

Massachusetts House of Representatives Bill Summary

Bill #:	H.4431
Title:	An Act relative to Internet Gaming
Sponsor:	Rep. David Muradian
Committee:	Economic Development and Emerging Technologies
Hearing Date:	November 13, 2025
Reporting Deadline:	December 17, 2025 (Subject to extensions under House Rule 27)
Prior History:	N/A-New File
Key Terms:	<p>"Adjusted gross revenue (AGR)": The revenue an online gaming company earns after paying out winnings, calculated by subtracting player winnings from the total amount wagered.</p> <p>"Massachusetts Gaming Commission (MGC)": The state agency responsible for regulating casinos, sports betting, and potentially internet gaming.</p> <p>"Internet game": Any online casino-style game played for money, including poker, blackjack, craps, roulette, slots, jackpots, game-show style games, skill-based games, peer-to-peer games, live dealer streams, or other games approved by the MGC.</p> <p>"Internet gaming": The business of offering casino-style games online for wagers, played on computers, phones, tablets, or other internet-connected devices.</p> <p>"Internet gaming account": An online wallet a player establishes with an approved gaming company. Players can deposit money, withdraw funds, receive winnings, and, if offered, use the same account for both casino games and sports betting.</p> <p>"Internet gaming brand": The name, logo, or public identity of a licensed operator's online platform.</p>

"Internet gaming operator": A company licensed by the MGC to conduct internet gaming.

"Internet gaming platform": The technology system, including hardware and software, that operates and records all online gaming activity and wagers.

"Internet gaming skin": A branded version of an online gaming platform that reflects the operator's or an affiliate's chosen identity, shaping the "look and feel" of the site or app.

"Live dealer internet game": A real-time online casino game run by a live dealer or gaming equipment in a studio, streamed to players who place bets and interact online.

"Live internet game studio": A physical location equipped with video and audio streaming technology where live dealer games are produced and broadcast to an operator's online platform, located in Massachusetts or another jurisdiction approved through a multi-state gaming agreement.

"Online sweepstakes game": An internet-based game of chance, often using a dual-currency system, that allows players to win prizes or cash equivalents and typically resembles casino-style games such as slots, video poker, lottery games, or sports betting.

"Permissible jurisdiction": Another state with which Massachusetts has a legal agreement allowing online gaming activity across state lines.

Current Law: ***Chapter 23K of the General Laws*** establishes the Massachusetts Gaming Commission and governs its oversight of gaming, racing, and sports wagering in the Commonwealth, and its licensees and programs, including the administration of public health trust funds, gaming local aid funds, and the development of annual research in furtherance of understanding the social and economic effects of expanding gaming.

Chapter 23N of the General Laws authorizes and regulates sports wagering in the Commonwealth as overseen by the Massachusetts Gaming Commission.

Executive Summary: This bill creates a new MGL chapter "chapter 23O" which establishes a comprehensive framework to legalize and regulate internet gaming in Massachusetts, granting the Massachusetts Gaming Commission authority to license existing casino operators to offer online casino-style games. It imposes a 15% tax on adjusted gross revenue,

mandates strict licensing and background checks, and introduces strong consumer protections such as age verification, deposit limits, and responsible gaming safeguards. The legislation creates a Player Health Program, establishes an Internet Gaming Fund, prohibits unlicensed sweepstakes, and enforces penalties for illegal operations or tampering with gaming software. It also allows multi-state agreements, sets advertising restrictions, and requires ongoing audits and regulatory oversight. Effective January 1, 2026, the bill aims to provide a secure, transparent, and accountable system for internet gaming in the Commonwealth.

Summary:

Section 1 amends the Massachusetts General Laws by creating a new chapter, Chapter 230: Internet Gaming. This proposed new chapter is comprised of thirty sections that collectively establish a statutory framework to legalize and regulate internet gaming within the Commonwealth.

- Ch.230; §1
 - Section 1 of proposed Chapter 230 states the legislative intent declares it is in the Commonwealth's best interest to regulate internet gaming, both for consumer protection, risks associated with illegal online gambling, and to create a new source of state revenues.
- Ch.230; §2
 - Section 2 of proposed Chapter 230 identifies and provides definitions for key terms within the chapter such as adjusted gross revenue, internet games, operators, skins, live dealer games, permissible jurisdictions, and accounts.
- Ch.230; §3
 - Section 3 of proposed Chapter 230 grants the Massachusetts Gaming Commission (MGC) exclusive authority over internet gaming, giving it sole power to issue, renew, suspend, or revoke licenses, conduct investigations, impose sanctions, and regulate all aspects of online gaming in the Commonwealth. To implement this new framework, the MGC is directed to adopt rules and regulations, including the ability to issue emergency regulations when quick action is necessary to protect consumers or market integrity. The bill also requires the Commission to establish strict prohibitions in its regulations. These include a complete ban on the purchase or use of biometric data in connection with internet gaming, as well as strong limits on advertising and marketing. Specifically, the MGC must prohibit deceptive or misleading advertisements, pop-up ads or texts sent to individuals on the self-exclusion list, advertising tactics deemed overly disruptive, and any marketing that directly appeals to persons under 21.
- Ch.230; §4
 - Section 4 of Chapter 230 grants the Massachusetts Gaming Commission (MGC) broad enforcement and regulatory powers to

oversee internet gaming. The Commission may hold hearings, administer oaths, issue subpoenas, and compel witnesses or records when necessary to carry out its responsibilities. It is also authorized to issue detailed rules governing operations, including limits on wagers, accounting methods, recordkeeping standards, and patron protections such as responsible gaming requirements. Licensed operators and suppliers can be compelled to file financial statements and other documents as needed for oversight. To strengthen regulation, MGC may also coordinate with other states and agencies to share information and enter into multi-state internet gaming agreements. Finally, the Commission's regulatory activities will be funded directly by the industry through application and licensing fees, fines, and proportional assessments, though it may also receive state appropriations when necessary.

- Ch.23O; §5
 - Section 5 of Chapter 23O requires the Massachusetts Gaming Commission (MGC) to adopt and enforce a code of ethics tailored to its responsibilities under the internet gaming law.
- Ch.23O; §6
 - Section 6 of Chapter 23O makes it unlawful for anyone to operate or accept internet gaming wagers in Massachusetts without a valid license issued by the Massachusetts Gaming Commission (MGC). Licenses are limited to existing casino operators already licensed under Chapter 23K, provided they meet all regulatory requirements. Each licensed operator may conduct internet gaming directly or contract with platform providers, and they are allowed up to three distinct “skins,” or branded platforms, which do not need to carry the casino's name. To obtain a license, applicants must pay a \$100,000 application fee, while each internet gaming skin requires a separate \$50,000 non-refundable license and application fee. The MGC may also impose added requirements for skin holders and may recognize equivalent licenses from other jurisdictions with comparable standards.
- Ch.23O; §7
 - Section 7 of Chapter 23O enables the Massachusetts Gaming Commission (MGC), for the first year only after the law takes effect, the ability to issue temporary internet gaming operator licenses. These temporary licenses last up to 12 months, or until the Commission makes a final decision on the applicant's full license and may be extended once for up to six months if there is good cause. A temporary license allows the applicant to conduct all internet gaming activities during the review period. To qualify, an applicant must submit a complete license application, pay the required license fee, undergo a preliminary background check with no disqualifying findings, and already hold a valid internet gaming license from another state with standards the Commission considers equal to or stronger than Massachusetts' requirement.

- Ch.23O; §8
 - Section 8 of Chapter 23O sets out the qualifications required for internet gaming licenses. This section places the burden on applicants and licensees to prove, by clear and convincing evidence, that they and all individuals connected to their operations meet the standards for licensure. Applicants must pay a non-refundable fee set by regulation and demonstrate good character, honesty, integrity, and financial responsibility. The requirement extends beyond the company itself to officers, directors, anyone holding more than 5% ownership, individuals with significant influence or control, and people in parent companies who meet those thresholds. All such “qualifiers” must provide requested information, cooperate fully with investigations or hearings, and cover the costs of background checks. Applicants and licensees must also waive liability for the Commonwealth regarding the disclosure of investigative information, except in cases of unlawful disclosure. Importantly, no internet gaming license may be granted unless every designated qualifier is found suitable and free of disqualifying factors.
- Ch.23O; §9
 - Section 9 of Chapter 23O requires the Massachusetts Gaming Commission to deny an internet gaming license application if the applicant or any qualifying individual has been convicted of, or engaged in, crimes such as fraud, theft, embezzlement, or perjury within the past ten years. Mandatory denial also applies if the applicant submits false or misleading information or fails to comply with the Commission’s background investigation process.
- Ch.23O; §10
 - Section 10 of Chapter 23O requires anyone employed by or providing services to an internet gaming operator to be licensed or registered under standards set by the Massachusetts Gaming Commission (MGC). The Commission will determine by regulation which positions require a “key employee” license, and which require a general employee registration. Applicants for key employee licenses must prove their good character, honesty, integrity, and financial stability by clear and convincing evidence. The Commission must deny or revoke a key employee license if the individual has a felony or financial-crime conviction in the last ten years, submits false information, shows a pattern of misconduct, or maintains close ties with organized crime or disreputable people. Similar rules apply to general employee registrations, with mandatory denial or revocation for convictions, false statements, misconduct, or problematic associations.
- Ch.23O; §11
 - Section 11 of Chapter 23O establishes a supplier licensing requirement for any person or business providing goods, services, or technology to an internet gaming operator. No vendor may furnish goods, services, or technology to an operator without an MGC-issued license. A \$15,000 fee applies, and applicants must demonstrate good character and

financial responsibility. The Commission is also empowered to expand or clarify supplier categories through regulation.

- Ch.23O; §12
 - Section 12 of Chapter 23O establishes the renewal rules for internet gaming licenses. All licenses are valid for five years, and renewal applications must be filed at least 90 days before expiration. Renewal fees are set at \$100,000 for operator licenses, \$50,000 for platform provider licenses, and \$15,000 for supplier licenses.
- Ch.23O; §13
 - Section 13 of Chapter 23O requires licensed internet gaming operators to pay a 15% privilege tax on adjusted gross revenue from internet gaming. This tax replaces all other states and local taxes on gaming proceeds. Payments are due monthly to the Commission, which sets the deadlines and methods. Operators must maintain records supporting their returns, subject to inspection, and may carry forward negative revenue balances to offset future months.
- Ch.23O; §14
 - Section 14 of Chapter 23O sets the rules for player accounts. Operators may only accept wagers from individuals physically located in Massachusetts, and accounts can only be opened by people aged 21 or older. Accounts may be established remotely and must allow deposits and withdrawals online, with a daily deposit limit of \$20,000. Approved funding methods include online transfers, debit cards, digital wallets (without credit cards), prepaid cards, bank wires, or cash at casinos and retail sites. Each patron may hold only one account per brand, accounts must be registered in the player's name, and they cannot be transferred. Use of VPNs to disguise location, collusion, or cheating is prohibited, and operators must use age- and location-verification technology. Platforms must also ensure payments and refunds are processed promptly. Finally, the Commission is tasked with setting rules for suspending or terminating accounts.
- Ch.23O; §15
 - Section 15 of Chapter 23O authorizes Massachusetts to enter into reciprocal agreements with other jurisdictions that permit internet gaming, so long as those agreements comply with federal law and the laws of the partner state. Under such agreements, Massachusetts-licensed operators may accept wagers from people physically located in another approved jurisdiction, and Massachusetts residents may place wagers with operators in those jurisdictions.
- Ch.23O; §16
 - Section 16 of Chapter 23O establishes the Player Health Program to raise awareness of problem gambling, promote responsible gaming, and provide prevention, treatment, and recovery services. The Massachusetts Gaming Commission is responsible for developing and administering the program. A dedicated Player Health Program Fund is created, supported by fees collected under this chapter, legislative

appropriations, private donations, and a share of gaming tax revenue set by regulation. Money from fund must exclusively be used for program expenses and shall not revert to the state's General Fund. Program activities may include public education campaigns, treatment programs for individuals with gambling addiction and related disorders, collaboration with other states, contracting with public or private partners, and consulting with national and state organizations to implement best practices.

- Ch.23O; §17
 - Section 17 of Chapter 23O requires internet gaming operators to adopt a comprehensive set of responsible gaming protections. Each operator must appoint a “responsible gaming lead” to coordinate with the Commission and ensure at-risk patrons receive information about community resources and operator-provided supports. The Commission, working with operators, must implement AI-based monitoring tools that flag risky behavior, such as unusually high deposits, repeated use of cool-off periods, cancelled withdrawals, or sharp increases in wagering activity. Games themselves may not encourage players to chase losses, increase bets, or bypass normal play by paying to access features. Patrons must be able to set personal limits on deposits, spending, wager size, and time spent on the platform, as well as temporarily suspend their accounts. Suspended accounts must still allow patrons to withdraw funds. Section 17 also includes strict rules for advertising and promotion: internet gaming can only be marketed to adults 21 and over, ads cannot use characters or influencers appealing to minors, advertising is banned on college campuses, and all messages must promote responsible gaming and include a helpline number. Finally, use of “risk-free” language in promotions is explicitly prohibited.
- Ch.23O; §18
 - Section 18 of Chapter 23O The Massachusetts Gaming Commission can require license and renewal fees at a regulated amount. The fees will be based on cost of maintaining enforcement, control and regulation of iGaming operations.
- Ch.23O; §19
 - Section 19 of Chapter23O makes it illegal for anyone to operate or promote online sweepstakes games in MA. It is also illegal to support or assist in the operation or promotion of online sweepstakes games in MA. The fine for violation of online sweepstake participation ranges from \$10,000-\$100,000 and a potential loss of the license. Repeat offenders will be subject to increased fines, licensure loss, and imprisonment of up to 2 years. The Massachusetts Gaming Commission can investigate, hold hearings, and issue subpoenas to ensure compliance with this section.
- Ch.23O; §20
 - Section 20 of Chapter 23O makes it illegal to knowingly tamper with software, computers or other equipment used to conduct internet

gaming to alter the odds of a payout results OR disable games from operating. Punishment for this crime is imprisonment for up to 5 years and, or a fine of \$50,000 and, “in the case of a person other than a natural person, to a fine of not more than \$200,000 and any other appropriate disposition authorized by the commission.” The Massachusetts Gaming Commission is granted authority to investigate holds hearings, and issue subpoenas to enforce these provisions.

- Ch.23O; §21
 - Section 21 of Chapter 23O explains that a licensed internet gaming operator is permitted to operate 24 hours a day unless they are directed otherwise by the Massachusetts Gaming Commission. The gaming day in a gaming facility should commence with set regulations for record keeping and tax purposes. Applicants for an iGaming operator license must create, maintain, and file with the Gaming Commission with a description of procedures and administrative and accounting controls for the conduct of iGaming. The Massachusetts Gaming Commission will have broad discretion in approving or rejecting the internal controls of iGaming operators or operator applicants that are submitted in accordance with this chapter. An inspector or an agency of the commission will have the power to stop iGaming operations until the corrective action where the inspector knows or reasonably suspects that approved internal controls are not being followed by the iGaming operator. The Gaming Commission is allowed to use private testing labs that have obtained a license as an iGaming vendor for the purpose of testing iGaming equipment that needs approval.
- Ch.23O; §22
 - Section 22 of Chapter 23 states that any information that is submitted, collected, or gathered as part of an application to or as background investigation conducted by the commission for a license or registration is confidential and will not be subject to disclosure to any third party, unless the request for information is made by an authorized law enforcement agency or a court order.
- Ch.23O; §23
 - The Massachusetts Gaming Commission will create and maintain a list of people who will be excluded from internet gaming. This will be known as the exclusion list. The Commission will implement procedures for placing people on the exclusion list. Additionally, an updated list of excluded people will be distributed to all iGaming operator on a regular and continuing basis.
 - iGaming operators will implement effective procedures to ensure that those on the exclusion are prohibited from engaging in iGaming. An iGaming operator will be subject to disciplinary action for knowingly allowing a person on the exclusion list to participate in internet gaming.
 - The exclusion list may include any of the following people: A career offender whose participation in iGaming would harm public interest; An associate of a career offender whose participation would harm public

interest; Anyone convicted of a criminal offense in any jurisdiction punishable by 6+ month OR a crime involving poor morals that would result in their participation harming the public interest in iGaming; Anyone who has been found cheating on iGaming, people whose privileges for licensure have been revoked; People with a documented history of conduct involving the undue disruption of the gaming operations in a gaming facility or internet gaming operations, and people subject to a court order excluding them from gaming facilities.

- A person's participation in internet gaming may be considered harmful to public interest if the person's character and background lack public confidence, trust, credibility, integrity, and stability. Additionally, the person could reasonably be expected to harm public perception of and confidence in the regulatory process created by this chapter and the regulations it comes with. Finally, the person's participation would create a risk of the appearance of unfair or illegal activities in the conduct of iGaming or in business and financial arrangements tied to iGaming.
- Findings of harmful public perception can be based on the following the history or nature of a person involved with gaming operations or any gaming jurisdictions. Further any factor reasonably related to the maintenance of public confidence in the regulatory process and the integrity of iGaming operations.
- Ch.23O; §24
 - Section 24 of Chapter 23O states that the Gaming Commission will establish procedures for placement on and remove from a voluntary self-exclusion list that can also allow players to opt in to a national voluntary self-exclusion list. A person whose name is placed on the voluntary self-exclusion list will be prohibited from establishing an internet gaming account and engaging in internet gaming for the duration of the exclusion period. This person must not collect any winnings or recover any losses resulting from iGaming activities. An individual can request to have his or her name placed on the voluntary self-exclusion list by completing the application and procedure prescribed by the Gaming Commission.
 - The Gaming Commission may approve placement on the voluntary self-exclusion list if it determines that the application has been made voluntarily by the individual. Individuals can select a time period of 1 year, 3 years, 5 years or a lifetime.
 - An iGaming operator license may be conditioned, suspended or revoked, and the iGaming operator may be assessed with a civil administrative penalty pursuant to this chapter if it is determined that an internet gaming operator has knowingly or recklessly failed to exclude any individual who is on the voluntary self-exclusion list from iGaming. It will not be considered knowingly or recklessly failing to exclude if the individual on the list has purposefully shielded their identity or attempted to avoid identification. Further an operator fails to abide by any provision

of the iGaming operator's approved written policy and procedures for compliance with the voluntary self-exclusion program.

- Ch.23O; §25
 - Section 25 of Chapter 23O states that an iGaming operator should submit an annual audit of its accounting record to the Gaming Commission. The records should be prepared by a certified public accountant in accordance with generally accepted accounting principles and applicable state and federal laws.
 - The report of the auditor to the Gaming Commission should be submitted within 4 months after the end of the financial year, unless the period is extended by the commission for good cause shown. In addition to the requirements to engage an external auditor, an iGaming operator must conduct internal audits of its processes, procedures, and accounting records as necessary to prove that it's in compliance with approved internal control systems and submit its written findings to the commission.
- Ch.23O; §26
 - Section 26 of Chapter 23O explains that the Gaming Commission can place a civil administrative penalty on iGaming operators who fail to comply with any provision of Chapter 23 or any rules and regulations adopted by the commission. In order to have an administrative penalty placed, the noncompliance has to occur after the Gaming Commission has given the operator a written notice of noncompliance with a time stamp included.
 - The Gaming Commission can place an administrative penalty without providing written notice if the failure to comply is within the following circumstances: the failure was a part of a pattern of noncompliance and not an isolated instance; If the failure was willful or neglectful and not just a result of error, or, if there are consistent failures that are not promptly reported to the gaming commission with any knowledge of evidence or circumstances that would cause a reasonable person to believe that a violation of chapter 23 has been committed.
 - In order to determine if noncompliance was part of a pattern and not an isolated instance The Commission should consider whether or not The Commission has previously notified the iGaming operator of their noncompliance on more than one occasion during the month prior. The Commission should also consider Whether the current and previous instances of noncompliance, considered together, indicate a potential threat to the integrity of the operator and the iGaming in the commonwealth.
 - When the Gaming Commission has determined that the actions or lack of actions of a licensee of a registrant constitute a regulatory violation, the commission may impose any sanctions that it deems appropriate. These sanctions include but are not limited to imposing fines on licensees and registrants, imposing conditions on licensees and registrants, issuing letters of reprimand, issuing cease and desist orders

against licensees and registrants, suspending licenses and registrations, and revoking licenses and registrations.

- In order to consider appropriate sanction, the Gaming Commission must assess the risk to public perception and to the integrity of gaming operations created by the conduct of the licensee or registrant. They must assess the seriousness of the conduct that was committed by the licensee or registrant and whether the conduct was intentional. Further, the commission must consider if the licensee or registrant knew that the actions went against the regulations established in Chapter 23 and the prior gaming history of the licensee or registrant. The commission should also consider the corrective actions taken by the licensee or registrant in order to prevent future misconduct occurring again.
- In the case of a monetary penalty, the amount of money must be considered in relation to the severity of the misconduct and the financial means of the licensee or registrant. The Gaming Commission may impose any schedule or terms of payment that it deems appropriate.
- The Commission will not accept unintentionally, unknowingly or inadvertently as a defense for violating a provision of this chapter. However, the commission will take these circumstances into consideration when determining the severity of the penalty imposed.
- Punishments for violating this chapter repeatedly will result in more severe punishments and penalties.
- Any decisions and or findings from the committee cannot be used or held against the party in criminal persecution.
- Ch.23O; §27
 - Section 17 of Chapter 23O states that annually and on or before a date that is decided by the Gaming Commission an iGaming operator must provide all transactional data relating to iGaming conduction in the commonwealth to any college or university within the commonwealth that requests it. Personally identifiable or otherwise confidential information does not need to be shared upon request.
- Ch.23O; §28
 - Section 28 prohibits any business, club, or membership-based establishment from operating a venue where computer terminals or similar devices are offered primarily for the purpose of accessing authorized internet gaming. In short, internet gaming must be accessed privately by individuals, not through public venues set up to function as gaming hubs.
- Ch.23O; §29
 - Section 29 of Chapter 23O states that Chapter 23 does not prohibit selling internet lottery games, including, but not limited to digital representations of lottery games.
- Ch.23O; §30
 - Section 30 of Chapter 23O states that there must be an established fun on the books of the commonwealth called the Internet Gaming fun which will receive revenue that is earned pursuant to Chapter 23. Fines

collected under Chapter 23 should not be deposited into this fund. Those fines should enter the General Fund. The Gaming Commission will be the trustee and administration of the fund and will control the transfer of monies from the fund. All expenses of the commission incurred from the administration and enforcement from Chapter 23 will be paid by the fund.

Section 2 establishes the bill's effective date as January 1, 2025.