HOUSE DOCKET, NO. 3911 FILED ON: 7/15/2011

HOUSE . . . . . No. 3765

The Commonwealth of Massachusetts

PRESENTED BY:

Robert A. DeLeo

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

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

An Act relative to the regulation of cyber cafes.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Robert A. DeLeo	*19th Suffolk*
Attorney General Martha Coakley	*One Ashburton Place, Boston, MA*

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By Mr. DeLeo of Winthrop, a petition (subject to Joint Rule 12) of Robert A. DeLeo and Martha Coakley relative to the regulation of cyber cafes, so-called, for conducting sweepstakes. The Judiciary.

The Commonwealth of Massachusetts

In the Year Two Thousand Eleven

An Act relative to the regulation of cyber cafes.

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

SECTION 1. Chapter 271 of the General Laws, as appearing in the 2008 Official Edition, is hereby amended by inserting after section 5A the following new section:-

Section 5B. (a) As used in this section the following words shall, unless the context clearly requires otherwise, have the following meanings:

"Electronic machine or device", a mechanically, electrically or electronically operated machine or device that is owned, leased or otherwise possessed by a sweepstakes sponsor or promoter, or any sponsors, promoters, partners, affiliates, subsidiaries, or contractors thereof, that is intended to be used by a sweepstakes entrant, that uses energy, and that is capable of displaying information on a screen or other mechanism. An electronic machine or device may, without limitation: (1) be server-based; (2) use a simulated game terminal as a representation of the prizes associated with the results of the sweepstakes entries; (3) utilize software such that the simulated game influences or determines the winning or value of the prize; (4) select prizes from

13 a predetermined finite pool of entries; (5) utilize a mechanism that reveals the content of a
14 predetermined sweepstakes entry; (6) predetermine the prize results and stores those results for
15 delivery at the time the sweepstakes entry results are revealed; (7) utilize software to create a
16 game result; (8) require deposit of any money, coin, or token, or the use of any credit card, debit
17 card, prepaid card, or any other method of payment to activate the electronic machine or device;
18 (9) require direct payment into the electronic machine or device, or remote activation of the
19 electronic machine or device; (10) require purchase of a related product having legitimate value;
20 (11) reveal the prize incrementally, even though it may not influence if a prize is awarded or the
21 value of any prize awarded; (12) may determine and associate the prize with an entry or entries
22 at the time the sweepstakes is entered; (13) is a slot machine or other form of electrical,
23 mechanical, or computer game. "Electronic machine or device" shall also include gambling
24 devices as defined in section 5A.

25 "Enter" or "entry", the act or process by which a person becomes eligible to receive any
26 prize offered in a sweepstakes.

27 "Entertaining display", any visual information, capable of being seen by a sweepstakes
28 entrant, that takes the form of actual game play, or simulated game play.

29 "Prize", any gift, award, gratuity, good, service, credit, or anything else of value, which
30 may be transferred to a person, whether possession of the prize is actually transferred, or placed
31 on an account or other record as evidence of the intent to transfer the prize.

32 "Sweepstakes", any game, advertising scheme or plan, or other promotion, which, with or
33 without payment of any consideration, a person may enter to win or become eligible to receive
34 any prize, the determination of which is based upon chance.

35 (b) It shall be unlawful for any person to knowingly possess with the intent to operate, or
36 place into operation, an electronic machine or device to: (1) conduct a sweepstakes through the
37 use of an entertaining display, including the entry process or the reveal of a prize; or (2) promote
38 a sweepstakes that is conducted through the use of an entertaining display, including the entry
39 process or the reveal of a prize.

40 (c) Nothing in this section shall be construed to make illegal any activity which is
41 lawfully conducted: (1) by the state lottery commission, pursuant to sections 24, 24A, 27, 27A,
42 37, 38, and 39A of chapter 10; (2) as pari-mutuel wagering on horse races, whether live or
43 simulcast, pursuant to chapters 128A 128C; (3) as the game of bingo conducted pursuant to
44 chapters 10 and 271; or (4) as charitable gaming, so called, conducted pursuant to chapter 271.

45 (d) Any person who violates this section shall be punished by a fine of not more than
46 $250,000 per electronic machine or device placed into operation or by imprisonment in state
47 prison for not more than 15 years, or by both such fine and imprisonment.