

HOUSE No. 255

The Commonwealth of Massachusetts

PRESENTED BY:

Daniel Cahill

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

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

An Act relative to establishing an online lottery.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Daniel Cahill</i>	<i>10th Essex</i>	<i>1/19/2023</i>
<i>Lindsay N. Sabadosa</i>	<i>1st Hampshire</i>	<i>3/15/2023</i>

HOUSE No. 255

By Representative Cahill of Lynn, a petition (accompanied by bill, House, No. 255) of Daniel Cahill for legislation to establish an online lottery. Consumer Protection and Professional Licensure.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Third General Court
(2023-2024)**

An Act relative to establishing an online lottery.

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

1 SECTION 4A. Chapter 10 of the General Laws is hereby amended by striking out section
2 24, as so appearing, and inserting in place thereof the following section:-

3 Section 24. (a) The commission is hereby authorized to conduct a state lottery and shall
4 determine: (i) the types of lotteries to be conducted; (ii) the prices of tickets or shares in
5 the
6 lottery; (iii) the number and sizes of the prizes on the winning tickets or shares; (iv) the
7 manner
8 of selecting the winning tickets or shares; (v) the manner of payment of prizes to the
9 holders of

10 winning tickets or shares; (vi) the frequency of the drawings or selections of winning
11 tickets or
12 shares; (vii) the types of locations at which tickets or shares may be sold; (viii) the
13 method to be
14 used in selling tickets or shares; (ix) the licensing of agents to sell tickets or shares;
15 provided,
16 however, that no person under the age of 18 shall be licensed as an agent; (x) the manner
17 and
18 amount of compensation, if any, to be paid licensed sales agents; provided, however, that
19 the
20 amount of compensation, if any, to be paid to licensed sales agents as a commission
21 pursuant to
22 this section shall be calculated on the total face value of each ticket or share sold and not
23 on any
24 discounted price of any such ticket or share sold; provided further, that the commission
25 shall
26 authorize licensed sales agents to facilitate point of sale transactions using a debit card;
27 and
28 provided further, that said commission shall prohibit point of sale transactions using
29 credit cards

30 as defined in section 1 of chapter 140D and that point of sale transactions under this
31 section shall
32 be subject to the restrictions pursuant to subsection (b) of section 5I of chapter 18; and
33 (xi) such
34 other matters necessary or desirable for the efficient and economical operation and
35 administration of the lottery and for the convenience of the purchasers of tickets or shares
36 and
37 the holders of winning tickets or shares. The commission is authorized to operate the
38 daily
39 numbers game 7 days a week. Each physical state lottery ticket or share shall have
40 imprinted
41 thereon the state seal and a serial number.
42 (b) The commission may establish, and from time to time revise, such rules and
43 regulations as it deems necessary or desirable and shall file the same with the office of
44 the state
45 secretary; provided, however, that the commission shall establish rules and regulations
46 for
47 lotteries conducted online, over the internet, through the use of a mobile application or
48 through

49 any other means that shall, at a minimum:

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

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

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

62 (iv) establish maximum limits for account deposits and transactions of lottery tickets,
63 games or shares conducted online, over the internet, through the use of a mobile
64 application or
65 through any other means and allow players to reduce their own deposit or transaction
66 limit at any
67 time;

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

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

75 (c) Notwithstanding any general or special law to the contrary, the name, address,
76 transaction history, account balance or other personal or identifying information of an
77 individual

78 who purchases lottery tickets, games or shares online, over the internet, through the use
79 of a
80 mobile application or through any other means shall not be deemed public records of the
81 commission for the purposes of section 10 of chapter 66; provided, however, that this
82 section

83 shall not prohibit the commission from maintaining, using or sharing such information in
84 the
85 course of an investigation by law enforcement or in compliance with sections 28A or
86 28B.

87 (d) The commission shall advise and make recommendations to the director regarding the
88 operation and administration of the lottery. The commission shall report monthly to the
89 governor, the attorney general and the general court, the total lottery revenues, prize
90 disbursements and other expenses for the preceding month and shall make an annual
91 independently audited financial report to the same which shall include a full and
92 complete
93 statement of lottery revenues, prize disbursements and other expenses, including such
94 recommendations as it may deem necessary or advisable, which shall be made available
95 electronically to the general public not later than the earliest date established for reports
96 in
97 section 12 of chapter 7A. The commission shall report immediately to the governor and
98 the
99 general court any matters which require immediate changes in the laws of the
100 commonwealth in
101 order to prevent abuses and evasions of the lottery law or rules and regulations
102 promulgated
103 thereunder or to rectify undesirable conditions in connection with the administration or
104 operation
105 of the state lottery.

106 (e) The commission is authorized to carry on a continuous study and investigation of the
107 lottery throughout the commonwealth in order to: (i) ascertain any defects in the state
108 lottery law
109 or in the rules and regulations issued thereunder whereby any abuse in the administration
110 and
111 operation of the lottery or any evasion of said law or said rules and regulations may arise
112 or be
113 practiced; (ii) formulate recommendations for changes in said law and the rules and
114 regulations
115 promulgated thereunder to prevent such abuses and evasions; and (iii) guard against the
116 use of
117 said law and rules and regulations issued thereunder as a cloak for the carrying on of
118 organized
119 gambling and crime.

120 (f) The commission shall make a continuous study and investigation of: (i) the operation
121 and administration of similar laws in other states or countries; (ii) any literature on the
122 subject
123 which from time to time may be published or available; (iii) any federal laws which may
124 affect

125 the operation of the lottery; and (iv) the reaction of citizens of the commonwealth to
126 existing and
127 potential features of the lottery with a view to recommending or effecting changes that
128 will tend
129 to better serve and implement the purposes of the state lottery law.

130 (g)(i) There is hereby established within the commission a lottery advisory board. The
131 lottery advisory board shall be comprised, at minimum, of the following members: the director of
132 the lottery commission, or their designee; a representative from the New England Convenience
133 Stores and Energy Marketers Association, Inc.; a representative from the Retailers Association of
134 Massachusetts, Inc.; a representative from the Massachusetts Restaurants Association, two
135 representatives operating as licensed sales agents in a brick and mortar retail store and appointed
136 by the director of the commission; two representatives appointed by the Massachusetts
137 Municipal Association; a representative from the Massachusetts Council on Gaming and Health;
138 a representative from the Massachusetts Department of Public Health's Office of Problem
139 Gambling Services; and any other representative the commission deems is necessary to advance
140 the goals of the advisory board. All members of the lottery advisory board shall serve at the will
141 of their appointing authority.

142 (ii) The lottery advisory board shall advise and assist the commission in the development
143 and implementation of the lottery ecosystem comprised of traditional brick and mortar
144 lotteries,

145 lotteries conducted online, over the internet and through the use of mobile phone
146 applications.

147 The board shall review all processing fees associated with point of sale transactions using
148 debit

149 cards and make recommendation on said processing fees and the implementation of use
150 of debit

151 cards.

152 (iii) The lottery advisory board shall meet monthly during their first year of
153 implementation and

154 thereafter at the discretion of the board, except that the board shall meet at a minimum
155 quarterly after

156 its first year to advise and assist the commission in lottery modernization and to review
157 actions taken by the commission with respect to online lottery development and implementation
158 and to make advisory recommendations, as necessary. Annually, at the first meeting of the
159 advisory board, members of the advisory board shall elect a chair. A majority of members of the
160 advisory board shall be present for actions to be taken.

161 (h) The concurrence of the chairman and not less than 2 other members of the

162 commission shall be required for all official actions of the commission. A copy of the
163 minutes of

164 each meeting of the commission, including any rules and regulations adopted by the
165 commission
166 or any amendments thereof, shall be forthwith transmitted, by and under the certification
167 of the
168 secretary thereof, to the governor.

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

175 SECTION 4B. Section 24A of said chapter 10, as so appearing, is hereby amended by
176 striking out subsection (a) and inserting in place thereof the following subsection:-

177 (a) For the purposes of this section, “group agreement” shall mean any lottery activity in
178 which the commission participates pursuant to a written agreement between the
179 commission, on
180 behalf of the commonwealth, and any state, territory, country or other sovereignty. The
181 commission is hereby authorized to enter into agreements with 1 or more states or other

182 jurisdictions, hereinafter referred to as a group, for the purpose of creating and
183 maintaining
184 multi-jurisdictional lottery games, including multi-jurisdictional lottery games to be
185 conducted
186 online, over the internet, through the use of a mobile application or through any other
187 means;
188 provided, that any such lottery game to be conducted online, over the internet, through
189 the use of
190 a mobile application or through any other means has been properly authorized by each
191 state or
192 other jurisdiction that is part of the group; provided further, that a group agreement shall
193 not
194 include the state lottery games created pursuant to section 24; provided further, that
195 nothing in
196 this section and nothing in a group agreement shall authorize the commission to make
197 expenditures that are not consistent with restrictions on expenditures by the commission
198 provided for in any other general or special law. The group shall determine the types of
199 lotteries
200 to be conducted, the prices of tickets or shares, the manner of selecting the winning
201 tickets or

202 shares, the manner of payment of prizes to the holders of winning tickets or shares and
203 the
204 frequency of the drawings or selection of winning tickets or shares. The commission may
205 establish, and from time to time revise, such rules and regulations as it deems necessary
206 or
207 desirable to carry out the group agreement and shall file the same with the office of the
208 state
209 secretary.

210 SECTION 4C. Said chapter 10, as so appearing, is hereby amended by striking out
211 section 25 and inserting in place thereof the following section:-

212 Section 25. (a) The apportionment of the total revenues accruing from the sale of lottery
213 tickets or shares and from all other sources at the point of sale at a licensed agent shall be
214 as follows: (i)
215 the payment of prizes to the holders of winning tickets or shares which in any case shall
216 be no less
217 than 45 per cent of the total revenues accruing from the sale of lottery tickets; (ii) the
218 payment of
219 costs incurred in the operation and administration of the lottery, including the expenses of
220 the

221 commission and the costs resulting from any contract or contracts entered into for
222 promotional,
223 advertising or operational services or for the purchase or lease of lottery equipment and
224 materials, that in no case shall exceed 15 per cent of the total revenues accruing from the
225 sale of
226 lottery tickets, subject to appropriation; and (iii) the balance shall be used to fund
227 budgeted aid to
228 cities and towns as provided in section 18C of chapter 58, subject to appropriation.

229 (b) The apportionment of the total revenues accruing from the sale of lotteries conducted
230 online, over the internet, through the use of a mobile application or through any other
231 means as
232 authorized by section 24 except for those enumerated in clause (a) of this section shall be
233 as follows: (i) the payment of prizes to the holders of winning tickets or shares; (ii) the payment
234 of costs incurred in the operation and administration of such lotteries, including the expenses of
235 the commission and the costs resulting from any contract or contracts entered into for
236 promotional, advertising or operational services or for the purchase or lease of lottery equipment
237 and materials, that in no case shall exceed 15 per cent of the total revenues accruing from the
238 sale of lottery tickets, subject to appropriation; and (iii) the balance shall be used to fund
239 budgeted aid to cities and towns as provided in section 18C of chapter 58, subject to
240 appropriation; provided that, in any fiscal year where the balance used to fund such budgeted aid
241 exceeds one-hundred-three per cent of budgeted aid apportioned in the previous year the balance

242 exceeding one-hundred-three per cent shall be deposited in an early education and care fund
243 administered by the department of early education and care established by section 2 of chapter
244 15D.