

**HOUSE** . . . . . **No. 01039**

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The Commonwealth of Massachusetts

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PRESENTED BY:

***Robert M. Koczera***

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*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 bill:

An Act establishing casinos in Massachusetts..

\_\_\_\_\_  
PETITION OF:

NAME:

DISTRICT/ADDRESS:

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*Robert M. Koczera*

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*11th Bristol*

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*Marc R. Pacheco*

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*First Plymouth and Bristol*

# HOUSE . . . . . No. 01039

By Mr. Koczera of New Bedford, a petition (accompanied by bill, House, No. 1039) of Robert M. Koczera and Marc R. Pacheco relative to authorizing the legalization of casinos and establishing a casino gaming commission. Economic Development and Emerging Technologies.

## The Commonwealth of Massachusetts

In the Year Two Thousand Eleven

An Act establishing casinos in Massachusetts..

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

- 1 The General Laws are hereby further amended by Inserting after chapter 128C the following
- 2 chapter: Chapter 128D. Establishing Casinos in Massachusetts.
- 3 SECTION 1. General Provisions.
- 4 (a) This chapter shall be known and may be cited as “Casinos in Massachusetts Act”
- 5 (b) No applicant for a gaming license, or a manufacturer's or distributor's license or other
- 6 affirmative commission approval has any right to a license or the granting of the approval
- 7 sought. Any license issued or other commission approval granted pursuant to the provisions of
- 8 this act is a revocable privilege, and no holder acquire any vested right therein or there under.
- 9 (c) Nothing in this chapter shall preclude any city or town in the commonwealth from prohibiting
- 10 gaming.

11 (d) In the event of any conflict between the provisions of this chapter and any other provision of  
12 the General Laws, the provisions of this chapter shall prevail.

13 SECTION 2. Definitions.

14 The following words as used in this chapter shall, unless the context clearly requires otherwise,  
15 have the following meanings:

16 (a) "Affiliate", means any person which a licensee or applicant directly or indirectly controls or  
17 in which an applicant or licensee possesses an interest. For the purposes of this section "controls"  
18 means either (i) directly or indirectly holding more than ten percent of voting membership rights  
19 or voting stock or partnership interests, or (ii) that a majority of the directors, general partners,  
20 trustees, or members of an entity's governing body or representatives of, or are directly or  
21 indirectly controlled by, the licensee or applicant. For the purposes of this subsection, "possesses  
22 an interest in" means either (i) directly or indirectly holding more than five percent of voting  
23 membership rights or voting stock, or (ii) that at least twenty-five percent of the directors,  
24 general partners, trustees, or members of an entity's governing body or representatives of, or are  
25 directly or indirectly controlled by, the licensee or applicant;

26 (b) "Applicant", means any person who on his own behalf or on behalf of another has applied for  
27 permission to engage in any act or activity which is regulated by the provisions of this act or  
28 regulations promulgated there under.

29 (c) "Application", means a written request for permission to engage in any act or activity which  
30 is regulated under the provisions of this act.

31 (d) "Bidder", means an individual, corporation, partnership, organization or association of two or  
32 more persons, or other legal entity, that proposes to apply for a state gaming license and has been  
33 found suitable by the Commission.

34 (e) "Authority", means the state gaming control authority as established by this act"

35 (f) "Chairman", means the chairman of the state gaming commission.

36 (g) "Commission", means the Massachusetts state gaming commission;

37 (h) "Commissioner", means a member of the state gaming commission.

38 (i)"Committee", means the state gaming policy committee. (j) "Competitive

39 bidding process", means a process whereby the commission seeks potential bidders who desire to  
40 obtain a state gaming license, the winner which shall be chosen by competitive standards which  
41 are determined and established by the commission.

42 (k) "Controlled game" or "controlled gaming", any game of chance played for currency, check,  
43 credit, or any other thing of value that is not prohibited and made

44 unlawful by chapter two hundred and seventy-one of the General Laws, or any other general or  
45 special laws, or by local ordinance except:

46 (1) The game of bingo conducted pursuant to section seven A of chapter two hundred and  
47 seventy-one and 961 C.M.R. 3.00.

48 (2) Parimutuel wagering on horse and dog races, whether live or simulcast, regulated by the state  
49 racing commission.

50 (3) Any lottery game conducted by the state lottery commission, in accordance with section  
51 twenty-four of chapter 10 of the General Laws.

52 (4) Games played with cards in private homes or residences in which no person makes money for  
53 operating the game, except as a player.

54 (l) "Electronic Gaming Device", means any mechanical, electrical or other device, contrivance or  
55 machine, including any so-called video wagering terminal, video lottery terminal or video poker  
56 machine, which, upon insertion of a coin, token or similar object, or upon payment of any  
57 consideration, is available to play or operate, the play or operation of which, whether by reason  
58 of the skill of the operator in playing a gambling game which is presented for play by the  
59 machine or application of the chance, or both, may deliver or entitle the person playing or  
60 operating the machine to receive cash, premiums, merchandise, tokens or any thing of value,  
61 whether the payoff is made automatically from the machine or in any other manner.

62 (m) "Establishment", means any building, room, place or other indoor or outdoor premises where  
63 any controlled gaming occurs, including all public and non-public areas of any such  
64 establishment;

65 (n) "Executive Director", the executive director of the state gaming control bureau;

66 (o) "Game" and "gambling game", means any game approved by the commission and played  
67 with cards, dice, equipment or any mechanical, electromechanical or electronic device or  
68 machine, including slot machine as defined by this act, for money, property, checks, credit or any  
69 representative of value, but does not include games played with cards in private homes or  
70 residences in which no person makes money for operating the game, except as a player, or games  
71 defined within chapter ten or chapter two-hundred seventy-one of the General Laws.

72 (p) "Gaming", "gambling", and "gaming operations", means to deal, operate, carry on, conduct,  
73 maintain or expose for play any game as defined in this section.

74 (q) "Gaming device", means any equipment or mechanical, electromechanical or electronic  
75 contrivance, component or machine used remotely or directly in connection with gaming or any  
76 game which affects the result of a wager by determining "Win or loss".

77 (r) "Gaming employee", means any person employed in a properly licensed gaming facility  
78 including, without limitation, boxmen; dealers or croupiers; floormen; machine mechanics;  
79 security employees; count room personnel; cage personnel; slot machine and slot booth  
80 personnel; collection personnel;

81 surveillance personnel; and data processing personnel; or any other person whose employment  
82 duties predominantly involves the maintenance or operation of gaming activity or equipment and  
83 assets associated therewith or who, in the judgment of the commission, is so regularly required to  
84 work in a restricted area that licensure as a gaming employee is appropriate.

85 (s) "Gaming establishment", means any establishment licensed to conduct gaming operations in  
86 the commonwealth under this chapter.

87 (t) "Gaming license" or "license", means any license or work permit issued by the commission  
88 under this chapter that authorizes the person named therein to engage or participate in controlled  
89 gaming, including, work permits and licenses issued to gaming establishments, to gaming  
90 suppliers, to parties in interest, to gaming schools, and to officers and directors of licensed  
91 persons or entities;

92 (u) "Gaming establishment", any establishment licensed to conduct gaming operations in the  
93 commonwealth under this chapter;

94 (v) "Gaming service industry", means any form of enterprise which provides more than one  
95 hundred thousand dollars per annum in goods or services regarding the realty, construction,  
96 maintenance, or business of a proposed or existing gaming facility on a regular or continuing  
97 basis which directly relate to gaming activities or indirectly relate to gaming operations  
98 including, without limitation, junket enterprises, security businesses, manufacturers, suppliers,  
99 distributors and servicers of gaming devices or equipment; waste disposal companies;  
100 maintenance companies; schools teaching gaming and either playing or dealing  
101 techniques; suppliers of alcoholic beverages, food and nonalcoholic beverages; vending machine  
102 providers; linen suppliers; shopkeepers located within the approved hotels; limousine services;  
103 and construction companies contracting with gaming applicants or licensees or their employees  
104 or agents, or any other enterprise which purchases more than fifty thousand dollars per annum in  
105 goods or services from or which does more than fifty thousand dollars worth of business per  
106 annum with licensed gaming facilities, provided that professional services such as accountants,  
107 auditors, attorneys, and broker dealers, or other professions which are regulated by a public  
108 agency, are exempt from the provisions of this subsection.

109 (w) "Holding company", means any corporation, firm, partnership, trust, or other form of  
110 business organization not a natural person that, directly or indirectly, owns, has the power or  
111 right to control, or holds with power to vote, all or any part of the limited partnership interests or  
112 outstanding voting securities of a corporation or any other business entity that holds or applies  
113 for a state gambling license. In addition, a holding company indirectly has, holds, or owns any

114 power, right, or security mentioned herein if it does so through any interest in a subsidiary or  
115 successive subsidiaries, however many of these subsidiaries may intervene between the holding  
116 company and the corporate licensee or applicant.

117 (x) "Intermediary company", means any corporation, firm partnership trust or other form of  
118 business organization other than a natural person that is both of the following: (1) a holding  
119 company with respect to a corporation or limited  
120 partnership that holds or applies for a gaming license and (2) a subsidiary with respect to a  
121 holding company.

122 (y) "Land-based licensed gaming facility" means any licensed gaming facility that is principally  
123 located on land.

124 (z) "License" means a gaming license" or a manufacturer's or distributor's license.

125 (aa) "License fees" means any money required by law to be paid to obtain or renew a gaming  
126 license manufacturer's or distributor's license.

127 (bb) "Licensed gaming facility" means any facility wherein all gaming is sanctioned and  
128 regulated by the Commission and fully taxed by the commonwealth.

129 (cc) "Licensee" means any person to whom a valid gaming license manufacturer's or distributor's  
130 license has been issued.

131 (dd) "Manufacturer" means a person who: (1) manufactures, assembles, programs or makes  
132 modifications to a gaming device or cashless wagering system; or (2) designs, controls the  
133 design or assembly or maintains a copyright over the design of a mechanism, electronic circuit or  
134 computer program which cannot be reasonably demonstrated to have any application other than



135 in a gaming device or in a cashless wagering system, for use or play in this state or for  
136 distribution outside of this state

137 (ee) "Manufacturer's, seller's or distributor's license", means a license issued pursuant to this act.

138 (ff) "Party in interest", means any corporation, firm, partnership, trust, or other entity or person  
139 with any direct or indirect pecuniary interest in a licensed gaming establishment, or a person who  
140 owns any interest in the premises of a licensed gaming establishment, or land upon which such  
141 premises is licensed, whether he leases the property directly or through an affiliate.

142 (gg) "Person" or "party" means a natural person, corporation, partnership, limited partnership,  
143 trustee, holding company, joint venture, association, or any business entity.

144 (hh) "Request for proposals" means a written document issued by the commission to potential  
145 bidders which invites bidders to submit proposals outlining their qualifications and desire to  
146 obtain a gaming license from the commission.

147 (ii) "Skimming", means the intentional excluding of or the taking of any monies, chips, or any  
148 other items in an attempt to exclude any monies, chips, or any other items or their value from the  
149 deposit, counting, collection, or computation of gross revenues from gaming operations or  
150 activities, net gaming proceeds, or amounts due the commonwealth pursuant to this act.

151 (jj) "Slot machine", means any mechanical, electrical or other device, contrivance or machine,  
152 including any so-called video wagering terminal, video lottery terminal or video poker machine,  
153 which, upon insertion of a coin, token or similar object, or upon payment of any consideration, is  
154 available to play or operate, the play or operation of which, whether by reason of the skill of the  
155 operator in playing a gambling game which is presented for play by the machine or application

156 of the element of chance, or both, may deliver or entitle the person playing or operating the  
157 machine to receive cash, premiums, merchandise, tokens or any thing of value, whether the  
158 payoff is made automatically from the machine or in any other manner.

159 (kk) "Substantial party in interest", means any person holding a greater than five percent direct  
160 or indirect pecuniary interest, whether as owner, mortgagor or otherwise, in an operating entity,  
161 premises, or any other licensee or applicant.

162 (ll) "Water-based licensed gaming facility", means any licensed gaming facility that is  
163 principally located on the water.

164 (mm) "Work permit", means any card, certificate, or permit issued by the commission  
165 authorizing the holder to be employed in a licensed gaming facility.

166 (nn) "Gross gaming revenue", the total, prior to the deduction of any operating, capital or other  
167 expenses whatsoever, less only the total of all sums paid out as winnings, of all gaming  
168 establishment revenue generated by the gaming establishment of any casino licensed under this  
169 chapter derived from the conduct of any game conducted at a licensed casino.

### 170 SECTION 3. Gaming Control Commission: Composition, Powers and Duties.

171 (a) There shall be established a Massachusetts Gaming Control Commission consisting of five  
172 members. Each member shall be a citizen of the United States and a resident of the  
173 commonwealth. No person holding any elective office in state, county, or local government; nor  
174 any officer or official of any political party, nor any person who was formerly a licensee or an  
175 unlicensed employee of a gaming licensee within the five years prior to any appointment shall be  
176 eligible for appointment to the commission. The commission shall be composed of the most

177 qualified persons available; but no person actively engaged or having a direct pecuniary interest  
178 in gaming activities shall be a member of the commission. The governor shall appoint three  
179 members of the commission and designate one member to serve as chairman of the commission.  
180 The attorney general of the commonwealth shall appoint one member of the commission. The  
181 attorney general's appointee shall have experience in legal issues with respect to gaming  
182 establishments and be a member in good standing with the Massachusetts Bar Association. The  
183 auditor of the commonwealth shall appoint one member of the commission. The auditor's  
184 appointee shall have experience in accounting and possess a Massachusetts license as a Certified  
185 Public Accountant.

186 (b) Members of the commission shall serve a term coterminous with that of the elected Governor  
187 and serve until a successor is appointed. Any member shall be eligible for reappointment but no  
188 member shall serve more than 2 terms of 4 years each. Any person appointed to fill a vacancy in  
189 the office of a member of the commission shall be appointed in a like manner and shall serve for  
190 only the unexpired term of such member. Any commissioner may be removed by the governor  
191 for just cause, and shall be removed immediately upon conviction of any felony.

192 (c) Four of the members shall constitute a quorum and the affirmative vote of a majority of  
193 members present at a duly called meeting where a quorum is present shall be necessary for any  
194 action to be taken by the commission. The commission annually may elect 1 of its members as  
195 vice-chairperson, shall elect a secretary and a treasurer, and may elect or appoint other officers as  
196 it may deem necessary, none of whom, other the vice-chairperson, are required to be members of  
197 the commission. The secretary shall keep a record of the proceedings of the commission and  
198 shall be custodian of all books, documents, and papers filed by the commission and of its minute  
199 book and seal. The secretary shall cause copies to be made of all minutes and other records and

200 documents of the commission and shall certify that such copies are true copies, and all persons  
201 dealing with the commission may rely upon such certification. The treasurer shall be the chief  
202 financial and accounting officer of the commission and shall be in charge of its funds, books of  
203 account and accounting records. The officers of the commission shall be subject to the same  
204 requirements as the members of the commission.

205 (d) Meetings of the commission shall be subject to Sections 11A and 11A1/2 of Chapter 30A,  
206 provided, however, that any discussion or consideration of law enforcement or investigatory  
207 information, trade secrets or commercial or financial information may be held by the commission  
208 in executive session closed to the public notwithstanding the provisions of Section 11A1/2 of  
209 Chapter 30A, but the purpose of any such executive session shall be set forth in the official  
210 minutes of the commission and no business which is not directly related to such purpose shall be  
211 transacted nor shall any vote be taken during such executive session. A public record of every  
212 vote shall be maintained at the commission. The commission may maintain any other files and  
213 records as it deems appropriate. Regular and special meetings of the commission may be held, at  
214 the discretion of the commission, at such times and places as it may deem convenient.

215 (e) The commission members shall devote that time to the business of the commission as may be  
216 necessary to the discharge of their duties. The members of the commission shall be compensated  
217 for work performed for the commission at fifty thousand dollars per annum, with the chairman  
218 receiving ten thousand dollars per annum in addition to his compensation. Before entering upon  
219 the duties of his or her office each member shall swear that he or she is not pecuniary interested  
220 in any business or organization holding a gaming license under this act, or doing business with  
221 any gaming service industry, as defined by this act and shall submit to the governor, attorney  
222 general and state auditor, a statement of financial interest required by chapter two-hundred sixty-

223 eight B of the General Laws listing all assets and liabilities, property and business interests, and  
224 sources of income of said commissioner and his spouse. Such statement shall be under oath and  
225 shall be filed at the time of employment and annually thereafter. No commission member shall  
226 have any interest, direct or indirect, in any applicant or in any person licensed by or registered  
227 with the commission during his term of office. Regular and special meetings of the commission  
228 may be held, at the discretion of the commission, at such times and places as it may deem  
229 convenient.

230 (f) The commission shall make an annual report of its activities to the general court by March  
231 thirty-one, for the prior calendar year.

232 (g) The commission shall have general responsibility for the implementation of this act, as  
233 hereinafter provided, including, the right to hear and decide promptly and in reasonable order all  
234 license, registration, certificate, and permit applications and causes affecting the granting,  
235 suspension, revocation, or renewal thereof; to conduct all hearings pertaining to civil violations  
236 of this act or regulations promulgated hereunder; the method and form of application which any  
237 applicant for a gaming license or for a manufacturer's, sellers or distributor's license must follow  
238 and complete before consideration of his application by the commission; the information to be  
239 furnished by any applicant or licensee concerning his antecedents, habits, character, associates,  
240 criminal history or record, business activities and financial affairs, past or present; the  
241 information to be furnished by a licensee relating to his gaming employees; the fingerprinting of  
242 an applicant or licensee or employee of a licensee or other methods of identification; the manner  
243 and procedure of all hearings conducted by the State Gaming Control Authority, as defined by  
244 this act, or commission or any hearing examiner of the authority or commission, including  
245 special rules of evidence applicable thereto and notices thereof; the issuance and revocation of

246 work permits for employment of persons in licensed gambling facilities; the manner in which  
247 winnings, compensation from games and gaming devices, and gross revenue must be computed  
248 and reported by the licensee; the minimum procedures for adoption by each licensee to exercise  
249 effective control over its internal fiscal affairs; the payment by any applicant of all or any part of  
250 the fees and cost of investigation of such applicant as may be determined by the bureau or the  
251 commission; governing the manufacture, sale and distribution of gambling devices and  
252 equipment; licensee bonding requirements; monitoring of licensee requirements; investigations  
253 both civil and criminal; the method and operation of gambling operations including the type and  
254 manner of gambling, record keeping, accounting, audit requirements and safeguarding of assets;  
255 the testing and inspection of gambling equipment; the licensing of corporations, limited  
256 partnerships, holding companies and intermediary companies; the limitations of security  
257 contracts and agreements; the sale of securities of affiliated companies; emergency proceedings;  
258 setting forth those persons to be excluded or ejected from gambling establishments including the  
259 type of conduct prohibited thereat; to collect all license and registration fees, taxes and penalties  
260 imposed by this act and the regulation issued pursuant thereto; to be present through its  
261 inspectors and agents at all times during the operation of any licensed gaming facility for the  
262 purpose of certifying the revenue thereof and receiving complaints from the public; and to  
263 review and rule upon any complaint by a licensed gaming facility licensee regarding any  
264 investigative procedures of the bureau which are unnecessarily disruptive of licensed gaming  
265 facility operations; and a code of conduct for employees of the bureau. The need to inspect and  
266 or investigate a licensed gaming facility shall be presumed at all times. The commission shall  
267 adopt an official seal and alter same at pleasure.

268 (h) The commission shall conduct hearings in accordance with the provisions of Chapter 30A.  
269 The commission may, by a majority vote, issue subpoenas for the attendance of witnesses or the  
270 production of any records, books, memoranda, documents, or other papers, or things, at or prior  
271 to any hearing as is necessary to enable the commission to effectually discharge its duties, and  
272 may administer oaths or affirmations as necessary in connection therewith. The commission  
273 may petition a superior court for an order requiring compliance with a subpoena. The  
274 commission and the bureau shall have the authority to propound written interrogatories and may  
275 administer oaths, issue subpoenas, propound written interrogatories, require testimony under  
276 oath, report same, and fashion recommended decisions upon the recommendation of said  
277 commission.

278 (i) The commission may require any person to apply for a license as provided in this act and  
279 approve or disapprove, transactions, events, and processes as provided in this act. The  
280 commission may grant or deny any application for a license or approval; may limit, condition,  
281 restrict, suspend, or revoke any license or approval for any cause deemed reasonable by the  
282 commission, consistent with this act or any general or special. The commission may also impose  
283 a civil fine of not more than fifteen thousand dollars upon any person licensed, registered or  
284 otherwise approved under this act, for any violation of this act or of any general or special law  
285 related to gambling. The commission may, as further provided in regulations approve or  
286 disapprove transactions, events, and processes as provided in this act, take actions reasonably  
287 designed to ensure that no unsuitable persons are associated with controlled gambling activities.  
288 The commission may expend for legal, investigative, clerical and other assistance such as may be  
289 appropriated therefore. Investigators employed by the commission shall have access to all  
290 records maintained by the all licensees and registrants hereunder, whether maintained at the

291 licensed gambling establishment or other location as may be pertinent to the investigatory  
292 powers of the commission.

293 (j)The commission shall assure, to the extent required by this act, that licenses, approvals,  
294 certificates, or permits shall not be issued to nor held by, nor shall there be any material  
295 involvement, directly or indirectly, with the licensed gaming facility operation or the ownership  
296 thereof by, unqualified or disqualified persons or persons whose operations are conducted in a  
297 manner not conforming with the provisions of this act. In enforcing the provisions of this act, the  
298 commission shall have the power and authority to deny any application; limit or restrict any  
299 license, registration, certificate, permit or approval; suspend or revoke any license, registration,  
300 certificate, permit or approval; and, impose a penalty on any person licensed, registered, or  
301 previously approved for any cause deemed reasonable by the commission pursuant to rules and  
302 regulations promulgated thereby.

303 (k) No commission member or person employed by the commission shall represent any person or  
304 party other than the commonwealth before or against the commission for a period of two years  
305 from the termination of his office or employment with the commission.

306 (l) The commission shall initiate proceedings or actions appropriate to enforce statutory and  
307 regulatory requirements mandated of license-holders.

308 (m) The commission shall have the power to acquire, lease, use, hold and mortgage real,  
309 personal or mixed property or any interest, easements or rights therein, as may be necessary or  
310 appropriate to carry out the provisions of this act; to enter into agreements or other transactions  
311 with the commonwealth or any political subdivision or public instrumentalities thereof, the  
312 United States government or any federal, state or other governmental agency; to formulate plans



313 for the projects involving the acquisition and operation of facilities pursuant to the provisions of  
314 this act, and to construct or reconstruct, expand, remodel, to fix and revise from time to time, and  
315 to charge and collect rates, fees, rentals and other charges for the use of any building, structure,  
316 other property or portion thereof under its control; and to acquire in the name of the commission  
317 by purchase or otherwise,

318 (n) The commission may investigate, civilly or criminally, fraud, deceit, misrepresentation or  
319 violations of law by any person licensed or registered under this act, or the occurrence of any  
320 such activity within or involving any licensed gambling establishment or gambling operation. If  
321 the commission has reasonable basis to believe that any person licensed or registered under this  
322 act is engaged in criminal behavior or that criminal activity is occurring within or involving any  
323 licensed gaming facility or licensed gambling operation said commission shall report same to the  
324 attorney general of the commonwealth and the district attorney of the county within which the  
325 gaming facility is located and make available to the attorney general and said district attorney all  
326 relevant information on such activity. The commission, as it deems appropriate, may ask the  
327 attorney general and/ or said district attorney to restrain a violation of this act or enforce any  
328 provision thereof. An action brought against a person pursuant to this act does not preclude  
329 any other criminal or civil proceeding as may be authorized by law.

330 (o) No person shall transfer a direct or indirect pecuniary interest in a licensed operating entity or  
331 premises, or enter into an option contract or other agreement providing for such transfer in the  
332 future, without having notified the commission. No person shall transfer a greater than five  
333 percent direct or indirect pecuniary interest in a licensed operating entity or premises without the  
334 issuance by the commission to the transferee of an operating license or an affirmative statement  
335 that the transferee has met the operating license standards, as the commission may require.

336 SECTION 4. State Gaming Control Authority: Composition, Powers and Duties.

337 (a) There shall be established a State Gaming Control Authority. The authority may acquire  
338 such furnishings, equipment, supplies, stationery, books, motor vehicles and other things as it  
339 may deem necessary or desirable in carrying out its functions; incur such other expenses, within  
340 the limit of money available to it, as it may deem necessary. The authority shall furnish to the  
341 commission such administrative and clerical services and such furnishings, equipment, supplies,  
342 stationery, books, motor vehicles and all other things as the commission may deem necessary or  
343 desirable in carrying out its functions. Except as otherwise provided in this act, all costs of  
344 administration incurred by the authority must be paid out on claims from the state general fund in  
345 the same manner as other claims against the state are paid.

346

347 (b) The position of Executive Director of the state gaming control authority is hereby created.  
348 The Gaming Control Commission shall appoint the executive director for a term of five years.  
349 The executive director shall not serve more than two consecutive terms. The executive director  
350 may be removed by the governor for cause. The executive director shall be responsible for the  
351 conduct of the commission's administrative matters. The executive director shall be the executive  
352 secretary of the commission and shall carry out and execute the duties as specified by law and  
353 the commission. The executive director shall employ such professional, technical, and clerical  
354 assistants and employees as necessary, subject to appropriation; provided, however, that such  
355 assistants and employees shall not be subject to chapter thirty-one or section nine A of chapter  
356 thirty of the General Laws. The executive director shall devote his entire time and attention to  
357 the business of his office and shall not pursue any other business or occupation or hold any other  
358 office of profit.

359 (c) The authority shall, within the limits of legislative appropriations or authorizations, employ  
360 and fix the salaries of or contract for the services of such professional, technical and operational  
361 personnel and consultants as the execution of its duties and the operation of the authority and  
362 commission may require. The authority and the commission shall, by suitable regulations,  
363 establish a comprehensive plan governing employment, job classifications and performance  
364 standards, and retention or discharge of employees to assure that termination or other adverse  
365 action is not taken against such employees except for cause. The authority may employ the  
366 services of such persons as it considers necessary for the purposes of consultation or  
367 investigation.

(d) Each employee of the authority shall file with the  
368 state ethics commission a statement of financial interest as defined in chapter two-hundred sixty-  
369 eight B of the General Laws listing all assets and liabilities, property and business interests, and  
370 sources of income of said employee and his spouse. Such statement shall be under oath and shall  
371 be filed at the time of employment and annually thereafter.

(e) No employee of the authority shall be permitted to gamble in any establishment licensed by  
373 the Commission except in the course of his duties. Each employee or agent of the bureau shall  
374 devote his entire time and attention to his duties and shall not pursue any other business or  
375 occupation or other gainful employment; provided, however, that secretarial and clerical  
376 personnel may engage in such other gainful employment as shall not interfere with their duties to  
377 the commission or bureau, unless otherwise directed; and provided further, however, that other  
378 employee and agents of the authority may engage in such other gainful employment as shall not  
379 interfere or be in conflict with their duties to the authority, upon approval by the commission and  
380 the director of the authority.

381 (f) No person employed by the authority shall represent any person or party other than the  
382 commonwealth before or against the authority or the commission for a period of one year from  
383 the termination of his office or employment with the authority.

384 (g) Before the beginning of each legislative year, the authority shall submit to the house and  
385 senate committees on ways and means and the joint committee on state administration and  
386 oversight a report defining, for the preceding twelve month period, the gross revenue, net  
387 revenue, and average depreciation of each licensee; the number of persons employed by each  
388 licensee, and related payroll information; and the assessed valuation of each Massachusetts  
389 licensed gaming facility as listed on the assessment rolls.

390 (h) Employees of the authority and their agents may inspect and examine all premises wherein  
391 gaming is conducted or gambling devices or equipment are manufactured, sold or distributed;  
392 inspect all equipment and supplies in, upon or about such premises; summarily seize and remove  
393 from such premises and impound any equipment, supplies, documents or records for the purpose  
394 of examination and inspection; demand access to and inspect, examine, photocopy and audit all  
395 papers, books and records of any applicant or licensee, on his premises, or elsewhere as  
396 practicable, and in the presence of the applicant or licensee, or his agent, respecting the gross  
397 income produced by any gaming business, and require verification of income, and all other  
398 matters affecting the enforcement of the policy or any of the provisions of this act; demand  
399 access to and inspect, examine, photocopy and audit all papers, books and records of any affiliate  
400 of a licensee whom the authority or commission knows or reasonably suspects is involved in the  
401 financing, operation or management of the licensee. Licensees must retain all books, papers, and  
402 records necessary for audits for three years after the date of the surrender or revocation of his  
403 gaming license.

404 (i) The authority may place expert accountants, technicians, and any other persons, as it may  
405 deem necessary, in the office, gambling area, or other place of business of any person licensed or  
406 registered under this act for the purpose of determining compliance with the rules and regulations  
407 adopted pursuant to this act.

408 (j) The authority may investigate, for purposes of prosecutions any suspected criminal violation  
409 of this act; provided, however, that nothing in this section shall be deemed to limit the  
410 investigatory and prosecutorial powers of other state and local officials and agencies, including  
411 district attorneys and police departments.

412 (k) The authority may recommend to the commission the denial of any application, the  
413 limitation, conditioning, restriction, suspension, or revocation of any license, permit, registration  
414 or approval, or the imposition of any fine upon any person licensed or approved by the  
415 commission.

416 (l) The executive director of the authority and employees of the authority so designated by the  
417 director shall have and exercise throughout the commonwealth, subject to the rules and  
418 regulations as the director, with the approval of the commission, may from time to time adopt, all  
419 the authority of police officers and constables, except the service of civil process, to effectuate  
420 the purposes of this act.

421 (m) No official, member, employee, or agent of the commission or authority, having obtained  
422 access to confidential records or information in the performance of duties pursuant to this act,  
423 unless otherwise provided by law, shall knowingly disclose or furnish the records or information,  
424 or any part thereof, to any person who is not authorized by law to receive it. Violation of this

425 provision shall be punishable by a fine of not more than ten thousand dollars or by imprisonment  
426 in a house of correction for not more than one year, or by both such fine or imprisonment.

427 (n) The authority shall make a continuous study and investigation of gaming throughout the  
428 commonwealth in order to ascertain defects in state gaming law, or in rules and regulations  
429 issued thereunder; to formulate recommendations for changes in said law and the rules and  
430 recommendations promulgated thereunder. The authority shall make a continuous study and  
431 investigation of the operation and administration of similar laws in other states or countries; of  
432 any literature or reports on the subject which from time to time may be published or available to  
433 licensed gaming facilities; of any federal laws which may affect the operation of gaming in the  
434 commonwealth; and of the reaction of citizens of the commonwealth to existing and potential  
435 features of gaming with a view to recommending or effecting changes that will tend to better  
436 serve and implement the purposes of state gaming law. The authority shall make a continuous  
437 study of state gaming policy, including gaming, as defined by this act; the state lottery, as  
438 defined by chapter ten; and pari-mutual racing, as defined by chapter one-hundred twenty-eight;  
439 and the impact of said policy on the Commonwealth.

440 (o) The executive director of the authority shall petition the commission to initiate proceedings  
441 or actions appropriate to enforce statutory and regulatory requirements mandated of license-  
442 holders, and the commission shall grant or deny such petitions expeditiously.

#### 443 SECTION 5. Records of Commission and Authority Proceedings.

444 (a) The commission shall cause to be made and kept a record of all proceedings at regular and  
445 special meetings of the commission. These records shall be open to public inspection.

446 (b) Notwithstanding any other general or special law to the contrary all files, records, reports,  
447 and other information in possession of any state or local governmental agency including tax  
448 filings and related information that are relevant to an investigation by the bureau conducted  
449 pursuant to this act shall be made available to the authority as requested. However, any tax or  
450 financial information received from a governmental agency shall be used solely for effectuating  
451 the purposes of this act. To the extent that these files, records, reports, or information are  
452 confidential or otherwise privileged from disclosure under any law they shall not lose that  
453 confidential or privileged status for having been disclosed to the authority.

454 (c) No statement, and no publication of any document, described in this section shall impose  
455 liability for defamation or constitute a ground for recovery in any civil action. If any document  
456 or communication described above contains any information that is privileged or exempt from  
457 public disclosure that privilege or exemption is not waived or lost because the document or  
458 communication is disclosed to the authority or the commission or any of their agents or  
459 employees.

460 (d) The attorney general, every district attorney, and every state and local law enforcement  
461 agency shall notify the authority of any investigation or prosecution of any person if it appears  
462 that a violation of any law related to gambling had occurred.

463 SECTION 6. Finding of Suitability. License Approval.

464 (a) The commission and the authority shall investigate the qualifications of each applicant under  
465 this act before any license is issued or any registration, finding of suitability or approval of acts  
466 or transactions for which commission approval is required or permission is granted, and shall  
467 continue to monitor the conduct of all licensees and registrants and other persons having a

468 material involvement, directly or indirectly with a licensed gaming facility or holding company  
469 to ensure that licenses are not issued or held by, nor is there any material involvement directly or  
470 indirectly with a licensed gaming facility or holding company by unqualified, disqualified or  
471 unsuitable persons, or persons whose operations are conducted in an unsuitable manner or in  
472 unsuitable or prohibited places or locations, as provided in commission regulations. All expenses  
473 associated with the licensing of any applicant shall be borne by the applicant. Pursuant to its  
474 regulations, the commission shall require each applicant for a gambling license to deposit with  
475 the commission, together with the application therefore, an application fee. Such fee shall  
476 constitute the anticipated costs and charges incurred in the investigation and processing of the  
477 application, and any additional sums as are required by the commission to pay final costs and  
478 charges.

479 (b) The commission and the authority may require a finding of suitability or the licensing of any  
480 person who owns any interest in the premises of a licensed establishment; owns any interest in  
481 real property used by a licensed establishment whether he leases the property directly to the  
482 licensee or through an intermediary; repairs, rebuilds or modifies any gaming device;  
483 manufactures or distributes chips or gaming tokens for use in this state.

484 (c) The commission and the authority may require a finding of suitability or the licensing of any  
485 person who furnishes services or property to a state gaming licensee under any arrangement  
486 pursuant to which the person receives payments based on earnings, profits or receipts from  
487 gaming.

488 d) No person shall operate a gaming establishment without having obtained all necessary  
489 operating licenses from the commission. There shall be a single licensed operator for each



490 gaming establishment. The licensing standards must be met at all times by each officer, director,  
491 partner, and trustee of the operating entity, by each substantial party in interest of the operating  
492 entity or of the premises on which such establishment is located, and by such other party in  
493 interest of the operating entity, the premises, or any holding company or intermediary company  
494 of the operating entity or the premises as the commission may require. In no event shall the  
495 commission permit person or entity previously convicted of a felony to be a party in interest of  
496 the operating entity or of the premises or of any holding or intermediary company of the  
497 operating entity or the premises. A separate license shall be required for any person described  
498 above, unless the commission specifically determines otherwise.

499 (e) The commission is authorized to award no more the 3 casino licenses in the Commonwealth,  
500 with no more than 1 license awarded per region, as follows: -

501 Region 1 –Norfolk, Suffolk, Middlesex and Essex counties;                      Region 2 – Bristol,  
502 Plymouth, Nantucket, Dukes and Barnstable counties; and

503 Region 3 – Worcester, Hampshire, Hampden, Franklin, and Berkshire counties.

504 (f) Each license approved by the Commission pursuant to Section 6(e) shall be awarded as the  
505 result of a competitive bidding process to be designed and established by said commission in  
506 which the successful applicant shall bid not less than \$100 million. Within each defined region,  
507 the commission shall give first consideration to any application in which the proposed casino is  
508 located on an environmentally impacted site and the costs of mitigation are assumed by the  
509 casino applicant. The commission shall negatively consider any development on greenfield  
510 space, so-called, including previously undeveloped land.

511 (g) No casino license shall issue to an applicant who is a federally recognized Native American  
512 tribe located in the Commonwealth or an applicant who is partnered with a federally recognized  
513 Native American tribe located in the Commonwealth unless the Native American tribe has  
514 entered into a contractual agreement with the Commonwealth in which the Native American  
515 tribe agrees to waive any and all of its rights under the Indian Gaming Regulatory Act, 25 U.S.C.  
516 Sections 2701 et seq., and be subject to the civil and criminal laws, statutes, ordinances, and  
517 jurisdiction of the Commonwealth with respect to all activities relating to the development and  
518 operation of the resort casino and the applicable rules and regulations prescribed by the  
519 commission.

520 (h) No application for any gaming license established under this act shall be granted without a  
521 majority vote of those voting in a local referendum of the host community in accordance with the  
522 procedures established under the general laws.

523 (i) A person may apply to be a licensed operator by filing an application with the commission, in  
524 the form and with such accompanying application fees as the commission may establish.  
525 Information on the application will be used as the basis for a thorough background investigation  
526 which the bureau shall conduct with respect to each applicant. Each application shall disclose the  
527 identity of each party in interest, each holding company and intermediary company, and each  
528 affiliate of the operating entity. The application shall disclose, in the case of a privately held  
529 corporation, the names and addresses of all directors, officers, and stockholders; in the case of a  
530 publicly traded corporation, the names and addresses of all directors, officers, and persons  
531 holding at least one percent of the total capital stock issued and outstanding; in the case of a  
532 partnership, the names and addresses of all partners, both general and limited; and in the case of  
533 a trust, the names and addresses of all trustees and beneficiaries.

534 (j) Each operating entity shall identify, in its application, the premises containing the  
535 establishment where it proposes to conduct its gaming operations. The application shall contain  
536 such information regarding the physical location and condition of the premises and the potential  
537 impact of the proposed gaming operations upon adjacent properties and the municipality and  
538 region within which the premises are located, as the commission may require. The application  
539 shall disclose the identity of all parties in interest regarding the premises; and provided, further,  
540 except as otherwise permitted herein, no person other than a licensee hereunder shall have any  
541 right to or interest in net gaming revenue or adjusted net gaming revenue in the form of a  
542 percentage of any sums payable hereunder.

543 (k) No licensed operator shall obtain any gaming equipment from a person who does not hold a  
544 license. No licensed operator shall enter into any agreement for the receipt of goods or services,  
545 of any form and in any amount, from a person who does not hold a license, when a license is  
546 required for such agreement under this act or under regulations promulgated by the commission  
547 or authority.

548 (l) No licensed operator shall employ any person in a gaming establishment who does not hold a  
549 work permit, when a work permit is required for such position under regulations promulgated by  
550 the commission or authority.

551 (m) Licensed operators shall provide all full time employees and part time employees working a  
552 minimum of twenty hours a week with health insurance coverage.

553 (n) Any person who the commission determines is qualified to receive a license or be found  
554 suitable under the provisions of this act, may be issued a state gaming license or found suitable,  
555 as appropriate. The burden of proving his qualification to receive any license or be found suitable

556 is on the applicant. A license to operate a gaming establishment must not be granted unless the  
557 applicant has satisfied the commission that he or she has adequate business probity, competence  
558 and experience, in gaming; and the proposed financing of the entire operation is adequate for the  
559 nature of the proposed operation; and, from a suitable source. All applications to receive a  
560 license or be found suitable constitutes a request for a determination of the applicant's general  
561 character, integrity, and ability to participate or engage in, or be associated with gaming, as  
562 appropriate. The commission may limit the license or place such conditions thereon as it may  
563 deem necessary in the public interest. The commission may, if it considers necessary, issue a  
564 probationary license. No state gaming license may be assigned either in whole or in part. The  
565 commission may limit or place such conditions as it may deem necessary in the public interest  
566 upon any registration, finding of suitability or approval for which application has been made. A  
567 licensee may be granted a temporary gaming license to operate a gaming facility during the  
568 construction phase of any licensed gaming facility, provided that no more than one temporary  
569 license be awarded for any licensed gaming facility, and provided further that no temporary  
570 license remain in force for a period in excess of twenty-four months.

571 (o) Any state license in force is renewable every 10 years, from the date of first issuance. The  
572 commission shall adopt regulations to establish standards and the process concerning the  
573 renewability of licenses.

574 (p) If satisfied that an applicant is eligible to receive a state gaming, manufacturing, selling, or  
575 distributing license, and upon tender of all license fees and taxes as required by law and  
576 regulation of the commission; and a bond executed by the applicant as principal, and by a  
577 corporation qualified under the laws of the commonwealth as surety, payable to the  
578 commonwealth, and conditioned upon the payment of license fees and taxes and the faithful

579 performance of all requirements imposed by law or regulation or the conditions of the license,  
580 the commission shall issue and deliver to the applicant a license entitling him to engage in the  
581 gaming, manufacturing, selling, or distributing operation for which he is licensed, together with  
582 an enumeration of the specific terms and conditions of the license.

583 (q) A license issued pursuant to the provisions of this act must be posted by the licensee and kept  
584 posted at all times in a conspicuous place in the area where gaming is conducted in the  
585 establishment for which the license is issued until it is replaced by a succeeding license.

586 (r) If the commission is not satisfied that an applicant is qualified to be licensed under this act,  
587 the commission may cause to be made such investigation into and conduct such hearings  
588 concerning the qualifications of the applicant in accordance with its regulations as it may deem  
589 necessary.

590 (s) The commission has full and absolute power and authority to deny any application for any  
591 cause it deems reasonable. If an application is denied, the commission shall prepare and file its  
592 written decision upon which its order denying the application is based.

593 (t) A person who has had his application for a license denied or who has been found unsuitable  
594 by the commission shall not retain his interest in a corporation, partnership, limited partnership,  
595 limited-liability company or joint venture beyond that period prescribed by the commission; and  
596 shall not accept more for his interest in a corporation, partnership, limited partnership, limited-  
597 liability company or joint venture than he paid for it or the market value on the date of the denial  
598 of the license or the finding of unsuitability.

599 (u) The voluntary surrender of a license by a licensee does not become effective until accepted in  
600 the manner provided in the regulations of the commission. The surrender of a license does not  
601 relieve the former licensee of any penalties, fines, fees, taxes or interest due.

602 (v) The authority shall promptly and in reasonable order investigate all applications, enforce the  
603 provisions of this act and any regulations promulgated hereunder. The authority shall provide the  
604 commission with all information necessary for all actions requested of it under this act and for all  
605 proceedings involving enforcement of the provisions of this act or any regulations promulgated  
606 hereunder.

607 (w) The authority shall investigate the qualifications of each applicant before any license,  
608 certificate, or permit is issued pursuant to the provisions of this act; investigate the circumstances  
609 surrounding any act or transaction for which commission approval is required; investigate  
610 violations of this act and regulations promulgated hereunder; initiate, prosecute and defend such  
611 proceedings before the commission, or appeals there from, as the authority may deem  
612 appropriate; provide assistance upon request by the commission in the consideration and  
613 promulgation of rules and regulations; conduct continuing reviews of licensed gaming facility  
614 operations through on-site observation and other reasonable means to assure compliance with  
615 this act and regulations promulgated hereunder; conduct audits of licensed gaming facility  
616 operations at such times, under such circumstances, and to such extent as the director shall  
617 determine, including reviews of accounting, administrative and financial records and  
618 management control systems, procedures and records utilized by a licensed gaming facility  
619 licensee; and be entitled to request information, materials and any other data from any licensee or  
620 registrant, or applicant for a license or registration under this act.

621 (x) Each licensee or registrant, or applicant for a license or registration under this act shall  
622 cooperate with the commission and the authority in the performance of their duties.

623 (y) The authority and its employees and agents, upon approval of the director, shall have the  
624 authority, without notice and without warrant to inspect and examine all premises wherein  
625 gaming is conducted; or gaming devices or equipment are manufactured, sold, distributed, or  
626 serviced, or wherein any records of such activities are prepared or maintained; to inspect all  
627 equipment and supplies in, about, upon or around such premises; to seize summarily and remove  
628 from such premises and impound any such equipment or supplies for the purposes of  
629 examination and inspection; to inspect, examine and audit all books, records, and documents  
630 pertaining to a gaming licensee's operation; to seize, impound or assume physical control of any  
631 book, record, ledger, game, device, cash box and its contents, counting room or its equipment, or  
632 licensed gaming facility operations; and to inspect the person, and personal effects present in a  
633 licensed gaming facility licensed under this act, of any holder of a license or registration issued  
634 pursuant to this act while that person is present in a licensed gaming facility.

635 (z) Every licensed gaming facility must, upon receipt of criminal or civil process compelling  
636 testimony or production of documents in connection any criminal investigation, immediately  
637 disclose such information to the authority.

#### 638 SECTION 7. Right to Hearing.

639 Any person aggrieved by a determination by the commission to issue, deny, modify, revoke or  
640 suspend any license or approval, or to issue an order, under the provisions of this act, may  
641 request an adjudicatory hearing before the commission under the provisions of chapter thirty A  
642 of the General Laws. Any such determination shall contain a notice of this right to request a

643 hearing and may specify a time limit, not to exceed twenty-one days, within which said person  
644 shall request said hearing. If no such request is timely made, the determination shall be deemed  
645 assented to. If a timely request is received, the commission shall within a reasonable time act  
646 upon a request in accordance with the provisions of said Chapter 30 A. A person aggrieved by a  
647 final decision in an adjudicatory hearing held under the provisions of this section may obtain  
648 judicial review thereof pursuant to the provisions of chapter thirty A.

649 SECTION 8. Criminal Acts and Penalties; Age Restrictions.

650 (a) Except as otherwise provided in this act or in chapter ten or in Section 7A of Chapter 271 of  
651 the General Laws, it is unlawful for any person to deal, operate, carry on, conduct, maintain or  
652 expose for play in the commonwealth of Massachusetts any gambling game, gaming device, or  
653 slot machine as defined by this act; to receive, directly or indirectly, any compensation or reward  
654 or any percentage or share of the money or property played, for keeping, running or carrying on  
655 any gambling game, gaming device, or slot machine; to permit any gambling game, gaming  
656 device, or slot machine to be conducted, operated, dealt or carried on in any house or building or  
657 other premises owned by him, in whole or in part; to lend, let, lease or otherwise deliver or  
658 furnish any equipment of any gambling game, including any slot machine, for any interest,  
659 percentage or share of the money or property played, under guise of any agreement whatever; to  
660 lend, let, lease or otherwise deliver or furnish, except by a bona fide sale or capital lease, any slot  
661 machine under guise of any agreement whereby any consideration is paid or is payable for the  
662 right to possess or use that slot machine, whether the consideration is measured by a percentage  
663 of the revenue derived from the machine or by a fixed fee or otherwise; to furnish services or  
664 property, real or personal, on the basis of a contract, lease or license, pursuant to which that



665 person receives payments based on earnings or profits from any gambling game, including any  
666 slot machine, without having first procured a state gaming license from the commission.

667 (b) Any person included on the list of persons to be excluded or ejected from a gambling  
668 establishment pursuant to regulations promulgated pursuant to this act who knowingly enters or  
669 remains on the premises of a licensed gambling establishment shall be punished by a fine to be  
670 determined by the commission, in addition to any other penalties prescribed by law.

671 (c) Any person under the age of twenty-one years who plays, places wagers at, or collects  
672 winnings from, whether personally or through an agent, any controlled game, or who is  
673 employed as an employee in a licensed gaming establishment shall be punished by imprisonment  
674 in the house of correction for not more than one year, or by a fine of not more than one thousand  
675 dollars, or by both such imprisonment and fine any licensee, or other person, who knowingly  
676 allows a person under the age of twenty-one to play, place wagers at or collect winnings, whether  
677 personally or through an agent, shall be punished by imprisonment in the house of correction for  
678 a term of not more than one year or pay a fine of not more than ten thousand dollars, or by both  
679 such imprisonment and fine. A subsequent violation of this section shall subject the licensee to  
680 imprisonment in the house of correction for not more than two years or pay a fine of not more  
681 than twenty-five thousand dollars or by both such imprisonment and fine. In any prosecution or  
682 other proceeding for the violation of this subsection, it shall not be a defense for the licensee or  
683 his agent to plead that he believed the person to be twenty-one years of age or older.

684 (d) Any person who willfully fails to report, pay, or truthfully account for and pay over any  
685 license registration fee, penalty, fine, or interest thereon imposed by this act, or willfully attempts

686 in any manner to evade or defeat the license fee, penalty, fine, or interest thereon or payment  
687 thereof shall be punished by a fine to be determined by the commission.

688 (e) Any person who willfully resists, prevents, impedes, or interferes with the commission or the  
689 authority or any of their agents or employees in the performance of duties pursuant to this act  
690 shall be punished by a fine to be determined by the commission, in addition to any other  
691 penalties prescribed by law.

692 (f) Any person who willfully violates, attempts to violate, or conspires to violate any provision of  
693 a regulation adopted pursuant to this chapter shall be punished by a fine to be determined by the  
694 commission, in addition to any other penalties prescribed by law.

695 (g) Any person, as owner, lessee, or employee, whether for hire or not, either solely or in  
696 conjunction with others, who shall do any of the following without having first procured and  
697 thereafter maintained in effect all licenses required by law:

698 (1) to deal, operate, carry on, conduct, maintain, or expose for play in this state any  
699 controlled game or gaming equipment used in connection with any controlled game;

700 (2) to receive, directly or indirectly, any compensation or reward or any percentage or  
701 share of the revenue, for keeping, running, or carrying on any controlled game, or owning the  
702 real property or location in which any controlled game occurs;

703 (3) to manufacture or distribute within the territorial boundaries of the commonwealth  
704 any gaming equipment to be used in connection with controlled gaming shall be punished by  
705 imprisonment in the state prison for not more than five years, or by imprisonment in a house of

706 correction for not more than two and one-half years, or by a fine of not more than ten thousand  
707 dollars, or by both such imprisonment and fine.

708 (h) Any person who knowingly permits any controlled game to be conducted, operated, dealt, or  
709 carried on in any house or building or other premises that he or she owns or leases, in whole or in  
710 part, if that activity is undertaken by a person who is not licensed as required by state law shall  
711 be punished by imprisonment in a state prison for not more than five years, or by imprisonment  
712 in a house of correction for not more than one year, or by a fine of not less than ten thousand  
713 dollars, or by both such imprisonment and fine.

714 (i) Any former commission member who, within three years after his employment on said  
715 commission has ceased, solicits or accepts employment with or provides consultant services to  
716 any licensee or at any licensed gaming facility shall be deemed to have violated chapter two  
717 hundred sixty-eight B of the General Laws. Any licensed gaming facility which employs a  
718 former commission member in violation of this subsection shall be punishable by a fine to be  
719 determined by the commission.

720 (j) It is unlawful for any person:

721 (1) to alter or misrepresent the outcome of a game or other event on which wagers have been  
722 made after the outcome is determined but before it is revealed to the players;

723 (2) knowingly to entice or induce another to go to any place where gaming is being  
724 conducted or operated in violation of the provisions of this chapter, with the intent that the other  
725 person play or participate in that gaming;

726 (3) to manipulate, with the intent to cheat, any component of a gaming device in a  
727 manner contrary to the designed and normal operational purpose for the component, including  
728 but not limited to, varying the pull of the handle of a slot machine, with knowledge that the  
729 manipulation affects or reasonably may tend to affect the outcome of the game or with  
730 knowledge of any event that affects the outcome of the game. As used in this section, "cheat"  
731 means to alter the selection of criteria which determine: (a) the results of a game; or (b) the  
732 amount or frequency of payment in a game. (4) to  
733 have on his person or in his possession on or off the premises of any licensed gaming  
734 establishment any key or device known to have been designed for the purpose of and suitable for  
735 opening, entering or affecting the operation of any gaming or equipment, or for removing money  
736 or other contents there from, except where such person is a duly authorized employee of a  
737 licensee acting in furtherance of his employment within a licensed gaming establishment.

738 (k) A violation of this section shall be punishable by imprisonment in a house of correction for  
739 not more than two years or by a fine of not more than one thousand dollars, or by both such  
740 imprisonment and fine.

741 (l) Any individual who commits, attempts, or conspires to commit skimming, as defined by this  
742 act, for a total value of less than one thousand dollars against a gaming licensee or upon the  
743 premises of a licensed gaming facility shall be punished by imprisonment in a house of  
744 correction for not more than five years and by a fine of not more than five thousand dollars, or by  
745 imprisonment in a house of correction for not more than ten years and by a fine of not more than  
746 ten thousand dollars if the total value is more than one thousand dollars.

747 (m) In addition to any other penalty imposed under this section, a violation of this section by a  
748 licensed gaming establishment shall subject to forfeiture to the commonwealth any or all of the  
749 gaming equipment related to the violation. A district attorney may petition the superior court in  
750 the name of the commonwealth in the nature of a proceeding in rem to order forfeiture of any  
751 such gaming equipment subject to forfeiture under the provisions of this paragraph. Such petition  
752 shall be filed in the court having jurisdiction over said gaming equipment or having final  
753 jurisdiction over any related criminal proceedings brought under any provision of this chapter. In  
754 all such suits where the property is claimed by any person, other than the commonwealth, the  
755 commonwealth shall have the burden of proving to the court the existence of probable cause to  
756 institute the action, and any such claimant shall then have the burden of proving that the gaming  
757 equipment is not forfeitable. The court shall order the commonwealth to give notice by certified  
758 or registered mail to the owner of said gaming equipment and to such other persons as appear to  
759 have an interest therein, and the court shall promptly, but not less than two weeks after notice,  
760 hold a hearing on the petition. Upon the motion of the owner of said gaming equipment the court  
761 may continue the hearing on the petition pending the outcome of any criminal trial related to the  
762 violation of this chapter. At such hearing the court shall hear evidence and make conclusions of  
763 law, and shall thereupon issue a final order, from which the parties shall have a right of appeal.  
764 In all such suits where a final order results in a forfeiture, said final order shall provide for  
765 disposition of said gaming equipment, by the commonwealth in any manner not prohibited by  
766 law, including official use by an authorized law enforcement or in other public agency, or sale at  
767 public auction or by competitive bidding. The proceeds of any such sale shall be used to pay the  
768 reasonable expenses of the forfeiture proceedings, seizure, storage, maintenance of custody,

769 advertising, and notice, and the balance thereof shall be deposited in the gaming regulatory  
770 account established by this chapter.

771 SECTION 9. Revenues. License Fees. Penalties.

772 (a) Each gaming establishment shall pay to the commission a minimum sum equal to 27% of  
773 gross gaming revenues, post payout and pre-expenses, from all table games, slot machines or  
774 video gaming devices.

775 (b) There is hereby established a gaming investigative account. Any and all expenses associated  
776 with the licensing of any applicant and monitoring of any licensee shall be borne by the applicant  
777 or licensee. Pursuant to its regulations, the commission shall require each applicant to deposit  
778 with the commission, together with the application therefore, an application fee which shall be  
779 deposited in the gaming investigative account. Such fee shall constitute the anticipated costs and  
780 charges incurred in the investigation and processing of the application, and any additional sums  
781 as required by the commission and the authority to pay final costs and charges. Expenses may be  
782 advanced from the gaming investigative account by the commission to the authority. Any money  
783 received from an applicant in excess of the costs and charges incurred in the investigation or the  
784 processing of the application shall be refunded pursuant to regulations adopted by the  
785 commission. At the conclusion of the investigation the bureau shall provide the applicant a  
786 written accounting of the costs and charges so incurred.

787 (c) Two-thirds all fees, revenue, and penalties collected pursuant to this act, with the exception  
788 of those revenues collected as stated in Section 9 (a) of this act, shall be deposited in the general  
789 fund. Funds deposited in the general fund, pursuant to this act, shall, subject to appropriation, be  
790 expended for the support of the commission and the bureau in carrying out their duties and

791 responsibilities under this act. One-third of all fees, revenue, and penalties collected pursuant to  
792 this act, with the exception of those revenues collected as stated in section nine (a) of this act,  
793 shall go directly to cities and towns in the form of local aid toward general operations using the  
794 lottery formula.

795 (d) All revenue received from any game or gaming device which is leased for operation on the  
796 premises of the licensee-owner to a person other than the owner thereof, or located in an area or  
797 space on the premises which is leased by the licensee-owner to any such person, must be  
798 attributed to the owner for the purposes of this section and be counted as part of the gross  
799 revenue of the owner. The lessee is liable to the owner for his proportionate share of the license  
800 fees.

801 (e) In addition to any other tax or fee imposed by this act, there is also hereby imposed an annual  
802 fee of 5 million dollars for gaming license holders, and an annual license fee of \$1,000 upon  
803 every slot machine maintained for use or in use in any licensed gaming facility in the  
804 commonwealth.

805 (f) All gaming license fees and penalties imposed by the provisions of this act must be paid to the  
806 state treasurer, two-thirds to be deposited into the general fund and the remaining third directly to  
807 a special account to be distributed to the cities and towns of the Commonwealth. Fees shall be  
808 paid annually on or before June twentieth. Penalties imposed under this act shall be paid within  
809 thirty days of the final determination of the commission of the violation.

810 (g) There is hereby imposed upon each slot machine operated in this state an annual excise tax of  
811 five hundred dollars. If a slot machine is replaced by another, the replacement is not considered  
812 a different slot machine for the purpose of imposing this tax. The commission shall collect the

813 tax annually on or before June twentieth, as a condition precedent to the issuance of a state  
814 gaming license to operate any slot machine for the ensuing fiscal year beginning July first, from  
815 a licensee whose operation is continuing; collect the tax in advance from a licensee who begins  
816 operation or puts additional slot machines into play during the fiscal year prorated monthly after  
817 July thirty-first; include the proceeds of the tax in its reports of state gaming taxes collected. The  
818 commission shall pay over not less than one half of the tax as collected to the treasurer of the  
819 municipality within which the gaming facility is located to be deposited to the general fund of  
820 said municipality. Not more than one half of the tax as collected shall go to communities  
821 surrounding the host community for the purposes of traffic and public safety concerns resulting  
822 from the operation of the gaming facility as prescribed according to the commission.

823 (h) If the growth in lottery receipts is less than the average of the prior five years, the difference  
824 in revenues will be provided to the lottery from the fees, revenue and penalties collected pursuant  
825 to this act, for the purpose of local aid to the municipalities in the Commonwealth, provided the  
826 lottery payout percentages do not change and the number of games remains the same or greater.  
827 This provision will be applicable for the first 5 years for each gaming facility licensed by the  
828 commission.

#### 829 SECTION 10. Reporting Violations of Act.

830 All licensees, all registrants, all persons required to be qualified under this act, and all persons  
831 employed by a gaming service industry licensed pursuant to this act, shall have a duty to inform  
832 the commission or authority of any action which they believe would constitute a violation of this  
833 act. No person who so informs the commission or the authority shall be discriminated against by  
834 an applicant licensee or registrant because of the supplying of such information.



835 SECTION 11. Licensing of Gaming Service Industries.

836 (a) All gaming service industries as defined in this act offering goods or services which directly  
837 relate to gaming activities or indirectly relate to gaming operations shall be licensed in  
838 accordance with rules of the commission and prior to conducting any business whatsoever with a  
839 gaming applicant or licensee, its employees or agents, and in the case of a school prior to  
840 enrollment of any students or offering of any courses to the public whether for compensation or  
841 not. Gaming service industries that directly relate to gaming activities shall include gaming and  
842 wagering equipment manufacturers, suppliers and repairers, schools teaching gaming and either  
843 playing or dealing techniques, and gaming security services. Gaming service industries that  
844 indirectly relate to gaming operations shall include junket enterprises; suppliers of alcoholic  
845 beverages, food and nonalcoholic beverages; garbage handlers; vending machine providers; linen  
846 suppliers; maintenance companies; shopkeepers located within the approved hotels; limousine  
847 services and construction companies contracting with gaming applicants or licensees or their  
848 employees or agents.

849 (b) Each gaming service industry, as well as its owners, management and supervisory personnel  
850 and other principal employees must qualify under standards promulgated by the commission.

851 (c) The commission may exempt any person or field of commerce from the licensing  
852 requirements of this subsection if the person or field of commerce demonstrates that it is  
853 regulated by a public agency or that it will provide goods or services in insubstantial or  
854 insignificant amounts or quantities, or provides professional services such as accountants,  
855 auditors, attorneys, or broker dealers, and that licensing is not deemed necessary in order to  
856 protect the public interest or to accomplish the policies established by this act. Upon granting an

857 exemption or at any time thereafter, the commission may limit or place such restrictions  
858 thereupon as it may deem necessary in the public interest, and shall require the exempted person  
859 to cooperate with the commission and the authority and, upon request, to provide information in  
860 the same manner as required of a gaming service industry licensed pursuant to this section.

861 (d) Licensure pursuant to this section of any gaming service industry may be denied to any  
862 applicant disqualified in accordance with the criteria contained in section six of this act.

### 863 SECTION 12. Problem Gambling. Education and Treatment.

864 The department of public health is hereby authorized and directed to conduct a comprehensive  
865 study to measure the prevalence of compulsive, obsessive behaviors in Massachusetts; to  
866 measure the prevalence of problem gambling in Massachusetts; to measure the prevalence of  
867 underage problem gambling in Massachusetts; and, to measure the social cost of problem  
868 gambling in Massachusetts; and to develop appropriate treatment modalities and public  
869 education strategies that address the findings of said study.

### 870 SECTION 13. Disclosure Requirements.

871 Every licensed gaming establishment shall disclose clearly and conspicuously on each electronic  
872 gaming device the numerical odds of winning or if the odds cannot be calculated, the manner by  
873 which a person may be notified of all previous winnings on each electronic gaming device, and  
874 the number of previous winners.

### 875 SECTION 14. Recovery of Gaming Debts by Patrons.

876 (a) Whenever a licensee refuses payment of alleged winnings to a patron, the licensee and the  
877 patron are unable to resolve the dispute to the satisfaction of the patron and the dispute involves:

878 1) at least five hundred dollars, the licensee shall immediately notify the authority;

879 2) less than five hundred dollars, the licensee shall inform the patron of his right to

880 request that the authority conduct an investigation.

881 The authority shall conduct whatever investigation it deems necessary and shall determine, in its

882 sole discretion and without need for a hearing whether payment should be done. In the event the

883 authority determines that payment should be made, all costs of the investigation shall be borne

884 by the licensee. Failure of the licensee to notify the authority or inform the patron as provided

885 herein shall subject the licensee to disciplinary action.

886 (b) Any party aggrieved by the determination of the authority may file a petition for

887 reconsideration with the commission setting forth the basis of the request for reconsideration.

888 Any hearing for reconsideration shall be conducted pursuant to regulations adopted by the

889 commission.

890 SECTION 15. Severability.

891 The invalidity of any section, sections or subsections or parts of this act shall not affect the

892 validity of the remainder of this act.