SENATE DOCKET, NO. 1791 FILED ON: 1/19/2023

SENATE . . . . . No. 170

The Commonwealth of Massachusetts

PRESENTED BY:

Paul R. Feeney

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 establishing an online lottery.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Paul R. Feeney	*Bristol and Norfolk*
Deborah B. Goldberg, Treasurer and Receiver General	*Treasurer*

SENATE DOCKET, NO. 1791 FILED ON: 1/19/2023

SENATE . . . . . No. 170

By Mr. Feeney, a petition (accompanied by bill, Senate, No. 170) of Paul R. Feeney and Deborah B. Goldberg, Treasurer and Receiver General for legislation to establish an online lottery. Consumer Protection and Professional Licensure.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. *203* OF 2021-2022.]

The Commonwealth of Massachusetts

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

An Act 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:

SECTION 1. Chapter 10 of the General Laws is hereby amended by striking out section 24, as appearing in the 2020 Official Edition, and inserting in place thereof the following section:-

Section 24. (a) The commission is hereby authorized to conduct a state lottery and shall determine: (i) the types of lottery or lotteries, to be conducted; (ii) the price, or prices, of tickets or shares in the lottery; (iii) the numbers and sizes of the prizes on the winning tickets or shares; (iv) the manner of selecting the winning tickets or shares; (v) the manner of payment of prizes to the holders of winning tickets or shares; (vi) the frequency of the drawings or selections of winning tickets or shares; (vii) the type or types of locations at which tickets or shares may be sold; (viii) the method to be used in selling tickets or shares; (ix) the licensing of agents to sell

tickets or shares; provided, however, that no person under the age of eighteen shall be licensed as an agent; (x) the manner and amount of compensation, if any, to be paid licensed sales agents; provided, however, that the amount of compensation, if any, to be paid to licensed sales agents as a commission pursuant to this section shall be calculated on the total face value of each ticket or share sold and not on any discounted price of any such ticket or share sold; and (xi) such other matters necessary or desirable for the efficient and economical operation and administration of the lottery and for the convenience of the purchasers of tickets or shares and the holders of winning tickets or shares. The commission is authorized to operate the daily numbers game seven days a week. Each physical state lottery ticket or share shall have imprinted thereon the state seal and a serial number. The commission may establish, and from time to time revise, such rules and regulations as it deems necessary or desirable and shall file the same with the office of the state secretary.

(b) The commission shall establish rules and regulations for lotteries conducted online, over the internet, through the use of a mobile application or through any other means that shall, at a minimum:

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

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

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

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

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

(vi) require the commission to implement promotional activities to encourage the purchase of lottery tickets, games or shares through licenses sales agents including, but not limited to, the sale of prepaid gift cards for lottery sales through licensed sales agents; and

(vii) prohibit the purchase or other use of any personal or identifying information of an individual who purchases lottery tickets, game or shares online, over the internet, through the use of a mobile application, or through any other means.

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

course of an investigation by law enforcement or in compliance with sections 28A or 28B of this chapter.

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

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

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

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

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

SECTION 2. Section 24A of said chapter 10, as so appearing, is hereby amended by striking out subsection (a) and inserting in place thereof the following subsection:-

(a) For the purposes of this section, "group agreement" shall mean any lottery activity in which the commission participates pursuant to a written agreement between the commission, on behalf of the commonwealth, and any state, territory, country or other sovereignty. The commission is hereby authorized to enter into agreements with one or more states or other jurisdictions, hereinafter referred to as a group, for the purpose of creating and maintaining

multi-jurisdictional lottery games, including multi-jurisdictional lottery games to be conducted online, over the internet, through the use of a mobile application or through any other means; provided, however, that any such lottery game to be conducted online, over the internet, through the use of a mobile application or through any other means has been properly authorized by each state or other jurisdiction that is part of the group; provided, further, that a group agreement shall not include the state lottery games created pursuant to section 24; provided further, that nothing in this section and nothing in a group agreement shall authorize the commission to make expenditures that are not consistent with restrictions on expenditures by the commission provided in any other general or special law. The group shall determine the types of lotteries to be conducted, the prices of tickets or shares, the manner of selecting the winning tickets or shares, the manner of payment of prizes to the holders of winning tickets or shares and the frequency of the drawings or selection of winning tickets or shares. The commission may establish, and from time to time revise, such rules and regulations as it deems necessary or desirable to carry out the group agreement and shall file the same with the office of the state secretary.

SECTION 3. Said chapter, as so appearing, is hereby amended by striking out section 25 and inserting in place thereof the following section:-

Section 25. (a) The apportionment of the total revenues accruing from the sale of lottery tickets or shares and from all other sources at the point of sale shall be as follows: (i) the payment of prizes to the holders of winning tickets or shares which in any case shall be no less than forty-five per cent of the total revenues accruing from the sale of lottery tickets; (ii) the payment of costs incurred in the operation and administration of the lottery, including the expenses of the commission and the costs resulting from any contract or contracts entered into

for promotional, advertising or operational services or for the purchase or lease of lottery equipment and materials which in no case shall exceed fifteen per cent of the total revenues accruing from the sale of lottery tickets, subject to appropriation; and (iii) the balance shall be used to fund budgeted aid to cities and towns as provided in section 18C of chapter 58, subject to appropriation.

(b) The apportionment of the total revenues accruing from the sale of lotteries conducted online, over the internet, through the use of a mobile application or through any other means as authorized by section 24 of this chapter shall be as follows: (i) the payment of prizes to the holders of winning tickets or shares; (ii) the payment of costs incurred in the operation and administration of such lotteries, including the expenses of the commission and the costs resulting from any contract or contracts entered into for promotional, advertising or operational services or for the purchase or lease of lottery equipment and materials which in no case shall exceed fifteen per cent of the total revenues accruing from the sale of lottery tickets, subject to appropriation; and (iii) the balance shall be used to fund budgeted aid to cities and towns as provided in section 18C of chapter 58, subject to appropriation; provided that, in any fiscal year where the balance used to fund such budgeted aid exceeds one-hundred-three per cent of budgeted aid apportioned in the previous fiscal year, the portion of the balance exceeding one-hundred-three per cent shall be apportioned as follows:-- (i) twenty five per cent to the Massachusetts School Building Authority established in section 1A of chapter 70B; (ii) twenty five per cent to special education programs as set forth in chapter 71B; and (ii) fifty per cent to fund budgeted aid to cities and towns as provided in section 18C of chapter 58, subject to appropriation.

SECTION 4. Section 3 of chapter 137 of the General Laws, as so appearing, is hereby amended by inserting after the word “to”, in line 6, the following words:- “chapter 10 or”.