

SENATE No. 3049

The Commonwealth of Massachusetts

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

1 by inserting after section ___ the following sections:-

2 "SECTION ___. Chapter 10 of the General Laws is hereby amended by striking out
3 section

4 24, as so appearing, and inserting in place thereof the following section:-

5 Section 24. (a) The commission is hereby authorized to conduct a state lottery and shall
6 determine: (i) the types of lotteries to be conducted; (ii) the prices of tickets or shares in the
7 lottery; (iii) the number and sizes of the prizes on the winning tickets or shares; (iv) the manner
8 of selecting the winning tickets or shares; (v) the manner of payment of prizes to the holders of
9 winning tickets or shares; (vi) the frequency of the drawings or selections of winning tickets or
10 shares; (vii) the types of locations at which tickets or shares may be sold; (viii) the method to be
11 used in selling tickets or shares; (ix) the licensing of agents to sell tickets or shares; provided,
12 however, that no person under the age of 18 shall be licensed as an agent; (x) the manner and
13 amount of compensation, if any, to be paid licensed sales agents; provided, however, that the
14 amount of compensation, if any, to be paid to licensed sales agents as a commission pursuant to
15 this section shall be calculated on the total face value of each ticket or share sold and not on any
16 discounted price of any such ticket or share sold; provided further, that the commission shall

17 authorize licensed sales agents to facilitate point of sale transactions using a debit card; and
18 provided further, that said commission shall prohibit point of sale transactions using credit cards
19 as defined in section 1 of chapter 140D and that point of sale transactions under this section shall
20 be subject to the restrictions pursuant to subsection (b) of section 5I of chapter 18; and (xi) such
21 other matters necessary or desirable for the efficient and economical operation and
22 administration of the lottery and for the convenience of the purchasers of tickets or shares and
23 the holders of winning tickets or shares. The commission is authorized to operate the daily
24 numbers game 7 days a week. Each physical state lottery ticket or share shall have imprinted
25 thereon the state seal and a serial number.

26 (b) The commission may establish, and from time to time revise, such rules and
27 regulations as it deems necessary or desirable and shall file the same with the office of the state
28 secretary; provided, however, that the commission shall establish rules and regulations for
29 lotteries conducted online, over the internet, through the use of a mobile application or through
30 any other means that shall, at a minimum: (i) require age verification measures to be reasonably
31 designed to block access to and prevent sales of lottery tickets, games or shares online, over the
32 internet, through the use of a mobile application or through any other means to persons under the
33 age of 18;

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

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

40 (iv) establish maximum limits for account deposits and transactions of lottery tickets,
41 games or shares conducted online, over the internet, through the use of a mobile
42 application or

43 through any other means and allow players to reduce their own deposit or transaction
44 limit at any
45 time;

46 (v) clarify that any cash deposited in a lottery account belongs solely to the owner of the
47 account and may be withdrawn by the owner at any time;

48 (vi) require the commission to implement promotional activities to encourage the
49 purchase of lottery tickets, games or shares through licensed sales agents including, but not
50 limited to, the sale of gift certificates as defined in section 1 of chapter 255D for lottery sales
51 through licensed sales agents.

52 (c) Notwithstanding any general or special law to the contrary, the name, address,
53 transaction history, account balance or other personal or identifying information of an individual
54 who purchases lottery tickets, games or shares online, over the internet, through the use of a
55 mobile application or through any other means shall not be deemed public records of the
56 commission for the purposes of section 10 of chapter 66; provided, however, that this section

57 shall not prohibit the commission from maintaining, using or sharing such information in the
58 course of an investigation by law enforcement or in compliance with sections 28A or 28B.

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

72 (e) The commission is authorized to carry on a continuous study and investigation of the
73 lottery throughout the commonwealth in order to: (i) ascertain any defects in the state lottery law
74 or in the rules and regulations issued thereunder whereby any abuse in the administration and
75 operation of the lottery or any evasion of said law or said rules and regulations may arise or be
76 practiced; (ii) formulate recommendations for changes in said law and the rules and regulations
77 promulgated thereunder to prevent such abuses and evasions; and (iii) guard against the use of
78 said law and rules and regulations issued thereunder as a cloak for the carrying on of organized
79 gambling and crime.

80 (f) The commission shall make a continuous study and investigation of: (i) the operation
81 and administration of similar laws in other states or countries; (ii) any literature on the subject
82 which from time to time may be published or available; (iii) any federal laws which may affect
83 the operation of the lottery; and (iv) the reaction of citizens of the commonwealth to existing and
84 potential features of the lottery with a view to recommending or effecting changes that will tend
85 to better serve and implement the purposes of the state lottery law.

86 (g)(i) There is hereby established within the commission a lottery advisory board. The
87 lottery advisory board shall be comprised, at minimum, of the following members: the director of
88 the lottery commission, or their designee; a representative from the New England Convenience
89 Stores and Energy Marketers Association, Inc.; a representative from the Retailers Association of
90 Massachusetts, Inc.; a representative from the Massachusetts Restaurants Association, two
91 representatives operating as licensed sales agents in a brick and mortar retail store and appointed
92 by the director of the commission; two representatives appointed by the Massachusetts
93 Municipal Association; a representative from the Massachusetts Council on Gaming and Health;
94 a representative from the Massachusetts Department of Public Health's Office of Problem
95 Gambling Services; and any other representative the commission deems is necessary to advance
96 the goals of the advisory board. All members of the lottery advisory board shall serve at the will
97 of their appointing authority.

98 (ii) The lottery advisory board shall advise and assist the commission in the development
99 and implementation of the lottery ecosystem comprised of traditional brick and mortar lotteries,
100 lotteries conducted online, over the internet and through the use of mobile phone applications.
101 The board shall review all processing fees associated with point of sale transactions using debit

102 cards and make recommendation on said processing fees and the implementation of use of debit
103 cards.

104 (iii) The lottery advisory board shall meet monthly during their first year of
105 implementation and thereafter at the discretion of the board, except that the board shall meet at a
106 minimum quarterly after its first year to advise and assist the commission in lottery
107 modernization and to review actions taken by the commission with respect to online lottery
108 development and implementation and to make advisory recommendations, as necessary.
109 Annually, at the first meeting of the advisory board, members of the advisory board shall elect a
110 chair. A majority of members of the advisory board shall be present for actions to be taken.

111 (h) The concurrence of the chairman and not less than 2 other members of the
112 commission shall be required for all official actions of the commission. A copy of the minutes of
113 each meeting of the commission, including any rules and regulations adopted by the commission
114 or any amendments thereof, shall be forthwith transmitted, by and under the certification of the
115 secretary thereof, to the governor.

116 (i) The commission shall have the power to issue subpoenas to compel the attendance of
117 witnesses and the production of documents, papers, books, records and other evidence before it
118 in any matter over which it has jurisdiction, control or supervision. The commission shall have
119 the power to administer oaths and affirmations to persons whose testimony is required.

120 SECTION ____ . Section 24A of said chapter 10, as so appearing, is hereby amended by
121 striking out subsection (a) and inserting in place thereof the following subsection:-

122 (a) For the purposes of this section, “group agreement” shall mean any lottery activity in
123 which the commission participates pursuant to a written agreement between the commission, on

124 behalf of the commonwealth, and any state, territory, country or other sovereignty. The
125 commission is hereby authorized to enter into agreements with 1 or more states or other
126 jurisdictions, hereinafter referred to as a group, for the purpose of creating and maintaining
127 multi-jurisdictional lottery games, including multi-jurisdictional lottery games to be conducted
128 online, over the internet, through the use of a mobile application or through any other means;
129 provided, that any such lottery game to be conducted online, over the internet, through the use of
130 a mobile application or through any other means has been properly authorized by each state or
131 other jurisdiction that is part of the group; provided further, that a group agreement shall not
132 include the state lottery games created pursuant to section 24; provided further, that nothing in
133 this section and nothing in a group agreement shall authorize the commission to make
134 expenditures that are not consistent with restrictions on expenditures by the commission
135 provided for in any other general or special law. The group shall determine the types of lotteries
136 to be conducted, the prices of tickets or shares, the manner of selecting the winning tickets or
137 shares, the manner of payment of prizes to the holders of winning tickets or shares and the
138 frequency of the drawings or selection of winning tickets or shares. The commission may
139 establish, and from time to time revise, such rules and regulations as it deems necessary or
140 desirable to carry out the group agreement

141 and shall file the same with the office of the state secretary.

142 SECTION _____. Said chapter 10, as so appearing, is hereby amended by striking out
143 section 25 and inserting in place thereof the following section:-

144 Section 25. (a) The apportionment of the total revenues accruing from the sale of lottery
145 tickets or shares and from all other sources at the point of sale at a licensed agent shall be as

146 follows: (i) the payment of prizes to the holders of winning tickets or shares which in any case
147 shall be no less than 45 per cent of the total revenues accruing from the sale of lottery tickets; (ii)
148 the payment of costs incurred in the operation and administration of the lottery, including the
149 expenses of the commission and the costs resulting from any contract or contracts entered into
150 for promotional, advertising or operational services or for the purchase or lease of lottery
151 equipment and materials, that in no case shall exceed 15 per cent of the total revenues accruing
152 from the sale of lottery tickets, subject to appropriation; and (iii) the balance shall be used to
153 fund budgeted aid to cities and towns as provided in section 18C of chapter 58, subject to
154 appropriation.

155 (b) The apportionment of the total revenues accruing from the sale of lotteries conducted
156 online, over the internet, through the use of a mobile application or through any other means as
157 authorized by section 24 except for those enumerated in clause (a) of this section shall be as
158 follows: (i) the payment of prizes to the holders of winning tickets or shares; (ii) the payment of
159 costs incurred in the operation and administration of such lotteries, including the expenses of the
160 commission and the costs resulting from any contract or contracts entered into for promotional,
161 advertising or operational services or for the purchase or lease of lottery equipment and
162 materials, that in no case shall exceed 15 per cent of the total revenues accruing from the sale of
163 lottery tickets, subject to appropriation."