 21 years of
606 age; or (ii) a credit card for the purpose of placing a sports wager or depositing credit into the
607 person's account; provided, however, that this clause shall not exclude the use of debit cards.

608 (e)(1) The commission may establish a list of persons who are to be excluded from the
609 play or operation of any sports wagering in a manner and to an extent that is consistent with the
610 process for establishing a list of excluded persons under section 45 of chapter 23K. A list of all
611 excluded persons shall be kept by the commission and provided to each operator. A person on
612 the exclusion list shall not be permitted to participate in sports wagering pursuant to this chapter.

613 (2) The commission shall establish a list of self-excluded persons from sports wagering.
614 A person may request that their name be placed on the list of self-excluded persons by filing a
615 statement with the commission acknowledging that they are a problem gambler and by agreeing
616 that, during any period of voluntary exclusion, they shall not collect any winnings or recover any
617 losses resulting from any sports wagering or from any gaming activity at a gaming
618 establishment, as defined in section 2 of chapter 23K; provided, however, that any person that is

619 on the list of self-excluded persons from gaming establishments required in section 45 of said
620 chapter 23K shall be included on the list of self-excluded persons from sports wagering, subject
621 to the rules and regulations of the commission. The commission shall adopt regulations for the
622 self-excluded persons list including procedures for placement, removal and transmittal of the list
623 to operators; provided, however, that the list may include substantially similar rules,
624 requirements or procedures promulgated pursuant to said section 45 of said chapter 23K. The
625 commission may revoke, limit, condition, suspend or fine an operator if the operator knowingly
626 or recklessly fails to exclude or eject from its premises any person placed on the list of self-
627 excluded persons. The list of self-excluded persons from sports wagering shall not be open to
628 public inspection.

629 (3) An operator that operates sports wagering through a mobile application or other
630 digital platform shall require patrons to set self-imposed limitations on sports wagering when the
631 patron joins the mobile application or digital platform. The commission shall establish the
632 limitations, which may include, but shall not be limited to: (i) setting daily, weekly or monthly
633 limits on the size of deposits; (ii) setting a system-wide or product-based limit on the amount of
634 time or money spent on the mobile application or digital platform; (iii) the ability to self-block
635 from a particular game or game types; and (iv) setting a self-imposed time-out. Notwithstanding
636 the forgoing, when a patron's lifetime deposits exceed \$2,500, the operator shall prevent any
637 further sports wagering until: (A) the patron acknowledges that the patron has met the deposit
638 threshold; (B) the patron is given the opportunity to establish self-imposed limitations on sports
639 wagering or to close the account; and (C) the patron has received problem gaming resources
640 from the operator. Once a patron has reached the \$2,500 lifetime deposit threshold, the patron
641 shall annually make the acknowledgement required by in clause (A).

642 (f) An employee shall not place a sports wager at any facility or through any mobile
643 application or digital platform owned or operated by the employee's employer.

644 (g) Sections 24, 24A and 27 of chapter 10 shall not apply to an operator conducting
645 sports wagering in accordance with this chapter.

646 Section 13. (a) An excise is hereby imposed upon sports wagering operators in the
647 commonwealth at the rate of: (i) 20 per cent of an operator's adjusted gross sports wagering
648 receipts from the operation of in-person sports wagering; (ii) 35 per cent of an operator's
649 adjusted gross sports wagering receipts from the operation of sports wagering through a mobile
650 application or other digital platform approved by the commission; and (iii) 35 per cent of the
651 adjusted gross fantasy wagering receipts of a person or entity that offers fantasy contests, as
652 defined in section 11M½ of chapter 12; provided, however, that the cash method of accounting
653 shall be used for purposes of calculating the amount of the tax owed by the operator. The excise
654 shall be paid to the commission at the time provided for filing the return pursuant to subsection
655 (b).

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

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

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

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

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

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

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

675 (d) Annually, not later than July 1, the commission shall publish a report stating the
676 amount in fees, surcharges and civil penalties received from operators and taxes received from
677 operators and from people or entities that offer fantasy contests, as defined in section 11M½ of
678 chapter 12.

679 Section 14. (a) There shall be established and set up on the books of the commonwealth a
680 separate fund to be known as the Sports Wagering Control Fund. The commission shall be the
681 trustee of the fund and shall expend money to finance operational activities of the commission
682 pertaining to sports wagering. The fund shall be credited with: (i) any appropriation, bond
683 proceeds or other monies authorized by the general court and specifically designated to be

684 credited thereto; (ii) the proceeds of any fees collected pursuant to this section unless otherwise
685 specified; (iii) fees collected pursuant to sections 6 and 7; and (iv) such additional funds as are
686 subject to the direction and control of the commission. All available money in the fund that are
687 unexpended at the end of each fiscal year shall not revert to the General Fund and shall be
688 available for expenditure in the subsequent fiscal year.

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

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

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

704 (e) The commission shall annually assess and collect a \$1,000,000 fee collected from
705 among all operators divided in a manner to be determined by the commission. The fee collected

706 pursuant to this subsection shall be deposited into the Public Health Trust Fund established in
707 section 58 of chapter 23K and shall be used for the costs of services and public health programs
708 provided for in said section 58 of said chapter 23K.

709 Section 15. (a) The commission may assess a civil administrative penalty on an operator
710 who fails to comply with any provision of this chapter, house rules or any regulation or order
711 adopted by the commission; provided, however, that the noncompliance shall have occurred after
712 the commission has given such operator written notice of the noncompliance and the time stated
713 in the notice for coming into compliance has elapsed; provided further, that the commission may
714 assess a penalty without providing written notice if the failure to comply: (i) was part of a pattern
715 of noncompliance and not an isolated instance; (ii) was willful or neglectful and not the result of
716 error; (iii) resulted in a significant breach to the integrity of the operator or the sports wagering
717 laws of the commonwealth; or (iv) consisted of failure to promptly report to the commission any
718 knowledge of evidence or circumstances that would cause a reasonable person to believe that a
719 violation of this chapter had been committed. The civil administrative penalty shall be in
720 addition to any other civil penalty that may be prescribed by law.

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

729 regulate sports wagering in the commonwealth and enforce any regulation, license or order. If an
730 operator that has received a notice of noncompliance fails to come into compliance within the
731 time period stated in the notice, the civil administrative penalty may be assessed by the
732 commission upon the operator from the date of receipt of such notice.

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

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

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

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

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

773 bond payable directly to the commonwealth in the amount of 125 per cent of the assessed
774 penalty.

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

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

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

803 Section 16. (a) A person, other than an operator under this chapter, who engages in
804 accepting, facilitating or operating a sports wagering operation shall be punished by
805 imprisonment in the house of correction for not more than 90 days or by a fine not to exceed
806 \$10,000 or both such fine and imprisonment.

807 (b) A person convicted of a second violation of subsection (a) shall be punished by
808 imprisonment in the house of correction for not more than 6 months or by a fine of not more than
809 \$50,000 or both such fine and imprisonment.

810 (c) A person convicted of a third or subsequent violation of subsection (a) shall be
811 punished by imprisonment in the state prison for not less than 1 but not more than 5 years or by a
812 fine of not less than \$25,000 and not more than \$100,000 or both such fine and imprisonment.

813 Section 17. An operator shall not discharge, demote, suspend, threaten, harass or in any
814 other manner discriminate against an employee because of any lawful act done by the employee
815 to provide information, cause information to be provided or otherwise assist in an investigation

816 regarding any conduct that the employee reasonably believes constitutes a violation of this
817 chapter.

818 Section 18. (a) Prior to disbursement of cash or a prize in excess of \$5,000, an operator
819 shall review information made available by the IV–D agency, as set forth in chapter 119A and by
820 the department of revenue to determine if the winner of the cash or prize owes any past-due: (i)
821 child support to the commonwealth or to an individual to whom the IV–D agency is providing
822 services; or (ii) tax liability to the commonwealth.

823 (b)(1) If an operator determines that the winner of the cash or prize owes past-due child
824 support or past-due tax liability, the operator shall notify the IV–D agency or the commonwealth,
825 as applicable, of the winner’s name, address and social security number.

826 (2) Subsequent to statutory state and federal tax withholding, the operator shall first
827 disburse to the IV–D agency the full amount of the cash or prize or such portion of the cash or
828 prize that satisfies the winner's past-due child support obligation.

829 (3) If funds remain available after the disbursement to the IV–D agency or if no such
830 obligation to the IV–D agency is owed, the operator shall disburse to the department of revenue
831 the full amount of the cash or prize or such portion of the cash prize that satisfies the winner’s
832 past-due tax liability.

833 (4) The operator shall disburse to the winner only that portion of the prize, if any,
834 remaining after the holder's past-due child support obligation and the winner’s past-due tax
835 liability have been satisfied.

836 Section 19. (a) Annually, not later than February 28, each operator shall submit a report
837 to the commission that shall include: (i) the total amount of sports wagers received; (ii) the total
838 amount of winning wagers and prizes awarded to consumers; (iii) the total amount of sports
839 wagering gross revenue received by the operator; (iv) the total amount of sports wagers received
840 on each sporting event; (v) the total number of accounts held by consumers; (vi) the total number
841 of new accounts established in the preceding year, as well as the total number of accounts
842 permanently closed in the preceding year; (vii) the total number of consumers that requested to
843 exclude themselves in a prior year who participated in sports wagering; and (viii) any additional
844 information that the commission deems necessary

845 Section 20. Nothing in this chapter shall authorize any person or entity that offers fantasy
846 contests for a cash prize to members of the public pursuant to and in accordance with regulations
847 promulgated by the attorney general to conduct sports wagering unless the person or entity
848 separately qualifies for and obtains an operator license under this chapter.

849 Section 21. (a) The commission shall develop an annual research agenda in order to
850 understand the social and economic effects of sports wagering in the commonwealth and to
851 obtain scientific information relative to the neuroscience, psychology, sociology, epidemiology
852 and etiology of sports wagering. The secretary of health and human services, with the advice and
853 consent of the commission, may expend funds from the Public Health Trust Fund established in
854 section 58 of chapter 23K to implement the objectives of the sports wagering research agenda;
855 provided, however, that the objectives of the sports wagering research agenda shall, to the extent
856 practicable, be substantially similar to the objectives of the research agenda established under
857 section 71 of said chapter 23K. The sports wagering research agenda shall also include, but not
858 be limited to: (i) an assessment of whether problem sports wagering is comorbid with problem

859 gambling; (ii) an assessment as to whether the individuals participating in sports wagering are
860 different than those who participate in other forms of gaming or gambling; (iii) an assessment of
861 the impact of sports wagering on youth under the age of 25; (iv) an assessment of the impacts of
862 sports wagering on college athletics and professional sports; and (v) the costs of implementing
863 this chapter.

864 (b) Annually, the commission shall make scientifically-based recommendations that
865 reflect the results of the research under clause (a) to the clerks of the senate and house of
866 representatives, the senate and house committees on ways and means, the joint committee on
867 economic development and emerging technologies, the joint committee on mental health,
868 substance use and recovery and the joint committee on public health. The commission shall
869 consider any such recommendations, research and findings in all decisions related to enhancing
870 responsible gambling and mitigating problem sports wagering.

871 Section 22. Notwithstanding any general or special law to the contrary, a federally
872 recognized Indian tribe that has entered into a compact with the commonwealth in accordance
873 with the Indian Gaming Regulatory Act and section 91 of chapter 194 of the acts of 2011 may
874 conduct sports wagering in the same manner and to the same extent as a person with a category 1
875 license; provided, however, that sports wagering conducted by such an Indian tribe through a
876 mobile application or other digital platform shall be governed as a form of internet gaming as
877 defined in the existing compact.

878 Section 23. Notwithstanding any general or special law or rule or regulation to the
879 contrary, an operator shall supply the commission with customer tracking data collected or
880 generated by loyalty programs, player tracking software, player card systems, online gambling or

881 sports wagering transactions or any other information system. The commission shall contract
882 with an experienced nonprofit research entity to develop an anonymizing system that
883 automatically removes from the data personally identifying information, including consumer
884 name, street address, bank or credit information and the last 4 digits of a player's zip code, in
885 compliance with section 2 of chapter 93H. The data shall retain information on consumer
886 characteristics including, but not limited to, gender, age and region of residence, consumer
887 behavior including, but not limited to, frequency of play, length of play, speed of play,
888 denomination of play, amounts wagered. The commission shall convey the anonymized data to a
889 research facility which shall make the data available to qualified researchers for the purposes of:
890 (1) conducting analyses that improve understanding of how gambling addiction develops and
891 progresses; (2) developing evidence-based harm minimization strategies; and (3) developing
892 evidence-based systems to monitor, detect and intervene in high-risk gambling. The commission
893 shall request reports on researcher analyses of the behavioral data, which may provide informed
894 recommendations to the general court relative to more effective regulation of gambling
895 operations. The commission may directly initiate studies assessing the effectiveness of any
896 specific measures, programs or interventions which the commonwealth has implemented in
897 gaming operations and which might be illuminated through the behavioral data in question.

898 SECTION 9. Chapter 128C of the General Laws is hereby amended by adding the
899 following section:-

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

904 SECTION 10. Section 1 of chapter 137 of the General Laws, as appearing in the 2020
905 Official Edition, is hereby amended by inserting after the figure “23K”, in line 3, the following
906 words:- or sports wagering conducted pursuant to chapter 23N.

907 SECTION 11. Section 2 of said chapter 137, as so appearing, is hereby amended by
908 inserting after the figure “23K”, in line 3, the following words:- or an operator who offers sports
909 wagering pursuant to chapter 23N.

910 SECTION 12. Section 3 of said chapter 137, as so appearing, is hereby amended by
911 inserting after the figure “23K”, in line 7, the following words:- or sports wagering conducted
912 pursuant to chapter 23N.

913 SECTION 13. Section 1 of chapter 271 of the General Laws, as so appearing, is hereby
914 amended by striking out, in line 4, the words “chapter 23K” and inserting in place thereof the
915 following words:- chapters 23K and 23N.

916 SECTION 14. Section 2 of said chapter 271, as so appearing, is hereby amended by
917 striking out, in line 4, the words “chapter 23K” and inserting in place thereof the following
918 words:- chapters 23K and 23N.

919 SECTION 15. Section 3 of said chapter 271, as so appearing, is hereby amended by
920 striking out, in line 1, the words “chapter 23K” and inserting in place thereof the following
921 words:- chapters 23K and 23N.

922 SECTION 16. Section 5 of said chapter 271, as so appearing, is hereby amended by
923 striking out, in line 1, the words “chapter 23K” and inserting in place thereof the following
924 words:- chapters 23K and 23N.

925 SECTION 17. Section 5A of said chapter 271, as so appearing, is further amended by
926 inserting after the words “chapter 23K”, in line 32, the following words:- or sports wagering
927 conducted pursuant to chapter 23N.

928 SECTION 18. Section 5B of said chapter 271, as so appearing, is hereby amended by
929 striking out, in line 58, the words “chapter 23K” and inserting in place thereof the following
930 words:- chapters 23K and 23N.

931 SECTION 19. Section 8 of said chapter 271, as so appearing, is hereby amended by
932 striking out, in lines 10 to 11, the words “other game of chance that is not being conducted in a
933 gaming establishment licensed under chapter 23K” and inserting in place thereof the following
934 words:- other game that is not being conducted pursuant to chapter 23K or any other sports
935 wagering that is not being conducted pursuant to chapter 23N.

936 SECTION 20. Section 17 of said chapter 271, as so appearing, is hereby amended by
937 inserting after the words “chapter 23K”, in line 27, the following words:- or for the purpose of
938 sports wagering conducted in accordance with chapter 23N.

939 SECTION 21. Said chapter 271 is hereby further amended by striking out section 17A, as
940 so appearing, and inserting in place thereof the following section:-

941 Section 17A. Except as permitted under chapter 23N, whoever uses a telephone, internet
942 or other communications technology or, being the occupant in control of premises where a
943 telephone, internet or other communications technology is located or a subscriber for such
944 communications technology, knowingly permits another to use a telephone, internet or other
945 communications technology so located or for which such person subscribes, as the case may be,
946 for the purpose of accepting wagers or bets, or buying or selling of pools, or for placing all or

947 any portion of a wager with another, upon the result of a trial or contest of skill, speed or
948 endurance of man, beast, bird or machine, or upon the result of an athletic game or contest, or
949 upon the lottery called the numbers game, or for the purpose of reporting the same to a
950 headquarters or booking office, or who under another name or otherwise falsely or fictitiously
951 procures telephone, internet or other communications technology service for oneself or another
952 for such purposes, shall be punished by a fine of not more than \$2,000 or by imprisonment for
953 not more than 1 year.

954 SECTION 22. Section 19 of said chapter 271, as so appearing, is hereby amended by
955 inserting after the figure “23K”, in line 19, the following words:- and shall not apply to
956 advertising of sports wagering conducted pursuant to chapter 23N.

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

961 SECTION 24. Section 23 of said chapter 271, as so appearing, is hereby amended by
962 inserting after the figure “23K”, in line 31, the following words:- and shall not apply to sports
963 wagering conducted pursuant to chapter 23N.

964 SECTION 25. Section 27 of said chapter 271, as so appearing, is hereby amended by
965 inserting after the word “thereto”, in line 15, the following words:- ; provided, however, that this
966 section shall not apply to sports wagering conducting pursuant to chapter 23N.

967 SECTION 26. Section 28 of said chapter 271, as so appearing, is hereby amended by
968 inserting after the word “prescribed”, in line 12, the following words:- ; provided, however, that
969 this section shall not apply to sports wagering conducted pursuant to chapter 23N.

970 SECTION 27. Section 42 of said chapter 271, as so appearing, is hereby amended by
971 inserting after the word “both”, in line 4, the following words:- ; provided, however, that this
972 section shall not apply to sports wagering conducted pursuant to chapter 23N.

973 SECTION 28. Section 135 of chapter 219 of the acts of 2016 is hereby repealed.

974 SECTION 29. Notwithstanding any general or special law to the contrary, a person shall
975 not operate sports wagering through a mobile application or other digital platform under chapter
976 23N of the General Laws until the Massachusetts gaming commission completes an initial
977 competitive application process pursuant to paragraph (2) of subsection (a) of section 5 of said
978 chapter 23N; provided, however, that the initial competitive application process shall be
979 complete upon the issuance of a category 2 license or upon the certification from the commission
980 that none of the applications were accepted; provided further, that any such certification shall be
981 posted on the commission’s website.

982 SECTION 30. Sections 6 and 7 shall take effect on January 1, 2025.