HOUSE DOCKET, NO. 2492 FILED ON: 1/20/2011

HOUSE . . . . . No. 3111

The Commonwealth of Massachusetts

PRESENTED BY:

Bradley H. Jones, Jr.

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 passage of the accompanying:

An Act establishing expanded gaming in the Commonwealth

.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Bradley H. Jones, Jr.	*20th Middlesex*
Donald F. Humason, Jr.	*4th Hampden*
Geoff Diehl	*7th Plymouth*
F. Jay Barrows	*1st Bristol*
Donald H. Wong	*9th Essex*
Sheila C. Harrington	*1st Middlesex*
Paul K. Frost	*7th Worcester*
George N. Peterson, Jr.	*9th Worcester*
Bradford Hill	*4th Essex*
Elizabeth A. Poirier	*14th Bristol*

HOUSE DOCKET, NO. 2492 FILED ON: 1/20/2011

HOUSE . . . . . No. 3111

By Mr. Jones of North Reading, a petition (accompanied by bill, House, No. 3111) of Bradley H. Jones, Jr. and others relative to establishing expanded gaming in the Commonwealth. Economic Development and Emerging Technologies.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. *4619* OF 2009-2010.]

The Commonwealth of Massachusetts

In the Year Two Thousand Eleven

An Act establishing expanded gaming in the Commonwealth
□.

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. Section 7 of chapter 4 of the General Laws, as appearing in the 2008 Official Edition, is hereby amended by striking out clause Tenth and inserting in place thereof the following clause:-

Tenth, "Illegal gaming," any banking or percentage game played with cards, dice, tiles, dominoes, or any electronic, electrical or mechanical device or machine for money, property, checks, credit or any representative of value, but excluding: (i) any lottery game conducted by the state lottery commission, pursuant to sections 24, 24A and 27 of chapter 10; (ii) any game conducted pursuant to chapter 23K; (iii) pari-mutuel wagering on horse races, whether live or simulcast, pursuant to chapter 128A and chapter 128C; (iv) the game of bingo conducted pursuant to chapter 271; and (v) any charitable gaming, so called, conducted pursuant to chapter 271.

SECTION 3. Section 48 of said chapter 6 is hereby repealed.

SECTION 4. Sections 64 and 65 of chapter 10 of the General Laws are hereby repealed.

SECTION 5. Chapter 12 of the General Laws is hereby amended by inserting after section 11L the following section:-

16 Section 11M. (a) As used in this section the following words shall, unless the context
17 clearly requires otherwise, have the following meanings:-

18 "Commission", the Massachusetts gaming commission established pursuant to chapter
19 23K.

20 "Division", the division of gaming enforcement established pursuant to subsection (b).

21 "Gaming establishment", as defined in section 1 of chapter 23K.

22 (b) There shall be in the department of the attorney general a division of gaming
23 enforcement. The attorney general shall designate an assistant attorney general as director of the
24 division. The director may appoint and remove, subject to the approval of the attorney general,
25 such expert, clerical or other assistants as the work of the division may require.

26 (c) The division shall have jurisdiction to enforce criminal violations of chapter 23K
27 including, but not limited to, the power to: (1) investigate allegations of criminal activity related
28 to or impacting the operation of gaming establishments or games; (2) receive and take
29 appropriate action on referrals for criminal prosecution from the commission; (3) provide
30 assistance, upon request, to the commission in the consideration and promulgation of rules and
31 regulations; (4) ensure that there is no duplication of duties and responsibilities between it and
32 the commission; and (5) recommend persons to be placed on the list of excluded persons
33 maintained by the commission.

34 No employee of the division, or any person engaged by the division in the course of an
35 investigation, other than those in the performance of their official duties, shall place a wager in
36 any gaming establishment licensed pursuant to chapter 23K during the period of their
37 employment or assignment with the division. The attorney general shall establish a code of
38 ethics for all division employees that is more restrictive than the provisions of chapters 268A and
39 268B; a copy of which shall be filed with the state ethics commission. The code shall include
40 provisions reasonably necessary to carry out the purposes of section 11M including, but not
41 limited to: (i) prohibiting the receipt of gifts by a division employee from any gaming licensee,
42 applicant, close associate, affiliate or other person or entity subject to the jurisdiction of the
43 commission established by chapter 23K; and (ii) prohibiting the participation by a division
44 employee in any particular matter as defined by section 1 of chapter 268A that affects the
45 financial interest of any relative within the third degree of consanguinity or person with whom
46 such employee has a significant relationship as defined by such code.

47 SECTION 6. Chapter 12B of the General Laws is hereby repealed.

48 SECTION 7. Subsection (b) of section 9 of chapter 13 of the General Laws, is hereby
49 amended by striking out the words ", as well as the state racing commission established by
50 section 48 of chapter 6," inserted by section 29 of chapter 4 of the acts of 2009.

51 SECTION 8. Subsection (e) of section 9B of said chapter 13 is hereby amended by
52 striking out the words “, as well as the state racing commission established by section 48 of
53 chapter 6” , inserted by section 30 of said chapter 4.

54 SECTION 9. Said subsection (e) of said section 9B of said chapter 13, inserted by
55 section 31 of said chapter is hereby amended by striking out the words “or regulated by the state
56 racing commission, as established by section 48 of chapter 6” , inserted by section 30 of said
57 chapter 4,

58 SECTION 10. Section 38 of chapter 22C of the General Laws, as appearing in the 2008
59 Official Edition, is hereby amended by inserting after the word “involving”, in lines 36 and 37,
60 the following word:- illegal.

61 SECTION 11. Said chapter 22C is hereby amended by adding the following section:-

62 Section 70. The colonel of state police shall establish a gaming enforcement unit whose
63 responsibilities shall include, but not be limited to, the investigation of criminal violations of
64 chapter 23K or any other general or special law that pertains to gaming.

65 The gaming enforcement unit shall work in conjunction and cooperation with the bureau
66 of investigations and enforcement under the Massachusetts gaming commission established
67 pursuant to chapter 23K on the enforcement of chapter 23K as well as the division of gaming
68 enforcement in the office of the attorney general established pursuant to section 11M of chapter
69 12 to investigate any criminal activity related to gaming in the commonwealth. Officers and
70 employees from the unit shall be assigned to the bureau of investigations and enforcement and
71 shall report to the deputy director of said bureau as well as the colonel of the department of state
72 police pursuant to section 34 of chapter 23K. No officer of the unit, other than in the
73 performance of official duties, shall place a wager in any gaming establishment licensed under
74 chapter 23K.

75 SECTION 12. The General Laws are hereby amended by inserting after chapter 23J the
76 following chapter:-

77 CHAPTER 23K.

78 THE MASSACHUSETTS GAMING COMMISSION

79 Section 1. The General Court finds and declares that:

80 (1) ensuring public confidence in the integrity of the gaming licensing process and in the
81 strict oversight of all gaming establishments through a rigorous regulatory scheme is the
82 paramount policy objective of this chapter;

83 (2) establishing the financial stability and integrity of gaming licensees, as well as the
84 integrity of their sources of financing, is an integral and essential element of the regulation and
85 control of gaming under this chapter;

86 (3) gaming licensees shall be held to the highest standards of licensing and shall have a
87 continuing duty to maintain their integrity and financial stability;

88 (4) enhancing and supporting the performance of the state lottery and continuing the
89 commonwealth's dedication to local aid is imperative to the policy objectives of this chapter;.

90 (5) the commonwealth must provide for new employment opportunities in all sectors of
91 the economy, particularly opportunities for the unemployed; this chapter sets forth a robust
92 licensing process where applicants for a gaming license shall submit a comprehensive plan for
93 operating a gaming establishment which includes how they will foster and encourage new
94 construction through capital investment and provide permanent employment opportunities to
95 residents of the commonwealth;

96 (6) promoting local small businesses and the tourism industry, including the development
97 of new and existing small business and tourism amenities such as lodging, dining, retail and
98 cultural and social facilities, is fundamental to the policy objectives of this chapter;

99 (7) recognizing the importance of the commonwealth's unique cultural and social
100 resources and integrating them into new development opportunities shall be a key component of
101 a decision to the award of any gaming license under this chapter;

102 (8) applicants for gaming licenses and gaming licensees shall demonstrate their
103 commitment to efforts to combat compulsive gambling and a dedication to community
104 mitigation, and shall recognize that the privilege of licensure bears a concomitant responsibility
105 to identify, address and minimize any potential negative consequences of their business
106 operations;

107 (9) any license awarded by the commission shall be a revocable privilege and may be
108 conditioned, suspended or revoked upon: (i) a breach of the conditions of licensure, (ii) any civil
109 or criminal violations of the laws of the commonwealth or other jurisdictions; or (iii) a finding by
110 the commission that a licensee is unsuitable to operate a gaming establishment or perform the
111 duties of their licensed position;

112 (10) the power and authority granted to the commission shall be construed as broadly as
113 necessary for the implementation, administration and enforcement of this chapter.

114 Section 2. As used in this chapter the following words shall, unless the context clear
115 requires otherwise, have the following meanings:-

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

118 Applicant”, any person who has applied for a license to engage in activity regulated
119 under this chapter.

120 “Application”, a written request for a finding of suitability to receive a license or engage
121 in an activity which is regulated under this chapter.

122 “Bureau”, the investigations and enforcement bureau under the commission.

123 “Business”, a corporation, sole proprietorship, partnership, limited liability company or
124 any other organization formed for the purpose of carrying on commercial enterprise.

125 “Category 1 license”, a license issued by the commission that permits the licensee to
126 operate a gaming facility with table games and slot machines .

127 “Category 2 license”, a license issued by the commission to a thoroughbred horse racing
128 facility or to a harness racing facility to operate up to 750 slot machines at its gaming facility.

129 “Category 3 license”, a license issued by the commission to a greyhound racing facility to
130 operate up to 750 slot machines at its gaming facility.

131 “Chair”, the chair of the commission.

132 “Cheat”, alter the selection of criteria which determines the results of a game or the
133 amount or frequency of payment in a game.

134 “Close associate”, a person who holds any relevant financial interest in, or is entitled to
135 exercise any power in, the business of an applicant or licensee and, by virtue of that interest or
136 power is able to exercise a significant influence over the management or operation of a gaming
137 establishment or business licensed under this chapter.

138 “Conservator”, a person appointed by the commission under section 33 to temporarily
139 manage the operation of a gaming establishment.

140 “Credit card”, a card, code or other device with which a person may defer payment of
141 debt, incur debt and defer its payment, or purchase property or services and defer payment
142 therefor, but not a card, code or other device used to activate a preexisting agreement between a
143 person and a financial institution to extend credit when the person’s account at the financial
144 institution is overdrawn or to maintain a specified minimum balance in the person’s account at
145 the financial institution.

146 “Credit instrument”, a writing which evidences a gaming debt owed to a person who
147 holds a gaming license at the time the debt is created, and includes any writing taken in
148 consolidation, redemption or payment of a previous credit instrument.

149 “Commission”, the Massachusetts gaming commission.

150 “Commissioner”, a member of the commission.

151 "Complimentary service or item" - a service or item provided at no cost or at a reduced
152 price.

153 “Deputy director”, the director of the bureau.

154 “Division”, the division of gaming enforcement under the office of the attorney general.

155 “Executive director”, the executive director of the Massachusetts gaming commission.

156 “Foreign business”, any business that was organized outside of the United States or
157 under the laws of a foreign country.

158 “Gambling”, the playing of a game by a patron of a gaming establishment.

159 “Game”, any banking or percentage game played with cards, dice, tiles, dominoes, or any
160 electronic, electrical or mechanical device or machine played for money, property, checks, credit
161 or any representative of value which has been approved by the commission pursuant to this
162 chapter.

163 “Gaming”, the dealing, operating, carrying on, conducting, maintaining or exposing for
164 pay of any game.

165 “Gaming employee”, any employee of a gaming establishment who is: (i) directly
166 connected to the operation or maintenance of any slot machine or game taking place in the
167 establishment, (ii) provides security in a gaming establishment or (iii) has access to a restricted
168 area of the gaming establishment.

169 “Gaming establishment”, any premise approved under a gaming license which includes a
170 gaming facility and any other nongaming structures related thereto, including, but not limited to,
171 hotels, restaurants, or other amenities.

172 “Gaming facility”, any premises of a gaming establishment wherein or whereon any
173 gaming is done.

174 “Gaming key employee”, any employee of a gaming establishment: (i) in a supervisory
175 capacity, (ii) empowered to make discretionary decisions which regulate gaming facility
176 operations or (iii) so designated by the commission.

177 “Gaming device” or “Gaming equipment”, any electronic, electrical, or mechanical
178 contrivance or machine used in connection with gaming or any game.

179 “Gaming license”, a category 1, category 2 or category 3 license.

180 “Gaming licensee”, any licensee who holds a category 1, category 2 or category 3 gaming
181 license.

182 “Gaming position”, a designated seat or standing position where a patron of a gaming
183 establishment can play a game.

184 “Gaming service employee”, any employee of a gaming establishment who is not
185 classified as a gaming employee or a gaming key employee. but is still required to register with
186 the commission.

187 “Gaming vendor”, any person who offers goods or services to a gaming applicant or
188 licensee on a regular or continuing basis which directly relates to gaming, including, but not
189 limited to, gaming equipment and simulcast wagering equipment manufacturers, suppliers,
190 repairers and independent testing laboratories.

191 “Greyhound racing facility”, a greyhound racing facility located in Suffolk or Bristol
192 county that was licensed pursuant to chapter 128A to conduct live greyhound racing in calendar
193 year 2009; and (ii) is licensed pursuant to chapter 128C to conduct simulcast wagering.

194 “Gross revenue” or “gross gaming revenue”, the total of all sums actually received by a
195 gaming licensee from gaming operations less the total of all sums paid out as winnings to
196 patrons; provided however, that the cash equivalent value of any merchandise or thing of value
197 included in a jackpot or payout shall not be included in the total of all sums paid out as winnings
198 to patrons for the purpose of determining gross revenue. Gross revenue shall not include any
199 amount received by a gaming licensee from simulcast wagering and shall not include credit
200 extended or collected by the licensee for purposes other than gaming.

201 “Harness horse racing facility”, a harness horse racing facility located in Norfolk county
202 that was licensed pursuant to chapter 128A to conduct live harness horse racing in calendar year
203 2009; and (ii) is licensed pursuant to chapter 128A to conduct live harness horse racing and
204 licensed pursuant to chapter 128C to conduct simulcast wagering.

205 “Holding company”, any corporation, association, firm, partnership, trust or other form
206 of business organization other than a natural person which, directly or indirectly, owns, has the
207 power or right to control, or has the power to vote any significant part of the outstanding voting
208 securities of a corporation or other form of business organization which holds or applies for a
209 gaming license. For the purposes of this definition, in addition to other reasonable meaning of
210 the words used, a holding company indirectly has, holds or owns any such power, right or
211 security if it does so through any interest in a subsidiary or successive subsidiaries, however

212 many such subsidiaries may intervene between the holding company and the gaming licensee or
213 applicant.

214 "Host community", any municipality in which a gaming establishment is or may be
215 located.

216 "Institutional investor", any of the following entities having a 5 per cent or greater
217 ownership interest in a gaming establishment or gaming licensee: a corporation, bank, insurance
218 company, pension fund or pension fund trust, retirement fund, including funds administered by a
219 public agency, employees' profit-sharing fund or employees' profit-sharing trust, an association
220 engaged, as a substantial part of its business or operation, in purchasing or holding securities, or
221 any trust in respect of which a bank is a trustee or co-trustee, investment company registered
222 under the federal Investment Company Act of 1940, collective investment trust organized by
223 banks under part nine of the Rules of the Comptroller of Currency, closed end investment trust,
224 chartered or licensed life insurance company or property and casualty insurance company,
225 investment advisor registered pursuant to the federal Investment Advisors Act of 1940, and such
226 other persons as the commission may reasonably determine to qualify as an institutional investor
227 for reasons consistent with this chapter.

228 "Intermediary company", any corporation, association, firm, partnership, trust or any
229 other form of business organization other than a natural person which is a holding company with
230 respect to a corporation or other form of business organization which holds or applies for a
231 gaming license, and is a subsidiary with respect to any holding company.

232 "Junket", an arrangement intended to induce any person to come to a gaming
233 establishment to gamble, where the person is selected or approved for participation on the basis
234 of his ability to satisfy a financial qualification obligation related to his ability or willingness to
235 gamble or on any other basis related to his propensity to gamble, and pursuant to which, and as
236 consideration for which, any or all of the cost of transportation, food, lodging, and entertainment
237 for said person is directly or indirectly paid by a gaming licensee or affiliate thereof.

238 "Junket enterprise", any person, other than an applicant for a gaming license or gaming
239 licensee, who employs or otherwise engages the services of a junket representative in connection
240 with a junket to a licensed casino, regardless of whether or not those activities occur within the
241 commonwealth.

242 "Junket representative", any individual who negotiates the terms of, or engages in the
243 referral, procurement or selection of persons who may participate in, any junket to a gaming
244 establishment, regardless of whether or not those activities occur within the commonwealth.

245 "License", any license required under this chapter.

246 "List", the list of excluded persons maintained by the commission pursuant to section 39.

247 “Lottery”, the Massachusetts state lottery established pursuant to section 23 of chapter
248 10.

249 “Major policy making position”, the executive or administrative head or heads of the
250 commission and any person whose salary equals or exceeds that of a state employee classified in
251 step one of job group XXV of the general salary schedule contained in section 46 of chapter 30
252 and who reports directly to said executive or administrative head; the head of each bureau,
253 bureau, or other major administrative unit within the commission and persons exercising similar
254 authority.

255 “Operation certificate”, a certificate issued by the commission pursuant to section 27.

256 “Qualification” or “qualified”, the process of licensure set forth by the commission to
257 determine that all persons who have a professional interest in a gaming license, or gaming
258 vendor license, or the business of a gaming licensee or gaming vendor,meet the same standards
259 of suitability to operate or conduct business with a gaming establishment in the commonwealth.

260 “Person”, any individual, corporation, association, operation, firm, partnership, trust or
261 other form of business association.

262 “Promotional gaming credit”, a slot machine credit or other item issued by a gaming
263 licensee to a patron for the purpose of enabling the placement of a wager at a slot machine.

264 “Regulated entity”, any person engaged in any business which is, or the persons engaged
265 in which are, in any respect made subject to the supervision or regulation of the commission by
266 any provision of law.

267 “Resort casino”, a gaming establishment that includes a gaming facility, at least 1 hotel
268 and may include other non-gaming amenities, such as entertainment venues, retail stores,
269 recreational facilities and restaurants.

270 “Slot machine”, any mechanical, electrical or other device, contrivance or machine
271 which, upon insertion of a coin, token or similar object therein, or upon payment of any
272 consideration whatsoever, is available to play or operate, the play or operation of which, whether
273 by reason of the skill of the operator or application of the element of chance, or both, may deliver
274 or entitle the individual playing or operating the machine to receive cash or tokens to be
275 exchanged for cash, or to receive merchandise or anything of value whatsoever, whether the
276 payoff is made automatically from the machine or in any other manner whatsoever, except that
277 the cash equivalent value of any merchandise or other thing of value shall not be included in
278 determining the payout percentage of any slot machine.

279 “State police”, the Massachusetts state police established pursuant to chapter 22C.

280 “Subsidiary”, any corporation, any significant part of whose outstanding equity securities
281 are owned, subject to a power or right of control, or held with power to vote, by a holding
282 company or an intermediary company; or a significant interest in any firm, association,
283 partnership, trust or other form of business organization, other than a natural person, which is
284 owned, subject to a power or right of control, or held with power to vote, by a holding company
285 or an intermediary company.

286 “Table game”, any game, other than a slot machine, which is authorized by the
287 commission to be played in a gaming facility.

288 “Thoroughbred horse racing facility”, a thoroughbred racing facility located in Suffolk
289 county that was licensed pursuant to chapter 128A to conduct live running horse racing in
290 calendar year 2009; and (ii) is licensed pursuant to chapter 128A to conduct live harness horse
291 racing and licensed pursuant to chapter 128C to conduct simulcast wagering.

292 “Transfer”, the sale and every other method, direct or indirect, of disposing of or parting
293 with property or with an interest therein, or with the possession thereof, or of fixing a lien upon
294 property or upon an interest therein, absolutely or conditionally, voluntarily or involuntarily, by
295 or without judicial proceedings, as a conveyance, sale, payment, pledge, mortgage, lien,
296 encumbrance, gift, security or otherwise; the retention of a security interest in property delivered
297 to a corporation shall be deemed a transfer suffered by such corporation.

298 “Wager”, a sum of money or representative of value that is risked on an occurrence for
299 which the outcome is uncertain.

300 Section 3. (a) There shall be established a Massachusetts gaming commission which shall
301 consist of 5 commissioners who shall be appointed by a majority vote of the governor, attorney
302 general and state treasurer, 1 of whom shall have experience in legal and policy issues related to
303 gaming, 1 of whom shall have experience in corporate finance and securities, 1 of whom shall
304 have experience with criminal investigations and law enforcement, 1 of whom shall be a certified
305 public accountant who has a comprehensive knowledge of corporate auditing, and 1 of whom
306 shall have at least 5 years experience in public or business administration. The governor,
307 attorney general and treasurer shall, by majority vote, appoint a commissioner to serve as chair.
308 The commissioner appointed to chair shall serve in such capacity throughout such
309 commissioner’s entire term and until his successor shall be been appointed. Prior to appointment
310 a background investigation shall be conducted into the financial stability, integrity and
311 responsibility of a candidate for appointment to the commission as well as the candidate’s
312 reputation for good character, honesty and integrity. No person who has been convicted of a
313 felony shall be eligible to serve on the commission.

314 (b) Each commissioner shall be a resident of the commonwealth and, while serving on
315 the commission, shall not: (i) hold, or be a candidate for, federal, state or local elected office; (ii)

316 hold an appointed office in federal, state, or local government; or (iii) serve as an official in a
317 political party. Not more than 3 commissioners shall be from the same political party.

318 (c) Each commissioner shall serve for a term of 5 years or until a successor is appointed
319 and shall be eligible for reappointment; provided, however, that no commissioner shall serve
320 more than 10 years. Any person appointed to fill a vacancy in the office of a commissioner shall
321 be appointed in a like manner and shall serve for only the unexpired term of such commissioner.
322 Any commissioner may be removed from his appointment only for cause and upon a unanimous
323 vote of the governor, the attorney general and the state treasurer which shall be final and not
324 subject to review.

325 (d) Three commissioners shall constitute a quorum and the affirmative vote of a majority
326 of the commissioners present shall be necessary for any action to be taken by the commission at
327 a duly called meeting.

328 Commissioners shall receive salaries equal to the salary of the commissioner of
329 administration established pursuant to section 4 of chapter 7; provided, however, that the chair
330 shall receive a stipend, in addition to the base salary, in an amount equal to 7 per cent of the base
331 salary. Commissioners shall devote their full time and attention to the duties of their office.

332 (e) The commission shall annually elect 1 of its commissioners to serve as secretary and
333 1 of its members to serve as treasurer. The secretary shall keep a record of the proceedings of the
334 commission and shall be the custodian and keeper of the records of all books, documents, and
335 papers filed by the commission and of its minute book. The secretary shall cause copies to be
336 made of all minutes and other records and documents of the commission and shall certify that
337 such copies are true copies, and all persons dealing with the commission may rely upon such
338 certification.

339 (f) The chair shall have and exercise supervision and control over all the affairs of the
340 commission. He shall preside at all hearings at which he is present, and shall designate a
341 commissioner to act as chair in his absence. He shall not, except as is otherwise provided herein,
342 be charged with any administrative functions. To promote efficiency in administration, he shall
343 from time to time make such division or re-division of the work of the commission among the
344 commissioners as he deems expedient. All of the commissioners shall, if so directed by the chair,
345 participate in the hearing and decision of any matter before the commission. In the hearing of all
346 matters other than those of formal or administrative character coming before the commission, at
347 least 2 commissioners shall participate and in the decision of all such matters at least 2
348 commissioners shall participate; provided, however, that any such matter may be heard,
349 examined and investigated by an employee of the commission designated and assigned thereto
350 by the chair with the concurrence of 1 other commissioner. Such employee shall make a report in
351 writing relative to every such matter to the commission for its decision thereon. For the purposes
352 of hearing, examining and investigating any such matter such employee shall have all of the

353 powers conferred upon a commissioner by this section, and all pertinent provisions of this
354 section shall apply to such proceedings. In every hearing the concurrence of a majority of the
355 commissioners participating in the decision shall be necessary therefor.

356 (g) The commission shall appoint an executive director. The executive director shall
357 serve at the pleasure of the commission, shall receive such salary as may be determined by the
358 commission, and shall devote full time and attention to the duties of the office. The executive
359 director shall be a person with skill and experience in management and shall be the executive and
360 administrative head of the commission and shall be responsible for administering and enforcing
361 the provisions of law relative to the commission and to each administrative unit thereof. The
362 executive director shall appoint and employ a chief financial and accounting officer and may,
363 subject to the approval of the commission, employ other employees, consultants, agents, and
364 advisors, including legal counsel, and shall attend meetings of the commission. The chief
365 financial and accounting officer of the commission shall be in charge of its funds, books of
366 account and accounting records. No funds shall be transferred by the commission without the
367 approval of the commission and the signatures of the chief financial and accounting officer and
368 the treasurer.

369 In the case of an absence or vacancy in the office of the executive director, or in the case
370 of disability as determined by the commission, the commission may designate an acting
371 executive director to serve as executive director until the vacancy is filled or the absence or
372 disability ceases. The acting executive director shall have all the powers and duties of the
373 executive director and shall have similar qualifications as the executive director. ¬¬

374 (h) The executive director may from time to time, subject to the approval of the
375 commission, establish within the commission such administrative units as may be necessary for
376 the efficient and economical administration of the commission, and when necessary for such
377 purpose, may abolish any such administrative unit, or may merge any 2 or more units. The
378 executive director shall prepare and keep current a plan of the organization of the commission, of
379 the assignment of its functions to its various administrative units, offices and employees, and of
380 the places at which and the methods whereby the public may receive information or make
381 requests. A current copy of the plan of organization shall be kept on file with the state secretary
382 and in the office of the secretary of administration.

383 (i) The executive director may appoint such persons as he shall deem necessary to
384 perform the functions of the commission; provided that chapter 31 and section 9A of chapter 30
385 shall not apply to any commission employee. If an employee serving in a position which is
386 classified under said chapter 31 or in which an employee has tenure by reason of said section 9A
387 of chapter 30 shall be appointed to a position within this office which is not subject to the
388 provisions of said chapter 31, the employee shall, upon termination of his service in such
389 position, be restored to the position which he held immediately prior to such appointment;
390 provided, however, that his service in such position shall be determined by the civil service

391 commission in accordance with the standards applied by said commission in administering said
392 chapter 31. Such restoration shall be made without impairment of his civil service status or
393 tenure under said section 9A of chapter 30 and without loss of seniority, retirement or other
394 rights to which uninterrupted service in such prior position would have entitled him. During the
395 period of such appointment, each person so appointed from a position in the classified civil
396 service shall be eligible to take any competitive promotional examination for which he would
397 otherwise have been eligible. The executive director shall consider current employees of the state
398 racing commission as eligible for employment with the commission and shall transfer said
399 employees into the commission if qualified under this chapter.

400 The commission may require a prospective employee to: (i) submit an application and a
401 personal disclosure on a form prescribed by the commission which shall include a complete
402 criminal history, including convictions and current charges for all felonies and misdemeanors;
403 (ii) undergo testing which detects the presence of illegal substances in the body; or (iii) provide
404 fingerprints and a photograph consistent with standards adopted by the state police. The
405 commission shall verify the identification, employment and education of each prospective
406 employee, including: (i) legal name, including any alias; (ii) all secondary and post secondary
407 educational institutions attended regardless of graduation status; (iii) place of residence; and (iv)
408 employment history.

409 The commission shall not hire a prospective employee if the prospective employee has:
410 (i) been convicted of a felony or a misdemeanor that, in the discretion of the commission, bears a
411 close relationship to the duties and responsibilities of the position for which employment is
412 sought; (ii) been dismissed from prior employment for gross misconduct or incompetence; or
413 (iii) intentionally made a false statement concerning a material fact in connection with the
414 application to the commission. If an employee of the commission is charged with a felony or
415 misdemeanor while employed by the commission, the commission may suspend the employee or
416 terminate employment with the commission.

417 (j) The provisions of chapters 268A and 268B shall apply to all commissioners and
418 employees of the commission; provided, however, that the commission shall establish a code of
419 ethics for all members and employees that is more restrictive than said chapter 268A or 268B. A
420 copy of such code shall be filed with the state ethics commission. The code shall include
421 provisions reasonably necessary to carry out the purposes of this chapter and any other laws
422 subject to the jurisdiction of the commission including, but not limited to: (i) prohibiting the
423 receipt of gifts by a commissioner and employee from any gaming licensee, applicant, close
424 associate, affiliate or other person or entity subject to the jurisdiction of the commission; (ii)
425 prohibiting the participation by a commissioner and employee in any particular matter as defined
426 by section 1 of chapter 268A that affects the financial interest of any relative within the third
427 degree of consanguinity or person with whom such commissioner or employee has a significant
428 relationship as defined by such code; and (iii) for recusal of a commissioner in any licensing
429 decision due to a potential conflict of interest.

430 (k) Immediately upon assuming office, each commissioner and employee of the
431 commission, except for secretarial and clerical personnel, shall swear or affirm that the
432 commissioner or employee possesses no interest in any regulated entity.

433 (l) No individual shall be employed by the commission if, during the period commencing
434 3 years prior to employment, that individual held any direct or indirect interest in, or was
435 employed by a licensee under this chapter.

436 (m) No employee of the commission shall pursue any other business or occupation or
437 other gainful employment outside of the commission without the prior written approval of the
438 commission that such employment shall not interfere or be in conflict with the employee's duties
439 to the commission.

440 (n) No commissioner shall hold any direct or indirect interest in, or be employed by, any
441 applicant or by any person licensed by the commission for a period of 3 years after the
442 termination of employment with the commission.

443 No employee of the commission holding a major policy making position shall acquire
444 interest in, or accept employment with, any applicant or licensee under this chapter for a period
445 of 2 years after the termination of employment with the commission.

446 No employee of the commission in a non-major policy making position shall acquire
447 interest in, or accept employment with, any applicant or licensee under this chapter for a period
448 of 1 year after termination of employment with the commission.

449 (o) Any commission employee assigned to a gaming facility shall be considered an
450 essential state employee.

451 (p) No commissioner or employee, other than in the performance of his official duties,
452 shall place a wager in any licensed entity.

453 (q) The commissioners, executive director and those employees holding a major policy-
454 making position shall be sworn to the faithful performance of their official duties. Each
455 commissioner, executive director and those employees holding a major policy making position
456 shall conduct themselves in a manner so as to render decisions that are fair and impartial and in
457 the public interest; avoid impropriety and the appearance of impropriety in all matters under their
458 jurisdiction; avoid all prohibited communications; require staff and personnel subject to their
459 direction and control to observe the same standards of fidelity and diligence; disqualify
460 themselves from proceedings in which their impartiality might reasonably be questioned; and
461 refrain from financial or business dealings which would tend to reflect adversely on impartiality.

462 (r) The commissioners and employees shall not own, or be in the employ of, or own any
463 stock in, any business which holds a license under this chapter, nor shall they have in any way
464 directly or indirectly a pecuniary interest in, or be connected with, any such business or in the

465 employ or connected with any person financing any such business; provided further, that
466 immediate family members of commissioners and employees holding major policy making
467 positions shall not own, or be in the employ of, or own stock in, any business which holds a
468 license under this chapter. The commissioners and employees shall not personally, or through
469 any partner or agent, render any professional service or make or perform any business contract
470 with or for any regulated entity, except contracts made with the commissioners for furnishing of
471 services, nor shall he or she directly or indirectly receive any commission, bonus, discount, gift
472 or reward from any regulated entity.

473 (s) Neither the commission nor any of its officers, agents, employees, consultants or
474 advisors shall be subject to the provisions of sections 9A, 45, 46 and 52 of chapter 30, or to
475 chapter 31, or to chapter 200 of the acts of 1976.

476 (t) The Massachusetts gaming commission shall be a commission for the purposes of
477 section 3 of chapter 12.

478 Section 4. The commission shall have all powers necessary or convenient to carry out and
479 effectuate its purposes, including, but not limited to, the power to:

480 (1) appoint officers and hire employees;

481 (2) establish, and from time to time amend, such a plan of organization as it may
482 deem expedient pursuant to subsection (h) of section 3;

483 (3) execute all instruments necessary or convenient thereto for accomplishing the
484 purposes of this chapter;

485 (4) enter into agreements or other transactions with any person, including, but not
486 limited to, any public entity or other governmental instrumentality or authority in connection
487 with its powers and duties under this chapter;

488 (5) appear on its own behalf before boards, commissions, departments or other
489 agencies of municipal, state or federal government;

490 (6) apply for and accept subventions, grants, loans, advances and contributions from
491 any source of money, property, labor or other things of value, to be held, used and applied for its
492 purposes;

493 (7) provide and pay for advisory services and technical assistance as may be
494 necessary in its judgment to carry out the purpose of this chapter and fix their compensation;

495 (8) prepare, publish and distribute, with or without charge, as the commission may
496 determine, such studies, reports and bulletins and other material as the commission deems
497 appropriate;

498 (9) assure that licenses shall not be issued to nor held by, nor shall there be any
499 material involvement, directly or indirectly, with a gaming operation or the ownership thereof,
500 by unqualified, disqualified, or unsuitable persons or persons whose operations are conducted in
501 a manner not conforming with this chapter;

502 (10) require any person to apply for a license as provided in this chapter and approve
503 or disapprove any such application or other transactions, events, and processes as provided in
504 this chapter;

505 (11) require any person who has any kind of business association with a gaming
506 licensee or applicant to be qualified for licensure under this chapter;

507 (12) develop criteria, in addition to those outlined in this chapter, to assess which
508 applications for gaming licenses will provide the highest and best value to the commonwealth;

509 (13) determine which applicants shall be awarded gaming licenses and other licenses
510 in accordance with the terms of this chapter;

511 (14) gather facts and information applicable to the commission's obligation to issue,
512 suspend or revoke licenses, work permits, or registrations granted to any person for: (i) violation
513 of any provision of this chapter or regulation adopted hereunder; (ii) willfully violating an order
514 of the commission directed to such person; (iii) the conviction of any criminal offense under this
515 chapter; or (iv) the commission of any violation of this chapter or other offense which would
516 disqualify such person from holding a license, work permit or registration;

517 (15) conduct investigations into the qualifications of all applicants for employment by
518 the commission and by any regulated entity and all applicants for licensure;

519 (16) request and receive from the state police, the criminal history systems board, or
520 other criminal justice agencies, including but not limited to the United States Federal Bureau of
521 Investigation and the federal Internal Revenue Service, such criminal offender record
522 information relating to criminal and background investigations as necessary for the purpose of
523 evaluating employees of, and applicants for employment by, the commission and any regulated
524 entity, and evaluating licensees and applicants for licensure.

525 (17) be present through its inspectors and agents at all times in gaming establishments
526 for the purposes of: (i) certifying the revenue thereof, (ii) receiving complaints from the public
527 relating to the conduct of gaming and wagering operations, (iii) examining records of revenues
528 and procedures, inspecting and auditing all books, documents, and records of any licensee, (iv)
529 conducting periodic reviews of operations and facilities for the purpose of regulations adopted
530 thereunder, and (v) otherwise exercising its oversight responsibilities with respect to gaming;

531 (18) inspect and have access to all equipment and supplies in any licensed gaming
532 establishment or in any premises where gaming equipment is manufactured, sold or distributed;

533 (19) seize and remove from the premises of any gaming licensee and impound any
534 equipment, supplies, documents or records for the purpose of examination and inspection;

535 (20) demand access to and inspect, examine, photocopy and audit all papers, books
536 and records of any affiliate of a licensee whom the commission suspects is involved in the
537 financing, operation or management of the licensee. The inspection, examination, photocopying
538 and audit may take place on the affiliate's premises or elsewhere as practicable, and in the
539 presence of the affiliate or its agent;

540 (21) require that the books and financial or other records or statements of any licensee
541 be kept in a manner that the commission deems proper;

542 (22) levy and collect assessments, fees and fines and impose penalties and sanctions
543 for the violation of this chapter and the regulations promulgated hereunder;

544 (23) collect taxes;

545 (24) restrict, suspend or revoke licenses issued under this chapter;

546 (25) conduct adjudicatory proceedings and promulgate regulations in accordance with
547 the provisions of chapter 30A;

548 (26) refer cases for criminal prosecution to the appropriate federal, state or local
549 authorities;

550 (27) issue subpoenas and compel the attendance of witnesses at any place within the
551 commonwealth, administer oaths and require testimony under oath before the commission in the
552 course of any investigation or hearing conducted under this chapter; and

553 (28) maintain an official Internet website for the commission;

554 (29)

555 (30) adopt, amend, or repeal regulations for the administration and enforcement of this
556 chapter. Act as trustees for any gaming related trust funds.

557 Section 5. The commission shall promulgate regulations for the implementation,
558 administration and enforcement of this chapter including without limitation regulations that:

559 (1) prescribe the method and form of application which any applicant for licensure shall
560 follow and complete before consideration of an application by the commission;

561 (2) prescribe the information to be furnished by any applicant or licensee concerning his
562 antecedents, habits, character, associates, criminal record, business activities and financial
563 affairs, past or present;

564 (3) prescribe the information to be furnished by a gaming licensee relating to his gaming
565 employees;

566 (4) require fingerprinting of an applicant for a gaming license, a gaming licensee or
567 employee of a gaming licensee or other methods of identification;

568 (5) prescribe the manner and method of collection and payment of fees and issuance of
569 licenses;

570 (6) prescribe grounds and procedures for the revocation or suspension of licenses;

571 (7) require quarterly financial reports and an annual audit prepared by a certified public
572 accountant attesting to the financial condition of a gaming licensee and disclosing whether the
573 accounts, records and control procedures examined are maintained by the gaming licensee as
574 required by this chapter and the regulations promulgated thereunder;

575 (8) prescribe the minimum procedures for effective control over the internal fiscal affairs
576 of a gaming licensee, including provisions for the safeguarding of assets and revenues, the
577 recording of cash and evidence of indebtedness and the maintenance of reliable records, accounts
578 and reports of transactions, operations and events, including reports by the commission;

579 (9) provide for a minimum uniform standard of accounting procedures;

580 (10) establish licensure and work permits for employees working at the gaming
581 establishment and minimum training requirements; provided further that the commission may
582 establish certification procedures for any training schools in the commonwealth as well as the
583 minimum requirements for reciprocal licensing for out of out-of-state gaming employees; and

584 (11) require that all gaming establishment employees be properly trained in their
585 respective professions.

586 (12) require the posting of payback statistics of slot machines played in a gaming facility;
587 and

588 (13) require that all gaming establishments have security patrols outside the gaming
589 establishments who conduct regular checks of parking areas for minors left in motor vehicles and
590 shall immediately report any such finding to security personnel at the gaming establishment.

591 The commission may, pursuant to section 2 of chapter 30A, promulgate, amend, or repeal
592 any regulation promulgated under this chapter as an emergency regulation if such regulation is
593 necessary to protect the interests of the commonwealth in regulating a gaming establishment.

594 Section 6. The commission shall administer and enforce chapter 128A and 128C and any
595 other general or special law related to pari-mutuel wagering or simulcasting. The commission

596 shall serve as a host racing commission and an off-track betting commission for purposes of 15
597 U.S.C.A.30001, et seq.

598 Section 7. (a) In addition to any other tax or fee imposed by this chapter, there shall be
599 imposed an annual license fee of $600 for each machine approved by the commission for use by
600 a gaming licensee at a gaming establishment; provided, however, that, no sooner than 5 years
601 after award of original license the commission may annually adjust the fee for inflation. The fee
602 shall be imposed as of July 1 of each year for all approved slot machines on that date and shall be
603 assessed on a pro rata basis for any slot machine approved for use thereafter during the year.

604 (b) The commission shall, by regulation, establish fees for any investigation into a
605 violation of this chapter or regulation promulgated thereunder by a gaming licensee to be paid by
606 the licensee, including, but not limited to, billable hours by commission staff involved in the
607 investigation and the costs of services, equipment or other expenses that are incurred by the
608 commission during the investigation.

609 (c) Any remaining costs of the commission necessary to maintain regulatory control over
610 gaming establishments that are not covered by: (i) the fees set forth in subsections (a) and (b), (ii)
611 any other fees assessed pursuant to this chapter or (ii) any other designated source of funding
612 shall be assessed annually on gaming licensees under this chapter in proportion to the number of
613 gaming positions at each gaming facility. Each licensee shall pay the amount assessed against it
614 within 30 days after the date of the notice of assessment from the commission.

615 (d) If the fees collected in subsections (a) and (b) exceed the cost required to maintain
616 regulatory control, the surplus funds shall be credited in proportional shares against each gaming
617 licensee's next assessment.

618 (e) In addition to the fees collected under this section and any additional costs of the
619 commission, the commission shall assess an annual fee of not less than $5,000,000 in
620 proportional shares against each gaming licensee in proportion to the number of gaming
621 positions at each gaming facility for the costs of service and public health programs dedicated to
622 addressing problems associated with compulsive gambling. Such assessed fees shall be deposited
623 into the Public Health Trust Fund established pursuant to section 9.

624 (f) All fees and assessments collected under this section, except those collected pursuant
625 to subsection (e), shall be deposited into the Gaming Control Fund established pursuant to
626 section 8.

627 Section 8. (a) There shall be established and set up on the books of the commonwealth a
628 separate fund to be known as the Massachusetts Gaming Control Fund, hereinafter in this section
629 referred to as the fund. The commission shall be the trustee of the fund expend monies to
630 finance operational activities of the commission. The fund shall be credited any appropriations,
631 bond proceeds or other monies authorized by the general court and specifically designated to be

632 credited thereto, the proceeds of the assessments levied pursuant to section 7, application fees for
633 licenses issued under this chapter and such additional funds as are subject to the direction and
634 control of the commission. All available monies in the fund that are unexpended at the end of
635 each fiscal year shall not revert to the General Fund and shall be available for expenditure in the
636 subsequent fiscal year. Any funds unexpended in any fiscal year for the purposes of which such
637 assessments were made shall be credited against the assessment to be made in the following
638 fiscal year and the assessment in the following fiscal year shall be reduced by any such
639 unexpended amount. The commission shall record all expenditures made by subsidiary on the
640 Massachusetts management and accounting reporting system, so-called according to regulations
641 established by the state comptroller.

642 (b) The commission shall, for the purposes of compliance with state finance law, operate
643 as a state agency as defined in section 1 of chapter 29 and shall be subject to the provisions
644 applicable to agencies under the control of the governor including, but not limited to, chapter 7A,
645 chapter 7, chapter 10 and chapter 29; provided, however, that the comptroller may identify any
646 additional instructions or actions necessary for the commission to manage fiscal operations in the
647 state accounting system and meet statewide and other governmental accounting and audit
648 standards. Unless otherwise exempted by law or the applicable central service agency, the
649 commission shall participate in any other available commonwealth central services including, but
650 not limited, to the state payroll system pursuant to section 31 of chapter 29, and may purchase
651 other goods and services provided by state agencies in accordance with comptroller provisions.
652 The comptroller may chargeback the commission for the transition and ongoing costs for
653 participation in the state accounting and payroll systems and may retain and expend such costs
654 without further appropriation for the purposes of this section. The commission shall be subject to
655 section 5D of chapter 29 and subsection (f) of section 6B of chapter 29.

656 The commission shall annually submit a finance plan to the secretary of administration
657 and finance, the chairs of the house and senate committees on ways and means and the chairs of
658 the joint committee on economic development and emerging technologies.

659 Section 9. There is hereby established and placed on the books of the commonwealth a
660 separate fund to be known as the Public Health Trust Fund. The public health trust fund shall
661 consist of fees assessed pursuant to section 7 and all other monies credited or transferred to said
662 fund from any other source pursuant to law. The secretary of health and human services shall be
663 the trustee of the public health trust fund and shall expend monies in the fund, without further
664 appropriation, to assist social service and public health programs dedicated to addressing
665 problems associated with compulsive gambling, including, but not limited to, gambling
666 prevention and addiction services, educational campaigns to mitigate the potential addictive
667 nature of gambling and any studies and evaluations necessary to ensure the proper and most
668 effective strategies.

669 Section 10. (a) The commission shall issue a request for applications for gaming licenses
670 which shall include:

671 (i) the time and date for receipt of responses to the request for applications, the manner
672 they are to be received and the address of the office to which the applications are to be delivered;

673 (ii) the form of the application and the method for submission;

674 (iii) a general description of the anticipated schedule for processing the application;

675 (iv) the contact information of commission employees responsible for handling applicant
676 questions; and

677 (v) any other information that the commission determines.

678 (b) Any request for applicants in subsection (a) shall be advertised in a newspaper of
679 general circulation in the commonwealth and on the official internet website of the commission.

680 (c) The commission shall establish deadlines for the receipt of all applications for a
681 gaming license. Applications received after the deadline shall not be eligible for review by the
682 commission. Applicants who are eligible for a category 2 or category 3 license who choose to
683 apply for a category 1 license shall submit applications for both gaming licenses by the deadline
684 set by the commission.

685 Section 11. (a) All applicants for a gaming license, and any person required by the
686 commission to be qualified for licensure, shall establish their individual qualifications for
687 licensure to the commission by clear and convincing evidence.

688 (b) All applicants, licensees, registrants and any other person who shall be qualified
689 pursuant to this chapter shall have the continuing duty to provide any assistance or information
690 required by the commission and to cooperate in any inquiry or investigation conducted by the
691 commission. Refusal to answer or produce information, evidence or testimony by an applicant,
692 licensee, registrant or person required to be qualified under this chapter may result in denial of
693 the application or suspension or revocation of license or registration by the commission.

694 (c) No applicant, licensee, registrant or person required to be qualified under this chapter
695 shall willfully withhold information from, or knowingly give false or misleading information to,
696 the commission.

697 If the commission determines that an applicant or a close associate of an applicant, has
698 willfully provided false or misleading information, such applicant shall no longer be eligible to
699 receive a license under this chapter.

700 Any licensee or other person required to be qualified for licensure under this chapter who
701 willfully provides false or misleading information shall have their license conditioned, suspended
702 or revoked by the commission.

703 Section 12. (a) The commission shall have the power to require anyone with an interest in
704 the gaming establishment, an interest in the business of the gaming licensee or who is a close
705 associate of a gaming licensee to be qualified for licensure under this chapter pursuant to the
706 criteria set forth in sections 14 and 19.

707 (b) For every business which applies for a gaming license, the commission shall
708 determine whether each officer and director of a corporation, other than a publicly traded
709 corporation, general partner and limited partner of a limited partnership, and member, transferee
710 of a member's interest in a limited-liability company, director and manager of a limited-liability
711 company which holds or applies for a gaming license meets the standards for qualification of
712 licensure pursuant to sections 14 and 19, as well as, in the judgment of the commission, any or
713 all of a business's individual stockholders, lenders, holders of evidence of indebtedness,
714 underwriters, key executives, agents or employees.

715 (c) Any person owning more than 5 per cent of the common stock of the applicant
716 company or a holding, intermediary or subsidiary of an applicant company shall be required to
717 file for licensure. The commission may waive the licensing requirements for institutional
718 investors holding up to 15 per cent of the stock of the applicant company or holding,
719 intermediary or subsidiary company of the applicant company upon a showing by the person
720 seeking the waiver that the applicant purchased the securities for investment purposes only and
721 does not have any intention to influence or affect the affairs or operations of the applicant
722 company or a holding, intermediary or subsidiary of the applicant company. Any institutional
723 investor granted a waiver which subsequently determines to influence or affect the affairs or
724 operations of the applicant company or a holding, intermediary or subsidiary of the applicant
725 company shall provide not less than 30 days notice to the commission of such intent and shall
726 file an application and be subject to the licensing requirements of this chapter before taking any
727 action that may influence or affect the affairs of the applicant company or a holding,
728 intermediary or subsidiary of the applicant company. Any company holding over 15 per cent of
729 the applicant company, or a holding, intermediary or subsidiary of an applicant company shall be
730 deemed to be a qualifier and shall file an application form with the commission and be subject to
731 the licensing requirements of this chapter.

732 (d) A person who is required to be qualified for licensure by this section as a general or
733 limited partner shall not serve in that position until he secures the required approval of the
734 commission.

735 (e) The commission shall require any person involved in the financing of a gaming
736 facility to be qualified for licensure pursuant to sections 14 and 19 and may allow such person to
737 seek a waiver pursuant to the standards in subsection (c).

738 (f) A person required to be qualified for licensure shall apply for qualification within 30
739 days after taking a position with the business. A person who is required to be qualified for
740 licensure pursuant to a decision of the commission shall apply for qualification within 30 days
741 after said decision.

742 (g) If a corporation or other form of business organization applying for a gaming license
743 is, or if a corporation or other form of business organization holding a gaming license is to
744 become, a subsidiary, each holding company, intermediary company, and other entity shall be
745 required to qualify for licensure.

746 (h) The commission shall have the authority to require the licensing of any company or
747 individual that can presently or was able to exercise control or provide direction to any applicant
748 or licensee company or a holding, intermediary or subsidiary of an applicant or licensee
749 company.

750 Section 13. The commission shall deny an application for a gaming license, or any
751 license or registration issued under this chapter, if the applicant: (i) has been convicted of a
752 felony or other convictions involving embezzlement, theft, fraud or perjury; provided, however
753 that for convictions which occurred before the 10-year period immediately preceding application
754 for licensure, an applicant may demonstrate, and the commission shall consider, their
755 rehabilitation and why such conviction should not be an automatic disqualification under this
756 section; (ii) submitted an application for a license under this chapter that contains false or
757 misleading information; (iii) committed prior acts which have not been prosecuted or convicted
758 but form a pattern of misconduct that make the applicant unsuitable for a license under this
759 chapter; or (iv) has affiliates or close associates that would not qualify under the provisions of
760 this chapter or whose relationship with the applicant could pose an injurious threat to the
761 interests of the commonwealth in awarding a gaming license to the applicant.

762 Section 14. No applicant shall be eligible to receive a gaming license unless the applicant
763 meets the following criteria and clearly states as part of an application that the applicant:

764 (1) agrees to be a state lottery reseller for the purpose of lottery, multi-jurisdictional
765 lottery and keno games, and to demonstrate that state lottery and keno games are readily
766 accessible to its guests;

767 (2) has suitable capital to finance its operations and the proposed capital investment;
768 provided, however, that such investment shall not include the purchase or lease price of the land
769 where the gaming establishment will be located or any infrastructure designed to support the site,
770 including, but not limited to, drainage, utility support, roadways, interchanges, fill and soil or

771 groundwater or surface water contamination issues whether or not the applicant is an eligible
772 owner or operator under chapter 206 of the acts of 1998;

773 (3) will have ownership of the land where the gaming establishment will be located
774 within 60 days after a license has been awarded;

775 (4) shall demonstrate that it is able to pay and shall commit to paying the gaming
776 licensing fee;

777 (5) shall demonstrate to the commission how the applicant proposes to address lottery
778 mitigation, compulsive gambling problems, workforce development and community
779 development and all host community impact and mitigation issues.

780 (6) shall identify the infrastructure costs of the host and surrounding communities
781 incurred in direct relation to the construction and operation of a gaming establishment and shall
782 commit to a community mitigation plan for those communities;

783 (7) shall provide to the commission a signed agreement between the host community and
784 the applicant setting forth the conditions to have a gaming establishment located within the host
785 community; provided that the agreement shall include a community impact fee for the host
786 community and all stipulations of responsibilities between the host community and the applicant;
787 and

788 (8) shall comply with state and local building codes.

789 Section 15. (a) In addition to the requirements set forth in section 14, no business shall be
790 eligible to apply for a gaming license unless it: (i) is organized under the laws of the
791 commonwealth, although such business organization may be a wholly or partially owned
792 subsidiary of a foreign business; (ii) maintains an office in the gaming establishment; (iii)
793 maintains a ledger in the gaming establishment of the business organization reflecting the current
794 ownership of the business organization, and in the case of a corporation, of every class of
795 security issued by the corporation; (iv) maintains all operating accounts required by the
796 commission in a bank chartered in the commonwealth or in a bank with a full service branch
797 present in the commonwealth; (v) includes among the purposes stated in its official filings with
798 the state secretary the conduct of gaming; (vi) in the case of a non-publicly traded corporation,
799 files with the commission such adopted corporate charter provisions as may be necessary to
800 establish the right of prior approval by the commission with regard to transfers of securities,
801 shares, and other interests in the applicant corporation; (vii) in the case of a publicly traded
802 corporation, provides in its corporate charter that any securities of such corporation are held
803 subject to the condition that if a holder thereof is found to be disqualified by the authority
804 pursuant to the provisions of this chapter, such holder shall dispose of his interest in the
805 corporation; provided, however, that nothing herein shall be deemed to require that any security
806 of such corporation bear any legend to this effect; and (viii) in the case of a non-publicly traded

807 corporation, establishes that appropriate charter provisions create the absolute right of such non-
808 publicly traded corporations and companies to repurchase at the market price or the purchase
809 price, whichever is the lesser, any security, share or other interest in the corporation in the event
810 that the commission disapproves a transfer in accordance with the provisions of this chapter.

811 (b) Any publicly traded holding, intermediary, or subsidiary of the corporation, whether
812 the corporation is publicly traded or not, shall contain in its corporate charter the same provisions
813 required under subsection (a) for a publicly traded corporation to be eligible to apply for a
814 gaming license.

815 (c) Any non-publicly traded holding, intermediary or subsidiary of the corporation,
816 whether the corporation is publicly traded or not, shall establish that its charter provisions are the
817 same as those required under subsection (a) for a non-publicly traded corporation to be eligible
818 to apply for a gaming license.

819 Section 16. (a) No person shall be eligible to receive a category 1 license without a
820 certified and binding vote in favor of such license on a ballot question at an election in the host
821 community where the category 1 facility will be located; provided further that the host
822 community shall be reimbursed for its expenses related to the election by the applicant for a
823 category 1 license.

824 An applicant for a category 1 license shall have certification of ballot approval by the
825 host community within 3 months of submitting an application for a category 1 license to the
826 commission; provided, however, that the applicant shall include with the application a certified
827 letter from the clerk of the host community of a date certain for the election within the 3 month
828 period.

829 (b) No person shall be eligible to apply for a category 2 or category 3 license without a
830 binding vote in the host community where the gaming establishment will be located by a
831 majority of members of the town council, or in a city having a Plan D or Plan E charter, the city
832 manager and the city council and in any other city the mayor and city council and in towns a
833 majority vote of those present and voting at a town meeting and approval by the board of
834 selectmen; provided further that an applicant for a category 2 or category 3 license who has
835 received such a vote shall be required to obtain a vote on a ballot question pursuant to subsection
836 (a) if said applicant is applying for a category 1 license.

837 (c) The governing body of a host community which has adopted the provisions of chapter
838 43D shall file a proposal with the interagency permitting board to designate the site proposed for
839 a category 1 facility as priority development site. In a community which has not adopted the
840 provisions of chapter 43D, the planning board shall designate a local permitting ombudsman,
841 who shall be a planning board member or a member of the planning board's professional staff, to
842 help coordinate and expedite local permitting of the category 1 facility. In a community where no
843 professional planning staff exists, the local permitting ombudsman shall be a panel consisting of

844 1 representative from the planning board, 1 member from the zoning board of appeals, 1 member
845 from the conservation commission, 1 member from the police department, 1 member from the
846 fire department and 1 member from the department of public works to coordinate and expedite
847 local permitting of the category 1 facility. In either case, the ombudsman shall not assume the
848 permitting authority of the individual boards, commissions, or departments referred to herein.

849 Section 17. (a) The commission shall prescribe the form of the application for gaming
850 licenses which shall require, but not be limited to, the following:

851 (i) the name of the applicant;

852 (ii) the mailing address and, if a corporation, the name of the state under the laws of
853 which it is incorporated, the location of its principal place of business and the names and
854 addresses of its directors and stockholders;

855 (iii) the identity of every person having a direct or indirect interest in the business, and
856 the nature of such interest; provided further, that if the disclosed entity is a trust, the application
857 shall disclose the names and addresses of all beneficiaries; provided further, that if a partnership,
858 the names and addresses of all partners, both general and limited; and provided further, that if a
859 limited liability company, the names and addresses of all members;

860 (iv) an independent audit report of all financial activities and interests including, but not
861 limited to, the disclosure of all contributions, donations, loans or any other financial transactions
862 to or from any gaming entity or operator in the past 5 years;

863 (v) clear and convincing evidence of financial stability including, but not limited to, bank
864 references, business and personal income and disbursement schedules, tax returns and other
865 reports filed by government agencies, and business and personal accounting check records and
866 ledgers;

867 (vi) information and documentation to demonstrate that the applicant has sufficient
868 business ability and experience as to establish the likelihood of creation and maintenance of a
869 successful gaming establishment;

870 (vii) a full description the proposed internal controls and security systems for the
871 proposed gaming establishment and any related facilities;

872 (viii) whether the applicant is partnering with a federally recognized native American
873 tribe located in the commonwealth for the purposes of the proposed gaming establishment;

874 (ix) a statement that the applicant will comply, in case such a gaming license is issued,
875 with all applicable laws and with all applicable rules and regulations prescribed by the
876 commission or any other relevant entity;

877 (x) proof of approval by the host municipality pursuant to section 16;

878 (xi) acknowledgement that the commission has authorization to conduct warrantless
879 searches of the gaming establishment;

880 (xii) an agreement that the applicant shall mitigate the potential negative public health
881 consequences associated with gambling and the operation of a gaming establishment including:
882 (1) maintaining a smoke-free environment within the gaming facility pursuant to the provisions
883 of section 22 of chapter 270; (2) providing complimentary on-site space for an independent
884 substance abuse and mental health counseling service to be selected by the commission; (3)
885 prominently displaying information on the signs of problem gambling and how to access
886 assistance; (4) describing a process for individuals to exclude their names and contact
887 information from the licensee's database or any other list held by the licensee for use in
888 marketing or promotional communications; and (5) instituting other public health strategies as
889 determined by the commission;

890 (xiii) the designs for the proposed gaming establishment, including the names and
891 addresses of the architects, engineers and designers, and a timeline of construction that includes
892 detailed stages of construction for the gaming facility, nongaming structures, and racecourse,
893 where applicable;

894 (xiv) a description of the ancillary entertainment services and amenities to be provided at
895 the proposed gaming establishment;

896 (xv) the number of employees to be employed at the proposed gaming establishment,
897 including detailed information on the pay rate and benefits for employees;

898 (xvi) completed studies and reports as required by the commission, including reports on
899 the economic benefits of the proposed gaming establishment, the environmental, traffic and local
900 infrastructure impacts, the impact of the proposed gaming establishment to the local and regional
901 economy, the cost to the municipality and the commonwealth for the proposed gaming
902 establishment to be at its proposed location, and the total amount of municipal and state tax
903 revenue to be generated by the applicant; including ancillary revenues generated by employees
904 and vendors;

905 (b) In addition to the information included in subsection (a), an applicant for a category 1
906 license shall include the following information:

907 (i) the location of the proposed category 1 establishment, which shall include the address,
908 maps, book and page numbers from the appropriate registry of deeds, assessed value of the land
909 at the time of application, and ownership interests over the past 20 years including all interests,
910 options, agreements in property, and demographic, geographic, and environmental information,
911 and any other information requested by the authority;

912 (ii) the types of games and gaming to be conducted at the resort casino, number of tables
913 and slot machines that are proposed to be employed at the casino, and the specific location of
914 gaming at the casino site;

915 (iii) the number of hotels and rooms and other amenities located at the proposed category
916 1 establishment as well as how they measure in quality to other area hotels and amenities;

917 (iv) whether the applicant's category 1 establishment is part of a regional or local
918 economic plan; and

919 (v) whether the applicant will be using publicly owned land for the category 1
920 establishment.

921 (c) No application for a gaming license shall be considered by the commission unless
922 accompanied by a nonrefundable application fee of $250,000, to defray the costs associated with
923 the processing of the application and investigation of the applicant. If the costs of the
924 investigation exceed the initial application fee, the applicant shall pay the additional amount to
925 the commission within 30 days or the application shall be rejected.

926 (d) Applications for licenses shall be public records for the purposes of section 10 of
927 chapter 66; provided, however, that information required by the commission that pertains to: (i)
928 confidential finances, earnings, revenue or trade secrets of any applicant; (ii) an applicant's
929 criminal record or background information; (iii) the suitability of an applicant for a particular
930 endeavor and (iv) information personal in nature submitted by an applicant pursuant to this
931 section shall be deemed confidential, are not public records and shall not be disclosed. Personal
932 information shall include any information concerning: (i) a minor child of an applicant; (ii) the
933 social security number of an applicant or the spouse of an applicant; (iii) the home telephone
934 number or address of an applicant or the spouse or children of an applicant; (iv) the birth
935 certificate of the applicant or information relating to the date or place of birth of an applicant's
936 spouse; (v) the driver's license number of an applicant or an applicant's spouse; (vi) the name or
937 address of a previous spouse of the applicant; (vii) the personal financial information and records
938 of an applicant or the spouse or minor child of an applicant, including tax returns and any and all
939 records of criminal proceedings; (viii) any information concerning a victim of domestic violence,
940 sexual assault or stalking; (ix) the personal electronic mail address of an applicant or spouse or
941 family member of the applicant; (x) and any other information deemed necessary by the
942 commission to protect the privacy of an applicant or the applicant's family. Any information
943 concerning an applicant collected by the commission may be released by the commission to an
944 authorized agent of the state or federal government.

945 Section 18. (a) Upon receipt of an application for a gaming license, the commission shall
946 commence an investigation into the suitability of an applicant. In evaluating the suitability of an
947 applicant, the commission shall consider the overall reputation of the applicant including,
948 without limitation:

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

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

951 (iii) the business practices and the business ability of an applicant to establish and
952 maintain a successful gaming establishment;

953 (iv) whether the applicant has a history of compliance with gaming licensing
954 requirements in other jurisdictions;

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

957 (vi) the suitability of all parties in interest to the gaming license, including affiliates, close
958 associates and the financial resources of the applicant; and

959 (vii) whether the applicant is disqualified from receiving a license pursuant to section 13;
960 provided, however, that in considering the rehabilitation of an applicant for a gaming license, the
961 commission shall not automatically disqualify any applicant if the applicant affirmatively
962 demonstrates, by clear and convincing evidence, that the applicant has financial responsibility,
963 character, reputation, integrity and general fitness as such to warrant belief by the commission
964 that the applicant will act honestly, fairly, soundly and efficiently as a gaming licensee.

965 (b) If the commission determines during its investigation that an applicant has failed to:
966 (i) establish his integrity or the integrity of any affiliate, close associate, financial source or any
967 person required to be qualified by the commission; (ii) demonstrate responsible business
968 practices in any jurisdiction; or (iii) overcome any other reason, as determined by the
969 commission, as to why it would be injurious to the interests of the commonwealth in awarding
970 said applicant a gaming license, the commission shall cease any further review and deny the
971 application pursuant to the procedures in subsection (f).

972 (c) If the commission has determined an applicant is suitable to receive a gaming license,
973 the commission shall commence a review of the applicant's entire application. After a review of
974 the entire application and any independent evaluations, the commission shall conduct a public
975 hearing on the application pursuant to section 11 ½ of chapter 30A. An applicant for a gaming
976 license shall be given at least 30 days notice of the public hearing.

977 (d) The public hearing shall provide the commission the opportunity to address questions
978 and concerns relative to the proposal of a gaming applicant to build a gaming establishment
979 including the breadth and quality of the gaming facility and amenities, the integration of the
980 facility into the surrounding community and the extent of required mitigation plans. During the
981 hearing, the commission may take the opportunity to read into the record any letters of support,
982 opposition or concern from members of the communities in the vicinity of the proposed gaming
983 establishment.

984 (e) Within 90 days of the conclusion of the public hearing, the commission shall take
985 action on the application. The commission, by majority vote of all commissioners, may: (i) deny
986 the application; (ii) extend the period for issuing a decision in order to obtain any additional
987 information necessary for a complete evaluation of the application; provided, however, that the
988 extension shall be 30 days or less; or (iii) grant the application for a gaming license.

989 (f) Upon denial of an application, the commission shall prepare and file its order and, if
990 requested by the applicant, shall further prepare and file a statement of the reasons for the denial,
991 including specific findings of fact.

992 (g) The issuance of a license is discretionary. Applicants have no legal right or privilege
993 to a gaming license and are not entitled to any further review if denied.

994 Section 19. In determining whether an applicant should receive a gaming license, the
995 commission shall [A] evaluate and issue a statement of findings of how each applicant proposes
996 to advance the following objectives: (1) protecting the lottery from any adverse impacts due to
997 expanded gaming, including, but not limited to, developing cross-marketing strategies with the
998 lottery and increasing ticket sales to out-of-state residents; (2) promoting local businesses in host
999 and surrounding communities, including developing cross-marketing strategies with local
1000 restaurants, hotels, retail outlets and performing arts organizations; (3) implementing a
1001 workforce development plan to utilize the existing labor force in the commonwealth, including
1002 the estimated number of construction jobs a proposed gaming establishment will generate, the
1003 development of workforce training programs that serve the unemployed, and methods for
1004 accessing employment at the gaming establishment; (4) building a gaming establishment of high
1005 caliber with a variety of quality amenities to be included as part of the gaming establishment and
1006 operated in partnership with any local hotels, dining, retail and entertainment facilities so that
1007 patrons experience the diversified regional tourism industry; (5) taking additional measures to
1008 address problem gambling, including, but not limited to, training of gaming employee to identify
1009 patrons exhibiting problems with gambling and prevention programs targeted toward vulnerable
1010 populations; (6) providing a market analysis detailing the benefits of the site location of the
1011 gaming establishment and the estimated recapture rate of gaming-related spending by residents
1012 travelling to out-of-state gaming establishments; (7) utilizing sustainable development principles,
1013 including, but not limited to: (i) being certified or capable of being certified as gold or higher
1014 pursuant to the U.S. Green Building Council Neighborhood Development Rating System, the
1015 green building rating system established by the Leadership in Environmental and Energy Design,
1016 gold or higher pursuant to the National Green Building Standard, a Three Globe rating or higher
1017 pursuant to the Green Globes rating system, or an alternative rating system approved by the
1018 executive office of energy and environmental affairs; (ii) meeting United States Environmental
1019 Protection Agency efficiency standards for the electrical equipment and appliances used by the
1020 resort casino; and (iii) procuring 10 per cent of its annual electricity consumption from
1021 renewable sources identified by the division of energy resources pursuant to section 11F of
1022 chapter 25A; (8) establishing, funding, and maintaining human resource hiring and training

1023 practices that promote the development of a skilled and diverse workforce and access to
1024 promotion opportunities through a workforce training program that: (i) establishes transparent
1025 career paths with measurable criteria within the gaming establishment that lead to increased
1026 responsibility and higher pay grades that are designed to allow employees to pursue career
1027 advancement and promotion; (ii) provides employee access to additional resources, such as
1028 tuition reimbursement or stipend policies, to enable employees to acquire the education or job
1029 training needed to advance career paths based on increased responsibility and pay grades; and
1030 (iii) establishes an on-site child day care program; and (9) contracting with local business owners
1031 for the provision of services and goods to the gaming establishment, including developing plans
1032 designed to assist businesses in the commonwealth in identifying the needs for goods and
1033 services to the establishment; (10) purchasing, whenever possible, domestically manufactured
1034 slot machines for installation in the gaming establishment.

1035 Section 20. (a) The commission may issue 2 category 1 licenses; provided, however, that
1036 the category 1 licenses shall only be issued to applicants who are qualified under the criteria set
1037 forth in this chapter as determined by the commission. In evaluating the location of the category
1038 1 facilities, the commission shall take into consideration their proximity to each other and how
1039 that may impact the policy goals established pursuant to section 1.

1040 (b) No other gaming license, or authorization to increase the gaming positions in a
1041 category 2 or category 3 license, shall be issued by the commonwealth for a period of 15 years;
1042 provided, however, that such exclusivity shall not include the interests of the commonwealth in
1043 compacting with any federally recognized Native American tribe for gaming rights in the
1044 commonwealth.

1045 (c) No category 1 licensee shall transfer a license or any direct or indirect interest in the
1046 license or licensed premises without the majority approval of the commission. Any person
1047 seeking to acquire a license through a transfer shall satisfy the requirement for licensure pursuant
1048 to this chapter. The commission shall reject any license transfer or transfer of interest to an
1049 unsuitable person and may reject a proposed transfer that, in the opinion of the commission,
1050 would be disadvantageous to the interests of the commonwealth in the gaming establishment.

1051 (d) The commission may issue 2 category 2 licenses; provided, however, that the
1052 commission shall issue 1 category 2 license to a qualified harness horse racing facility and 1
1053 category 2 license to a qualified thoroughbred horse racing facility. A category 2 license issued
1054 shall be contingent upon the licensee's completion of the annual live racing season pursuant to
1055 chapter 128A. An applicant who is eligible for a category 2 license pursuant to this section may
1056 apply for a category 1 license; provided, however, that upon receipt of a category1 license said
1057 applicant shall continue to conduct live racing and abide by all the live racing terms pursuant to
1058 section 23 and shall continue to pay the applicable live racing tax required of category 2
1059 licensees.

1060 (e) The commission may issue 2 category 3 licenses; provided, however, that the
1061 commission shall issue each category 3 license to a qualified greyhound racing facility. Any
1062 category 3 license issued shall be contingent upon the licensee's simulcasting of live
1063 thoroughbred, harness or greyhound races pursuant to chapter 128A. An applicant who is eligible
1064 for a category 3 license pursuant to this section may apply for a category 1 license.

1065 A category 3 licensee shall maintain a simulcasting license pursuant to chapter 128C.
1066 Upon failure to conduct simulcast wagering the commission shall suspend the category 3 license.

1067 (f) A category 2 license and a category 3 license issued pursuant to this chapter shall not
1068 be transferrable or assignable without the approval of the commission; provided, however, that
1069 for 5 years after the initial issuance of a category 2 or category 3 license the commission shall
1070 only approve such a transfer if: (i) the licensee experiences a change in ownership; or (ii) the
1071 licensee fails to maintain suitability or other circumstances which the commission may consider,
1072 which, in the opinion of a majority of members of the commission, impact a licensees' ability to
1073 successfully operate a gaming establishment.(g) Notwithstanding the foregoing, and upon
1074 approval by the commission, a category 3 licensee may merge its license with a category 2
1075 licensee and locate the total number of slot machines allotted to each licensee at a thoroughbred
1076 or harness racing track. A category 2 licensee may not merge with more than 1 category 3
1077 licensee.

1078 An applicant for a category 2 license shall apply for a merged license with an eligible
1079 applicant for a category 3 license in their initial application to the commission. The commission
1080 shall approve any merger agreement and shall require parties to the merger to be qualified for
1081 licensure pursuant to the criteria set forth in sections 13 and 19.

1082 (h) A category 1 license issued pursuant to this chapter shall be for a period of 15 years
1083 from the date of first issuance; provided, however, that 5 years after issuance, and every 5 years
1084 thereafter, the commission shall perform a thorough review of the business strategy of the resort
1085 casino which shall include plans for expansion and marketing submitted by the licensee. The
1086 commission shall establish procedures for renewal and set the renewal fee based on the cost of
1087 fees associated with the evaluation of a licensee requesting a renewed category 1 license.

1088 A category 2 and category 3 license issued pursuant to this chapter shall be for a period
1089 of 5 years. The commission shall establish procedures for renewal and set the renewal fee based
1090 on the cost of fees associated with the evaluation of a licensee; provided, however, that the cost
1091 of renewal shall not be less than $100,000. A category 1, category 2, or category 3 licensee shall
1092 issue an annual report to the commission explicitly stating its progress on meeting each of the
1093 stated goals and stipulations put forth in the licensee's original application. Inability to meet
1094 stated goals within a reasonable time frame, as determined by the commission, shall result in
1095 additional fees as deemed fair and reasonable by the commission. Failure to meet stated goals
1096 may also result in revocation of the license at any time by the commission.

1097 Nothing in this section shall preclude the commission at any time from reviewing the
1098 business operations of any gaming licensee to ensure that the conditions of licensure are being
1099 met, including, but not limited to, the suitability of the licensee and any affiliates and the fiscal
1100 stability of the gaming establishment.

1101 (i)_The commission shall have the power to condition, suspend or revoke any gaming
1102 license upon a finding that a licensee: (i) has committed a criminal or civil offense under this
1103 chapter or any other laws of the commonwealth; (ii) is not in compliance with gaming
1104 regulations or is under criminal investigation in another jurisdiction; (iii) has breached a
1105 condition of licensure; (iv) has affiliates, close associates or employees that are not qualified or
1106 licensed pursuant to this chapter with whom the gaming licensee continues to conduct business
1107 or employ; (v) is no longer capable of maintaining operations at a gaming establishment; or (vi)
1108 whose business practice, upon a determination by the commission, is injurious to the policy
1109 objectives of this chapter.

1110 (j) Whenever any person contracts to transfer any property relating to an ongoing gaming
1111 operation, including a security holding in a gaming licensee or holding or intermediary company,
1112 under circumstances which require that the transferee obtain licensure under this chapter, the
1113 contract shall not specify a closing or settlement date which is earlier than the 121st day after the
1114 submission of a completed application for licensure or qualification, which application shall
1115 include a fully executed and approved trust agreement.

1116 The commission shall hold a hearing and render a decision on the interim authorization of
1117 the applicant. If the commission grants interim authorization, then the closing or settlement may
1118 occur without interruption of casino operations. If the commission denies interim authorization,
1119 there shall be no closing or settlement until the commission makes a determination on the
1120 qualification of the applicant, and if the commission then denies qualification the contract shall
1121 thereby be terminated for all purposes without liability on the part of the transferor.

1122 The commission shall promulgate further regulations for interim authorization of a
1123 gaming establishment.

1124 (k) No person or affiliate shall be awarded, purchase or otherwise hold or have a financial
1125 interest in more than 1 license issued by the commission.

1126 (l) The commission shall take into consideration the physical distance in selecting the two
1127 resort casinos as they relate to each other and how they maximize benefits to the commonwealth.

1128 Section 21. (a) Applicants for a category 1 license shall invest not less than $500,000,000
1129 into the resort casino which shall include the gaming facility, at least 1 hotel, and other amenities
1130 as proposed in the application for a category 1 license. Upon award of a category 1 license by the
1131 commission, the applicant shall be required to deposit 10 per cent of the total investment
1132 proposed in the application into an interest-bearing account. Monies received from the applicant

1133 shall be held in escrow until the final stage of construction, as approved by the commission, at
1134 which time the deposit shall be returned to the applicant to be applied for such final stage.
1135 Should the applicant be unable to complete the resort casino, the deposit shall be forfeited to the
1136 commonwealth. In place of a cash deposit, the commission may allow for an applicant to secure
1137 a deposit bond insuring that 10 per cent of the proposed capital investment shall be forfeited to
1138 the commonwealth.

1139 (b) Applicants for a category 1 license shall submit their proposed capital investment
1140 with their application to the commission which shall include stages of construction of the resort
1141 casino and the deadline by which construction and any infrastructure improvements will be
1142 completed. In awarding a category 1 license, the commission shall determine at what stage of
1143 construction a licensee shall be approved to open for business; provided, however, that a licensee
1144 shall not be permitted to open for business until the commission has determined that at least the
1145 gaming facility and hotel have been built and are of a superior quality as set forth in the
1146 conditions of licensure; provided, further, that total infrastructure improvements onsite and
1147 around the vicinity of the resort casino, including projects to account for traffic mitigation, shall
1148 be completed before the resort casino shall be approved for opening by the commission.

1149 (c) A category 1 licensee shall pay to the commission a fee of $100,000,000 within 30
1150 days of the final award of the license which sets forth the conditions to be satisfied by the
1151 licensee before the gaming facility may be opened to the public. The commission shall set any
1152 renewal fee for such license based on the cost of fees associated with the evaluation of a category
1153 1 licensee pursuant to section 20 of this chapter, and such renewal fee will be exclusive of any
1154 subsequent license fees under this section.(d) The commission shall determine the sources and
1155 total amount of an applicant's proposed capitalization to develop, construct, maintainand operate
1156 a proposed gaming establishment under this chapter. Upon award of a gaming license, the
1157 commission shall continue to assess the capitalization of a licensee for the duration of
1158 construction of the proposed gaming establishment and the term of the license.

1159 Section 22. (a) Applicants for a category 2 or category 3 license shall invest not less than
1160 $75,000,000 into the gaming facility and racecourse, if applicable.

1161 The investment required under this section shall be made within 2 years of receiving a
1162 gaming license; provided, however, that any infrastructure improvements necessary to increase
1163 visitor capacity and account for traffic mitigation, as determined by the commission, shall be
1164 completed before the category 2 or category 3 licensee shall be authorized to operate any slot
1165 machine at the gaming facility.

1166 (b) The required licensing fee for a category 2 or category 3 license shall be not less than
1167 $15,000,000. The commission shall raise the license fee if an applicant for a category 2 or
1168 category 3 license cannot demonstrate to the satisfaction of the commission that the applicant
1169 will advance any of the objectives set forth in section 19.

1170 (c) If the commission approves the merger of a category 2 and category 3 licensee
1171 pursuant to section 20 and grants a merged license, the applicants shall pay $30,000,000 and
1172 shall agree to invest $150,000,000 into the gaming facility and racecourse.

1173 (d) The commission shall determine the sources and total amount of an applicant's
1174 proposed capitalization to develop, construct, maintain and operate a proposed gaming
1175 establishment under this chapter. Upon award of a gaming license, the commission shall
1176 continue to assess the capitalization of a licensee for the duration of construction of the proposed
1177 gaming establishment and the term of the license.

1178 Section 23. (a) An applicant for a category 2 licensee shall maintain any racing facility on
1179 the premises; provided, however, that said licensee shall increase the number of live racing days
1180 to a minimum of 125 days according to the following schedule:

1181 (i) in the first calendar year of operation a licensee shall hold 105 racing days;

1182 (ii) in the second calendar year of operation a licensee shall hold 115 racing days; and

1183 (iii) in the third calendar year of operation a licensee shall hold 125 racing days.

1184 (b) A category 2 licensee may increase the number of live racing days if said licensee is
1185 holding a minimum of 125 racing days within 3 years of receiving a category 2 license. If a
1186 category 2 licensee does not conduct live racing for the minimum number of days set forth in
1187 subsection (a), the commission shall suspend the category 2 license.

1188 (c) After 3 years of operation, and in consultation with the parties to the purse agreement,
1189 the commission may adjust the amount of required racing days at a category 2 facility based on
1190 fields, demand and racing performance.

1191 (d) A category 2 licensee shall have an annual purse agreement in effect by December
1192 thirty-first of each year for the following year's racing; provided, however, that if the parties to a
1193 purse agreement at a category 2 facility cannot in good faith negotiate an agreement by
1194 December thirty-first, the purse agreement shall be arbitrated by the commission.

1195 Section 24. (a) No person shall be employed by a gaming licensee unless such person has
1196 been licensed by or registered with the commission.

1197 (b) Any person seeking a valid key gaming employee license or a gaming employee
1198 license shall file an application with the commission. Such application shall be on a form
1199 prescribed by the commission and shall include, but shall not be limited to, the following: (1) the
1200 name of the applicant; (2) the address of the applicant; (3) a detailed employment history of the
1201 applicant; (4) fingerprints; (5) a criminal and arrest record; and (6) any civil judgments obtained
1202 against the person pertaining to antitrust or security regulation. Each applicant shall be a resident
1203 of the commonwealth prior to the issuance of a gaming employee license, provided, however,

1204 that the commission may waive this requirement upon certification from the gaming licensee that
1205 an applicant's particular position will require the applicant to be reside outside of the
1206 commonwealth. The commission may require such other information as it deems appropriate
1207 including, without limitation, information related to the financial integrity of the applicant and
1208 may require the applicant to submit other documentation it deems appropriate including, without
1209 limitation, bank accounts and records, bank references, business and personal income and
1210 disbursement schedules, tax returns and other reports filed by government agencies, and business
1211 and personal accounting check records and ledgers.

1212 (c) All other employees in a gaming establishment who are not considered to be gaming
1213 employees, key gaming employees, or who have restricted access to an area of the gaming
1214 establishment or knowledge of security procedures, shall be required to register with the
1215 commission as a gaming service employee and shall produce such information as the
1216 commission may require to become registered under this chapter.

1217 (d) Upon receipt of an application for a key gaming employee license and a gaming
1218 employee license the commission shall conduct an investigation of each applicant which shall
1219 include obtaining criminal offender record information from the criminal history systems board
1220 as well as exchanging fingerprint data and criminal history with the state police and the federal
1221 bureau of investigation.

1222 (e) Upon petition by a gaming licensee, the commission may issue a temporary license to
1223 an applicant for a gaming key employee license or a gaming employee license provided that: (i)
1224 the applicant for a gaming key employee license or gaming employee license has filed a
1225 complete application with the commission; and (ii) the gaming licensee certifies, and the
1226 commission finds, that the issuance of a temporary license is necessary for the operation of the
1227 gaming facility and is not designed to circumvent the normal licensing procedures.

1228 Unless otherwise stated by the commission, a temporary license issued pursuant to this
1229 section shall expire 6 months from the date of its issuance and may be renewed, at the discretion
1230 of the commission, for an additional 6 month period.

1231 (f) The commission may deny any application for a key gaming employee or gaming
1232 employee license or the registration of any other employee of a gaming establishment if the
1233 commission finds that any applicant or registrant is disqualified pursuant to section 14 or may be
1234 unsuitable for licensure under any of the criteria set forth in section 19; provided, however, that
1235 the commission, in its discretion, may issue a license to an applicant for a gaming employee
1236 license or register a gaming service employee who has a prior conviction if said applicant or
1237 registrant can affirmatively demonstrate his rehabilitation. In considering the rehabilitation of an
1238 applicant for a license under this section, the commission shall consider the following: (i) the
1239 nature and duties of the position of the applicant; (ii) the nature and seriousness of the offense or
1240 conduct; (iii) the circumstances under which the offense or conduct occurred; (iv) the date of the

1241 offense or conduct; (v) the age of the applicant when the offense or conduct was committed; (vi)
1242 whether the offense or conduct was an isolated or repeated incident; (vii) any social conditions
1243 which may have contributed to the offense or conduct; and (viii) any evidence of rehabilitation,
1244 including recommendations and references of persons supervising the applicant since the offense
1245 or conduct was committed.

1246 Any orders denying an application under this section shall be accompanied with an
1247 explanation of why an applicant did not meet the qualifications for licensure under this chapter.

1248 (g) The commission shall be authorized to condition, suspend or revoke any license or
1249 registration under this section if the commission finds that a licensee or registrant has: (i) been
1250 arrested or convicted of a crime while employed by a gaming establishment and failed to report
1251 charges or the conviction to the commission; (ii) failed to comply with the provisions of section
1252 12; or (iii) failed to comply with any of the provisions of this chapter pertaining to licensees.

1253 (h) A license or registration issued pursuant to this section shall be issued for a term of 3
1254 years. It shall be the responsibility of the employee to ensure that their license is current.

1255 (i) The commission shall establish fees for a key gaming employee and a gaming
1256 employee license which shall include costs incurred for conducting a background investigation
1257 into an applicant said license.

1258 Section 25. (a) No person or business shall conduct any business with a gaming licensee
1259 unless such person has been licensed by or registered with the commission.

1260 (b) Any person seeking a gaming vendor license shall file an application with the
1261 commission. Such application shall be on a form prescribed by the commission and shall include,
1262 but shall not be limited to, the following: (i) the name of the applicant; (ii) the post office address
1263 and if a corporation, the name of the state under the laws of which it is incorporated, the location
1264 of its principal place of business and the names and addresses of its directors and stockholders;
1265 (iii) a criminal and arrest record; (iv) any civil judgments obtained against the person pertaining
1266 to antitrust or security regulation; (v) the identity of every person having a direct or indirect
1267 interest in the business, and the nature of such interest; provided further, that if the disclosed
1268 entity is a trust, the application shall disclose the names and addresses of all beneficiaries;
1269 provided further, that if the disclosed entity is a partnership, the names and addresses of all
1270 partners, both general and limited; and provided further, that if the disclosed entity is a limited
1271 liability company, the names and addresses of all members; (vi) an independent audit report of
1272 all financial activities and interests including, but not limited to, the disclosure of all
1273 contributions, donations, loans or any other financial transactions to or from any gaming entity or
1274 operator in the past 5 years; and (vii) clear and convincing evidence of financial stability
1275 including, but not limited to, bank references, business and personal income and disbursement
1276 schedules, tax returns and other reports filed by government agencies, and business and personal
1277 accounting check records and ledgers. The commission may require such other information as it

1278 deems appropriate including, without limitation, information related to the financial integrity of
1279 the applicant and may require the applicant to submit other documentation it deems appropriate
1280 including, without limitation, bank accounts and records, bank references, business and personal
1281 income and disbursement schedules, tax returns and other reports filed by government agencies,
1282 and business and personal accounting check records and ledgers.

1283 (c) No person shall manufacture, sell, distribute, test or repair slot machines, other than
1284 antique slot machines as defined in section 5A of chapter 271, without a valid gaming vendor
1285 license issued by the commission

1286 (d) All other suppliers or vendors who are not considered to be gaming vendors
1287 including, but not limited to, construction companies, vending machine providers, linen
1288 suppliers, garbage handlers, maintenance companies, limousine services, food purveyors or
1289 suppliers of alcoholic beverages, shall be considered non-gaming vendors and shall be required
1290 to register with the commission and shall produce such information as the commission may
1291 require; provided, however, that the commission may require any vendor regularly conducting
1292 over $250,000 of business with a gaming licensee within a 12 month period, or $100,000 of
1293 business within a 3 year period, to be licensed as a gaming vendor.

1294 (e) Any person owning more than 5 per cent of the common stock of a company required
1295 to be licensed as a gaming vendor, or a holding, intermediary or subsidiary of such company,
1296 shall be required to file for licensure. The commission may waive the licensing requirements for
1297 institutional investors holding up to 15 per cent of the stock of the company, or holding,
1298 intermediary or subsidiary company of the such company, upon a showing by the person
1299 seeking the waiver that the applicant purchased the securities for investment purposes only and
1300 does not have any intention to influence or affect the affairs or operations of the company or a
1301 holding, intermediary or subsidiary of the such company. Any institutional investor granted a
1302 waiver which subsequently determines to influence or affect the affairs or operations of the
1303 gaming vendor, or a holding, intermediary or subsidiary of the gaming vendor, shall provide not
1304 less than 30 days notice to the commission of such intent and shall file an application and be
1305 subject to the licensing requirements of this chapter before taking any action that may influence
1306 or affect the affairs of the applicant company or a holding, intermediary or subsidiary of the
1307 applicant company. Any company holding over 15 per cent of a gaming vendor, or a holding,
1308 intermediary or subsidiary of a gaming vendor, shall be deemed to be a qualifier and shall file an
1309 application form with the commission and be subject to the licensing requirements of this
1310 chapter.

1311 (f) If an applicant for a gaming vendor license or vendor or supplier registration is
1312 licensed or registered in another jurisdiction within the United States and is in good standing in
1313 all the jurisdictions in which it holds a license or registration, the commission may enter into a
1314 reciprocal agreement with the applicant and to allow for an abbreviated licensing or registration
1315 process and issue a gaming vendor license or registration pursuant to this section, provided,

1316 however, that the commission shall reserve its rights to investigate the qualifications of an
1317 applicant at any time and may require the applicant to submit to a full application for a gaming
1318 vendor license or provide further information for registration.

1319 (g) The commission shall deny any application for a gaming vendor license or the
1320 registration of any other vendor or supplier if the commission finds that any applicant or
1321 registrant is disqualified pursuant to section 14 or may be unsuitable for licensure under any of
1322 the criteria set forth in section 19.

1323 (h) The commission shall be authorized to condition, suspend or revoke any license or
1324 registration under this section if the commission finds that a licensee or registrant has: (i) been
1325 arrested or convicted of a crime; (ii) failed to comply with the provisions of section 12; or (iii)
1326 failed to comply with any of the provisions of this chapter pertaining to licensees.

1327 (i) The commission shall establish a master vendor list to monitor all vendor contracts
1328 with a gaming establishment. Any vendor doing business with a gaming establishment who has
1329 failed to submit an application for licensure or registration shall be prohibited from engaging in
1330 any future business with any gaming establishment; provided further that the commission shall
1331 be authorized to terminate any contracts that have been entered into with an unlicensed or
1332 unregistered vendor.

1333 (j) Gaming licensees shall have a continuing duty to inform the commission of all vendor
1334 contracts.

1335 (k) A license or registration issued pursuant to this section shall be issued for a term of 3
1336 years. It shall be the responsibility of the employee to ensure that their license is current.

1337 (l) The commission shall establish fees for gaming vendor licenses which shall include
1338 costs incurred for conducting a background investigation into an applicant for said license.

1339 Section 26. (a) Each labor organization, union or affiliate seeking to represent employees
1340 who are employed at a gaming establishment, including any related facilities, shall register with
1341 the commission.

1342 (b) Neither a labor organization, nor its officers who are not otherwise licensed or
1343 registered under this chapter, may hold any financial interest in a gaming establishment whose
1344 employees they represent.

1345 Section 27. (a) No category 1, category 2 or category 3 licensee shall conduct gaming
1346 without an operations certificate issued by the commission. An operations certificate shall only
1347 be issued upon compliance with the requirements of this chapter including; (1) implementation
1348 of all management controls required by the commission including, without limitation, controls on
1349 accounting, wagering and auditing; (2) implementation of all security precautions required by the
1350 commission; (3) an up to date listing of all gaming employees; (4) licensing of all gaming

1351 employees; (5) the provision of office space at the facility for use by the commission employees;
1352 (6) the hours of operation of the facility; and that its personnel and procedures are efficient and
1353 prepared to entertain the public.

1354 The operations certificate shall be conspicuously posted and shall state the number of slot
1355 machines, table games or other authorized games, if applicable.

1356 (b) A category 1, category 2, or category 3 licensee may operate a gaming establishment
1357 from 6:00 am to 5:59 am; provided, however, that said licensee registers their hours of operation
1358 with the commission.

1359 (c) Each gaming licensee shall arrange its gaming facility in such a manner as to promote
1360 optimum security for the gaming facility operations , including but not limited to: (1) a closed
1361 circuit television system according to specifications approved by the commission, with access on
1362 the licensed premises to the system or its signal provided to the commission; (2) one or more
1363 rooms or locations approved by the commission for use by commission employees; and (3)
1364 design specifications that insure that visibility in a facility is not obstructed in any way that might
1365 interfere with the ability of the commission or the division to supervise facility operations.

1366 (d) Each applicant for a gaming license shall submit to the commission a description of
1367 its minimum system of internal procedures and administrative and accounting controls for
1368 gaming and any simulcast wagering operations accompanied by a certification by its chief legal
1369 officer that the submitted procedures conform to the provisions of this chapter and any
1370 regulations promulgated thereunder as well as a certification by its chief financial officer that the
1371 submitted procedures provide adequate and effective controls, establish a consistent overall
1372 system of internal procedures and administrative and accounting controls and conform to
1373 generally accepted accounting principles and any additional standards required by the
1374 commission. Each applicant shall make its submission at least 30 business days before such
1375 operations are to commence unless otherwise directed by the commission; provided, however,
1376 that no gaming licensee shall commence gaming operations or alter its minimum internal
1377 controls until such system of minimum controls is approved by the commission. The
1378 commission shall establish regulations for the information required in said internal control
1379 submission.

1380 Any proposed changes to a gaming licensee's system of internal procedures and controls
1381 shall be submitted to the commission along with 2 new certifications from its chief legal and
1382 financial officers. Pending no objections from the commission, the gaming licensee may make
1383 said changes 15 business days after submitting a description of the changes to the commission.

1384 (e) Gaming equipment shall not be possessed, maintained or exhibited by any person on
1385 the premises of a gaming establishment except in a gaming area approved by the commission or
1386 in a restricted area used for the inspection, repair or storage of such equipment and specifically
1387 designated for that purpose.

1388 (f) Each gaming facility shall contain a count room and such other secure facilities as
1389 may be required by the commission for the counting and storage of cash, coins, tokens, checks,
1390 plaques, gaming vouchers, coupons and other devices or items of value used in wagering and
1391 approved by the commission that are received in the conduct of gaming and for the inspection,
1392 counting and storage of dice, cards, chips and other representatives of value.

1393 (g) A dealer may accept tips or gratuities from a patron at the table game where such
1394 dealer is conducting play; provided, however, that such tips or gratuities shall be placed in a pool
1395 for distribution among other dealers. The commission shall determine how tips and gratuities
1396 shall be set aside for the dealer pool as well as the manner of distribution among dealers.

1397 (h) No person under the age of 21 shall be permitted to wager or be in an area of a facility
1398 where gaming is conducted; provided, however, that a person 18 years or over of age who is a
1399 licensed employee of the gaming operation may be in an area of a facility where gaming is
1400 conducted if in the performance of the duties he is licensed to undertake.

1401 (i) No category 1, category 2 or category 3 licensee shall operate unless the facility
1402 manager or his designee is on the premises and representatives of the commission are present at
1403 the facility; provided, further that the commission may allow a gaming licensee to conduct
1404 gaming operations for a period not to exceed 48 hours pursuant to a duly filed emergency
1405 operations plan previously filed with, and approved by, the commission that addresses the
1406 internal procedures to be followed during such an emergency to ensure that the gaming licensee
1407 and its employees comply with all pertinent statutes and regulations.

1408 (j) Each gaming establishment shall file an emergency response plan with the fire
1409 department and police department of the host community which shall include without limitation:
1410 (1) a layout identifying all areas within the facility and grounds including support systems and
1411 the internal and external access routes; (2) the location and inventory of emergency response
1412 equipment and the contact information of the emergency response coordinator for the facility; (3)
1413 the location of any hazardous substances as well as a description of any public health or safety
1414 hazards present on site; (4) a description of any special equipment needed to respond to an
1415 emergency at the facility; (5) an evacuation plan; and (6) any other information relating to
1416 emergency response as requested by the fire department or the police department of the host
1417 community.

1418 Section 28. (a) Notwithstanding any general or special law, rule or regulation to the
1419 contrary, an applicant for a category 1 license may request with their gaming license application,
1420 and the commission may grant, a resort casino beverage license for the sale and distribution of
1421 alcoholic beverages to be drunk on the premises of a resort casino including any associated hotel
1422 and individual rooms and mini-bars at such hotels. No alcoholic beverages shall be sold or
1423 distributed on the premises of a gaming establishment without such a license. The authority to

1424 enforce, regulate and control the distribution of alcoholic beverages in the resort casino shall be
1425 exclusively vested in the commission.

1426 (b) Except as otherwise provided in this section, or by regulations promulgated by the
1427 commission, the provisions of chapter 138 and the rules and regulations promulgated by the
1428 alcoholic beverages control commission shall apply to a resort casino and a resort casino
1429 beverage license.

1430 (c) Issuance fees for the casino beverage license shall be included with the gaming
1431 application fee. If a category 1 licensee does not apply for a casino beverage license at the time
1432 of application, said licensee shall be subject to an additional licensing fee determined by the
1433 commission.

1434 (d) A licensee under this section shall be permitted to distribute alcohol free of charge
1435 and for on-premise consumption to patrons on the casino floor or as a complimentary service or
1436 item in the gaming establishment; provided, however, that the commission shall promulgate
1437 regulations on such distribution as well as the forms of identification that may be presented to the
1438 licensee to demonstrate proof that a person has attained the age of 21.

1439 (e) A licensee under this section shall be permitted to sell alcohol daily after 8
1440 antemeridian and before 2 antemeridian.

1441 (f) The request submitted to the commission for a resort casino beverage license by an
1442 applicant or licensee for a category 1 license shall detail all areas where alcoholic beverages will
1443 be served within the resort casino. In issuing said license, the commission shall describe the
1444 scope of the particular license and any restrictions and limitations.

1445 (g) A category 1 licensee shall be responsible for any violations of their casino beverages
1446 license in the gaming establishment. The commission may revoke, suspend, refuse to renew or
1447 refuse to transfer any resort casino beverage license for violations of any provision of chapter
1448 138, regulations promulgated by the alcoholic beverages control commission and the regulations
1449 promulgated by the commission. If, at any time, a licensee elects temporary suspension of their
1450 category 1 license due to violations of this section, said licensee shall owe the commonwealth the
1451 average tax on gross gaming revenue based on an appropriate period of time as determined by
1452 the commission for the number of days operation was suspended.

1453 (h) A resort casino beverage license shall be nontransferable without prior approval from
1454 the commission. If the license granted under this act is cancelled, revoked or no longer in use, it
1455 shall be returned physically, with all the legal rights, privileges and restrictions pertaining
1456 thereto, to the commission and the commission may then grant the license to a new gaming
1457 licensee under the same conditions as specified in this section.

1458 (i) A license granted under this section shall not decrease the number of such licenses
1459 authorized to be granted to the host community under the provisions of chapter 138.

1460 Section 29. (a) A gaming licensee shall be permitted to issue credit to a patron of a
1461 gaming establishment in accordance with regulations promulgated by the commission. Such
1462 regulations shall include, but not be limited to: (i) procedures for confirming that a patron has an
1463 established credit history and is in good standing; (ii) whether the patron has a good credit
1464 history with the gaming establishment; (iii) authorization of any credit instrument; (iv) methods
1465 for acknowledging a credit instrument and payment of debt; and (v) information to be provided
1466 by the patron to the gaming establishment to be shared with the commission for auditing
1467 purposes.

1468 (b) Except as otherwise authorized by the commission through regulations pursuant to
1469 this chapter, no facility , nor any person acting on behalf of said facility shall: (1) cash any
1470 check, make any loan, or otherwise provide or allow to any person any credit or advance of
1471 anything of value, or which represents value, to enable any person to place a wager; or (2)
1472 release or discharge any debt, either in whole or in part, or make any loan which represents any
1473 losses incurred by any player in gaming or simulcast wagering activity, without maintaining a
1474 written record thereof in accordance with the rules of the commission. Nothing in this section
1475 shall prohibit a facility from accepting credit cards for non-gaming related purchases or services.

1476 (c) Checks cashed in conformity with the requirements of this chapter shall be valid
1477 instruments enforceable under the laws of the commonwealth. Any check cashed, transferred,
1478 conveyed or given in violation of this chapter or regulations promulgated thereunder shall be
1479 invalid and unenforceable.

1480 (d) The commission shall establish, by regulation, procedures and standards for
1481 approving promotional gaming credits, provided that no such credit shall be reported as a
1482 promotional gaming credit by an operator of a licensed gaming establishment unless the operator
1483 can establish that the credit was issued by the gaming establishment and received from a patron
1484 as a wager at a slot machine in the gaming establishment, provided further that such promotional
1485 gaming credit shall not be taxable for the purposes of determining gross revenue.

1486 (e) No other person or entity, other than a gaming licensee licensed pursuant to this
1487 chapter, shall issue credit to a patron of a gaming establishment.

1488 (f) A person may petition the commission to place his name on a list of persons to whom
1489 the extension of credit by a gaming establishment shall be prohibited. Any person filing such
1490 petition shall submit to the commission the person's name, address, and date of birth. The person
1491 shall not be required to provide a reason for said request. The commission shall provide this list
1492 to the credit department of each gaming establishment; provided, however, that neither the
1493 commission nor the credit department of a gaming establishment shall divulge the names on this
1494 list to any person or entity other than those provided for in this subsection. If such a person

1495 wishes to have their name removed from the list, the person shall petition the commission in
1496 accordance with procedures for removal set forth by the commission. If the commission
1497 approves the request, the commission shall so inform the credit department of the gaming
1498 establishments no later than 7 days after approving the request.

1499 (g) Debt collections pursuant to this section and regulations promulgated thereunder shall
1500 be limited to gaming key employees or attorneys acting directly on behalf of gaming licensees;
1501 provided further that a gaming key employee shall be prohibited from making any such
1502 collections if they serve as a junket representative for the gaming licensee.

1503 Section 30. (a) No junkets may be organized or permitted and no person may act as a
1504 junket representative or junket enterprise except as authorized by the commission pursuant to
1505 this chapter.

1506 (b) A junket representative employed by a gaming licensee or affiliate of said licensee
1507 shall be licensed as a gaming employee in accordance with the provisions set forth in section 25,
1508 including provisions for the issuance of a temporary license; provided, however that said licensee
1509 need not be a resident of the commonwealth. Any person who holds a valid gaming employee
1510 license may act as a junket representative while employed by a gaming license or an affiliate.
1511 No gaming licensee shall employ or otherwise engage a junket representative who is not licensed
1512 pursuant to this chapter.

1513 (c) The commission shall deny an application for a license under this section if the
1514 commission finds that an applicant is disqualified pursuant to section 14 or may be unsuitable for
1515 licensure under any of the criteria set forth in section 19.

1516 (d) Each gaming licensee, junket representative or junket enterprise shall file a report
1517 with the bureau with respect to each list of junket patrons or potential junket patrons purchased
1518 directly or indirectly by the gaming licensee, junket representative or enterprise.

1519 (e) No junket enterprise or junket representative or person acting as a junket
1520 representative shall: (i) engage in efforts to collect upon checks that have been returned by banks
1521 without full and final payment; (ii) exercise approval authority with regard to the authorization or
1522 issuance of credit pursuant to this chapter; (iii) act on behalf of or under any arrangement with a
1523 gaming licensee or a gaming patron with regard to the redemption, consolidation, or substitution
1524 of the gaming patron's checks awaiting deposit; (iv) individually receive or retain any fee from a
1525 patron for the privilege of participating in a junket; or (v) pay for any services, including
1526 transportation, or other items of value provided to, or for the benefit of, any patron participating
1527 in a junket.

1528 (f) The commission shall promulgate further regulations concerning the conduct of
1529 junkets and conditions of junket agreements between gaming licensees and junket
1530 representatives.

1531 Section 31. (a) No gaming licensee shall offer to provide any complimentary services,
1532 gifts, cash or other items of value to any person unless the complimentary consists of room, food,
1533 beverage, transportation, or entertainment expenses provided directly to the patron and his guests
1534 by the licensee or indirectly to the patron and his guests on behalf of a third party, or the
1535 complimentary consists of coins, tokens, cash or other complimentary items or services provided
1536 through a complimentary distribution program which shall be filed and approved by the
1537 commission upon the implementation of the program or maintained pursuant to regulation.

1538 (b) A gaming licensee may offer and provide complimentary cash or noncash gifts which
1539 are not otherwise included in subsection (a) to any person, provided that any such gifts in excess
1540 of $2,000 are documented by the licensee and detail the reasons why such gifts were provided to
1541 the patron.

1542 (c) Each gaming licensee shall maintain a regulated complimentary service account for
1543 those complimentaries which are permitted under this section, and shall submit a quarterly report
1544 to the commission based upon such account and covering all complimentary services offered or
1545 engaged in by the licensee during the immediately preceding quarter. Such reports shall include
1546 identification of the regulated complimentary service and their respective costs, the number of
1547 persons by category of service who received the same and such other information as the
1548 commission may require.

1549 (d) The furnishing of a complimentary service or item by a casino licensee shall be
1550 deemed to constitute the indirect payment for the service or item by the casino licensee, and shall
1551 be valued in an amount based upon the retail price normally charged by the casino licensee for
1552 the service or item. The value of a complimentary service or item not normally offered for sale
1553 by a casino licensee or provided by a third party on behalf of a casino licensee shall be the cost to
1554 the casino licensee of providing the service or item, as determined in accordance with the rules
1555 of the commission.

1556 Section 32. (a) Upon revocation or suspension of a gaming license pursuant to section 20,
1557 or upon the failure or refusal to renew a gaming license the commission may appoint a
1558 conservator to temporarily manage and operate the business of the licensee relating to the
1559 gaming establishment. Such conservator shall be a person of similar experience in the field of
1560 gaming management and, in the case of replacing a gaming licensee, shall have experience
1561 operating a gaming facility of similar caliber in another jurisdiction, and shall be in good
1562 standing in all jurisdictions in which they operate any gaming facility.

1563 Upon appointment, a conservator shall agree to all licensing provisions of the former
1564 licensee.

1565 (b) A conservator shall, before assuming his duties, execute and file a bond for the
1566 faithful performance of his duties payable to the commission with such surety and in such form
1567 and amount as the commission shall approve.

1568 (c) The commission shall require that the former or suspended licensee purchase liability
1569 insurance, in an amount determined by the commission, to protect a conservator from liability for
1570 any acts or omissions of the conservator during his appointment which are reasonably related to,
1571 and within the scope of the conservator's duties.

1572 (d) During the period of temporary management of the resort casino, the commission
1573 shall initiate proceedings pursuant to this chapter to award a new gaming license to a qualified
1574 applicant whose gaming facility shall be located at the site of the preexisting gaming facility.

1575 (e) Applicants for a new gaming license shall be qualified for licensure pursuant to this
1576 chapter; provided, however, that the commission shall determine an appropriate level of
1577 investment by an applicant into the preexisting gaming facility.

1578 (f) Upon award of a gaming license, applicants shall pay the licensing fee for a category
1579 1, category 2 or category 3 license.

1580 Section 33. (a) There shall be within the commission an investigations and enforcement
1581 bureau, which shall be the primary enforcement agent for regulatory matters under this chapter
1582 and shall perform such functions as the executive director may determine in relation to such
1583 enforcement including the investigations of all licensees under this chapter..The bureau shall be
1584 under the supervision and control of the deputy director. The deputy director shall be the
1585 executive and administrative head of the bureau and shall be responsible for administering and
1586 enforcing the provisions of law relative to the bureau and to each administrative unit thereof. The
1587 duties given to the deputy director in this chapter and in any other general or special law shall be
1588 exercised and discharged subject to the direction, control and supervision of the executive
1589 director.

1590 (b) The bureau shall be a law enforcement agency and its employees shall have such law
1591 enforcement powers as to effectuate the purposes of this chapter, including the power to receive
1592 intelligence on any applicant or licensee under this chapter and to investigate any suspected
1593 violation of the provisions of this chapter.

1594 (c) Officers and employees of the gaming enforcement unit of the state police assigned to
1595 the commission pursuant to section 70 of chapter 22C shall work with employees of the bureau,
1596 under the direction of the deputy director, to investigate violations of this chapter by any
1597 licensee under this chapter or any activity taking place on the premises of a gaming
1598 establishment. Officers assigned to work with the commission shall record their time and submit
1599 total hours to the commission. The commission shall reimburse the state police through monies
1600 appropriated from the gaming control fund pursuant to section 8.

1601 (d) The bureau shall notify the division of gaming enforcement in the office of the
1602 attorney general of any criminal violations by a gaming licensee. The bureau and the division

1603 shall cooperate on the regulatory and criminal enforcement of this chapter and may determine
1604 whether to proceed with civil or criminal sanctions, or both against said licensee.

1605 (e) To further effectuate the purposes of this chapter with respect to the investigation and
1606 enforcement of licensed gaming establishments and licensees, the bureau may obtain or provide
1607 pertinent information regarding applicants or licensees from or to law enforcement entities or
1608 gaming authorities and other domestic, federal or foreign jurisdictions, including the federal
1609 bureau of investigation, and may transmit such information to each other electronically.

1610 (f) The bureau, the division and the gaming enforcement unit of the department of state
1611 police shall have exclusive enforcement of any criminal violation that occurs inside a licensed
1612 gaming facility under this chapter; provided, however, that the state police shall execute a
1613 memorandum of understanding with the law enforcement agency of the host community that
1614 shall include, but not be limited to, procedures involving: (i) first responder calls from the
1615 gaming establishment; (ii) emergencies occurring within the gaming establishment, including the
1616 gaming facility; and (iii) criminal investigations involving employees or patrons of the gaming
1617 establishment; provided further that the bureau of investigations and enforcement shall have the
1618 authority to restrict areas in the gaming establishment with direct access to the gaming facility.

1619 Section 34. (a) The bureau shall have the authority to issue orders requiring persons to
1620 cease any activity which is in violation of the provisions of this chapter, any regulation adopted
1621 hereunder, or any law related to gaming in the commonwealth. The commission or bureau may,
1622 in its order, require compliance with such terms and conditions as are reasonably necessary to
1623 effect the purposes of this chapter.

1624 (b) If the bureau finds, in accordance with the procedures established in section 35 and
1625 the regulations adopted thereunder, that any person is not in compliance with any order issued
1626 pursuant to this section, it shall assess a civil administrative penalty on such person as provided
1627 in said section 35 and the regulations adopted thereunder. The penalty may be assessed whether
1628 or not the violation was willful. In determining the amount of the civil penalty, the bureau shall
1629 consider: (i) the nature of the violation; (ii) the length of time the violation occurred; (iii) the risk
1630 to the public and to the integrity of gaming operations created by the conduct of the licensee or
1631 registrant; (iv) the seriousness of the conduct of the licensee or registrant; (v) any justification or
1632 excuse for such conduct by the licensee or registrant; (vi) the prior history of the particular
1633 license or registrant involved with respect to gaming activity; (vii) any corrective action taken by
1634 the licensee or registrant to prevent future misconduct; (viii) and other relevant factors.

1635 (c) In addition to collecting any civil penalties recoverable under this chapter or any other
1636 general or special law, the bureau may bring an action in the superior court to restrain, prevent or
1637 enjoin any conduct prohibited by this chapter or to compel action to comply immediately and
1638 fully with any order issued by the bureau. Except in cases of emergency where, in the opinion of
1639 the court, immediate abatement of the unlawful conduct is required to protect the public interest,

1640 the court may in its decree fix a reasonable time during which the person responsible for the
1641 unlawful conduct may abate and correct the violation. The expense of the proceeding shall be
1642 recoverable from the licensee and deposited into the gaming revenue fund pursuant to section 52.

1643 (d) Upon a recommendation from the bureau, the commission shall issue orders to
1644 condition, suspend or revoke a license or permit issued under this chapter.

1645 (e) Notwithstanding the foregoing, the bureau shall be authorized to issue an order to
1646 cease and desist any activity if the bureau finds that a licensee has engaged in or is about to
1647 engage in an act or practice which constitutes a violation of this chapter or laws of the
1648 commonwealth and may take such affirmative action to effect the order. If the bureau finds that
1649 the licensee is engaged in an act or practice that would cause irreparable harm to the security and
1650 integrity of the gaming establishment or the interests of the commonwealth in ensuring the
1651 security and integrity of gaming under this chapter, the bureau may issue a temporary suspension
1652 of the license.

1653 (f) Any licensee who has been issued a temporary order of suspension by the bureau shall
1654 be entitled to a hearing before the commission on such suspension within 7 days that the order
1655 was issued. At the conclusion of the hearing, the commission may issue a final order to
1656 condition, suspend or revoke the license in question.

1657 (g) Any licensee shall have the right to an adjudicatory hearing on an order issued by the
1658 bureau or commission pursuant to chapter 30A.

1659 Section 35. (a) The bureau may assess a civil administrative penalty on a licensee or
1660 registrant who fails to comply with any provision of this chapter or any regulation or order
1661 adopted by the commission; provided, however, that such noncompliance occurred after the
1662 bureau had given such person written notice of such noncompliance and the time stated in said
1663 notice for coming into compliance had elapsed; provided, however, that the bureau may assess
1664 such penalty without providing such written notice if such failure to comply: (i) was part of a
1665 pattern of noncompliance and not an isolated instance; (ii) was willful or neglectful and not the
1666 result of error; (iii) resulted in a significant breach to the integrity of the gaming establishment or
1667 gaming laws of the commonwealth; and (iv) consisted of failure to promptly report any
1668 knowledge of a potential violation of this chapter to the commission. Any such penalty shall be
1669 in addition to any other civil penalty that may be prescribed by law.

1670 (b) For the purpose of determining whether such noncompliance was part of a pattern of
1671 noncompliance and not an isolated instance, the bureau shall consider without limitation the
1672 following: (i) whether the bureau had previously notified the person of such noncompliance on
1673 more than one occasion during the previous month or of any noncompliance with the same
1674 provision of a law, regulation, order, license or approval as the current noncompliance during the
1675 previous 6 month period; or (ii) whether the current and previous noncompliances, considered
1676 together, indicate a potential threat to the integrity of the gaming establishment and gaming in

1677 the commonwealth or an interference with the commission's ability to efficiently and effectively
1678 regulate gaming in the commonwealth and enforce any regulation, license or order. If a licensee
1679 or registrant who has received a notice of noncompliance fails to come into compliance within
1680 the time period stated in such notice, the civil administrative penalty may be assessed by the
1681 bureau upon such licensee or registrant from the date of receipt of such notice.

1682 (c) Whenever the bureau seeks to assess a civil administrative penalty on any licensee or
1683 registrant, the bureau shall cause to be served upon such licensee or registrant, either by service,
1684 in hand, or by certified mail, return receipt requested, a written notice of its intent to assess a
1685 civil administrative penalty which shall include a concise statement of the alleged act or
1686 omission for which such civil administrative penalty is sought to be assessed, each law,
1687 regulation, order, license or approval which has not been complied with as a result of such
1688 alleged act or omission, the amount which the bureau seeks to assess as a civil administrative
1689 penalty for each such alleged act or omission, a statement of such licensee's or registrant's right
1690 to an adjudicatory hearing on the proposed assessment, the requirements such licensee or
1691 registrant must comply with to avoid being deemed to have waived the right to an adjudicatory
1692 hearing and the manner of payment thereof if such person elects to pay the penalty and waive an
1693 adjudicatory hearing. After written notice of noncompliance or intent to assess a civil
1694 administrative penalty has been given, each such day thereafter during which such
1695 noncompliance occurs or continues shall constitute a separate offense and shall be subject to a
1696 separate civil administrative penalty if reasonable efforts have not been made to promptly come
1697 into compliance.

1698 (d) Whenever the bureau seeks to assess a civil administrative penalty on any licensee or
1699 registrant, such licensee or registrant shall have the right to an adjudicatory hearing under
1700 chapter 30A whose provisions shall apply except when they are inconsistent with the provisions
1701 of this chapter.

1702 (e) Such licensee or registrant shall be deemed to have waived such right to an
1703 adjudicatory hearing unless, within 21 days of the date of the bureau's notice that it seeks to
1704 assess a civil administrative penalty, such licensee or registrant files with the bureau a written
1705 statement denying the occurrence of any of the acts or omissions alleged by the bureau in such
1706 notice, or asserting that the money amount of the proposed civil administrative penalty is
1707 excessive. In any adjudicatory hearing authorized pursuant to chapter 30A, the bureau shall, by a
1708 preponderance of the evidence, prove the occurrence of each act or omission alleged by the
1709 bureau.

1710 (f) If a licensee or registrant waives his right to an adjudicatory hearing, the proposed
1711 civil administrative penalty shall be final immediately upon such waiver. If a civil
1712 administrative penalty is assessed at the conclusion of an adjudicatory hearing, said civil
1713 administrative penalty shall be final upon the expiration of 30 days if no action for judicial
1714 review of such decision is commenced pursuant to chapter 30A.

1715 (g) Any licensee or registrant who institutes proceedings for judicial review of the final
1716 assessment of a civil administrative penalty shall place the full amount of the final assessment in
1717 an interest-bearing escrow account in the custody of the clerk or magistrate of the reviewing
1718 court. The establishment of such an interest-bearing escrow account shall be a condition
1719 precedent to the jurisdiction of the reviewing court unless the party seeking judicial review
1720 demonstrates in a preliminary hearing held within 20 days of the filing of the complaint either
1721 the presence of a substantial question for review by the court or an inability to pay. Upon such a
1722 demonstration, the court may grant an extension or waiver of the interest-bearing escrow account
1723 or may require, in lieu of such interest-bearing escrow account, the posting of a bond payable
1724 directly to the commonwealth in the amount of 125 per cent of the assessed penalty. If, after
1725 judicial review, in a case where the requirement for an escrow account has been waived, and in
1726 cases where a bond has been posted in lieu of such requirement, the court affirms, in whole or in
1727 part, the assessment of a civil administrative penalty the commission shall be paid the amount
1728 thereof together with interest at the rate set forth in section 6C of chapter 231. If, after such
1729 review in a case where an interest-bearing escrow account has been established, the court affirms
1730 the assessment of such penalty, in whole or in part, the commission shall be paid the amount
1731 thereof together with the accumulated interest thereon in such interest-bearing escrow account. If
1732 the court sets aside the assessment of a civil administrative penalty in a case where the amount of
1733 such penalty has been deposited in an interest-bearing escrow account, the licensee or registrant
1734 on whom the civil administrative penalty was assessed shall be repaid the amount so set aside,
1735 together with the accumulated interest thereon.

1736 (h) Each licensee or registrant who fails to pay a civil administrative penalty on time, and
1737 each person who issues a bond pursuant to this section and who fails to pay to the commission on
1738 time the amount required hereunder, shall be liable to the commonwealth for up to 3 times the
1739 amount of the civil administrative penalty, together with costs, plus interest from the time the
1740 civil administrative penalty became final and attorneys' fees, including all costs and attorneys'
1741 fees incurred directly in the collection thereof. The rate of interest shall be the rate set forth in
1742 section 6C of chapter 231. The bureau shall be authorized to require that the amount of a civil
1743 administrative penalty imposed pursuant to this section exceed any economic benefit realized by
1744 a person for noncompliance.

1745 Section 36. (a) Any person who willfully fails to report, pay, or truthfully account for and
1746 pay over any license fee or tax imposed by the provisions of this chapter or by the regulations
1747 promulgated hereunder, or willfully attempts in any manner to evade or defeat any such license
1748 fee, tax or payment thereof shall be punished by imprisonment in the state prison for not more
1749 than 5 years or in a jail or house of correction for not more than 2 and one-half years, or a fine of
1750 not more than $100,000, or both such fine and imprisonment, and in the case of a person other
1751 than a natural person, the amount of a fine up to $5,000,000.

1752 (b) Any person who willfully resists, prevents, impedes, interferes with, or makes any
1753 false, fictitious, or fraudulent statement or representation to the authority or to the division or to

1754 their agents or employees in the performance of their duties pursuant to this chapter shall be
1755 punished by imprisonment in the state prison for not more than 5 years or in a jail or house of
1756 correction for not more than 2 and one-half years, or a fine of not more than $25,000, or both
1757 such fine or imprisonment.

1758 (c) Any person who conducts or operates, or permits to be conducted or operated, any
1759 game, electronic gaming equipment in violation of the licensing provisions of this chapter or the
1760 regulations adopted hereunder shall be punished by imprisonment in the state prison for not more
1761 than 5 years or imprisonment in a jail or house of correction for not more than 2 and one-half
1762 years, or a fine of not more than $25,000, or both such fine or imprisonment, and in the case of a
1763 person other than a natural person, the amount of a fine up to $100,000.

1764 (d) Any licensee who, without the permission of the authority, (1) places controlled
1765 games or electronic gaming equipment into play or displays such controlled games or electronic
1766 gaming equipment in gaming establishment or (2) receives, directly or indirectly, any
1767 compensation or reward or any percentage or share of the revenue, for keeping, running, or
1768 carrying on any controlled game, or owning the real property or location in which any controlled
1769 game occurs, shall be punished by imprisonment in a jail or house of correction for not more
1770 than 2 and one-half years, or by a fine of not more than $25,000, or both, and in the case of a
1771 person other than a natural person, the amount of a fine up to $100,000.

1772 (e) Any person who conducts or operates any controlled game or electronic gaming
1773 equipment after his license has expired and prior to the actual renewal thereof shall be punished
1774 by imprisonment in a jail or house of correction for not more than 1 and one-half years, or a fine
1775 of not more than $25,000, or both such fine or imprisonment, and in the case of a person other
1776 than a natural person, the amount of a fine up to $100,000.

1777 (f) In addition to the provisions of section 75 of chapter 266, a person is guilty of
1778 swindling and cheating if the person purposely or knowingly by any trick or sleight of hand
1779 performance or by a fraud or fraudulent scheme, cards, dice, or other gaming equipment, for
1780 himself or for another or a representative of either, wins or attempts to win money or property, ,
1781 or reduces a losing wager or attempts to reduce a losing wager in connection to controlled
1782 gaming.

1783 (g) The penalties for swindling and cheating offenses shall be as follows:

1784 Any person who swindles or cheats where the amount involved is $75,000 or more shall
1785 be punished by imprisonment in the state prison for not more than 10 years, or in a jail or house
1786 of correction for not more than 2 and one-half years or by a fine of not more than $1,000,000, or
1787 both such fine or imprisonment.

1788 Any person who swindles or cheats where the amount involved is $10,000 or more and
1789 less than $75,000 shall be punished by imprisonment in the state prison for not more than 5

1790 years, or in a jail or house of correction for not more than 2 and one-half years or by a fine of
1791 not more than $500,000, or both.

1792 Any person who swindles or cheats where the amount involved is $1,000 or more and
1793 less than $10,000 shall be punished by imprisonment in the state prison for not more than 3 years
1794 or imprisonment in a jail or house of correction for not more than 2 and one-half years, or by a
1795 fine of not more than $100,000, or both such fine and imprisonment.

1796 Any person who swindles or cheats where the amount involved is less than $1,000 shall
1797 be punished by imprisonment in a jail or house of correction for not more than 2 and one-half
1798 years, or by a fine of not more than $10,000, or both such fine or imprisonment.

1799 (h) Each episode or transaction of swindling or cheating may be the subject of a separate
1800 prosecution and conviction. In the discretion of the prosecutor, multiple episodes or transactions
1801 of swindling and cheating committed as part of a single scheme or course of conduct may be
1802 treated as a single offense, and the amounts involved in acts of swindling and cheating
1803 committed according to a scheme or course of conduct, whether by the same person or several
1804 persons, may be aggregated in determining the amount involved in the offense.

1805 (i) Any person, who in playing, conducting or operating a game in a licensed gaming
1806 establishment, uses or assists another in the use of (1) a computerized, electronic, electrical, or
1807 mechanical device, which is designed, constructed, or programmed specifically for use in
1808 obtaining an advantage in any game in a licensed casino or gaming establishment or (2) any
1809 other swindling or cheating device, including, but not limited to, bogus or counterfeit chips,
1810 coins or dice; coins or tokens attached to strings or wires; marked cards; electronic or magnetic
1811 devices; or tools, drills, wires, keys, or devices designed for the purpose of and suitable for
1812 opening, entering, or affecting the operation of any gaming equipment, or for removing money
1813 or other contents there from, shall be punished by imprisonment in the state prison for not more
1814 than 5 years or imprisonment in a jail or house of correction for not more than 2 and one-half
1815 years, or by a fine of not more than $25,000, or both such fine and imprisonment.

1816 (j) Any person who possesses any computerized, electronic, electrical, or mechanical
1817 device or other swindling or cheating device described in clause (1) of subsection (i) with the
1818 intent to defraud, cheat, or swindle shall be punished by imprisonment in a jail or house of
1819 correction for not more than 2 and one-half years, or a fine of not more than $10,000, or both
1820 such fine or imprisonment.

1821 (k) Possession of any computerized, electronic, electrical, or mechanical device or other
1822 swindling or cheating device described in clause (1) of subsection (i) within a casino or gaming
1823 establishment shall constitute prima facie evidence of an intent to defraud, cheat or swindle,
1824 except that possession by any licensee, or employee of a licensee, acting in furtherance of his
1825 employment within a licensed casino or gaming establishment shall not constitute such prima
1826 facie evidence.

1827 (l) Any swindling or cheating device used or possessed in violation of this section shall
1828 be subject to seizure and forfeiture by the bureau.

1829 (m) It shall be unlawful for any licensee or employee to: knowingly conduct or operate,
1830 or allow to be conducted or operated, any swindling or cheating game or device; or knowingly
1831 conduct or operate or expose for play any game or games played with cards, dice, or any
1832 electronic or mechanical device, or any combination of games or devices, which have in any
1833 manner been marked or tampered with, or placed in a condition, or operated in a manner, the
1834 result of which tends to deceive the public or tends to alter the normal random selection of
1835 characteristics or the normal chance of the game or to alter the result of the game.

1836 (n) Any person who violates this section shall be punished by imprisonment in the state
1837 prison for not more than 5 years or imprisonment in a jail or house of correction for not more
1838 than 2 and one-half years, or by a fine of not more than $25,000, or both such fine and
1839 imprisonment, and in the case of a person other than a natural person, the amount of a fine up to
1840 $100,000.

1841 (o) Any swindling or cheating game or device used in violation of this section shall be
1842 subject to seizure and forfeiture by the division.

1843 (p) Any person who manufactures, distributes, sells, or services any gaming equipment in
1844 violation of the provisions of this chapter or the regulations promulgated by the authority for the
1845 purposes of defrauding, cheating, or swindling any person playing, operating, or conducting a
1846 controlled game at a casino or gaming establishment shall be punished by imprisonment in the
1847 state prison for not more than 5 years or imprisonment in a jail or house of correction for not
1848 more than 2 and one-half years, or a fine of not more than $25,000, or both such fine and
1849 imprisonment.

1850 (q) Any such unlawfully manufactured, distributed, sold, or serviced gaming equipment
1851 shall be subject to seizure and forfeiture by the division.

1852 (r) Any person who, without obtaining the requisite license or registration as provided in
1853 this chapter, works or is employed in a position whose duties would require licensing or
1854 registration under the provisions of this chapter shall be punished by imprisonment in a house of
1855 correction for not more than 6 months, or a fine of not more than $10,000, or both.

1856 (s) Any person who employs or continues to employ an individual not duly licensed or
1857 registered under the provisions of this chapter in a position the duties of which require a license
1858 or registration under the provisions of this chapter shall be punished by imprisonment in a jail or
1859 house of correction for not more than 6 months, or by a fine of not more than $10,000, or both
1860 such fine or imprisonment, and in the case of a person other than a natural person, the amount of
1861 a fine up to $100,000.

1862 (t) Any person under the age of 21 who plays, places wagers at, or collects winnings
1863 from, whether personally or through an agent, any controlled game shall be punished by
1864 imprisonment in a jail or house of correction for not more than 6 months, or a fine of not more
1865 than $1,000, or both such fine or imprisonment.

1866 (u) Any licensee or employee who knowingly allows a person under the age of 21 to
1867 play, place wagers at, or collect winnings from any controlled game, whether personally or
1868 through an agent, shall be punished by imprisonment in a jail or house of correction for not
1869 more than 1 year, or a fine of not more than $10,000, or both such fine or imprisonment, and in
1870 the case of a person other than a natural person, the amount of a fine may be up to $500,000. A
1871 subsequent violation of this section shall subject the licensee or employee to imprisonment in a
1872 house of correction for not more than 2 years, or a fine of not more than $50,000, or both such
1873 fine or imprisonment, and in the case of a person other than a natural person, the amount of a
1874 fine up to $1,000,000.

1875 (w) This section shall apply to any person who, from within the commonwealth,
1876 transmits a wager to, or receives a wager from, another person or gaming establishment within or
1877 outside of the commonwealth (x) This section shall not apply to the use of a local area network
1878 as a means to place authorized wagers in a licensed gaming establishment, or use of said devices
1879 or equipment by the authority in it duties in regulating, enforcing or auditing a licensed gaming
1880 operator.

1881 (y) A licensee of a gaming establishment who knowingly fails to exclude from the
1882 premises of their licensed gaming establishment any person placed by the commission on the list
1883 of excluded persons shall be punished by a fine of not more than $5,000 or by imprisonment in a
1884 jail or house of correction for not more than one year, or by both such fine and imprisonment.

1885 Section 37. All penalties collected pursuant to this chapter and any renewal fees for a
1886 gaming establishment shall be deposited into the gaming revenue fund established by section 52.

1887 Section 38. (a) The commission shall, by regulation, provide for the establishment of a
1888 list of excluded persons who are to be excluded or ejected from a gaming establishment. Such
1889 provisions shall include standards relating to persons: (1) who are repeat offenders as defined by
1890 the commission;(2) who are convicted of a criminal offense under the laws of any state or the
1891 United States, punishable by more than 6 months in prison or is a crime of moral turpitude; or (3)
1892 whose presence in a licensed gaming establishment would, in the opinion of the commission,
1893 pose an injurious threat to the interests of the commonwealth in the gaming establishment.

1894 (b) The commission shall further define categories of persons who shall be excluded
1895 pursuant to this section, including cheats and persons whose privileges for licensure or
1896 registration have been revoked. No person shall be placed on the list of excluded persons due to
1897 race, color, religion, national origin, ancestry, sexual orientation, disability or sex.

1898 (c) The commission shall impose sanctions upon a licensed gaming establishment if such
1899 establishment knowingly fails to exclude or eject from its premises any person placed by the
1900 commission on the list of excluded persons.

1901 (d) The list compiled by the commission of persons to be excluded shall not be deemed
1902 an all-inclusive list, and licensed gaming establishments shall have a duty to keep from their
1903 premises persons known to them to be within the classifications in subsection (a) or who whose
1904 presence in their establishment would be injurious to the interests of the gaming establishment
1905 itself or to the commonwealth, or both, as defined by standards set forth by the commission.

1906 (e) Upon petition by any unit under the commission or the division that the name of a
1907 person be placed on the list , the commission shall serve written notice upon such person by
1908 personal service, registered or certified mail return receipt requested to the last ascertainable
1909 address, or by publication in a daily newspaper of general circulation for 1 week.

1910 (f) Within 30 days of receipt of service by mail or 60 days after the last publication
1911 pursuant to subsection (c), a person placed on the list may request an adjudicatory hearing before
1912 the commission pursuant to chapter 30A and show cause as to why the name of said person
1913 should be removed from the list. If the commission determines that the regulation should not
1914 apply to the person, the commission shall remove them from the list and notify all gaming
1915 licensees under the chapter. Any such person aggrieved by a final decision of the commission in
1916 any adjudicatory proceeding under this section may petition for judicial review in accordance
1917 with the provisions of section 14 of chapter 30A.

1918 (g) The commission shall establish a list of self-excluded persons from gaming activity at
1919 gaming establishments. A person may request his name to be placed on the list of self-excluded
1920 persons by filing a statement with the commission acknowledging that said person is a problem
1921 gambler and by agreeing that, during any period of voluntary exclusion, said person may not
1922 collect any winnings or recover any losses resulting from any gaming activity at a gaming
1923 establishment. The commission shall promulgate further regulations for the list of self-excluded
1924 persons including procedures for placement, removal and transmittal of such self-exclusion to
1925 gaming establishments.

1926 (g ½) Gaming establishments shall not market to persons on the excluded persons list.

1927 (h) A person who is prohibited from gaming in a gaming establishment pursuant to this
1928 section shall not collect any winnings or recover any losses arising as a result of any prohibited
1929 activity. Any winnings obtained by a prohibited persons shall be forfeited to the commission and
1930 deposited into the gaming revenue fund established by section 52.

1931 Section 39. (a) No applicant for a gaming license, nor any holding, intermediary or
1932 subsidiary company thereof, nor any officer, director, gaming key employee or principal
1933 employee of an applicant for or holder of a gaming license or of any holding, intermediary or

1934 subsidiary company thereof nor any person or agent on behalf of any such applicant, holder,
1935 company or person, shall directly or indirectly, pay or contribute any money or thing of value to
1936 any candidate for nomination or election to any public office in the commonwealth or to any
1937 group, political party, committee or association organized in support of any such candidate or
1938 political party; except that the provisions of this section shall not be construed to prohibit any
1939 individual who is a candidate for public office from contributing to the candidate's own
1940 campaign.

1941 (b) No political contributions or contributions in kind shall be made to the governing
1942 body of a host community of any gaming establishment by a gaming licensee under this act
1943 outside of the host community agreement approved by the Massachusetts gaming commission.
1944 Any such contributions made to a host community by an applicant prior to issuance of a gaming
1945 license by the commission shall be disclosed by the applicant. This provision shall not preclude
1946 charitable contributions to a host community which shall be disclosed by a licensee to the
1947 commission.

1948 Section 40. (a) A category 1 licensee shall pay a daily tax of 25 per cent on gross gaming
1949 revenues.

1950 (b) Category 2 and category 3 licensees shall pay a daily tax of 40 per cent on gross
1951 gaming revenue.

1952 (c) In addition to the tax imposed under subsection (b), category 2 licensees shall pay a
1953 daily assessment of 8 per cent and category 3 licensees shall pay a daily assessment of 10 per
1954 cent of their gross gaming revenue to the Massachusetts race horse development fund established
1955 by section 53.

1956 (d) If a category 2 and a category 3 license merger is approved by the commission
1957 pursuant to section 20, the new category 2 licensee shall pay a daily assessment of 9 per cent of
1958 their gross gaming revenue to the Massachusetts race Horse Development Fund established by
1959 section 53.

1960 (e) Taxes imposed under this section shall be remitted to the commission by a gaming
1961 licensee the day following each day of wagering.

1962 Section 41. A category 1 licensee, a category 2 licensee and a category 3 licensee shall be
1963 subject to chapters 62 through 62E, inclusive, and chapters 63 through 63B, inclusive.

1964 Section 42 Any liability to the commonwealth under this chapter shall constitute a debt to
1965 the commonwealth. Any such debt shall constitute a lien on all commercial property owned by a
1966 gaming licensee in the commonwealth, once a statement naming such licensee is recorded,
1967 registered or filed, and shall have priority over any encumbrance theretofore recorded, registered
1968 or filed with respect to any site.

1969 Section 43. Prior to disbursement of a prize in excess of $600, a licensee shall review
1970 information furnished by the IV-D agency and by the department of revenue, as set forth in
1971 chapter 119A and in this section to ascertain whether the holder of a winning ticket owes past
1972 due child support to the commonwealth or to an individual to whom the IV-D agency is
1973 providing services, and to ascertain whether the holder of a winning ticket owes any past-due tax
1974 liability to the commonwealth. If the holder owes past-due child support or a past-due tax
1975 liability, the licensee shall notify the IV-D agency or the commonwealth, respectively, of the
1976 holder's name, address and social security number. Subsequent to statutory state and federal tax
1977 withholding, the licensee shall first disburse to the IV-D agency the full amount of the prize or
1978 such portion of the prize that satisfies the holder's past-due child support obligation and, if funds
1979 remain available after that disbursement, the licensee shall disburse to the department of revenue
1980 the full amount of the prize or such portion of the prize that satisfies the holder's past-due tax
1981 liability. The licensee shall disburse to the holder only that portion of the prize, if any, remaining
1982 after the holder's past-due child support obligation and the holder's past-due tax liability have
1983 been satisfied.

1984 Section 44. The division shall, on a monthly basis, transmit to the department of
1985 transitional assistance and to the IV-D agency, as set forth in chapter 119A, a list of all persons
1986 who were the holders of any winning ticket in excess of $600.00 in the prior month. The
1987 information shall be provided in a format which is compatible with the automated data
1988 processing systems of said departments, to ensure the immediate identification of persons who
1989 may be receiving public assistance benefits. The information provided shall include the name,
1990 address and social security number of the holder of the winning ticket.

1991 Section 45. Unclaimed prize money shall be retained by the licensee for the person
1992 entitled thereto for 1 year after the drawing in which the prize was won. If no claim is made for
1993 said money within such year, the prize money shall be deposited in the gaming revenue fund
1994 established by section 52.

1995 Section 46. If the person entitled to a prize or any winning ticket is under the age of 21
1996 years said prize shall be remitted to the commission and deposited into the gaming revenue fund
1997 established by section 52.

1998 Section 47. A gaming establishment, including any business located within such
1999 establishment, shall not be a certified project within the meaning of section 3F of chapter 23A.
2000 Gaming establishments shall not be designated an economic opportunity area within the meaning
2001 of section 3E of chapter 23A. Gaming establishments are not eligible for tax increment financing
2002 as set forth in section 59 of chapter 40 or special tax assessments set forth in section 3E of
2003 chapter 23A. Gaming establishments may not be classified and taxed as recreational land under
2004 the provisions of chapter 61B. Gaming establishments may not be designated as a development
2005 district within the meaning of chapter 40Q. Unless otherwise provided, a gaming establishment
2006 or any business located or to be located within a resort casino is not eligible for the following

2007 credits or deductions listed in chapter 62 or chapter 63: the investment tax credit under section
2008 31A of chapter 63, the employment credit under section 31C of chapter 63, the van pool credit
2009 under section 31E of chapter 63, the deduction for expenditures for industrial waste treatment or
2010 air pollution control under section 38D of chapter 63, the deduction for compensation paid to an
2011 eligible business facility's employees domiciled in a section of substantial poverty under section
2012 38F of chapter 63, the alternative energy sources deduction under section 38H of chapter 63, the
2013 research expense credit under section 38M of chapter 63, the economic opportunity area credit
2014 under section 6(g) of chapter 62, and section 38N of chapter 63, the abandoned building
2015 deduction under section 3B(a)(10) of chapter 62, and section 38O of chapter 63, the harbor
2016 maintenance tax credit under section 38P of chapter 63, the brownfields credit under section 6(j)
2017 of chapter 62, and section 38Q of chapter 63, the historic rehabilitation tax credit under section
2018 6J of chapter 62 and section 38R of chapter 63, the automatic sprinkler system depreciation
2019 deduction under section 38S of chapter 63, and the credit for a solar water heating system under
2020 section 38T of chapter 63.

2021 Section 48 The sale, assignment, transfer, pledge or other disposition of any security
2022 issued by a corporation, which holds a gaming license is conditional and shall be ineffective if
2023 disapproved by the commission. If at any time the commission finds that an individual owner or
2024 holder of any security of a corporate licensee or of a holding or intermediary company with
2025 respect thereto is not qualified under this chapter, and if as a result the corporate licensee is no
2026 longer qualified to continue as a gaming licensee in the commonwealth, the commission shall
2027 take any action necessary to protect the interests of the commonwealth including, but not limited
2028 to, suspension or revocation of the gaming license of the corporation.

2029 Each corporation which has been issued a gaming license pursuant to the provisions of
2030 this chapter shall file a report of any change of its corporate officers or members of its board of
2031 directors with the commission. No officer or director shall be entitled to exercise any powers of
2032 office until qualified by the commission.

2033 Section 49. The commission shall audit as often as the commission determines
2034 necessary, but not less than annually, the accounts, programs, activities, and functions of all
2035 licensees, and for said purpose the authorized officers and employees of the commission shall
2036 have access to such accounts at reasonable times and the commission may require the production
2037 of books, documents, vouchers and other records relating to any matter within the scope of such
2038 audit, except tax returns. The superior court shall have jurisdiction to enforce the production of
2039 records that the commission requires to be produced pursuant to this section, and the court shall
2040 order the production of all such records within the scope of any such audit. All such audits shall
2041 be conducted in accordance with generally accepted auditing standards established by the
2042 American Institute of Certified Public Accountants. In any audit report of the accounts, funds,
2043 programs, activities, and functions of a licensee issued by the commission, containing adverse or
2044 critical audit results, the commission may require a response, in writing, to such audit results.

2045 Such response shall be forwarded to the commission within 15 days of notification by the
2046 commission.

2047 On or before April 1 of each year, the commission shall submit a report to the clerks of
2048 the house of representatives and the senate who shall forward the same to the house and senate
2049 committees on ways and means which shall include, but not be limited to: (i) the number of
2050 audits performed under this section; (ii) a summary of findings under said audits; and (iii) the
2051 cost of each audit.

2052 Section 50. Unless the commission otherwise determines it to be in the best fiscal
2053 interests of the commonwealth, the commission shall utilize the services of a private testing
2054 laboratory that has obtained a license as a gaming vendor pursuant to section 26 to perform the
2055 testing of slot machines and other gaming equipment, and may also utilize applicable data from
2056 any such private testing laboratory, or from a governmental agency of a state other than the
2057 Massachusetts, authorized to regulate slot machines and other gaming equipment.

2058 Section 51. There is herby established and placed upon the books of the commonwealth a
2059 Gaming Licensing Fund which shall receive all licensing fees collected from applicants in
2060 receipt of a category 1, 2 or 3 gaming license. The fund shall expire on December 31, 2015. The
2061 commission shall be the trustee of the fund and shall transfer monies in the fund in order of the
2062 following provisions:-

2063 (1) $15,000,000 to the community mitigation fund established by section 54;

2064 (2) $5,000,000 to the General Fund to reimburse the General Fund for the initial
2065 regulatory costs of the commission;

2066 (3) $40,000,000 to the local capital projects fund established by section 58;

2067 (4) $50,000,000 shall be transferred to the Manufacturing Fund established by section
2068 56;

2069 (5) $25,000,000 shall be transferred to the Community College Fund established by
2070 section 57;

2071 (6) $3,000,000 to the Massachusetts tourism fund established pursuant to section 35J
2072 of chapter 10;

2073 (7) Any remaining monies in the fund after disbursement to sections 1 through 6 shall
2074 be transferred to the commonwealth stabilization fund established by section 2H of chapter 29;

2075 Section 52. There is hereby established and placed upon the books of the commonwealth
2076 a Gaming Revenue Fund which shall receive revenues collected from the tax on gross gaming
2077 revenue received from gaming licensees. The commission shall be the trustee of the fund and
2078 shall transfer monies in the fund in accordance with the following provisions:-

2079 (1) Until a category 1 facility is operational, one hundred per cent of the revenue received
2080 from category 2 and category 3 licensees shall be transferred to the gaming local aid fund
2081 established by section 55.

2082 (2) Upon the opening of a category 1 facility, all monies received into the fund shall be
2083 transferred as follows:

2084 (a) One per cent of revenues shall be transferred to the Massachusetts cultural council of
2085 which one half of revenues received shall be dedicated to the organization support program of
2086 the Massachusetts cultural council and of which not less than one half of revenues shall be
2087 dedicated to support not-for-profit or municipally-owned performing arts centers impacted as a
2088 result of the licensure of gaming facilities in the commonwealth of Massachusetts. Funds
2089 dedicated to such performing arts centers shall be for the purpose of subsidizing fees paid to
2090 touring shows or artists; provided, however that funding shall be appropriated through a
2091 competitive grant process to be developed and administered by the Massachusetts cultural
2092 council.

2093 (b) one percent shall be transferred to the Massachusetts tourism fund established
2094 pursuant to section 35J of chapter 10 which shall fund tourist promotion agencies as defined in
2095 subsection (c).

2096 (c) Two per cent shall be transferred to the community mitigation fund established by
2097 section 54; provided, however, that said fund balance shall not exceed $15,000,000. Funds in
2098 excess of $15,000,000 shall be transferred to the local capital projects fund established by section
2099 58;

2100 (d) Six per cent shall be transferred to the local capital projects fund established by
2101 section 58;

2102 (e) Thirty per cent shall be transferred to the gaming local aid fund established by section
2103 55;

2104 (f) Thirty per cent shall be transferred to the commonwealth stabilization fund established
2105 by section 2H of chapter 29; provided, however, that in any fiscal year in which the amount
2106 appropriated in item 7061-0008 of the general appropriation act, paid from the General Fund, or
2107 the amount of unrestricted general government aid paid from the general fund, including lottery
2108 aid distribution to cities and towns as paid from the General Fund in accordance with clause (c)
2109 of the second paragraph of section 35 of chapter 10 of the General Laws and the amount of
2110 additional funds distributed to cities and towns as additional assistance paid from the General
2111 Fund, is less than that of the previous fiscal year, up to one-half of the funds otherwise directed
2112 to the Commonwealth Stabilization Fund pursuant to this section, up to an amount equal to the
2113 deficiency between said appropriations for the current and previous fiscal years, shall be

2114 transferred to the gaming local aid fund in addition to the thirty percent provided for in
2115 subsection (e);

2116 (g) Thirty per cent shall be transferred to the Education Fund established by section 59.

2117 Section 53 (a) There is hereby established and placed upon the books of the
2118 commonwealth a Race Horse Development Fund to be administered by the commission. The
2119 commission shall make distributions from the race horse fund to each of the active and operating
2120 category 2 licensees conducting live racing.

2121 (b) Funds from the race horse development fund shall be distributed in proportion to the
2122 gross gaming revenue of each category 2 licensee; provided that the funds received by each
2123 licensee shall be allocated in accordance with the following provisions:

2124 (i) eighty per cent shall be deposited weekly into a separate, interest-bearing purse
2125 account to be established by and for the benefit of the horsemen. The earned interest on the
2126 account shall be credited to the purse account. Licensees shall combine these funds with
2127 revenues from existing purse agreements to fund purses for live races consistent with those
2128 agreements with the advice and consent of the horsemen;

2129 (ii) for a thoroughbred track, 16 per cent shall be deposited on a monthly basis into the
2130 Massachusetts thoroughbred breeding program authorized by the commission pursuant to section
2131 2 of chapter 128;

2132 (iii) for a harness track, 8 per cent shall be deposited on a monthly basis into the
2133 Massachusetts standardbred breeding program authorized by the commission pursuant to section
2134 2 of chapter 128 and an additional 8 per cent shall be deposited on a monthly basis into a
2135 standardbred breeder development program authorized by the commission;

2136 (iv) four per cent shall be used to fund health and pension benefits for the members of the
2137 horsemen's organizations representing the owners and trainers at the racetrack at which the
2138 category 2 licensee operates for the benefit of the organization's members, their families,
2139 employees and others in accordance with the rule and eligibility requirements of the
2140 organization, as approved by the commission. This amount shall be deposited within 5 business
2141 days of the end of each month into a separate account to be established by each respective
2142 horsemen's organization at a banking institution of its choice. Of this amount, the commission
2143 shall determine how much should be paid annually by the horsemen's organization to the
2144 thoroughbred jockeys or standardbred drivers organization at the racetrack at which the licensed
2145 racing entity operates for health insurance, life insurance or other benefits to active and disabled
2146 thoroughbred jockeys or standardbred drivers in accordance with the rules and eligibility
2147 requirements of that organization.

2148 Section 54 (a) There shall be established and set up on the books of the commonwealth a
2149 separate fund to be known as the Community Mitigation Fund. The community fund shall
2150 consist of monies transferred under section 52 and all other monies credited or transferred to the
2151 fund from any other fund or source pursuant to law; provided, however, that the balance of the
2152 fund shall not exceed $15,000,000.

2153 (b) The commission shall administer the fund and, without further appropriation, shall
2154 expend monies in the fund to assist contiguous communities in offsetting costs related to the
2155 construction and operation of a gaming facility including, but not limited to, communities and
2156 water and sewer districts in the vicinity of a gaming facility and public safety, including the
2157 office of the county district attorney.

2158 (c) Parties requesting appropriations from the community fund shall submit a written
2159 request for funding to the commission before February 1 of each year. The commission may
2160 hold a public hearing in the region of a gaming facility to provide parties with the opportunity to
2161 provide further information about their request for funds and shall distribute funds to requesting
2162 parties based on demonstrated need.

2163 Section 55 There shall be established and set up on the books of the commonwealth a
2164 fund to be known as the Gaming Local Aid Fund. The gaming local aid fund shall consist of
2165 monies transferred under section 52 and all monies credited or transferred to the fund from any
2166 other fund or source pursuant to law.

2167 Notwithstanding any general or special law, rule or regulation to the contrary, monies
2168 from the gaming local aid fund shall be used in addition to the balance of the state lottery fund
2169 for distribution to cities and towns in accordance with the provisions of clause (c) of section 35
2170 of chapter 10 and any monies so distributed shall be considered part of "General revenue sharing
2171 aid" for purposes of annual aid and contribution requirements established pursuant to chapter 70
2172 or section 3 of the annual general appropriation act. Notwithstanding any law or regulation to the
2173 contrary, beginning the first year that Gaming Local Aid funding is available for distribution to
2174 cities and towns, no city or town shall receive as a combination of "General Revenue Sharing
2175 Aid" and "Gaming Local Aid", in any year, an amount that is less than 25 percent of the total
2176 lottery sales made within that community. Notwithstanding any special or general law to the
2177 contrary, the provisions of this paragraph shall not take effect until such time as the executive
2178 office of administration and finance and the department of revenue has furnished a study of its
2179 impact on the state's economy and revenue cost to the commonwealth and its cities and towns,
2180 including, but not limited to, a distributional analysis showing the impact on taxpayers of varying
2181 income levels, the current practice of other states, any anticipated change in employment and
2182 ancillary economic activity to the joint committee on revenue and until legislation has been filed
2183 and passed pursuant to Part 2, Chap. 1, Sec. 1, Art. II of the Constitution.

2184 Section 56 There is hereby established and set up on the books of the commonwealth a
2185 fund to be known as the Manufacturing Fund. The manufacturing fund shall be credited any
2186 monies transferred under section 51 and all monies credited to or transferred to the fund from
2187 any other fund or source pursuant to law.

2188 Section 57 There is hereby established and set up on the books of the commonwealth a
2189 fund to be known as the Community College Fund. The community college fund shall be
2190 credited any monies transferred under section 51 and all monies credited to or transferred to the
2191 fund from any other fund or source pursuant to law.

2192 Section 58 There is hereby established and set up on the books of the commonwealth a
2193 fund to be known as the Local Capital Projects Fund. The local capital projects fund shall be
2194 credited any monies transferred under sections 51 or 52 and all monies credited to or transferred
2195 to the fund from any other fund or source pursuant to law.

2196 Section 59 There is hereby established and set up on the books of the commonwealth a
2197 fund to be known as the Education Fund. The education fund shall be credited any monies
2198 transferred under section 52 and all monies credited to or transferred to the fund from any other
2199 fund or source pursuant to law. Expenditures from said fund for the purposes of K-12 education
2200 shall be used to supplement, and not offset, any reduction in line item 7061-0008 of the general
2201 appropriations act.

2202 Section 60 The commission shall continue to evaluate the progress of federally
2203 recognized tribes in the commonwealth as they proceed with any applications to place land into
2204 trust for the purposes of tribal economic development. The commission shall determine whether
2205 it would be in the best interest of the commonwealth to enter into any negotiations with said
2206 tribes for the purposes of establishing Class III gaming on tribal land and shall submit reports as
2207 it deems necessary, but not less than once a year, to the governor and the clerks of the senate and
2208 house of representatives detailing any land in trust issues as well as the financing capabilities of a
2209 proposed tribal casino.

2210 Section 61. There shall be a gaming policy advisory council consisting of 14 members: 1
2211 of whom shall be the state treasurer, or his designee; 1 of whom shall be the attorney general, or
2212 his designee; 1 of whom shall be the chair of the commission; 1 of whom shall be the secretary
2213 of administration and finance, or his designee; 1 of whom shall be appointed by the senate
2214 president; 1 of whom shall be appointed by the speaker of the house of representatives; 1 of
2215 whom shall be appointed by the minority leader of the senate; 1 of whom shall be appointed by
2216 the minority leader of the house of representatives; and 6 of whom shall be appointed by the
2217 governor, 1 of whom shall have an expertise in the treatment of gambling addiction, 1 of whom
2218 shall be a representative from the tourism industry, 1 of whom shall be a member of organized
2219 labor, 1 of whom shall be a representative from a licensed gaming establishment; and 2 of whom
2220 shall be appointed from the vicinity of each resort casino upon determination of the licensee and

2221 site location by the commission. The council shall establish a tourism subcommittee whose
2222 purpose is to develop policies that facilitate the integration of gaming establishments into local
2223 tourism regions. The subcommittee shall submit any proposed recommendations to the
2224 commission within 4 months of the deadline for receipt of applications for a gaming license
2225 pursuant to section 10. Members of the council shall serve for a term of two years. The council
2226 shall convene after all members have been appointed to the commission and annually thereafter
2227 unless otherwise convened by the governor for the purpose of discussing matters of gaming
2228 policy. The recommendations concerning gaming policy made by the council pursuant to this
2229 section shall not be binding on the commission.

2230 Section 62. The commission shall annually submit a complete and detailed report of the
2231 commission's activities within 90 days after the end of the fiscal year to the clerk of the house of
2232 representatives, the clerk of the senate, the chairs of the joint committee on economic
2233 development and emerging technologies and the chairs of the house and senate committees on
2234 ways and means.

2235 SECTION 13 Section 1 of chapter 32 of the General Laws, as appearing in the 2008
2236 Official Edition, is hereby amended by inserting after the word "connector", in line 211, the
2237 following words:- , the Massachusetts Gaming Commission,.

2238 SECTION 14. Section 2 of chapter 32A of the General Laws, as so appearing, is hereby
2239 amended by inserting after the word "authority", in line 12, the following words:- , the
2240 Massachusetts gaming commission.

2241 SECTION 15. Section 94 of chapter 41 of the General Laws, as so appearing, is hereby
2242 amended by inserting after the word "and", in line 7, the first time it appears, the following word:
2243 illegal.

2244 SECTION 16. Section 18D of chapter 58 of the General Laws is hereby repealed

2245 SECTION 17. Subsection (d)(1) of section 2 of chapter 62 of the General Laws, as so
2246 appearing, is hereby amended by inserting after paragraph (P) the following paragraph:-

2247 (Q) Losses from wagering transactions shall be allowed only to the extent of the gains
2248 from such transactions pursuant to section 165 of the Code..

2249 SECTION 18. Section 2 of chapter 62B of the General Laws, as so appearing, is hereby
2250 amended by striking out the seventh paragraph and inserting in place thereof the following
2251 paragraph:-

2252 Every person, including the United States, the commonwealth or any other state, or any
2253 political subdivision or instrumentality of the foregoing, making any payment of lottery or
2254 wagering winnings, which are subject to tax under chapter 62 and which are subject to
2255 withholding under section 3402(q) without the exception for slot machines, and keno, and bingo

2256 played at licensed casinos in the commonwealth in subsection (q)(5) and (r) of the Internal
2257 Revenue Code shall deduct and withhold from such payment an amount equal to 5 percent of
2258 such payment, except that such withholding for purposes of this chapter shall apply to payments
2259 of winnings of $600 or greater notwithstanding any contrary provisions of the Internal Revenue
2260 Code, as amended from time to time. For purposes of this chapter and chapter 62C, such
2261 payment of winnings shall be treated as if it were wages paid by an employer to an employee.
2262 Every person who is to receive a payment of winnings which is subject to withholding under this
2263 section shall furnish to the person making such payment a statement, made under penalties of
2264 perjury, containing the name, address and taxpayer identification number of the person receiving
2265 the payment and of each person entitled to any portion of such payment.

2266 SECTION 19. Said chapter 62Bis hereby further amended by striking out section 5, as so
2267 appearing, and inserting in place thereof the following section:-

2268 Section 5. Every employer required to deduct and withhold from an employee or payee a
2269 tax under section 2, or who would have been required under said section in the case of an
2270 employee to deduct and withhold a tax if the employee had not claimed any personal exemption
2271 or dependency exemptions, shall furnish to each such employee or payee in respect of the wages
2272 or other payments paid by such employer to such employee or payee during the calendar year, on
2273 or before January 31 of the succeeding year, or, if an employee's employment is terminated
2274 before the close of such calendar year, within 30 days from the day on which the last payment of
2275 wages is made, a written statement in duplicate showing the name of the employer, the name of
2276 the employee or payee and his social security account number, if any, the total amount of wages
2277 or other amounts subject to taxation under chapter 62, and the total amount deducted and
2278 withheld as tax. This statement may contain such other information as the commissioner may
2279 prescribe. The commissioner may grant reasonable extensions of time, not exceeding 60 days,
2280 for the furnishing of the statement.

2281 Every employer who fails to withhold or pay to the commissioner any sums required by
2282 this chapter to be withheld or paid shall be personally and individually liable therefore to the
2283 commonwealth. The term "employer," as used in this section and in section 11, includes any
2284 person or entity required to withhold tax from any payee, and includes an officer or employee of
2285 a corporation, or a member or employee of a partnership or limited liability company, who as
2286 such officer, employee or member is under a duty to withhold and pay over taxes in accordance
2287 with this section and section 2. Any sum withheld in accordance with section 2 shall be
2288 considered to be held in trust for the commonwealth.

2289 If an employer in violation of the provisions of this chapter fails to withhold the tax in
2290 accordance with section 2, and thereafter the tax against which such tax may be credited,
2291 pursuant to section 9, is paid, the tax so required to be withheld shall not be collected from the
2292 employer; but this paragraph shall in no case relieve the employer from liability for any penalties
2293 or addition to the tax otherwise applicable in respect of such failure to withhold.

2294 SECTION 20. The first paragraph of section 8 of chapter 62C of the General Laws, as so
2295 appearing, is hereby amended by striking out the last sentence and inserting in place thereof the
2296 following sentence:-The same basis of reporting shall be utilized for income that is subject to
2297 taxation or withholding under chapter 62 or 62B but is not subject to taxation or withholding
2298 under the Code.

2299 SECTION 21. Subsection (f) of section 38 of chapter 63 of the General Laws, as so
2300 appearing, is hereby amended by striking out the third paragraph and inserting in place thereof
2301 the following paragraph:- “,

2302 For the purposes of this subsection: (1) in the case of the licensing of intangible property,
2303 the income-producing activity shall be considered to be performed in the commonwealth to the
2304 extent that the intangible property is used in the commonwealth; (2) the corporation shall be
2305 considered to be taxable in the state of the purchaser if the tangible personal property is delivered
2306 or shipped to a purchaser in a foreign country; (3) sales of tangible personal property to the
2307 United States government or any agency or instrumentality thereof for purposes of resale to a
2308 foreign government or any agency or instrumentality thereof are not sales made in the
2309 commonwealth; (4) in the case of the sale, exchange or other disposition of a capital asset, as
2310 defined in paragraph (m) of section 1 of chapter 62, used in a taxpayer's trade or business,
2311 including a deemed sale or exchange of such asset, "sales" are measured by the gain from the
2312 transaction; (5) "security" means any interest or instrument commonly treated as a security as
2313 well as other instruments which are customarily sold in the open market or on a recognized
2314 exchange, including, but not limited to, transferable shares of a beneficial interest in any
2315 corporation or other entity, bonds, debentures, notes, and other evidences of indebtedness,
2316 accounts receivable and notes receivable, cash and cash equivalents including foreign currencies,
2317 and repurchase and futures contracts; (6) in the case of a sale or deemed sale of a business, the
2318 term "sales" does not include receipts from the sale of the business "good will" or similar
2319 intangible value, including, without limitation, "going concern value" and "workforce in place.";
2320 (7) to the extent authorized pursuant to the life sciences tax incentive program established by
2321 section 5 of chapter 23I, a certified life sciences company may be deemed a research and
2322 development corporation for purposes of exemptions under chapters 64H and 64I; and (8) in the
2323 case of a business deriving receipts from operating a gaming facility or otherwise deriving
2324 receipts from conducting a wagering business or activity, income-producing activity shall be
2325 considered to be performed in this commonwealth to the extent that the location of wagering
2326 transactions or activity that generated the receipts is in this commonwealth.

2327 SECTION 22. Section 2 of chapter 128 of the General Laws, as so appearing, is hereby
2328 amended by striking out, in line 99, the words “or dog”.

2329 SECTION 23. Said section 2 of said chapter 128, as so appearing, is hereby further
2330 amended by striking out subsection (i).

2331 SECTION 24. Section 1 of chapter 128A of the General Laws, as so appearing, is hereby
2332 amended by striking out, in line 6, the words “state racing commission” and inserting in place
2333 thereof the following words:- Massachusetts gaming commission established pursuant to chapter
2334 23K.

2335 SECTION 25. Chapter 128A of the General Laws is hereby repealed. .

2336 SECTION 26. Section 1 of chapter 128C of the General Laws, as appearing in the 2008
2337 Official Edition, is hereby amended by striking out, in line 12, the words “state racing
2338 commission” and inserting in place thereof the following words:- Massachusetts gaming
2339 commission established pursuant to chapter 23K.

2340 SECTION 27. Said chapter 128C of the General Laws is hereby repealed.

2341 SECTION 28. Section 1 of chapter 137 of the General Laws, as appearing in the 2008
2342 Official Edition, is hereby amended by inserting after the words “gaming,”, in line 2, the
2343 following words:- ,except for gaming conducted in licensed gaming establishments pursuant to
2344 chapter 23K.

2345 SECTION 29. Section 2 of said chapter 137, as so appearing, is hereby amended by
2346 striking out, in line 2, the word “where” and inserting in place thereof the following words:- ,
2347 except for an owner or operator of a licensed gaming establishment pursuant to chapter 23K,
2348 where.

2349 SECTION 30. Section 3 of said chapter 137, as so appearing, is hereby amended by
2350 inserting after the words “betting,”, in line 5, the following words:- ,except for legalized gaming
2351 conducted pursuant to chapter 23K.

2352 SECTION 31. Section 18 of chapter 139 of the General Laws, as so appearing, is hereby
2353 amended by inserting after the word “of”, in line 6, the word:- illegal.

2354 SECTION 32. Section 177A of chapter 140 of the General Laws, as so appearing, is
2355 hereby amended by inserting after the word “machines”, in line 12, the following words:- , and
2356 excluding slot machines as defined by chapter 23K.

2357 SECTION 33. Section 26A of chapter 180 of the General Laws, as so appearing, is
2358 hereby amended by striking out, in lines 4 and 16, the following words “ or dog”.

2359 SECTION 34. The General Laws are hereby amended by inserting after chapter 267 the
2360 following chapter:-

2361 Chapter 267A

2362 Money Laundering

2363 Section 1. As used in this chapter, the following words shall, unless the context clearly
2364 requires otherwise, have the following meanings:-

2365 "Conducts", initiates, concludes or participates in initiating or concluding a transaction.

2366 "Criminal activity", a criminal offense punishable under the laws of the commonwealth
2367 by imprisonment in a state prison or a criminal offense committed in another jurisdiction
2368 punishable under the laws of that jurisdiction as a felony.

2369 "Financial institution", any: (1) bank as defined in section 1 of chapter 167; (2) national
2370 banking association, bank, savings and loan, savings bank, cooperative bank, building and loan,
2371 or credit union organized under the laws of the United States; (3) banking association, bank,
2372 savings and loan, savings bank, cooperative bank, building and loan or credit union organized
2373 under the laws of any state; (4) any agency, agent, or branch of a foreign bank; (5) currency
2374 dealer or exchange; (6) any person or business engaged primarily in the cashing of checks; (7)
2375 person or business regularly engaged in the issuing, selling, or redeeming of traveler's checks,
2376 money orders or similar instruments; (8) broker or dealer in securities or commodities; (9)
2377 licensed transmitter of funds or other person or business regularly engaged in the transmission of
2378 funds to a foreign nation for others; (10) investment banker or investment company; (11) insurer;
2379 (12) dealer in precious metals, stones or jewels; (13) pawnbroker or scrap metal dealer; (14)
2380 telegraph or other communications company; (15) personal property or real estate broker; (16)
2381 dealer in vehicles, including, but not limited to, automobiles, aircraft and vessels; (17) operator
2382 of a betting or gambling facility; (18) travel agent; any thrift institution; any operator of a credit
2383 card system; or (19) any loan or finance company.

2384 "Monetary instrument", the currency and coin of the United States or any foreign
2385 country; any bank check, money order, stock, investment security, or negotiable instrument in
2386 bearer form or otherwise in such form that title passes upon delivery; gold, silver or platinum
2387 bullion or coins; diamonds, emeralds, rubies, or sapphires; any negotiable instrument including:
2388 bank checks, cashier's checks, traveler's checks, or monetary orders made payable to the order of
2389 a named party that have not been endorsed or which bear restrictive endorsements; poker chips,
2390 vouchers or other tokens exchangeable for cash by gaming entities; and credit cards, debit cards,
2391 gift cards, gift certificates, calling cards, or scrips.

2392 "Transaction", a purchase, sale, loan, pledge, gift, transfer, delivery, or other disposition,
2393 and with respect to a financial institution includes a deposit, withdrawal, bailment, transfer
2394 between accounts, exchange of currency, loan, extension of credit, purchase or sale of any stock,
2395 bond, certificate of deposit, or other monetary instrument, use of a safe deposit box, or any other
2396 payment, transfer, or delivery by, through, or to a financial institution, by whatever means
2397 effected.

2398 Section 2. Whoever knowingly: (1) engages in a transaction involving a monetary
2399 instrument or other property known to be derived from criminal activity with the intent to

2400 promote, carry on or facilitate criminal activity, or knowing that the transaction is designed in
2401 whole or in part either to conceal or disguise the nature, location, source, ownership or control of
2402 the property derived from criminal activity or to avoid a transaction reporting requirement of this
2403 chapter, of the United States, or of any other state; (2) transports or possesses a monetary
2404 instrument or other property that was derived from criminal activity; or (3) directs, organizes,
2405 finances, plans, manages, supervises, or controls the transportation of or transactions in monetary
2406 instruments or other property known to be derived from criminal activity or which a reasonable
2407 person would believe to be derived from criminal activity; is guilty of the crime of money
2408 laundering and shall be punished by imprisonment in the state prison for not more than 6 years or
2409 by a fine of not more than $250,000 or twice the value of the property transacted, whichever is
2410 greater, or by both such imprisonment and fine; and for any subsequent offense shall be punished
2411 by imprisonment in the state prison for not less than 2 years, but not more than 8 years or by a
2412 fine of not more than $500,000 or 3 times the value of the property transacted, whichever is
2413 greater, or by both such imprisonment and fine.

2414 Section 3. (a) A financial institution shall file with the attorney general a copy of any and
2415 all reports required by the Currency and Foreign Transactions Act, set forth in 31 U.S.C.,
2416 sections 5311 through 5315, 31 C.F.R. 103.

2417 (b) A financial institution, or any officer, employee, or agent thereof that maintains and
2418 files a record in reliance of this section shall not be liable to its customer, to a state or local
2419 agency, or to any person for any loss or damage caused in whole or in part by the making, filing,
2420 or governmental use of the report, or any information contained therein. Nothing in this chapter
2421 shall be construed to give rise to a private cause of action for relief or damages. This paragraph
2422 does not preclude a financial institution, in its discretion, from instituting contact with, and
2423 thereafter communicating with and disclosing customer financial records to appropriate federal,
2424 state, or local law enforcement agencies when the financial institution has reason to suspect that
2425 the records or information demonstrate that the customer has violated any provisions of this
2426 chapter.

2427 (c) Any report, record, or information obtained by the attorney general pursuant to this
2428 section is not a public record and is not subject to disclosure, except to other state and federal
2429 law enforcement agencies.

2430 (d) Any violation of this section, which is not a violation of section 2, shall be punished
2431 by a fine of $100 for each report not filed.

2432 (e) The timely filing of complete and accurate reports required under subsection (a) with
2433 the appropriate federal agency is compliance with the requirements of subsection (a).

2434 Section 4. All monetary instruments or other property, real or personal, obtained directly
2435 as a result of a violation of section 2 of this chapter, shall be subject to forfeiture to the
2436 commonwealth.

2437 SECTION 35. Section 1 of chapter 271 of the General Laws, as appearing in the 2008
2438 Official Edition, is hereby amended by inserting after the word “gaming”, in lines 3 and 4, the
2439 following words:- ,except as permitted under chapter 23K.

2440 SECTION 36. Section 2 of said chapter 271, as so appearing, is hereby amended by
2441 inserting after the words “playing”, in line 4, the following words:- ,except as permitted under
2442 chapter 23K.

2443 SECTION 37. Section 3 of said chapter 271, as so appearing, is hereby amended by
2444 inserting after the words “gaming”, in line 3, the following words:- ,except as permitted under
2445 chapter 23K.

2446 SECTION 38. Section 5 of said chapter 271, as so appearing, is hereby amended by
2447 inserting after the words “thing,”, in line 7, the following words:- except as permitted under
2448 chapter 23K.

2449 SECTION 39. The second paragraph of section 5A of chapter 271, as so appearing, is
2450 hereby amended by adding the following sentence:-

2451 This section shall not apply to persons who manufacture, transport, sell, offer for sale,
2452 store, display, repair, recondition, possess or use any gambling device or parts for use therein for
2453 controlled gaming conducted under chapter 23K.

2454 SECTION 40. Section 6 of said chapter 271, as so appearing, is hereby amended by
2455 striking out, in lines 3 and 4, the words “gambling or unlawful game and inserting in place
2456 thereof the words:- illegal gaming.

2457 SECTION 41. Section 7 of said chapter 271, as so appearing, is hereby amended by
2458 inserting after the word “device”, in line 7, the first time it appears, the following words:- that is
2459 taking place in a legalized gaming establishment pursuant to chapter 23K,.

2460 SECTION 42. Said chapter 271is hereby further amended by striking out section 8, as so
2461 appearing, and inserting in place thereof the following section:

2462 Section 8. Whoever owns, occupies, or is in control of a house, shop or building and
2463 knowingly permits the establishing, managing or drawing of such lottery, or such disposal or
2464 attempt to dispose of property, or the sale of a lottery ticket or share of a ticket, or any other
2465 writing, certificate, bill, token or other device purporting or intended to entitle the holder, bearer
2466 or any other person to a prize or to a share of or interest in a prize to be drawn in a lottery, or in
2467 such disposal or property, and whoever knowingly suffers money or other property to be raffled
2468 for or won by throwing or using dice or by any other game of chance that is not being conducted
2469 in a legalized gaming facility pursuant to chapter 23K, shall be punished by a fine of not more
2470 than $2000 or by imprisonment in a jail or house of correction for not more than 1 year.

2471 SECTION 43. Section 14 of said chapter 271, as so appearing, is hereby further amended
2472 by inserting after the word " by", in line 3, the first time it appears, the following words:- illegal
2473 games of.

2474 SECTION 44. Section 16A of said chapter 271, as so appearing, is hereby amended by
2475 inserting after the word "wagerers", in line 14, the following words:- or to persons who organize,
2476 supervise, manage or finance persons for the purpose of controlled gaming conducted under
2477 chapter 23K.

2478 SECTION 45. Section 17 of said chapter 271, as so appearing, is hereby amended by
2479 adding the following sentence:-

2480 This section shall not apply to persons who organize, supervise, manage or finance
2481 persons for the purpose of controlled gaming conducted under chapter 23K.

2482 SECTION 46. Section 19 of said chapter 271, as so appearing, is hereby amended by
2483 inserting after the word "hazard", in line 16, the following words:- ; provided, however, that this
2484 section shall not apply to advertising of legalized gaming conducted pursuant to chapter 23K.

2485 SECTION 47. Section 20 of said chapter 271, as so appearing, is hereby amended by
2486 inserting after the word "used", in line 17, the following words:- ;provided, however that this
2487 section shall not apply to advertising of legalized gaming conducted pursuant to chapter 23K.

2488 SECTION 48. Section 22 of said chapter 271, as so appearing, is hereby amended by
2489 inserting after the word " of", in line 6, the third time it appears, the following word:- illegal.

2490 SECTION 49. Section 23 of said chapter 271, as so appearing, is hereby amended by
2491 inserting after the word "for", in line 28, the following words:-; provided, however, that such
2492 provision shall not apply to legalized gaming conducted pursuant chapter 23K.

2493 SECTION 50. Section 28 of said chapter 271, as so appearing, is hereby amended by
2494 inserting after the word "of", in line 3, the third time it appears, the following word:- illegal.

2495 SECTION 51. Section 31 of said chapter 271, as so appearing, is hereby amended by
2496 inserting after the word "both", in line 8, the following words:- ;provided, however, that this
2497 section shall not apply to legalized racing conducted pursuant to chapter 23K.

2498 SECTION 52. The General Laws are hereby amended by inserting after chapter 271 the
2499 following new chapter:-

2500

2501 Chapter 271A

2502 Enterprise Crime

2503

2504 Section 1. As used in this chapter, the following words shall, unless the context clearly
2505 requires otherwise, have the following meanings:-

2506 "Criminal enterprise activity", to commit ,attempt to commit, conspire to commit, or
2507 solicit, coerce, aid, abet, or intimidate another to commit any of the following criminal activity
2508 under the laws of the commonwealth or equivalent crimes under the laws of any other
2509 jurisdiction: murder; rape; manslaughter; assault; assault and battery; mayhem; robbery;
2510 extortion; stalking; criminal harassment; kidnapping; arson; burglary; malicious destruction of
2511 property; commission of a felony for hire; breaking and entering; child exploitation; poison;
2512 human trafficking; violation of constitutional rights; usury; uttering; misuse or fraudulent use of
2513 credit cards; identity fraud; misappropriation of funds; gross fraud; insurance fraud; prize
2514 fighting; boxing matches; counterfeiting; perjury; subornation of perjury; obstruction of justice;
2515 money laundering; witness intimidation; bribery; electronic eavesdropping; prostitution;
2516 receiving stolen property; larceny over $250.00; larceny by false pretenses or/embezzlement;
2517 forgery; prohibited financial interest; procurement fraud; false claims; tax evasion; filing false
2518 tax return; crimes involving violations of laws relating to gambling and lottery; gift; liquor;
2519 tobacco s; firearms; securities; lobbying; ethics; conflict of interest child and elder abuse; or any
2520 conduct defined as a racketeering activity under Title 18, U.S.C. s. 1961(1)(A)(B) and (D).

2521 "Enterprise", any individual, sole proprietorship, partnership, corporation, trust or other
2522 legal entity, or any unchartered union, association or group of persons associated in fact although
2523 not a legally recognized entity, and including unlawful and lawful enterprises and governmental
2524 and other entities.

2525

2526 "Pattern of criminal enterprise activity", engaging in at least two incidents of criminal
2527 enterprise activity that have the same or similar pattern, intents, results, accomplices, victims or
2528 methods of commission, or are otherwise interrelated by distinguishing characteristics and are
2529 not isolated incidents; provided Y at least 1 of the acts occurred after the effective date of this
2530 act and the last of the incidents occurred within 5 years after a prior commission of criminal
2531 enterprise activity.

2532

2533 "Unlawful debt", a debt incurred or contracted in an illegal gambling activity or business
2534 or which is unenforceable under state or federal law in whole or part as to principal or interest
2535 because of the law relating to usury.

2536

2537 Section 2. Whoever knowingly: (1) through a pattern of criminal enterprise activity or
2538 through the collection of an unlawful debt, receives anything of value or acquires or maintains,
2539 directly or indirectly, any interest in or control of any enterprise; (2) has received any proceeds
2540 derived, directly or indirectly, from a pattern of criminal enterprise activity or through the
2541 collection of an unlawful debt, to use or invest, directly or indirectly, any part of the proceeds
2542 including proceeds derived from the investment, in the acquisition of any interest in real
2543 property, or in the establishment or operation of, any enterprise; (3) is employed by or
2544 associated with any enterprise to conduct or participate, directly or indirectly, in the conduct of
2545 the enterprise's affairs by engaging in a pattern of criminal enterprise activity or through the
2546 collection of an unlawful debt; or (4) conspires or attempts to violate subsections (a), (b), or (c)
2547 of this section; is guilty of enterprise crime and shall be punished by imprisonment in the state
2548 prison for not less than 3 years and not more than 15 years or by a fine of not more than $25,000,
2549 or by both such imprisonment and fine.

2550 A purchase of securities on the open market for purposes of investment, and without the
2551 intention of controlling or participating in the control of the issuer, or of assisting another to do
2552 so, shall not be unlawful under this section if the securities of the issuer held by the purchaser,
2553 the members of his immediate family, and his or their accomplices in any pattern of criminal
2554 activity or the collection of an unlawful debt after such purchase do not amount in the aggregate
2555 to one percent of the outstanding securities of any one class and do not confer, either in law or in
2556 fact, the power to elect one or more directors of the issuer.

2557 Section 3. All monetary proceeds or other property, real or personal, obtained directly as
2558 a result of a violation of this chapter, shall be subject to seizure and forfeiture to the
2559 commonwealth.

2560 SECTION 53. Section 39 of chapter 272 of the General Laws, as appearing in the 2008
2561 Official Edition, is hereby amended by inserting after the word “in”, in line 7, the following
2562 word:- illegal.

2563 SECTION 54. Section 99 of said chapter 272, as so appearing, is hereby amended by
2564 inserting after the word “forgery,”, in line 68, the word:- illegal.

2565 SECTION 55 . Said section 13 of said chapter 494, as most recently amended by section
2566 2 of chapter 114 of the acts of 1991, is hereby further amended by striking out clause (c).

2567 SECTION 56. Clause (d) of said section 13 of said chapter 494, as appearing in said
2568 section 2 of said chapter 114, is hereby amended by striking out, in line 21, the words “(b) or (c
2569)” and inserting in place thereof the following words:- and (b).

2570 SECTION 57. Said section 13 of said chapter 494, as most recently amended by said
2571 section 2 of said chapter 114, is hereby further amended by striking out subsection (f)

2572 SECTION 58. The first paragraph of section 12A of chapter 494 of the acts of 1978 is
2573 hereby amended by striking out the words “and until July 31, 2010”, inserted by section 1 of
2574 chapter 167 of the acts of 2009, and inserting in place thereof the following words:- December
2575 31, 2014.

2576 SECTION 59. The last paragraph of said section 12A of said chapter 494 is hereby
2577 amended by striking out the words “July 31, 2010”, inserted by section 2 of said chapter 167, and
2578 inserting in place thereof the following words:- December 31, 2014.

2579 SECTION 60. The introductory paragraph of section 13 of said chapter 494 is hereby
2580 amended by striking out the words “and until July 31, 2010”, inserted by section 3 of said
2581 chapter 167, and inserting in place thereof the following words:- and until December 31, 2014.

2582 SECTION 61. Section 15 of said chapter 494 is hereby amended by striking out the
2583 words “and until July 31, 2010”, inserted by section 4 of said chapter 167, and inserting in place
2584 thereof the following words:- and until December 31, 2014.

2585 SECTION 62. The first paragraph of section 9 of chapter 277 of the acts of 1986 is
2586 hereby amended by striking out the words “and until July 31, 2010”, inserted by section 5 of said
2587 chapter 167, and inserting in place thereof the following words:- and until December 31, 2014.

2588 SECTION 63. The first sentence of the first paragraph of section 3 of chapter 114 of the
2589 acts of 1991 is hereby amended by striking out the words “and until July 31, 2010”, inserted by
2590 section 6 of said chapter 167, and inserting in place thereof the following words:- and until
2591 December 31, 2014.

2592 SECTION 64. The last paragraph of said section 3 of said chapter 114 is hereby
2593 amended by striking out the words “July 31, 2010”, inserted by section 7 of said chapter 167, and
2594 inserting in place thereof the following words:- December 31, 2014.

2595 SECTION 65. The first paragraph of section 4 of said chapter 114 is hereby amended by
2596 striking out the words “and until July 31, 2010”, inserted by section 8 of said chapter 167, and
2597 inserting in place thereof the following words:- and until December 31, 2014.

2598 SECTION 66. The last paragraph of said section 4 of said chapter 114 is hereby
2599 amended by striking out the words “July 31, 2010”, inserted by section 9 of said chapter 167, and
2600 inserting in place thereof the following words:- December 31, 2014.

2601 SECTION 67. The first paragraph of section 5 of said chapter 114 is hereby amended by
2602 striking out the words “and until July 31, 2010”, inserted by section 10 of said chapter 167, and
2603 inserting in place thereof the following words:- and until December 31, 2014.

2604 SECTION 68. Section 13 of chapter 101 of the acts of 1992 is hereby amended by
2605 striking out the words “July 31, 2010”, inserted by section 11 of said chapter 167, and inserting
2606 in place thereof the following words:- December 31, 2014.

2607 SECTION 69. Section 45 of chapter 139 of the acts of 2001 is hereby amended by
2608 striking out the words “July 31, 2010”, inserted by section 12 of said chapter 167, and inserting
2609 in place thereof the following words:- December 31, 2014.

2610 SECTION 70. Section 20 of chapter 449 of the acts of 2006 is hereby amended by
2611 striking out the words “July 31, 2010”, inserted by section 13 of said chapter 167, and inserting
2612 in place thereof the following words:- December 31, 2014.

2613 SECTION 71. Notwithstanding any general or special law to the contrary, in making
2614 initial appointments to the board of directors of the Massachusetts gaming commission
2615 established pursuant to section 3 of chapter 23K of the General Laws, the governor, the attorney
2616 general and the treasurer and receiver general, by majority agreement, shall appoint 1
2617 commissioner to serve for a term of 3 years, 1 commissioner to serve for a term of 4 years, 1
2618 commissioner to serve for a term of 5 years, 1 commissioner to serve for a term of 6 years, and 1
2619 commissioner to serve for a term of 7 years.

2620 SECTION 72. Notwithstanding any general or special law to the contrary, the vote of a
2621 municipality required pursuant to section 16 of chapter 23K of the General Laws shall occur
2622 after the effective date of this act.

2623 SECTION 73. Pursuant to section 2 of chapter 1194, 64 Stat. 1134, 15 U.S.C. 1171-1177,
2624 approved January 2, 1951, the commonwealth, acting by and through duly elected and qualified
2625 members of the general court, does declare and proclaim that the commonwealth shall be exempt
2626 from the provisions of chapter 1194, 64 Stat. 1134, 15 U.S.C. 1171 to 1178 for any gambling
2627 device authorized for use and transport under chapter 23K of the General Laws and any
2628 regulations promulgated thereunder.

2629 SECTION 74. All shipments of gambling devices into the commonwealth, including slot
2630 machines, the registering, recording and labeling of which has been duly had by the
2631 manufacturer of dealer thereof in accordance with sections 3 and 4 of an Act of Congress of the
2632 United States entitled “An act to prohibit transportation of gambling devices in interstate and
2633 foreign commerce,” approved January 2, 1951, being chapter 1194, 64 Stat. 1134, and also
2634 designated as 15 USC §§ 1171-1177 , shall be deemed legal shipments thereof into this
2635 commonwealth.

2636 SECTION 75. Notwithstanding any general or special law to the contrary, the
2637 Massachusetts gaming commission shall analyze the pari-mutuel and simulcasting statutes in
2638 effect as of the effective date of this act. Said analysis shall include a review of the efficacy of
2639 said statutes and the need to replace said statutes pursuant to the sunset of chapters 128A and

2640 128C of the General Laws established under this act. Said review shall not include a review of
2641 whether to increase the number of running horse, harness horse or greyhound racing meeting
2642 licensees. Said commission shall report its finding together with legislation, if any, to the clerks
2643 of the house of representatives and senate and to the chairs of the joint committee on economic
2644 development and emerging technologies no later than January 1, 2013.

2645 SECTION 76. Section 25 and 27 of this act shall take effect on July 31, 2014.