

**HOUSE . . . . . No. 01905**

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The Commonwealth of Massachusetts

PRESENTED BY:

*Kathi-Anne Reinstein and Martin J. Walsh*

*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 expanded gaming in the Commonwealth.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Kathi-Anne Reinstein</i>	<i>16th Suffolk</i>
<i>Patricia A. Haddad</i>	<i>5th Bristol</i>
<i>Martin J. Walsh</i>	<i>13th Suffolk</i>

# HOUSE . . . . . No. 01905

By Representatives Reinstein of Revere and Walsh of Boston, a petition (accompanied by bill, House, No. 1905) of Kathi-Anne Reinstein, Patricia A. Haddad and Martin J. Walsh establishing expanded gaming in the Commonwealth. Economic Development and Emerging Technologies.

[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE  
□ HOUSE  
□ , NO. 04591 OF 2009-2010.]

## The Commonwealth of Massachusetts

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**In the Year Two Thousand Eleven**  
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An Act establishing expanded gaming in the Commonwealth.

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

1 SECTION 1. Section 7 of chapter 4 of the General Laws, as appearing in the 2008 Official  
2 Edition, is hereby amended by striking out clause Tenth and inserting in place thereof the  
3 following clause:-  
4 Tenth, “Illegal gaming,” any banking or percentage game played with cards, dice, tiles,  
5 dominoes, or any electronic, electrical or mechanical device or machine for money, property,  
6 checks, credit or any representative of value, but excluding: (i) any lottery game conducted by  
7 the state lottery commission, pursuant to sections 24, 24A and 27 of chapter 10; (ii) any game  
8 conducted pursuant to chapter 23K; (iii) pari-mutuel wagering on horse races, whether live or  
9 simulcast, pursuant to chapter 128A and chapter 128C; (iv) the game of bingo conducted

10 pursuant to chapter 271; and (v) any charitable gaming, so called, conducted pursuant to chapter  
11 271.

12 SECTION 2. Section 17 of chapter 6 of the General Laws, as so appearing, is hereby amended  
13 by striking out, in lines 7 and 8, the words “the state racing commission,”.

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 Section 48 of said chapter 6 is hereby repealed.

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 Sections 64 and 65 of chapter 10 of the General Laws are hereby repealed.

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

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

20 “Commission”, the Massachusetts gaming commission established pursuant to chapter 23K.

21 “Division”, the division of gaming enforcement established pursuant to subsection (b).

22 “Gaming establishment”, as defined in section 1 of chapter 23K.

23 (b) There shall be in the department of the attorney general a division of gaming enforcement.

24 The attorney general shall designate an assistant attorney general as director of the division. The  
25 director may appoint and remove, subject to the approval of the attorney general, such expert,  
26 clerical or other assistants as the work of the division may require.

27 (c) The division shall have jurisdiction to enforce criminal violations of chapter 23K including,  
28 but not limited to, the power to: (1) investigate allegations of criminal activity related to or  
29 impacting the operation of gaming establishments or games; (2) receive and take appropriate

30 action on referrals for criminal prosecution from the commission; (3) provide assistance, upon  
31 request, to the commission in the consideration and promulgation of rules and regulations; (4)  
32 ensure that there is no duplication of duties and responsibilities between it and the commission;  
33 and (5) recommend persons to be placed on the list of excluded persons maintained by the  
34 commission.

35 No employee of the division, or any person engaged by the division in the course of an  
36 investigation, other than those in the performance of their official duties, shall place a wager in  
37 any gaming establishment licensed pursuant to chapter 23K during the period of their  
38 employment or assignment with the division. The attorney general shall establish a code of  
39 ethics for all division employees that is more restrictive than the provisions of chapters 268A and  
40 268B; a copy of which shall be filed with the state ethics commission.

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

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

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

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

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

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

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

58 The gaming enforcement unit shall work in conjunction and cooperation with the bureau of  
59 investigations and enforcement under the Massachusetts gaming commission established  
60 pursuant to chapter 23K on the enforcement of chapter 23K as well as the division of gaming  
61 enforcement in the office of the attorney general established pursuant to section 11M of chapter  
62 12 to investigate any criminal activity related to gaming in the commonwealth. Officers and  
63 employees from the unit shall be assigned to the bureau of investigations and enforcement and  
64 shall report to the deputy director of said bureau as well as the colonel of the department of state  
65 police pursuant to section 34 of chapter 23K. No officer of the unit, other than in the  
66 performance of official duties, shall place a wager in any gaming establishment licensed under  
67 chapter 23K.

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

70 CHAPTER 23K.

71 THE MASSACHUSETTS GAMING COMMISSION

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

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

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

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

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

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

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

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

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

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

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

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

108 "Affiliate", a person who, directly or indirectly, controls or is controlled by, or is under common  
109 control with, a specified person.

110 "Applicant", any person who has applied for a license to engage in activity regulated under this  
111 chapter.

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

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

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

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

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

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

123 “Chair”, the chair of the commission.

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

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

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



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

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

141 “Commission”, the Massachusetts gaming commission.

142 “Commissioner”, a member of the commission.

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

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

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

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

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

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

150 “Game”, any banking or percentage game played with cards, dice, tiles, dominoes, or any  
151 electronic, electrical or mechanical device or machine played for money, property, checks, credit

152 or any representative of value which has been approved by the commission pursuant to this  
153 chapter.

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

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

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

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

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

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

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

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

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

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

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

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

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

192 “Harness horse racing facility”, a harness horse racing facility located in Norfolk county that  
193 was licensed pursuant to chapter 128A to conduct live harness horse racing in calendar year

194 2009; and (ii) is licensed pursuant to chapter 128A to conduct live harness horse racing and  
195 licensed pursuant to chapter 128C to conduct simulcast wagering.

196 “Holding company”, any corporation, association, firm, partnership, trust or other form of  
197 business organization other than a natural person which, directly or indirectly, owns, has the  
198 power or right to control, or has the power to vote any significant part of the outstanding voting  
199 securities of a corporation or other form of business organization which holds or applies for a  
200 gaming license. For the purposes of this definition, in addition to other reasonable meaning of  
201 the words used, a holding company indirectly has, holds or owns any such power, right or  
202 security if it does so through any interest in a subsidiary or successive subsidiaries, however  
203 many such subsidiaries may intervene between the holding company and the gaming licensee or  
204 applicant.

205 “Host community”, any municipality in which a gaming establishment is or may be located.

206 “Institutional investor”, any of the following entities having a 5 per cent or greater ownership  
207 interest in a gaming establishment or gaming licensee: a corporation, bank, insurance company,  
208 pension fund or pension fund trust, retirement fund, including funds administered by a public  
209 agency, employees’ profit-sharing fund or employees’ profit-sharing trust, an association  
210 engaged, as a substantial part of its business or operation, in purchasing or holding securities, or  
211 any trust in respect of which a bank is a trustee or co-trustee, investment company registered  
212 under the federal Investment Company Act of 1940, collective investment trust organized by  
213 banks under part nine of the Rules of the Comptroller of Currency, closed end investment trust,  
214 chartered or licensed life insurance company or property and casualty insurance company,  
215 investment advisor registered pursuant to the federal Investment Advisors Act of 1940, and such

216 other persons as the commission may reasonably determine to qualify as an institutional investor  
217 for reasons consistent with this chapter.

218 “Intermediary company”, any corporation, association, firm, partnership, trust or any other form  
219 of business organization other than a natural person which is a holding company with respect to a  
220 corporation or other form of business organization which holds or applies for a gaming license,  
221 and is a subsidiary with respect to any holding company.

222 “Junket”, an arrangement intended to induce any person to come to a gaming establishment to  
223 gamble, where the person is selected or approved for participation on the basis of his ability to  
224 satisfy a financial qualification obligation related to his ability or willingness to gamble or on  
225 any other basis related to his propensity to gamble, and pursuant to which, and as consideration  
226 for which, any or all of the cost of transportation, food, lodging, and entertainment for said  
227 person is directly or indirectly paid by a gaming licensee or affiliate thereof.

228 “Junket enterprise”, any person, other than an applicant for a gaming license or gaming licensee,  
229 who employs or otherwise engages the services of a junket representative in connection with a  
230 junket to a licensed casino, regardless of whether or not those activities occur within the  
231 commonwealth.

232 “Junket representative”, any individual who negotiates the terms of, or engages in the referral,  
233 procurement or selection of persons who may participate in, any junket to a gaming  
234 establishment, regardless of whether or not those activities occur within the commonwealth.

235 “License”, any license required under this chapter.

236 “List”, the list of excluded persons maintained by the commission pursuant to section 39.

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

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

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

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

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

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

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

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

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

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

269 “Subsidiary”, any corporation, any significant part of whose outstanding equity securities are  
270 owned, subject to a power or right of control, or held with power to vote, by a holding company  
271 or an intermediary company; or a significant interest in any firm, association, partnership, trust  
272 or other form of business organization, other than a natural person, which is owned, subject to a  
273 power or right of control, or held with power to vote, by a holding company or an intermediary  
274 company.

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

277 “Thoroughbred horse racing facility”, a thoroughbred racing facility located in Suffolk county  
278 that was licensed pursuant to chapter 128A to conduct live running horse racing in calendar year  
279 2009; and (ii) is licensed pursuant to chapter 128A to conduct live harness horse racing and  
280 licensed pursuant to chapter 128C to conduct simulcast wagering.

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

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

289 Section 3. (a) There shall be established a Massachusetts gaming commission which shall consist  
290 of 5 commissioners who shall be appointed by a majority vote of the governor, attorney general  
291 and state treasurer, 1 of whom shall have experience in legal and policy issues related to gaming,  
292 1 of whom shall have experience in corporate finance and securities, 1 of whom shall have  
293 experience with criminal investigations and law enforcement, 1 of whom shall be a certified  
294 public accountant who has a comprehensive knowledge of corporate auditing, and 1 of whom  
295 shall have at least 5 years experience in public or business administration. The governor,  
296 attorney general and treasurer shall, by majority vote, appoint a commissioner to serve as chair.  
297 The commissioner appointed to chair shall serve in such capacity throughout such  
298 commissioner’s entire term and until his successor shall be been appointed. Prior to appointment



299 a background investigation shall be conducted into the financial stability, integrity and  
300 responsibility of a candidate for appointment to the commission as well as the candidate's  
301 reputation for good character, honesty and integrity. No person who has been convicted of a  
302 felony shall be eligible to serve on the commission.

303 (b) Each commissioner shall be a resident of the commonwealth and, while serving on the  
304 commission, shall not: (i) hold, or be a candidate for, federal, state or local elected office; (ii)  
305 hold an appointed office in federal, state, or local government; or (iii) serve as an official in a  
306 political party. Not more than 3 commissioners shall be from the same political party.

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

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

317 Commissioners shall receive salaries equal to the salary of the commissioner of administration  
318 established pursuant to section 4 of chapter 7; provided, however, that the chair shall receive a  
319 stipend, in addition to the base salary, in an amount equal to 7 per cent of the base salary.

320 Commissioners shall devote their full time and attention to the duties of their office.

321 (e) The commission shall annually elect 1 of its commissioners to serve as secretary and 1 of its  
322 members to serve as treasurer. The secretary shall keep a record of the proceedings of the  
323 commission and shall be the custodian and keeper of the records of all books, documents, and  
324 papers filed by the commission and of its minute book. The secretary shall cause copies to be  
325 made of all minutes and other records and documents of the commission and shall certify that  
326 such copies are true copies, and all persons dealing with the commission may rely upon such  
327 certification.

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

343 section shall apply to such proceedings. In every hearing the concurrence of a majority of the  
344 commissioners participating in the decision shall be necessary therefor.

345 (g) The commission shall appoint an executive director. The executive director shall serve at the  
346 pleasure of the commission, shall receive such salary as may be determined by the commission,  
347 and shall devote full time and attention to the duties of the office. The executive director shall be  
348 a person with skill and experience in management and shall be the executive and administrative  
349 head of the commission and shall be responsible for administering and enforcing the provisions  
350 of law relative to the commission and to each administrative unit thereof. The executive director  
351 shall appoint and employ a chief financial and accounting officer and may, subject to the  
352 approval of the commission, employ other employees, consultants, agents, and advisors,  
353 including legal counsel, and shall attend meetings of the commission. The chief financial and  
354 accounting officer of the commission shall be in charge of its funds, books of account and  
355 accounting records. No funds shall be transferred by the commission without the approval of the  
356 commission and the signatures of the chief financial and accounting officer and the treasurer.

357 In the case of an absence or vacancy in the office of the executive director, or in the case of  
358 disability as determined by the commission, the commission may designate an acting executive  
359 director to serve as executive director until the vacancy is filled or the absence or disability  
360 ceases. The acting executive director shall have all the powers and duties of the executive  
361 director and shall have similar qualifications as the executive director. ☐☐

362 (h) The executive director may from time to time, subject to the approval of the commission,  
363 establish within the commission such administrative units as may be necessary for the efficient  
364 and economical administration of the commission, and when necessary for such purpose, may

365 abolish any such administrative unit, or may merge any 2 or more units. The executive director  
366 shall prepare and keep current a plan of the organization of the commission, of the assignment of  
367 its functions to its various administrative units, offices and employees, and of the places at which  
368 and the methods whereby the public may receive information or make requests. A current copy  
369 of the plan of organization shall be kept on file with the state secretary and in the office of the  
370 secretary of administration.

371 (i) The executive director may appoint such persons as he shall deem necessary to perform the  
372 functions of the commission; provided that chapter 31 and section 9A of chapter 30 shall not  
373 apply to any commission employee. If an employee serving in a position which is classified  
374 under said chapter 31 or in which an employee has tenure by reason of said section 9A of chapter  
375 30 shall be appointed to a position within this office which is not subject to the provisions of said  
376 chapter 31, the employee shall, upon termination of his service in such position, be restored to  
377 the position which he held immediately prior to such appointment; provided, however, that his  
378 service in such position shall be determined by the civil service commission in accordance with  
379 the standards applied by said commission in administering said chapter 31. Such restoration shall  
380 be made without impairment of his civil service status or tenure under said section 9A of chapter  
381 30 and without loss of seniority, retirement or other rights to which uninterrupted service in such  
382 prior position would have entitled him. During the period of such appointment, each person so  
383 appointed from a position in the classified civil service shall be eligible to take any competitive  
384 promotional examination for which he would otherwise have been eligible.

385 The commission may require a prospective employee to: (i) submit an application and a personal  
386 disclosure on a form prescribed by the commission which shall include a complete criminal  
387 history, including convictions and current charges for all felonies and misdemeanors; (ii)

388 undergo testing which detects the presence of illegal substances in the body; or (iii) provide  
389 fingerprints and a photograph consistent with standards adopted by the state police. The  
390 commission shall verify the identification, employment and education of each prospective  
391 employee, including: (i) legal name, including any alias; (ii) all secondary and post secondary  
392 educational institutions attended regardless of graduation status; (iii) place of residence; and (iv)  
393 employment history.

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

402 (j) The provisions of chapters 268A and 268B shall apply to all commissioners and employees of  
403 the commission; provided, however, that the commission shall establish a code of ethics for all  
404 members and employees that is more restrictive than said chapter 268A or 268B. A copy of such  
405 code shall be filed with the state ethics commission. The code shall include provisions for recusal  
406 of a commissioner in any licensing decision due to a potential conflict of interest.

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

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

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

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

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

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

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

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

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

439 (r) The commissioners and employees shall not own, or be in the employ of, or own any stock in,  
440 any business which holds a license under this chapter, nor shall they have in any way directly or  
441 indirectly a pecuniary interest in, or be connected with, any such business or in the employ or  
442 connected with any person financing any such business; provided further, that immediate family  
443 members of commissioners and employees holding major policy making positions shall not own,  
444 or be in the employ of, or own stock in, any business which holds a license under this chapter.

445 The commissioners and employees shall not personally, or through any partner or agent, render  
446 any professional service or make or perform any business contract with or for any regulated  
447 entity, except contracts made with the commissioners for furnishing of services, nor shall he or  
448 she directly or indirectly receive any commission, bonus, discount, gift or reward from any  
449 regulated entity.

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

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

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

457 appoint officers and hire employees;

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

460 execute all instruments necessary or convenient thereto for accomplishing the purposes of this  
461 chapter;

462 enter into agreements or other transactions with any person, including, but not limited to, any  
463 public entity or other governmental instrumentality or authority in connection with its powers  
464 and duties under this chapter;

465 appear on its own behalf before boards, commissions, departments or other agencies of  
466 municipal, state or federal government;

467 apply for and accept subventions, grants, loans, advances and contributions from any source of  
468 money, property, labor or other things of value, to be held, used and applied for its purposes;

469 provide and pay for advisory services and technical assistance as may be necessary in its  
470 judgment to carry out the purpose of this chapter and fix their compensation;

471 prepare, publish and distribute, with or without charge, as the commission may determine, such  
472 studies, reports and bulletins and other material as the commission deems appropriate;



473 assure that licenses shall not be issued to nor held by, nor shall there be any material  
474 involvement, directly or indirectly, with a gaming operation or the ownership thereof, by  
475 unqualified, disqualified, or unsuitable persons or persons whose operations are conducted in a  
476 manner not conforming with this chapter;

477 require any person to apply for a license as provided in this chapter and approve or disapprove  
478 any such application or other transactions, events, and processes as provided in this chapter;

479 require any person who has any kind of business association with a gaming licensee or applicant  
480 to be qualified for licensure under this chapter;

481 develop criteria, in addition to those outlined in this chapter, to assess which applications for  
482 gaming licenses will provide the highest and best value to the commonwealth;

483 determine which applicants shall be awarded gaming licenses and other licenses in accordance  
484 with the terms of this chapter;

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

491 conduct investigations into the qualifications of all applicants for employment by the  
492 commission and by any regulated entity and all applicants for licensure;

493 request and receive from the state police, the criminal history systems board, or other criminal  
494 justice agencies, including but not limited to the United States Federal Bureau of Investigation  
495 and the federal Internal Revenue Service, such criminal offender record information relating to  
496 criminal and background investigations as necessary for the purpose of evaluating employees of,  
497 and applicants for employment by, the commission and any regulated entity, and evaluating  
498 licensees and applicants for licensure.

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

505 inspect and have access to all equipment and supplies in any licensed gaming establishment or  
506 in any premises where gaming equipment is manufactured, sold or distributed;  
507 seize and remove from the premises of any gaming licensee and impound any equipment,  
508 supplies, documents or records for the purpose of examination and inspection;

509 demand access to and inspect, examine, photocopy and audit all papers, books and records of any  
510 affiliate of a licensee whom the commission suspects is involved in the financing, operation or  
511 management of the licensee. The inspection, examination, photocopying and audit may take  
512 place on the affiliate's premises or elsewhere as practicable, and in the presence of the affiliate or  
513 its agent;

514 require that the books and financial or other records or statements of any licensee be kept in a  
515 manner that the commission deems proper;

516 levy and collect assessments, fees and fines and impose penalties and sanctions for the violation  
517 of this chapter and the regulations promulgated hereunder;

518 collect taxes;

519 restrict, suspend or revoke licenses issued under this chapter;

520 conduct adjudicatory proceedings and promulgate regulations in accordance with the provisions  
521 of chapter 30A;

522 refer cases for criminal prosecution to the appropriate federal, state or local authorities;

523 issue subpoenas and compel the attendance of witnesses at any place within the commonwealth,  
524 administer oaths and require testimony under oath before the commission in the course of any  
525 investigation or hearing conducted under this chapter; and

526 maintain an official Internet website for the commission;

527 adopt, amend, or repeal regulations for the administration and enforcement of this chapter. Act as  
528 trustees for any gaming related trust funds.

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

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

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

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

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

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

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

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

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

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

551 (10) establish licensure and work permits for employees working at the gaming establishment  
552 and minimum training requirements; provided further that the commission may establish

553 certification procedures for any training schools in the commonwealth as well as the minimum  
554 requirements for reciprocal licensing for out of out-of-state gaming employees; and  
555 (11) require that all gaming establishment employees be properly trained in their respective  
556 professions.

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

560 Section 6. The commission shall administer and enforce chapter 128A and 128C and any other  
561 general or special law related to pari-mutuel wagering or simulcasting. The commission shall  
562 serve as a host racing commission and an off-track betting commission for purposes of 15  
563 U.S.C.A.30001, et seq.

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

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

575 (c) Any remaining costs of the commission necessary to maintain regulatory control over gaming  
576 establishments that are not covered by: (i) the fees set forth in subsections (a) and (b), (ii) any  
577 other fees assessed pursuant to this chapter or (ii) any other designated source of funding shall be  
578 assessed annually on gaming licensees under this chapter in proportion to the number of gaming  
579 positions at each gaming facility. Each licensee shall pay the amount assessed against it within  
580 30 days after the date of the notice of assessment from the commission.

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

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

590 (f) All fees and assessments collected under this section, except those collected pursuant to  
591 subsection (e), shall be deposited into the Gaming Control Fund established pursuant to section  
592 8.

593 Section 8. (a) There shall be established and set up on the books of the commonwealth a separate  
594 fund to be known as the Massachusetts Gaming Control Fund, hereinafter in this section referred  
595 to as the fund. The commission shall be the trustee of the fund expend monies to finance  
596 operational activities of the commission. The fund shall be credited any appropriations, bond

597 proceeds or other monies authorized by the general court and specifically designated to be  
598 credited thereto, the proceeds of the assessments levied pursuant to section 7, application fees for  
599 licenses issued under this chapter and such additional funds as are subject to the direction and  
600 control of the commission. All available monies in the fund that are unexpended at the end of  
601 each fiscal year shall not revert to the General Fund and shall be available for expenditure in the  
602 subsequent fiscal year. Any funds unexpended in any fiscal year for the purposes of which such  
603 assessments were made shall be credited against the assessment to be made in the following  
604 fiscal year and the assessment in the following fiscal year shall be reduced by any such  
605 unexpended amount. The commission shall record all expenditures made by subsidiary on the  
606 Massachusetts management and accounting reporting system, so-called according to regulations  
607 established by the state comptroller.

608 (b) The commission shall, for the purposes of compliance with state finance law, operate as a  
609 state agency as defined in section 1 of chapter 29 and shall be subject to the provisions  
610 applicable to agencies under the control of the governor including, but not limited to, chapter 7A,  
611 chapter 7, chapter 10 and chapter 29; provided, however, that the comptroller may identify any  
612 additional instructions or actions necessary for the commission to manage fiscal operations in the  
613 state accounting system and meet statewide and other governmental accounting and audit  
614 standards. Unless otherwise exempted by law or the applicable central service agency, the  
615 commission shall participate in any other available commonwealth central services including, but  
616 not limited, to the state payroll system pursuant to section 31 of chapter 29, and may purchase  
617 other goods and services provided by state agencies in accordance with comptroller provisions.  
618 The comptroller may chargeback the commission for the transition and ongoing costs for  
619 participation in the state accounting and payroll systems and may retain and expend such costs

620 without further appropriation for the purposes of this section. The commission shall be subject to  
621 section 5D of chapter 29 and subsection (f) of section 6B of chapter 29.

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

680 (c) Any person owning more than 5 per cent of the common stock of the applicant company or a  
681 holding, intermediary or subsidiary of an applicant company shall be required to file for  
682 licensure. The commission may waive the licensing requirements for institutional investors  
683 holding up to 15 per cent of the stock of the applicant company or holding, intermediary or  
684 subsidiary company of the applicant company upon a showing by the person seeking the waiver  
685 that the applicant purchased the securities for investment purposes only and does not have any  
686 intention to influence or affect the affairs or operations of the applicant company or a holding,  
687 intermediary or subsidiary of the applicant company. Any institutional investor granted a waiver  
688 which subsequently determines to influence or affect the affairs or operations of the applicant  
689 company or a holding, intermediary or subsidiary of the applicant company shall provide not less  
690 than 30 days notice to the commission of such intent and shall file an application and be subject  
691 to the licensing requirements of this chapter before taking any action that may influence or affect  
692 the affairs of the applicant company or a holding, intermediary or subsidiary of the applicant  
693 company. Any company holding over 15 per cent of the applicant company, or a holding,  
694 intermediary or subsidiary of an applicant company shall be deemed to be a qualifier and shall  
695 file an application form with the commission and be subject to the licensing requirements of this  
696 chapter.

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

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

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

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

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

714 Section 13. The commission shall deny an application for a gaming license, or any license or  
715 registration issued under this chapter, if the applicant: (i) has been convicted of a felony or other  
716 convictions involving embezzlement, theft, fraud or perjury; provided, however that for  
717 convictions which occurred before the 10-year period immediately preceding application for  
718 licensure, an applicant may demonstrate, and the commission shall consider, their rehabilitation  
719 and why such conviction should not be an automatic disqualification under this section; (ii)  
720 submitted an application for a license under this chapter that contains false or misleading  
721 information; (iii) committed prior acts which have not been prosecuted or convicted but form a  
722 pattern of misconduct that make the applicant unsuitable for a license under this chapter; or (iv)  
723 has affiliates or close associates that would not qualify under the provisions of this chapter or

724 whose relationship with the applicant could pose an injurious threat to the interests of the  
725 commonwealth in awarding a gaming license to the applicant.

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

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

731 (2) has suitable capital to finance its operations and the proposed capital investment; provided,  
732 however, that such investment shall not include the purchase or lease price of the land where the  
733 gaming establishment will be located or any infrastructure designed to support the site,  
734 including, but not limited to, drainage, utility support, roadways, interchanges, fill and soil or  
735 groundwater or surface water contamination issues whether or not the applicant is an eligible  
736 owner or operator under chapter 206 of the acts of 1998;

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

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

740 (5) shall demonstrate to the commission how the applicant proposes to address lottery mitigation,  
741 compulsive gambling problems, workforce development and community development.

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

745 (7) shall provide to the commission a signed agreement between the host community and the  
746 applicant setting forth the conditions to have a gaming establishment located within the host  
747 community; provided that the agreement shall include a community impact fee for the host  
748 community and all stipulations of responsibilities between the host community and the applicant;  
749 and

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

751 Section 15. (a) In addition to the requirements set forth in section 14, no business shall be  
752 eligible to apply for a gaming license unless it: (i) is organized under the laws of the  
753 commonwealth, although such business organization may be a wholly or partially owned  
754 subsidiary of a foreign business; (ii) maintains an office in the gaming establishment; (iii)  
755 maintains a ledger in the gaming establishment of the business organization reflecting the current  
756 ownership of the business organization, and in the case of a corporation, of every class of  
757 security issued by the corporation; (iv) maintains all operating accounts required by the  
758 commission in a bank chartered in the commonwealth or in a bank with a full service branch  
759 present in the commonwealth; (v) includes among the purposes stated in its official filings with  
760 the state secretary the conduct of gaming; (vi) in the case of a non-publicly traded corporation,  
761 files with the commission such adopted corporate charter provisions as may be necessary to  
762 establish the right of prior approval by the commission with regard to transfers of securities,  
763 shares, and other interests in the applicant corporation; (vii) in the case of a publicly traded  
764 corporation, provides in its corporate charter that any securities of such corporation are held  
765 subject to the condition that if a holder thereof is found to be disqualified by the authority  
766 pursuant to the provisions of this chapter, such holder shall dispose of his interest in the  
767 corporation; provided, however, that nothing herein shall be deemed to require that any security

768 of such corporation bear any legend to this effect; and (viii) in the case of a non-publicly traded  
769 corporation, establishes that appropriate charter provisions create the absolute right of such non-  
770 publicly traded corporations and companies to repurchase at the market price or the purchase  
771 price, whichever is the lesser, any security, share or other interest in the corporation in the event  
772 that the commission disapproves a transfer in accordance with the provisions of this chapter.

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

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

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

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

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

798 (c) The governing body of a host community which has adopted the provisions of chapter 43D  
799 shall file a proposal with the interagency permitting board to designate the site proposed for a  
800 category 1 facility as priority development site. A community which has not adopted the  
801 provisions of 43D shall establish a permitting board consisting of 1 representative from the  
802 planning board, 1 member from the zoning board of appeals, 1 member from the conservation  
803 commission, 1 member from the police department, 1 member from the fire department and 1  
804 member from the department of public works to act as a central coordinating authority for the  
805 purpose of expediting permitting of the category 1 facility.

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

808 (i) the name of the applicant;

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



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

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

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

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

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

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

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

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

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

837 (xii) an agreement that the applicant shall mitigate the potential negative public health  
838 consequences associated with gambling and the operation of a gaming establishment including:

839 (1) maintaining a smoke-free environment within the gaming facility pursuant to the provisions  
840 of section 22 of chapter 270; (2) providing complimentary on-site space for an independent  
841 substance abuse and mental health counseling service to be selected by the commission; (3)  
842 prominently displaying information on the signs of problem gambling and how to access  
843 assistance; (4) describing a process for individuals to exclude their names and contact  
844 information from the licensee's database or any other list held by the licensee for use in  
845 marketing or promotional communications; and (5) instituting other public health strategies as  
846 determined by the commission;

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

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

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

855 (xvi) completed studies and reports as required by the commission, including reports on the  
856 economic benefits of the proposed gaming establishment, the environmental, traffic and local  
857 infrastructure impacts, the impact of the proposed gaming establishment to the local and regional  
858 economy, the cost to the municipality and the commonwealth for the proposed gaming  
859 establishment to be at its proposed location, and the total amount of municipal and state tax  
860 revenue to be generated by the applicant; including ancillary revenues generated by employees  
861 and vendors;

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

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

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

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

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

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

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

882 (d) Applications for licenses shall be public records for the purposes of section 10 of chapter 66;  
883 provided, however, that information required by the commission that pertains to: (i) confidential  
884 finances, earnings, revenue or trade secrets of any applicant; (ii) an applicant's criminal record or  
885 background information; (iii) the suitability of an applicant for a particular endeavor and (iv)  
886 information personal in nature submitted by an applicant pursuant to this section shall be deemed  
887 confidential, are not public records and shall not be disclosed. Personal information shall include  
888 any information concerning: (i) a minor child of an applicant; (ii) the social security number of  
889 an applicant or the spouse of an applicant; (iii) the home telephone number or address of an  
890 applicant or the spouse or children of an applicant; (iv) the birth certificate of the applicant or  
891 information relating to the date or place of birth of an applicant's spouse; (v) the driver's license  
892 number of an applicant or an applicant's spouse; (vi) the name or address of a previous spouse of  
893 the applicant; (vii) the personal financial information and records of an applicant or the spouse or  
894 minor child of an applicant, including tax returns and any and all records of criminal  
895 proceedings; (viii) any information concerning a victim of domestic violence, sexual assault or

896 stalking; (ix) the personal electronic mail address of an applicant or spouse or family member of  
897 the applicant; (x) and any other information deemed necessary by the commission to protect the  
898 privacy of an applicant or the applicant's family. Any information concerning an applicant  
899 collected by the commission may be released by the commission to an authorized agent of the  
900 state or federal government.

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

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

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

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

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

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

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

915 (vii) whether the applicant is disqualified from receiving a license pursuant to section 13;

916 provided, however, that in considering the rehabilitation of an applicant for a gaming license, the

917 commission shall not automatically disqualify any applicant if the applicant affirmatively  
918 demonstrates, by clear and convincing evidence, that the applicant has financial responsibility,  
919 character, reputation, integrity and general fitness as such to warrant belief by the commission  
920 that the applicant will act honestly, fairly, soundly and efficiently as a gaming licensee.

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

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

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

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

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

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

949 Section 19. (a) In determining whether an applicant should receive a gaming license, the  
950 commission shall evaluate how an applicant, through the application submitted and any  
951 statements made at the public hearing, proposes to advance the following objectives:

952 (i) protecting the lottery from any adverse impacts due to expanded gaming, including, but not  
953 limited to, developing cross-marketing strategies with the lottery and increasing ticket sales to  
954 out-of-state residents;

955 (ii) promoting local businesses in host and surrounding communities, including developing  
956 cross-marketing strategies with local restaurants, hotels, retail outlets and performing arts  
957 organizations;

958 (iii) implementing a workforce development plan to utilize the existing labor force in the  
959 commonwealth, including the estimated number of construction jobs a proposed gaming

960 establishment will generate, the development of workforce training programs that serve the  
961 unemployed, and methods for accessing employment at the gaming establishment;

962 (iv) building a gaming establishment of high caliber with a variety of quality amenities to be  
963 included as part of the gaming establishment and operated in partnership with any local hotels,  
964 dining, retail and entertainment facilities so that patrons experience the diversified regional  
965 tourism industry;

966 (v) taking additional measures to address problem gambling, including, but not limited to,  
967 training of gaming employee to identify patrons exhibiting problems with gambling and  
968 prevention programs targeted toward vulnerable populations;

969 (vi) providing a market analysis detailing the benefits of the site location of the gaming  
970 establishment and the estimated recapture rate of gaming-related spending by residents travelling  
971 to out-of-state gaming establishments; and

972 (vii) developing innovative strategies that further address the public policy goals of the  
973 commonwealth established pursuant to section 1.

974 (b) The commission shall also take into consideration the extent to which an applicant will  
975 commit to the following:

976 (i) utilizing sustainable development principles, including, but not limited to: (1) being certified  
977 or capable of being certified as gold or higher pursuant to the U.S. Green Building Council  
978 Neighborhood Development Rating System, the green building rating system established by the  
979 Leadership in Environmental and Energy Design, or an alternative rating system approved by the  
980 executive office of energy and environmental affairs; (2) meeting United States Environmental



981 Protection Agency efficiency standards for the electrical equipment and appliances used by the  
982 resort casino; and (3) procuring 10 percent of its annual electricity consumption from renewable  
983 sources identified by the division of energy resources pursuant to section 11F of chapter 25A;

984 (ii) establishing, funding, and maintaining human resource hiring and training practices that  
985 promote the development of a skilled and diverse workforce and access to promotion  
986 opportunities through a workforce training program that: (1) establishes transparent career paths  
987 with measurable criteria within the gaming establishment that lead to increased responsibility  
988 and higher pay grades that are designed to allow employees to pursue career advancement and  
989 promotion; (2) provides employee access to additional resources, such as tuition reimbursement  
990 or stipend policies, to enable employees to acquire the education or job training needed to  
991 advance career paths based on increased responsibility and pay grades; and (3) establishes an on-  
992 site child day care program; and

993 (iii) contracting with local business owners for the provision of services and goods to the gaming  
994 establishment, including developing plans designed to assist businesses in the commonwealth in  
995 identifying the needs for goods and services to the establishment.

996 Section 20. (a) The commission may issue 2 category 1 licenses; provided, however, that the  
997 category 1 licenses shall only be issued to applicants who are qualified under the criteria set forth  
998 in this chapter as determined by the commission. In evaluating the location of the category 1  
999 facilities, the commission shall take into consideration their proximity to each other and how that  
1000 may impact the policy goals established pursuant to section 1.

1001 (b) No other gaming license, or authorization to increase the gaming positions in a category 2 or  
1002 category 3 license, shall be issued by the commonwealth for a period of 15 years; provided,

1003 however, that such exclusivity shall not include the interests of the commonwealth in compacting  
1004 with any federally recognized Native American tribe for gaming rights in the commonwealth.

1005 (c) No category 1 licensee shall transfer a license or any direct or indirect interest in the license  
1006 or licensed premises without the majority approval of the commission. Any person seeking to  
1007 acquire a license through a transfer shall satisfy the requirement for licensure pursuant to this  
1008 chapter. The commission shall reject any license transfer or transfer of interest to an unsuitable  
1009 person and may reject a proposed transfer that, in the opinion of the commission, would be  
1010 disadvantageous to the interests of the commonwealth in the gaming establishment.

1011 (d) The commission may issue 2 category 2 licenses; provided, however, that the commission  
1012 shall issue 1 category 2 license to a qualified harness horse racing facility and 1 category 2  
1013 license to a qualified thoroughbred horse racing facility. A category 2 license issued shall be  
1014 contingent upon the licensee's completion of the annual live racing season pursuant to chapter  
1015 128A. An applicant who is eligible for a category 2 license pursuant to this section may apply for  
1016 a category 1 license; provided, however, that upon receipt of a category 1 license said applicant  
1017 shall continue to conduct live racing and abide by all the live racing terms pursuant to section 23  
1018 and shall continue to pay the applicable live racing tax required of category 2 licensees.

1019 (e) The commission may issue 2 category 3 licenses; provided, however, that the commission  
1020 shall issue each category 3 license to a qualified greyhound racing facility. Any category 3  
1021 license issued shall be contingent upon the licensee's simulcasting of live thoroughbred, harness  
1022 and greyhound races pursuant to chapter 128A. An applicant who is eligible for a category 3  
1023 license pursuant to this section may apply for a category 1 license.

1024 A category 3 licensee shall maintain a simulcasting license pursuant to chapter 128C. Upon  
1025 failure to conduct simulcast wagering the commission shall suspend the category 3 license.

1026 (f) A category 2 license and a category 3 license issued pursuant to this chapter shall not be  
1027 transferrable or assignable without the approval of the commission for a period of 5 years after  
1028 issuance unless: (i) the licensee experiences financial hardship; (ii) a change in ownership; or  
1029 (iii) fails to maintain suitability or other circumstances which the commission may consider,  
1030 which impact a licensee's ability to successfully operate a gaming establishment.

1031 (g) Notwithstanding the foregoing, and upon approval by the commission, a category 3 licensee  
1032 may merge its license with a category 2 licensee and locate the total number of slot machines  
1033 allotted to each licensee at a thoroughbred or harness racing track. A category 2 licensee may  
1034 not merge with more than 1 category 3 licensee.

1035 An applicant for a category 2 license shall apply for a merged license with an eligible applicant  
1036 for a category 3 license in their initial application to the commission. The commission shall  
1037 approve any merger agreement and shall require parties to the merger to be qualified for  
1038 licensure pursuant to the criteria set forth in sections 13 and 19.

1039 (h) A category 1 license issued pursuant to this chapter shall be for a period of 15 years from the  
1040 date of first issuance; provided, however, that 5 years after issuance, and every 5 years thereafter,  
1041 the commission shall perform a thorough review of the business strategy of the resort casino  
1042 which shall include plans for expansion and marketing submitted by the licensee. The  
1043 commission shall establish procedures for renewal and set the renewal fee based on the cost of  
1044 fees associated with the evaluation of a licensee requesting a renewed category 1 license.

1045 A category 2 and category 3 license issued pursuant to this chapter shall be for a period of 5  
1046 years. The commission shall establish procedures for renewal and set the renewal fee based on  
1047 the cost of fees associated with the evaluation of a licensee; provided, however, that the cost of  
1048 renewal shall not be less than \$100,000.

1049 Nothing in this section shall preclude the commission at any time from reviewing the business  
1050 operations of any gaming licensee to ensure that the conditions of licensure are being met,  
1051 including, but not limited to, the suitability of the licensee and any affiliates and the fiscal  
1052 stability of the gaming establishment.

1053 (i) The commission shall have the power to condition, suspend or revoke any gaming license  
1054 upon a finding that a licensee: (i) has committed a criminal or civil offense under this chapter or  
1055 any other laws of the commonwealth; (ii) is not in compliance with gaming regulations or is  
1056 under criminal investigation in another jurisdiction; (iii) has breached a condition of licensure;  
1057 (iv) has affiliates, close associates or employees that are not qualified or licensed pursuant to this  
1058 chapter with whom the gaming licensee continues to conduct business or employ; (v) is no  
1059 longer capable of maintaining operations at a gaming establishment; or (vi) whose business  
1060 practice, upon a determination by the commission, is injurious to the policy objectives of this  
1061 chapter.

1062 (j) Whenever any person contracts to transfer any property relating to an ongoing gaming  
1063 operation, including a security holding in a gaming licensee or holding or intermediary company,  
1064 under circumstances which require that the transferee obtain licensure under this chapter, the  
1065 contract shall not specify a closing or settlement date which is earlier than the 121st day after the

1066 submission of a completed application for licensure or qualification, which application shall  
1067 include a fully executed and approved trust agreement.

1068 The commission shall hold a hearing and render a decision on the interim authorization of the  
1069 applicant. If the commission grants interim authorization, then the closing or settlement may  
1070 occur without interruption of casino operations. If the commission denies interim authorization,  
1071 there shall be no closing or settlement until the commission makes a determination on the  
1072 qualification of the applicant, and if the commission then denies qualification the contract shall  
1073 thereby be terminated for all purposes without liability on the part of the transferor.

1074 The commission shall promulgate further regulations for interim authorization of a gaming  
1075 establishment.

1076 (k) No person or affiliate shall be awarded, purchase or otherwise hold or have a financial  
1077 interest in more than 1 license issued by the commission.

1078 Section 21. (a) Applicants for a category 1 license shall invest not less than \$500,000,000 into  
1079 the resort casino which shall include the gaming facility, at least 1 hotel, and other amenities as  
1080 proposed in the application for a category 1 license. Upon award of a category 1 license by the  
1081 commission, the applicant shall be required to deposit 10 per cent of the total investment  
1082 proposed in the application into an interest-bearing account. Monies received from the applicant  
1083 shall be held in escrow until the final stage of construction, as approved by the commission, at  
1084 which time the deposit shall be returned to the applicant to be applied for such final stage.  
1085 Should the applicant be unable to complete the resort casino, the deposit shall be forfeited to the  
1086 commonwealth. In place of a cash deposit, the commission may allow for an applicant to secure

1087 a deposit bond insuring that 10 per cent of the proposed capital investment shall be forfeited to  
1088 the commonwealth.

1089 (b) Applicants for a category 1 license shall submit their proposed capital investment with their  
1090 application to the commission which shall include stages of construction of the resort casino and  
1091 the deadline by which construction and any infrastructure improvements will be completed. In  
1092 awarding a category 1 license, the commission shall determine at what stage of construction a  
1093 licensee shall be approved to open for business; provided, however, that a licensee shall not be  
1094 permitted to open for business until the commission has determined that at least the gaming  
1095 facility and hotel have been built and are of a superior quality as set forth in the conditions of  
1096 licensure; provided, further, that total infrastructure improvements onsite and around the vicinity  
1097 of the resort casino, including projects to account for traffic mitigation, shall be completed before  
1098 the resort casino shall be approved for opening by the commission.

1099 (c) A category 1 licensee shall pay to the commission a fee of not less than \$100,000,000.  
1100 Applicants may propose to pay a higher licensing fee; provided, however, that the commission  
1101 shall consider the impact of a higher fee upon an application only after consideration of the  
1102 proposed capital investment and the applicant's ability to address the conditions for licensure set  
1103 forth in section 19. Applicants may pay the total amount of the licensing fee up to the time the  
1104 resort casino is approved to open for business; provided, however, that the gaming licensee shall  
1105 pay \$100,000,000 at the time the license is awarded.

1106 (d) The commission shall determine the sources and total amount of an applicant's proposed  
1107 capitalization to develop, construct, maintain and operate a proposed gaming establishment under  
1108 this chapter. Upon award of a gaming license, the commission shall continue to assess the

1109 capitalization of a licensee for the duration of construction of the proposed gaming establishment  
1110 and the term of the license.

1111 Section 22. (a) Applicants for a category 2 or category 3 license shall invest not less than  
1112 \$75,000,000 into the gaming facility and racecourse, if applicable.

1113 The investment required under this section shall be made within 2 years of receiving a gaming  
1114 license; provided, however, that any infrastructure improvements necessary to increase visitor  
1115 capacity and account for traffic mitigation, as determined by the commission, shall be completed  
1116 before the category 2 or category 3 licensee shall be authorized to operate any slot machine at the  
1117 gaming facility.

1118 (b) The required licensing fee for a category 2 or category 3 license shall be not less than  
1119 \$15,000,000. The commission shall raise the license fee if an applicant for a category 2 or  
1120 category 3 license cannot demonstrate to the satisfaction of the commission that the applicant  
1121 will advance any of the objectives set forth in section 19.

1122 (c) If the commission approves the merger of a category 2 and category 3 licensee pursuant to  
1123 section 20 and grants a merged license, the applicants shall pay \$30,000,000 and shall agree to  
1124 invest \$150,000,000 into the gaming facility and racecourse.

1125 (d) The commission shall determine the sources and total amount of an applicant's proposed  
1126 capitalization to develop, construct, maintain and operate a proposed gaming establishment  
1127 under this chapter. Upon award of a gaming license, the commission shall continue to assess the  
1128 capitalization of a licensee for the duration of construction of the proposed gaming establishment  
1129 and the term of the license.

1130 Section 23. (a) An applicant for a category 2 licensee shall maintain any racing facility on the  
1131 premises; provided, however, that said licensee shall increase the number of live racing days to a  
1132 minimum of 125 days according to the following schedule:

1133 (i) in the first calendar year of operation a licensee shall hold 105 racing days;

1134 (ii) in the second calendar year of operation a licensee shall hold 115 racing days; and

1135 (iii) in the third calendar year of operation a licensee shall hold 125 racing days.

1136 (b) A category 2 licensee may increase the number of live racing days if said licensee is holding  
1137 a minimum of 125 racing days within 3 years of receiving a category 2 license. If a category 2  
1138 licensee does not conduct live racing for the minimum number of days set forth in subsection (a),  
1139 the commission shall suspend the category 2 license.

1140 (c) After 3 years of operation, and in consultation with the parties to the purse agreement, the  
1141 commission may adjust the amount of required racing days at a category 2 facility based on  
1142 fields, demand and racing performance.

1143 (d) A category 2 licensee shall have an annual purse agreement in effect by December thirty-first  
1144 of each year for the following year's racing; provided, however, that if the parties to a purse  
1145 agreement at a category 2 facility cannot in good faith negotiate an agreement by December  
1146 thirty-first, the purse agreement shall be arbitrated by the commission.

1147 Section 24. (a) No person shall be employed by a gaming licensee unless such person has been  
1148 licensed by or registered with the commission.

1149 (b) Any person seeking a valid key gaming employee license or a gaming employee license shall  
1150 file an application with the commission. Such application shall be on a form prescribed by the



1151 commission and shall include, but shall not be limited to, the following: (1) the name of the  
1152 applicant; (2) the address of the applicant; (3) a detailed employment history of the applicant; (4)  
1153 fingerprints; (5) a criminal and arrest record; and (6) any civil judgments obtained against the  
1154 person pertaining to antitrust or security regulation. Each applicant shall be a resident of the  
1155 commonwealth prior to the issuance of a gaming employee license, provided, however, that the  
1156 commission may waive this requirement upon certification from the gaming licensee that an  
1157 applicant's particular position will require the applicant to be reside outside of the  
1158 commonwealth. The commission may require such other information as it deems appropriate  
1159 including, without limitation, information related to the financial integrity of the applicant and  
1160 may require the applicant to submit other documentation it deems appropriate including, without  
1161 limitation, bank accounts and records, bank references, business and personal income and  
1162 disbursement schedules, tax returns and other reports filed by government agencies, and business  
1163 and personal accounting check records and ledgers.

1164 (c) All other employees in a gaming establishment who are not considered to be gaming  
1165 employees, key gaming employees, or who have restricted access to an area of the gaming  
1166 establishment or knowledge of security procedures, shall be required to register with the  
1167 commission as a gaming service employee and shall produce such information as the  
1168 commission may require to become registered under this chapter.

1169 (d) Upon receipt of an application for a key gaming employee license and a gaming employee  
1170 license the commission shall conduct an investigation of each applicant which shall include  
1171 obtaining criminal offender record information from the criminal history systems board as well  
1172 as exchanging fingerprint data and criminal history with the state police and the federal bureau of  
1173 investigation.

1174 (e) Upon petition by a gaming licensee, the commission may issue a temporary license to an  
1175 applicant for a gaming key employee license or a gaming employee license provided that: (i) the  
1176 applicant for a gaming key employee license or gaming employee license has filed a complete  
1177 application with the commission; and (ii) the gaming licensee certifies, and the commission  
1178 finds, that the issuance of a temporary license is necessary for the operation of the gaming  
1179 facility and is not designed to circumvent the normal licensing procedures.

1180 Unless otherwise stated by the commission, a temporary license issued pursuant to this section  
1181 shall expire 6 months from the date of its issuance and may be renewed, at the discretion of the  
1182 commission, for an additional 6 month period.

1183 (f) The commission may deny any application for a key gaming employee or gaming employee  
1184 license or the registration of any other employee of a gaming establishment if the commission  
1185 finds that any applicant or registrant is disqualified pursuant to section 14 or may be unsuitable  
1186 for licensure under any of the criteria set forth in section 19; provided, however, that the  
1187 commission, in its discretion, may issue a license to an applicant for a gaming employee license  
1188 or register a gaming service employee who has a prior conviction if said applicant or registrant  
1189 can affirmatively demonstrate his rehabilitation. In considering the rehabilitation of an applicant  
1190 for a license under this section, the commission shall consider the following: (i) the nature and  
1191 duties of the position of the applicant; (ii) the nature and seriousness of the offense or conduct;  
1192 (iii) the circumstances under which the offense or conduct occurred; (iv) the date of the offense  
1193 or conduct; (v) the age of the applicant when the offense or conduct was committed; (vi) whether  
1194 the offense or conduct was an isolated or repeated incident; (vii) any social conditions which  
1195 may have contributed to the offense or conduct; and (viii) any evidence of rehabilitation,

1196 including recommendations and references of persons supervising the applicant since the offense  
1197 or conduct was committed.

1198 Any orders denying an application under this section shall be accompanied with an explanation  
1199 of why an applicant did not meet the qualifications for licensure under this chapter.

1200 (g) The commission shall be authorized to condition, suspend or revoke any license or  
1201 registration under this section if the commission finds that a licensee or registrant has: (i) been  
1202 arrested or convicted of a crime while employed by a gaming establishment and failed to report  
1203 charges or the conviction to the commission; (ii) failed to comply with the provisions of section  
1204 12; or (iii) failed to comply with any of the provisions of this chapter pertaining to licensees.

1205 (h) A license or registration issued pursuant to this section shall be issued for a term of 3 years. It  
1206 shall be the responsibility of the employee to ensure that their license is current.

1207 (i) The commission shall establish fees for a key gaming employee and a gaming employee  
1208 license which shall include costs incurred for conducting a background investigation into an  
1209 applicant said license.

1210 Section 25. (a) No person or business shall conduct any business with a gaming licensee unless  
1211 such person has been licensed by or registered with the commission.

1212 (b) Any person seeking a gaming vendor license shall file an application with the commission.  
1213 Such application shall be on a form prescribed by the commission and shall include, but shall not  
1214 be limited to, the following: (i) the name of the applicant; (ii) the post office address and if a  
1215 corporation, the name of the state under the laws of which it is incorporated, the location of its  
1216 principal place of business and the names and addresses of its directors and stockholders; (iii) a

1217 criminal and arrest record; (iv) any civil judgments obtained against the person pertaining to  
1218 antitrust or security regulation; (v) the identity of every person having a direct or indirect interest  
1219 in the business, and the nature of such interest; provided further, that if the disclosed entity is a  
1220 trust, the application shall disclose the names and addresses of all beneficiaries; provided further,  
1221 that if the disclosed entity is a partnership, the names and addresses of all partners, both general  
1222 and limited; and provided further, that if the disclosed entity is a limited liability company, the  
1223 names and addresses of all members; (vi) an independent audit report of all financial activities  
1224 and interests including, but not limited to, the disclosure of all contributions, donations, loans or  
1225 any other financial transactions to or from any gaming entity or operator in the past 5 years; and  
1226 (vii) clear and convincing evidence of financial stability including, but not limited to, bank  
1227 references, business and personal income and disbursement schedules, tax returns and other  
1228 reports filed by government agencies, and business and personal accounting check records and  
1229 ledgers. The commission may require such other information as it deems appropriate including,  
1230 without limitation, information related to the financial integrity of the applicant and may require  
1231 the applicant to submit other documentation it deems appropriate including, without limitation,  
1232 bank accounts and records, bank references, business and personal income and disbursement  
1233 schedules, tax returns and other reports filed by government agencies, and business and personal  
1234 accounting check records and ledgers.

1235 (c) No person shall manufacture, sell, distribute, test or repair slot machines, other than antique  
1236 slot machines as defined in section 5A of chapter 271, without a valid gaming vendor license  
1237 issued by the commission

1238 (d) All other suppliers or vendors who are not considered to be gaming vendors including, but  
1239 not limited to, construction companies, vending machine providers, linen suppliers, garbage

1240 handlers, maintenance companies, limousine services, food purveyors or suppliers of alcoholic  
1241 beverages, shall be considered non-gaming vendors and shall be required to register with the  
1242 commission and shall produce such information as the commission may require; provided,  
1243 however, that the commission may require any vendor regularly conducting over \$250,000 of  
1244 business with a gaming licensee within a 12 month period, or \$100,000 of business within a 3  
1245 year period, to be licensed as a gaming vendor.

1246 (e) Any person owning more than 5 per cent of the common stock of a company required to be  
1247 licensed as a gaming vendor, or a holding, intermediary or subsidiary of such company, shall be  
1248 required to file for licensure. The commission may waive the licensing requirements for  
1249 institutional investors holding up to 15 per cent of the stock of the company, or holding,  
1250 intermediary or subsidiary company of the such company, upon a showing by the person  
1251 seeking the waiver that the applicant purchased the securities for investment purposes only and  
1252 does not have any intention to influence or affect the affairs or operations of the company or a  
1253 holding, intermediary or subsidiary of the such company. Any institutional investor granted a  
1254 waiver which subsequently determines to influence or affect the affairs or operations of the  
1255 gaming vendor, or a holding, intermediary or subsidiary of the gaming vendor, shall provide not  
1256 less than 30 days notice to the commission of such intent and shall file an application and be  
1257 subject to the licensing requirements of this chapter before taking any action that may influence  
1258 or affect the affairs of the applicant company or a holding, intermediary or subsidiary of the  
1259 applicant company. Any company holding over 15 per cent of a gaming vendor, or a holding,  
1260 intermediary or subsidiary of a gaming vendor, shall be deemed to be a qualifier and shall file an  
1261 application form with the commission and be subject to the licensing requirements of this  
1262 chapter.

1263 (f) If an applicant for a gaming vendor license or vendor or supplier registration is licensed or  
1264 registered in another jurisdiction within the United States and is in good standing in all the  
1265 jurisdictions in which it holds a license or registration, the commission may enter into a  
1266 reciprocal agreement with the applicant and to allow for an abbreviated licensing or registration  
1267 process and issue a gaming vendor license or registration pursuant to this section, provided,  
1268 however, that the commission shall reserve its rights to investigate the qualifications of an  
1269 applicant at any time and may require the applicant to submit to a full application for a gaming  
1270 vendor license or provide further information for registration.

1271 (g) The commission shall deny any application for a gaming vendor license or the registration of  
1272 any other vendor or supplier if the commission finds that any applicant or registrant is  
1273 disqualified pursuant to section 14 or may be unsuitable for licensure under any of the criteria set  
1274 forth in section 19.

1275 (h) The commission shall be authorized to condition, suspend or revoke any license or  
1276 registration under this section if the commission finds that a licensee or registrant has: (i) been  
1277 arrested or convicted of a crime; (ii) failed to comply with the provisions of section 12; or (iii)  
1278 failed to comply with any of the provisions of this chapter pertaining to licensees.

1279 (i) The commission shall establish a master vendor list to monitor all vendor contracts with a  
1280 gaming establishment. Any vendor doing business with a gaming establishment who has failed  
1281 to submit an application for licensure or registration shall be prohibited from engaging in any  
1282 future business with any gaming establishment; provided further that the commission shall be  
1283 authorized to terminate any contracts that have been entered into with an unlicensed or  
1284 unregistered vendor.

1285 (j) Gaming licensees shall have a continuing duty to inform the commission of all vendor  
1286 contracts.

1287 (k) A license or registration issued pursuant to this section shall be issued for a term of 3 years.  
1288 It shall be the responsibility of the licensee to ensure that their license is current.

1289 (l) The commission shall establish fees for gaming vendor licenses which shall include costs  
1290 incurred for conducting a background investigation into an applicant for said license.

1291 Section 26. (a) Each labor organization, union or affiliate seeking to represent employees who  
1292 are employed at a gaming establishment, including any related facilities, shall register with the  
1293 commission.

1294 (b) Neither a labor organization, nor its officers who are not otherwise licensed or registered  
1295 under this chapter, may hold any financial interest in a gaming establishment whose employees  
1296 they represent.

1297 Section 27. (a) No category 1, category 2 or category 3 licensee shall conduct gaming without an  
1298 operations certificate issued by the commission. An operations certificate shall only be issued  
1299 upon compliance with the requirements of this chapter including: (1) implementation of all  
1300 management controls required by the commission including, without limitation, controls on  
1301 accounting, wagering and auditing; (2) implementation of all security precautions required by the  
1302 commission; (3) an up to date listing of all gaming employees; (4) licensing of all gaming  
1303 employees; (5) the provision of office space at the facility for use by the commission employees;  
1304 (6) the hours of operation of the facility; and that its personnel and procedures are efficient and  
1305 prepared to entertain the public.

1306 The operations certificate shall be conspicuously posted and shall state the number of slot  
1307 machines, table games or other authorized games, if applicable.

1308 (b) A category 1, category 2, or category 3 licensee may operate a gaming establishment from  
1309 6:00 am to 5:59 am; provided, however, that said licensee registers their hours of operation with  
1310 the commission.

1311 (c) Each gaming licensee shall arrange its gaming facility in such a manner as to promote  
1312 optimum security for the gaming facility operations , including but not limited to: (1) a closed  
1313 circuit television system according to specifications approved by the commission, with access on  
1314 the licensed premises to the system or its signal provided to the commission; (2) one or more  
1315 rooms or locations approved by the commission for use by commission employees; and (3)  
1316 design specifications that insure that visibility in a facility is not obstructed in any way that might  
1317 interfere with the ability of the commission or the division to supervise facility operations.

1318 (d) Each applicant for a gaming license shall submit to the commission a description of its  
1319 minimum system of internal procedures and administrative and accounting controls for gaming  
1320 and any simulcast wagering operations accompanied by a certification by its chief legal officer  
1321 that the submitted procedures conform to the provisions of this chapter and any regulations  
1322 promulgated thereunder as well as a certification by its chief financial officer that the submitted  
1323 procedures provide adequate and effective controls, establish a consistent overall system of  
1324 internal procedures and administrative and accounting controls and conform to generally  
1325 accepted accounting principles and any additional standards required by the commission. Each  
1326 applicant shall make its submission at least 30 business days before such operations are to  
1327 commence unless otherwise directed by the commission; provided, however, that no gaming



1328 licensee shall commence gaming operations or alter its minimum internal controls until such  
1329 system of minimum controls is approved by the commission. The commission shall establish  
1330 regulations for the information required in said internal control submission.

1331 Any proposed changes to a gaming licensee's system of internal procedures and controls shall be  
1332 submitted to the commission along with 2 new certifications from its chief legal and financial  
1333 officers. Pending no objections from the commission, the gaming licensee may make said  
1334 changes 15 business days after submitting a description of the changes to the commission.

1335 (e) Gaming equipment shall not be possessed, maintained or exhibited by any person on the  
1336 premises of a gaming establishment except in a gaming area approved by the commission or in a  
1337 restricted area used for the inspection, repair or storage of such equipment and specifically  
1338 designated for that purpose.

1339 (f) Each gaming facility shall contain a count room and such other secure facilities as may be  
1340 required by the commission for the counting and storage of cash, coins, tokens, checks, plaques,  
1341 gaming vouchers, coupons and other devices or items of value used in wagering and approved by  
1342 the commission that are received in the conduct of gaming and for the inspection, counting and  
1343 storage of dice, cards, chips and other representatives of value.

1344 (g) A dealer may accept tips or gratuities from a patron at the table game where such dealer is  
1345 conducting play; provided, however, that such tips or gratuities shall be placed in a pool for  
1346 distribution among other dealers. The commission shall determine how tips and gratuities shall  
1347 be set aside for the dealer pool as well as the manner of distribution among dealers.

1348 (h) No person under the age of 21 shall be permitted to wager or be in an area of a facility where  
1349 gaming is conducted; provided, however, that a person 18 years or over of age who is a licensed

1350 employee of the gaming operation may be in an area of a facility where gaming is conducted if in  
1351 the performance of the duties he is licensed to undertake.

1352 (i) No category 1, category 2 or category 3 licensee shall operate unless the facility manager or  
1353 his designee is on the premises and representatives of the commission are present at the facility;  
1354 provided, further that the commission may allow a gaming licensee to conduct gaming  
1355 operations for a period not to exceed 48 hours pursuant to a duly filed emergency operations plan  
1356 previously filed with, and approved by, the commission that addresses the internal procedures to  
1357 be followed during such an emergency to ensure that the gaming licensee and its employees  
1358 comply with all pertinent statutes and regulations.

1359 (j) Each gaming establishment shall file an emergency response plan with the fire department  
1360 and police department of the host community which shall include without limitation: (1) a layout  
1361 identifying all areas within the facility and grounds including support systems and the internal  
1362 and external access routes; (2) the location and inventory of emergency response equipment and  
1363 the contact information of the emergency response coordinator for the facility; (3) the location of  
1364 any hazardous substances as well as a description of any public health or safety hazards present  
1365 on site; (4) a description of any special equipment needed to respond to an emergency at the  
1366 facility; (5) an evacuation plan; and (6) any other information relating to emergency response as  
1367 requested by the fire department or the police department of the host community.

1368 Section 28. (a) Notwithstanding any general or special law, rule or regulation to the contrary, an  
1369 applicant for a category 1 license may request with their gaming license application, and the  
1370 commission may grant, a resort casino beverage license for the sale and distribution of alcoholic  
1371 beverages to be drunk on the premises of a resort casino. No alcoholic beverages shall be sold or

1372 distributed on the premises of a gaming establishment without such a license. The authority to  
1373 enforce, regulate and control the distribution of alcoholic beverages in the resort casino shall be  
1374 exclusively vested in the commission.

1375 (b) Except as otherwise provided in this section, or by regulations promulgated by the  
1376 commission, the provisions of chapter 138 and the rules and regulations promulgated by the  
1377 alcoholic beverages control commission shall apply to a resort casino and a resort casino  
1378 beverage license.

1379 (c) Issuance fees for the casino beverage license shall be included with the gaming application  
1380 fee. If a category 1 licensee does not apply for a casino beverage license at the time of  
1381 application, said licensee shall be subject to an additional licensing fee determined by the  
1382 commission.

1383 (d) A licensee under this section shall be permitted to distribute alcohol free of charge and for  
1384 on-premise consumption to patrons on the casino floor or as a complimentary service or item in  
1385 the gaming establishment; provided, however, that the commission shall promulgate regulations  
1386 on such distribution as well as the forms of identification that may be presented to the licensee to  
1387 demonstrate proof that a person has attained the age of 21.

1388 (e) A licensee under this section shall be permitted to sell alcohol daily after 8 antemeridian and  
1389 before 2 antemeridian.

1390 (f) The request submitted to the commission for a resort casino beverage license by an applicant  
1391 or licensee for a category 1 license shall detail all areas where alcoholic beverages will be served  
1392 within the resort casino. In issuing said license, the commission shall describe the scope of the  
1393 particular license and any restrictions and limitations.

1394 (g) A category 1 licensee shall be responsible for any violations of their casino beverages license  
1395 in the gaming establishment. The commission may revoke, suspend, refuse to renew or refuse to  
1396 transfer any resort casino beverage license for violations of any provision of chapter 138,  
1397 regulations promulgated by the alcoholic beverages control commission and the regulations  
1398 promulgated by the commission. If, at any time, a licensee elects temporary suspension of their  
1399 category 1 license due to violations of this section, said licensee shall owe the commonwealth the  
1400 average tax on gross gaming revenue based on an appropriate period of time as determined by  
1401 the commission for the number of days operation was suspended.

1402 (h) A resort casino beverage license shall be nontransferable without prior approval from the  
1403 commission. If the license granted under this act is cancelled, revoked or no longer in use, it  
1404 shall be returned physically, with all the legal rights, privileges and restrictions pertaining  
1405 thereto, to the commission and the commission may then grant the license to a new gaming  
1406 licensee under the same conditions as specified in this section.

1407 (i) A license granted under this section shall not decrease the number of such licenses authorized  
1408 to be granted to the host community under the provisions of chapter 138.

1409 Section 29. (a) A gaming licensee shall be permitted to issue credit to a patron of a gaming  
1410 establishment in accordance with regulations promulgated by the commission. Such regulations  
1411 shall include, but not be limited to: (i) procedures for confirming that a patron has an established  
1412 credit history and is in good standing; (ii) whether the patron has a good credit history with the  
1413 gaming establishment; (iii) authorization of any credit instrument; (iv) methods for  
1414 acknowledging a credit instrument and payment of debt; and (v) information to be provided by  
1415 the patron to the gaming establishment to be shared with the commission for auditing purposes.

1416 (b) Except as otherwise authorized by the commission through regulations pursuant to this  
1417 chapter, no facility , nor any person acting on behalf of said facility shall: (1) cash any check,  
1418 make any loan, or otherwise provide or allow to any person any credit or advance of anything of  
1419 value, or which represents value, to enable any person to place a wager; or (2) release or  
1420 discharge any debt, either in whole or in part, or make any loan which represents any losses  
1421 incurred by any player in gaming or simulcast wagering activity, without maintaining a written  
1422 record thereof in accordance with the rules of the commission. Nothing in this section shall  
1423 prohibit a facility from accepting credit cards for non-gaming related purchases or services.

1424 (c) Checks cashed in conformity with the requirements of this chapter shall be valid instruments  
1425 enforceable under the laws of the commonwealth. Any check cashed, transferred, conveyed or  
1426 given in violation of this chapter or regulations promulgated thereunder shall be invalid and  
1427 unenforceable.

1428 (d) The commission shall establish, by regulation, procedures and standards for approving  
1429 promotional gaming credits, provided that no such credit shall be reported as a promotional  
1430 gaming credit by an operator of a licensed gaming establishment unless the operator can  
1431 establish that the credit was issued by the gaming establishment and received from a patron as a  
1432 wager at a slot machine in the gaming establishment, provided further that such promotional  
1433 gaming credit shall not be taxable for the purposes of determining gross revenue.

1434 (e) No other person or entity, other than a gaming licensee licensed pursuant to this chapter, shall  
1435 issue credit to a patron of a gaming establishment.

1436 (f) A person may petition the commission to place his name on a list of persons to whom the  
1437 extension of credit by a gaming establishment shall be prohibited. Any person filing such

1438 petition shall submit to the commission the person's name, address, and date of birth. The person  
1439 shall not be required to provide a reason for said request. The commission shall provide this list  
1440 to the credit department of each gaming establishment; provided, however, that neither the  
1441 commission nor the credit department of a gaming establishment shall divulge the names on this  
1442 list to any person or entity other than those provided for in this subsection. If such a person  
1443 wishes to have their name removed from the list, the person shall petition the commission in  
1444 accordance with procedures for removal set forth by the commission. If the commission  
1445 approves the request, the commission shall so inform the credit department of the gaming  
1446 establishments no later than 7 days after approving the request.

1447 (g) Debt collections pursuant to this section and regulations promulgated thereunder shall be  
1448 limited to gaming key employees or attorneys acting directly on behalf of gaming licensees;  
1449 provided further that a gaming key employee shall be prohibited from making any such  
1450 collections if they serve as a junket representative for the gaming licensee.

1451 Section 30. (a) No junkets may be organized or permitted and no person may act as a junket  
1452 representative or junket enterprise except as authorized by the commission pursuant to this  
1453 chapter.

1454 (b) A junket representative employed by a gaming licensee or affiliate of said licensee shall be  
1455 licensed as a gaming employee in accordance with the provisions set forth in section 25,  
1456 including provisions for the issuance of a temporary license; provided, however that said licensee  
1457 need not be a resident of the commonwealth. Any person who holds a valid gaming employee  
1458 license may act as a junket representative while employed by a gaming license or an affiliate.

1459 No gaming licensee shall employ or otherwise engage a junket representative who is not licensed  
1460 pursuant to this chapter.

1461 (c) The commission shall deny an application for a license under this section if the commission  
1462 finds that an applicant is disqualified pursuant to section 14 or may be unsuitable for licensure  
1463 under any of the criteria set forth in section 19.

1464 (d) Each gaming licensee, junket representative or junket enterprise shall file a report with the  
1465 bureau with respect to each list of junket patrons or potential junket patrons purchased directly or  
1466 indirectly by the gaming licensee, junket representative or enterprise.

1467 (e) No junket enterprise or junket representative or person acting as a junket representative shall:  
1468 (i) engage in efforts to collect upon checks that have been returned by banks without full and  
1469 final payment; (ii) exercise approval authority with regard to the authorization or issuance of  
1470 credit pursuant to this chapter; (iii) act on behalf of or under any arrangement with a gaming  
1471 licensee or a gaming patron with regard to the redemption, consolidation, or substitution of the  
1472 gaming patron's checks awaiting deposit; (iv) individually receive or retain any fee from a patron  
1473 for the privilege of participating in a junket; or (v) pay for any services, including transportation,  
1474 or other items of value provided to, or for the benefit of, any patron participating in a junket.

1475 (f) The commission shall promulgate further regulations concerning the conduct of junkets and  
1476 conditions of junket agreements between gaming licensees and junket representatives.

1477 Section 31. (a) No gaming licensee shall offer to provide any complimentary services, gifts, cash  
1478 or other items of value to any person unless the complimentary consists of room, food, beverage,  
1479 transportation, or entertainment expenses provided directly to the patron and his guests by the  
1480 licensee or indirectly to the patron and his guests on behalf of a third party, or the complimentary

1481 consists of coins, tokens, cash or other complimentary items or services provided through a  
1482 complimentary distribution program which shall be filed and approved by the commission upon  
1483 the implementation of the program or maintained pursuant to regulation.

1484 (b) A gaming licensee may offer and provide complimentary cash or noncash gifts which are not  
1485 otherwise included in subsection (a) to any person, provided that any such gifts in excess of  
1486 \$2,000 are documented by the licensee and detail the reasons why such gifts were provided to  
1487 the patron.

1488 (c) Each gaming licensee shall maintain a regulated complimentary service account for those  
1489 complimentaries which are permitted under this section, and shall submit a quarterly report to the  
1490 commission based upon such account and covering all complimentary services offered or  
1491 engaged in by the licensee during the immediately preceding quarter. Such reports shall include  
1492 identification of the regulated complimentary service and their respective costs, the number of  
1493 persons by category of service who received the same and such other information as the  
1494 commission may require.

1495 (d) The furnishing of a complimentary service or item by a casino licensee shall be deemed  
1496 to constitute the indirect payment for the service or item by the casino licensee, and shall be  
1497 valued in an amount based upon the retail price normally charged by the casino licensee for the  
1498 service or item. The value of a complimentary service or item not normally offered for sale by a  
1499 casino licensee or provided by a third party on behalf of a casino licensee shall be the cost to the  
1500 casino licensee of providing the service or item, as determined in accordance with the rules of  
1501 the commission.



1502 Section 32. (a) Upon revocation or suspension of a gaming license pursuant to section 20, or  
1503 upon the failure or refusal to renew a gaming license the commission may appoint a conservator  
1504 to temporarily manage and operate the business of the licensee relating to the gaming  
1505 establishment. Such conservator shall be a person of similar experience in the field of gaming  
1506 management and, in the case of replacing a gaming licensee, shall have experience operating a  
1507 gaming facility of similar caliber in another jurisdiction, and shall be in good standing in all  
1508 jurisdictions in which they operate any gaming facility.

1509 Upon appointment, a conservator shall agree to all licensing provisions of the former licensee.

1510 (b) A conservator shall, before assuming his duties, execute and file a bond for the faithful  
1511 performance of his duties payable to the commission with such surety and in such form and  
1512 amount as the commission shall approve.

1513 (c) The commission shall require that the former or suspended licensee purchase liability  
1514 insurance, in an amount determined by the commission, to protect a conservator from liability for  
1515 any acts or omissions of the conservator during his appointment which are reasonably related to,  
1516 and within the scope of the conservator's duties.

1517 (d) During the period of temporary management of the resort casino, the commission shall  
1518 initiate proceedings pursuant to this chapter to award a new gaming license to a qualified  
1519 applicant whose gaming facility shall be located at the site of the preexisting gaming facility.

1520 (e) Applicants for a new gaming license shall be qualified for licensure pursuant to this chapter;  
1521 provided, however, that the commission shall determine an appropriate level of investment by an  
1522 applicant into the preexisting gaming facility.

1523 (f) Upon award of a gaming license, applicants shall pay the licensing fee for a category 1,  
1524 category 2 or category 3 license.

1525 Section 33. (a) There shall be within the commission an investigations and enforcement bureau,  
1526 which shall be the primary enforcement agent for regulatory matters under this chapter and shall  
1527 perform such functions as the executive director may determine in relation to such enforcement  
1528 including the investigations of all licensees under this chapter..The bureau shall be under the  
1529 supervision and control of the deputy director. The deputy director shall be the executive and  
1530 administrative head of the bureau and shall be responsible for administering and enforcing the  
1531 provisions of law relative to the bureau and to each administrative unit thereof. The duties given  
1532 to the deputy director in this chapter and in any other general or special law shall be exercised  
1533 and discharged subject to the direction, control and supervision of the executive director.

1534 (b) The bureau shall be a law enforcement agency and its employees shall have such law  
1535 enforcement powers as to effectuate the purposes of this chapter, including the power to receive  
1536 intelligence on any applicant or licensee under this chapter and to investigate any suspected  
1537 violation of the provisions of this chapter.

1538 (c) Officers and employees of the gaming enforcement unit of the state police assigned to the  
1539 commission pursuant to section 70 of chapter 22C shall work with employees of the bureau,  
1540 under the direction of the deputy director, to investigate violations of this chapter by any  
1541 licensee under this chapter or any activity taking place on the premises of a gaming  
1542 establishment. Officers assigned to work with the commission shall record their time and submit  
1543 total hours to the commission. The commission shall reimburse the state police through monies  
1544 appropriated from the gaming control fund pursuant to section 8.

1545 (d) The bureau shall notify the division of gaming enforcement in the office of the attorney  
1546 general of any criminal violations by a gaming licensee. The bureau and the division shall  
1547 cooperate on the regulatory and criminal enforcement of this chapter and may determine whether  
1548 to proceed with civil or criminal sanctions, or both against said licensee.

1549 (e) To further effectuate the purposes of this chapter with respect to the investigation and  
1550 enforcement of licensed gaming establishments and licensees, the bureau may obtain or provide  
1551 pertinent information regarding applicants or licensees from or to law enforcement entities or  
1552 gaming authorities and other domestic, federal or foreign jurisdictions, including the federal  
1553 bureau of investigation, and may transmit such information to each other electronically.

1554 (f) The bureau, the division and the gaming enforcement unit of the department of state police  
1555 shall have exclusive enforcement of any criminal violation that occurs inside a licensed gaming  
1556 establishment under this chapter.

1557 Section 34. (a) The bureau shall have the authority to issue orders requiring persons to cease any  
1558 activity which is in violation of the provisions of this chapter, any regulation adopted hereunder,  
1559 or any law related to gaming in the commonwealth. The commission or bureau may, in its order,  
1560 require compliance with such terms and conditions as are reasonably necessary to effect the  
1561 purposes of this chapter.

1562 (b) If the bureau finds, in accordance with the procedures established in section 35 and the  
1563 regulations adopted thereunder, that any person is not in compliance with any order issued  
1564 pursuant to this section, it shall assess a civil administrative penalty on such person as provided  
1565 in said section 35 and the regulations adopted thereunder. The penalty may be assessed whether  
1566 or not the violation was willful. In determining the amount of the civil penalty, the bureau shall

1567 consider: (i) the nature of the violation; (ii) the length of time the violation occurred; (iii) the risk  
1568 to the public and to the integrity of gaming operations created by the conduct of the licensee or  
1569 registrant; (iv) the seriousness of the conduct of the licensee or registrant; (v) any justification or  
1570 excuse for such conduct by the licensee or registrant; (vi) the prior history of the particular  
1571 license or registrant involved with respect to gaming activity; (vii) any corrective action taken by  
1572 the licensee or registrant to prevent future misconduct; (viii) and other relevant factors.

1573 (c) In addition to collecting any civil penalties recoverable under this chapter or any other  
1574 general or special law, the bureau may bring an action in the superior court to restrain, prevent or  
1575 enjoin any conduct prohibited by this chapter or to compel action to comply immediately and  
1576 fully with any order issued by the bureau. Except in cases of emergency where, in the opinion of  
1577 the court, immediate abatement of the unlawful conduct is required to protect the public interest,  
1578 the court may in its decree fix a reasonable time during which the person responsible for the  
1579 unlawful conduct may abate and correct the violation. The expense of the proceeding shall be  
1580 recoverable from the licensee and deposited into the gaming revenue fund pursuant to section 52.

1581 (d) Upon a recommendation from the bureau, the commission shall issue orders to condition,  
1582 suspend or revoke a license or permit issued under this chapter.

1583 (e) Notwithstanding the foregoing, the bureau shall be authorized to issue an order to cease and  
1584 desist any activity if the bureau finds that a licensee has engaged in or is about to engage in an  
1585 act or practice which constitutes a violation of this chapter or laws of the commonwealth and  
1586 may take such affirmative action to effect the order. If the bureau finds that the licensee is  
1587 engaged in an act or practice that would cause irreparable harm to the security and integrity of  
1588 the gaming establishment or the interests of the commonwealth in ensuring the security and

1589 integrity of gaming under this chapter, the bureau may issue a temporary suspension of the  
1590 license.

1591 (f) Any licensee who has been issued a temporary order of suspension by the bureau shall be  
1592 entitled to a hearing before the commission on such suspension within 7 days that the order was  
1593 issued. At the conclusion of the hearing, the commission may issue a final order to condition,  
1594 suspend or revoke the license in question.

1595 (g) Any licensee shall have the right to an adjudicatory hearing on an order issued by the bureau  
1596 or commission pursuant to chapter 30A.

1597 Section 35. (a) The bureau may assess a civil administrative penalty on a licensee or registrant  
1598 who fails to comply with any provision of this chapter or any regulation or order adopted by the  
1599 commission; provided, however, that such noncompliance occurred after the bureau had given  
1600 such person written notice of such noncompliance and the time stated in said notice for coming  
1601 into compliance had elapsed; provided, however, that the bureau may assess such penalty  
1602 without providing such written notice if such failure to comply: (i) was part of a pattern of  
1603 noncompliance and not an isolated instance; (ii) was willful or neglectful and not the result of  
1604 error; (iii) resulted in a significant breach to the integrity of the gaming establishment or gaming  
1605 laws of the commonwealth; and (iv) consisted of failure to promptly report any knowledge of a  
1606 potential violation of this chapter to the commission. Any such penalty shall be in addition to any  
1607 other civil penalty that may be prescribed by law.

1608 (b) For the purpose of determining whether such noncompliance was part of a pattern of  
1609 noncompliance and not an isolated instance, the bureau shall consider without limitation the  
1610 following: (i) whether the bureau had previously notified the person of such noncompliance on

1611 more than one occasion during the previous month or of any noncompliance with the same  
1612 provision of a law, regulation, order, license or approval as the current noncompliance during the  
1613 previous 6 month period; or (ii) whether the current and previous noncompliances, considered  
1614 together, indicate a potential threat to the integrity of the gaming establishment and gaming in  
1615 the commonwealth or an interference with the commission's ability to efficiently and effectively  
1616 regulate gaming in the commonwealth and enforce any regulation, license or order. If a licensee  
1617 or registrant who has received a notice of noncompliance fails to come into compliance within  
1618 the time period stated in such notice, the civil administrative penalty may be assessed by the  
1619 bureau upon such licensee or registrant from the date of receipt of such notice.

1620 (c) Whenever the bureau seeks to assess a civil administrative penalty on any licensee or  
1621 registrant, the bureau shall cause to be served upon such licensee or registrant, either by service,  
1622 in hand, or by certified mail, return receipt requested, a written notice of its intent to assess a  
1623 civil administrative penalty which shall include a concise statement of the alleged act or  
1624 omission for which such civil administrative penalty is sought to be assessed, each law,  
1625 regulation, order, license or approval which has not been complied with as a result of such  
1626 alleged act or omission, the amount which the bureau seeks to assess as a civil administrative  
1627 penalty for each such alleged act or omission, a statement of such licensee's or registrant's right  
1628 to an adjudicatory hearing on the proposed assessment, the requirements such licensee or  
1629 registrant must comply with to avoid being deemed to have waived the right to an adjudicatory  
1630 hearing and the manner of payment thereof if such person elects to pay the penalty and waive an  
1631 adjudicatory hearing. After written notice of noncompliance or intent to assess a civil  
1632 administrative penalty has been given, each such day thereafter during which such  
1633 noncompliance occurs or continues shall constitute a separate offense and shall be subject to a

1634 separate civil administrative penalty if reasonable efforts have not been made to promptly come  
1635 into compliance.

1636 (d) Whenever the bureau seeks to assess a civil administrative penalty on any licensee or  
1637 registrant, such licensee or registrant shall have the right to an adjudicatory hearing under  
1638 chapter 30A whose provisions shall apply except when they are inconsistent with the provisions  
1639 of this chapter.

1640 (e) Such licensee or registrant shall be deemed to have waived such right to an adjudicatory  
1641 hearing unless, within 21 days of the date of the bureau's notice that it seeks to assess a civil  
1642 administrative penalty, such licensee or registrant files with the bureau a written statement  
1643 denying the occurrence of any of the acts or omissions alleged by the bureau in such notice, or  
1644 asserting that the money amount of the proposed civil administrative penalty is excessive. In any  
1645 adjudicatory hearing authorized pursuant to chapter 30A, the bureau shall, by a preponderance of  
1646 the evidence, prove the occurrence of each act or omission alleged by the bureau.

1647 (f) If a licensee or registrant waives his right to an adjudicatory hearing, the proposed civil  
1648 administrative penalty shall be final immediately upon such waiver. If a civil administrative  
1649 penalty is assessed at the conclusion of an adjudicatory hearing, said civil administrative penalty  
1650 shall be final upon the expiration of 30 days if no action for judicial review of such decision is  
1651 commenced pursuant to chapter 30A.

1652 (g) Any licensee or registrant who institutes proceedings for judicial review of the final  
1653 assessment of a civil administrative penalty shall place the full amount of the final assessment in  
1654 an interest-bearing escrow account in the custody of the clerk or magistrate of the reviewing  
1655 court. The establishment of such an interest-bearing escrow account shall be a condition

1656 precedent to the jurisdiction of the reviewing court unless the party seeking judicial review  
1657 demonstrates in a preliminary hearing held within 20 days of the filing of the complaint either  
1658 the presence of a substantial question for review by the court or an inability to pay. Upon such a  
1659 demonstration, the court may grant an extension or waiver of the interest-bearing escrow account  
1660 or may require, in lieu of such interest-bearing escrow account, the posting of a bond payable  
1661 directly to the commonwealth in the amount of 125 per cent of the assessed penalty. If, after  
1662 judicial review, in a case where the requirement for an escrow account has been waived, and in  
1663 cases where a bond has been posted in lieu of such requirement, the court affirms, in whole or in  
1664 part, the assessment of a civil administrative penalty the commission shall be paid the amount  
1665 thereof together with interest at the rate set forth in section 6C of chapter 231. If, after such  
1666 review in a case where an interest-bearing escrow account has been established, the court affirms  
1667 the assessment of such penalty, in whole or in part, the commission shall be paid the amount  
1668 thereof together with the accumulated interest thereon in such interest-bearing escrow account. If  
1669 the court sets aside the assessment of a civil administrative penalty in a case where the amount of  
1670 such penalty has been deposited in an interest-bearing escrow account, the licensee or registrant  
1671 on whom the civil administrative penalty was assessed shall be repaid the amount so set aside,  
1672 together with the accumulated interest thereon.

1673 (h) Each licensee or registrant who fails to pay a civil administrative penalty on time, and each  
1674 person who issues a bond pursuant to this section and who fails to pay to the commission on time  
1675 the amount required hereunder, shall be liable to the commonwealth for up to 3 times the amount  
1676 of the civil administrative penalty, together with costs, plus interest from the time the civil  
1677 administrative penalty became final and attorneys' fees, including all costs and attorneys' fees  
1678 incurred directly in the collection thereof. The rate of interest shall be the rate set forth in section



1679 6C of chapter 231. The bureau shall be authorized to require that the amount of a civil  
1680 administrative penalty imposed pursuant to this section exceed any economic benefit realized by  
1681 a person for noncompliance.

1682 Section 36. (a) Any person who willfully fails to report, pay, or truthfully account for and pay  
1683 over any license fee or tax imposed by the provisions of this chapter or by the regulations  
1684 promulgated hereunder, or willfully attempts in any manner to evade or defeat any such license  
1685 fee, tax or payment thereof shall be punished by imprisonment in the state prison for not more  
1686 than 5 years or in a jail or house of correction for not more than 2 and one-half years, or a fine of  
1687 not more than \$100,000, or both such fine and imprisonment, and in the case of a person other  
1688 than a natural person, the amount of a fine up to \$5,000,000.

1689 (b) Any person who willfully resists, prevents, impedes, interferes with, or makes any false,  
1690 fictitious, or fraudulent statement or representation to the authority or to the division or to their  
1691 agents or employees in the performance of their duties pursuant to this chapter shall be punished  
1692 by imprisonment in the state prison for not more than 5 years or in a jail or house of correction  
1693 for not more than 2 and one-half years, or a fine of not more than \$25,000, or both such fine or  
1694 imprisonment.

1695 (c) Any person who conducts or operates, or permits to be conducted or operated, any game,  
1696 electronic gaming equipment in violation of the licensing provisions of this chapter or the  
1697 regulations adopted hereunder shall be punished by imprisonment in the state prison for not more  
1698 than 5 years or imprisonment in a jail or house of correction for not more than 2 and one-half  
1699 years, or a fine of not more than \$25,000, or both such fine or imprisonment, and in the case of a  
1700 person other than a natural person, the amount of a fine up to \$100,000.

1701 (d) Any licensee who, without the permission of the authority, (1) places controlled games or  
1702 electronic gaming equipment into play or displays such controlled games or electronic gaming  
1703 equipment in gaming establishment or (2) receives, directly or indirectly, any compensation or  
1704 reward or any percentage or share of the revenue, for keeping, running, or carrying on any  
1705 controlled game, or owning the real property or location in which any controlled game occurs,  
1706 shall be punished by imprisonment in a jail or house of correction for not more than 2 and one-  
1707 half years, or by a fine of not more than \$25,000, or both, and in the case of a person other than a  
1708 natural person, the amount of a fine up to \$100,000.

1709 (e) Any person who conducts or operates any controlled game or electronic gaming equipment  
1710 after his license has expired and prior to the actual renewal thereof shall be punished by  
1711 imprisonment in a jail or house of correction for not more than 1 and one-half years, or a fine of  
1712 not more than \$25,000, or both such fine or imprisonment, and in the case of a person other than  
1713 a natural person, the amount of a fine up to \$100,000.

1714 (f) In addition to the provisions of section 75 of chapter 266, a person is guilty of swindling and  
1715 cheating if the person purposely or knowingly by any trick or sleight of hand performance or by  
1716 a fraud or fraudulent scheme, cards, dice, or other gaming equipment, for himself or for another  
1717 or a representative of either, wins or attempts to win money or property, , or reduces a losing  
1718 wager or attempts to reduce a losing wager in connection to controlled gaming.

1719 (g) The penalties for swindling and cheating offenses shall be as follows:

1720 Any person who swindles or cheats where the amount involved is \$75,000 or more shall be  
1721 punished by imprisonment in the state prison for not more than 10 years, or in a jail or house of

1722 correction for not more than 2 and one-half years or by a fine of not more than \$1,000,000, or  
1723 both such fine or imprisonment.

1724 Any person who swindles or cheats where the amount involved is \$10,000 or more and less than  
1725 \$75,000 shall be punished by imprisonment in the state prison for not more than 5 years, or in a  
1726 jail or house of correction for not more than 2 and one-half years or by a fine of not more than  
1727 \$500,000, or both.

1728 Any person who swindles or cheats where the amount involved is \$1,000 or more and less than  
1729 \$10,000 shall be punished by imprisonment in the state prison for not more than 3 years or  
1730 imprisonment in a jail or house of correction for not more than 2 and one-half years, or by a fine  
1731 of not more than \$100,000, or both such fine and imprisonment.

1732 Any person who swindles or cheats where the amount involved is less than \$1,000 shall be  
1733 punished by imprisonment in a jail or house of correction for not more than 2 and one-half years,  
1734 or by a fine of not more than \$10,000, or both such fine or imprisonment.

1735 (h) Each episode or transaction of swindling or cheating may be the subject of a separate  
1736 prosecution and conviction. In the discretion of the prosecutor, multiple episodes or transactions  
1737 of swindling and cheating committed as part of a single scheme or course of conduct may be  
1738 treated as a single offense, and the amounts involved in acts of swindling and cheating  
1739 committed according to a scheme or course of conduct, whether by the same person or several  
1740 persons, may be aggregated in determining the amount involved in the offense.

1741 (i) Any person, who in playing, conducting or operating a game in a licensed gaming  
1742 establishment, uses or assists another in the use of (1) a computerized, electronic, electrical, or  
1743 mechanical device, which is designed, constructed, or programmed specifically for use in

1744 obtaining an advantage in any game in a licensed casino or gaming establishment or (2) any  
1745 other swindling or cheating device, including, but not limited to, bogus or counterfeit chips,  
1746 coins or dice; coins or tokens attached to strings or wires; marked cards; electronic or magnetic  
1747 devices; or tools, drills, wires, keys, or devices designed for the purpose of and suitable for  
1748 opening, entering, or affecting the operation of any gaming equipment, or for removing money  
1749 or other contents there from, shall be punished by imprisonment in the state prison for not more  
1750 than 5 years or imprisonment in a jail or house of correction for not more than 2 and one-half  
1751 years, or by a fine of not more than \$25,000, or both such fine and imprisonment.

1752 (j) Any person who possesses any computerized, electronic, electrical, or mechanical device or  
1753 other swindling or cheating device described in clause (1) of subsection (i) with the intent to  
1754 defraud, cheat, or swindle shall be punished by imprisonment in a jail or house of correction for  
1755 not more than 2 and one-half years, or a fine of not more than \$10,000, or both such fine or  
1756 imprisonment.

1757 (k) Possession of any computerized, electronic, electrical, or mechanical device or other  
1758 swindling or cheating device described in clause (1) of subsection (i) within a casino or gaming  
1759 establishment shall constitute prima facie evidence of an intent to defraud, cheat or swindle,  
1760 except that possession by any licensee, or employee of a licensee, acting in furtherance of his  
1761 employment within a licensed casino or gaming establishment shall not constitute such prima  
1762 facie evidence.

1763 (l) Any swindling or cheating device used or possessed in violation of this section shall be  
1764 subject to seizure and forfeiture by the bureau.

1765 (m) It shall be unlawful for any licensee or employee to: knowingly conduct or operate, or allow  
1766 to be conducted or operated, any swindling or cheating game or device; or knowingly conduct or  
1767 operate or expose for play any game or games played with cards, dice, or any electronic or  
1768 mechanical device, or any combination of games or devices, which have in any manner been  
1769 marked or tampered with, or placed in a condition, or operated in a manner, the result of which  
1770 tends to deceive the public or tends to alter the normal random selection of characteristics or the  
1771 normal chance of the game or to alter the result of the game.

1772 (n) Any person who violates this section shall be punished by imprisonment in the state prison  
1773 for not more than 5 years or imprisonment in a jail or house of correction for not more than 2 and  
1774 one-half years, or by a fine of not more than \$25,000, or both such fine and imprisonment, and in  
1775 the case of a person other than a natural person, the amount of a fine up to \$100,000.

1776 (o) Any swindling or cheating game or device used in violation of this section shall be subject to  
1777 seizure and forfeiture by the division.

1778 (p) Any person who manufactures, distributes, sells, or services any gaming equipment in  
1779 violation of the provisions of this chapter or the regulations promulgated by the authority for the  
1780 purposes of defrauding, cheating, or swindling any person playing, operating, or conducting a  
1781 controlled game at a casino or gaming establishment shall be punished by imprisonment in the  
1782 state prison for not more than 5 years or imprisonment in a jail or house of correction for not  
1783 more than 2 and one-half years, or a fine of not more than \$25,000, or both such fine and  
1784 imprisonment.

1785 (q) Any such unlawfully manufactured, distributed, sold, or serviced gaming equipment shall be  
1786 subject to seizure and forfeiture by the division.

1787 (r) Any person who, without obtaining the requisite license or registration as provided in this  
1788 chapter, works or is employed in a position whose duties would require licensing or registration  
1789 under the provisions of this chapter shall be punished by imprisonment in a house of correction  
1790 for not more than 6 months, or a fine of not more than \$10,000, or both.

1791 (s) Any person who employs or continues to employ an individual not duly licensed or registered  
1792 under the provisions of this chapter in a position the duties of which require a license or  
1793 registration under the provisions of this chapter shall be punished by imprisonment in a jail or  
1794 house of correction for not more than 6 months, or by a fine of not more than \$10,000, or both  
1795 such fine or imprisonment, and in the case of a person other than a natural person, the amount of  
1796 a fine up to \$100,000.

1797 (t) Any person under the age of 21 who plays, places wagers at, or collects winnings from,  
1798 whether personally or through an agent, any controlled game shall be punished by imprisonment  
1799 in a jail or house of correction for not more than 6 months, or a fine of not more than \$1,000, or  
1800 both such fine or imprisonment.

1801 (u) Any licensee or employee who knowingly allows a person under the age of 21 to play, place  
1802 wagers at, or collect winnings from any controlled game, whether personally or through an  
1803 agent, shall be punished by imprisonment in a jail or house of correction for not more than 1  
1804 year, or a fine of not more than \$10,000, or both such fine or imprisonment, and in the case of a  
1805 person other than a natural person, the amount of a fine may be up to \$500,000. A subsequent  
1806 violation of this section shall subject the licensee or employee to imprisonment in a house of  
1807 correction for not more than 2 years, or a fine of not more than \$50,000, or both such fine or

1808 imprisonment, and in the case of a person other than a natural person, the amount of a fine up to  
1809 \$1,000,000.

1810 (v) Any person who knowingly transmits or receives a wager of any type by any  
1811 telecommunication device, including telephone, cellular phone, Internet, local area network,  
1812 including wireless local networks, or any other similar device or equipment or other medium of  
1813 communication, or knowingly installs or maintains said device or equipment for the transmission  
1814 or receipt of wagering information shall be punished by imprisonment in a jail or house of  
1815 correction for not more than 2 years, or by a fine of not more than \$25,000, or both such fine or  
1816 imprisonment.

1817 (w) This section shall apply to any person who, from within the commonwealth, transmits a  
1818 wager to, or receives a wager from, another person or gaming establishment within or outside of  
1819 the commonwealth (x) This section shall not apply to the use of a local area network as a means  
1820 to place authorized wagers in a licensed gaming establishment, or use of said devices or  
1821 equipment by the authority in its duties in regulating, enforcing or auditing a licensed gaming  
1822 operator.

1823 (y) A licensee of a gaming establishment who knowingly fails to exclude from the premises of  
1824 their licensed gaming establishment any person placed by the commission on the list of excluded  
1825 persons shall be punished by a fine of not more than \$5,000 or by imprisonment in a jail or house  
1826 of correction for not more than one year, or by both such fine and imprisonment.

1827 Section 37. All penalties collected pursuant to this chapter and any renewal fees for a gaming  
1828 establishment shall be deposited into the gaming revenue fund established by section 52.

1829 Section 38. (a) The commission shall, by regulation, provide for the establishment of a list of  
1830 excluded persons who are to be excluded or ejected from a gaming establishment. Such  
1831 provisions shall include standards relating to persons: (1) who are repeat offenders as defined by  
1832 the commission;(2) who are convicted of a criminal offense under the laws of any state or the  
1833 United States, punishable by more than 6 months in prison or is a crime of moral turpitude; or (3)  
1834 whose presence in a licensed gaming establishment would, in the opinion of the commission,  
1835 pose an injurious threat to the interests of the commonwealth in the gaming establishment.

1836 (b) The commission shall further define categories of persons who shall be excluded pursuant to  
1837 this section, including cheats and persons whose privileges for licensure or registration have been  
1838 revoked. No person shall be placed on the list of excluded persons due to race, color, religion,  
1839 national origin, ancestry, sexual orientation, disability or sex.

1840 (c) The commission shall impose sanctions upon a licensed gaming establishment if such  
1841 establishment knowingly fails to exclude or eject from its premises any person placed by the  
1842 commission on the list of excluded persons.

1843 (d) The list compiled by the commission of persons to be excluded shall not be deemed an all-  
1844 inclusive list, and licensed gaming establishments shall have a duty to keep from their premises  
1845 persons known to them to be within the classifications in subsection (a) or who whose presence  
1846 in their establishment would be injurious to the interests of the gaming establishment itself or to  
1847 the commonwealth, or both, as defined by standards set forth by the commission.

1848 (e) Upon petition by any unit under the commission or the division that the name of a person be  
1849 placed on the list , the commission shall serve written notice upon such person by personal



1850 service, registered or certified mail return receipt requested to the last ascertainable address, or  
1851 by publication in a daily newspaper of general circulation for 1 week.

1852 (f) Within 30 days of receipt of service by mail or 60 days after the last publication pursuant to  
1853 subsection (c), a person placed on the list may request an adjudicatory hearing before the  
1854 commission pursuant to chapter 30A and show cause as to why the name of said person should  
1855 be removed from the list. If the commission determines that the regulation should not apply to  
1856 the person, the commission shall remove them from the list and notify all gaming licensees under  
1857 the chapter. Any such person aggrieved by a final decision of the commission in any  
1858 adjudicatory proceeding under this section may petition for judicial review in accordance with  
1859 the provisions of section 14 of chapter 30A.

1860 (g) The commission shall establish a list of self-excluded persons from gaming activity at  
1861 gaming establishments. A person may request his name to be placed on the list of self-excluded  
1862 persons by filing a statement with the commission acknowledging that said person is a problem  
1863 gambler and by agreeing that, during any period of voluntary exclusion, said person may not  
1864 collect any winnings or recover any losses resulting from any gaming activity at a gaming  
1865 establishment. The commission shall promulgate further regulations for the list of self-excluded  
1866 persons including procedures for placement, removal and transmittal of such self-exclusion to  
1867 gaming establishments.

1868 (h) A person who is prohibited from gaming in a gaming establishment pursuant to this section  
1869 shall not collect any winnings or recover any losses arising as a result of any prohibited activity.  
1870 Any winnings obtained by a prohibited persons shall be forfeited to the commission and  
1871 deposited into the gaming revenue fund established by section 52.

1872 Section 39. (a) No applicant for a gaming license, nor any holding, intermediary or subsidiary  
1873 company thereof, nor any officer, director, gaming key employee or principal employee of an  
1874 applicant for or holder of a gaming license or of any holding, intermediary or subsidiary  
1875 company thereof nor any person or agent on behalf of any such applicant, holder, company or  
1876 person, shall directly or indirectly, pay or contribute any money or thing of value to any  
1877 candidate for nomination or election to any public office in the commonwealth or to any group,  
1878 political party, committee or association organized in support of any such candidate or political  
1879 party; except that the provisions of this section shall not be construed to prohibit any individual  
1880 who is a candidate for public office from contributing to the candidate's own campaign.

1881 (b) No political contributions or contributions in kind shall be made to the governing body of a  
1882 host community of any gaming establishment by a gaming licensee under this act outside of the  
1883 host community agreement approved by the Massachusetts gaming commission. Any such  
1884 contributions made to a host community by an applicant prior to issuance of a gaming license by  
1885 the commission shall be disclosed by the applicant. This provision shall not preclude charitable  
1886 contributions to a host community which shall be disclosed by a licensee to the commission.

1887 Section 40. (a) A category 1 licensee shall pay a daily tax of 25 per cent on gross gaming  
1888 revenues.

1889 (b) Category 2 and category 3 licensees shall pay a daily tax of 40 per cent on gross gaming  
1890 revenue.

1891 (c) In addition to the tax imposed under subsection (b), category 2 licensees shall pay a daily  
1892 assessment of 8 per cent and category 3 licensees shall pay a daily assessment of 10 per cent of

1893 their gross gaming revenue to the Massachusetts race horse development fund established by  
1894 section 53.

1895 (d) If a category 2 and a category 3 license merger is approved by the commission pursuant to  
1896 section 20, the new category 2 licensee shall pay a daily assessment of 9 per cent of their gross  
1897 gaming revenue to the Massachusetts race Horse Development Fund established by section 53.

1898 (e) Taxes imposed under this section shall be remitted to the commission by a gaming licensee  
1899 the day following each day of wagering.

1900 Section 41. A category 1 licensee, a category 2 licensee and a category 3 licensee shall be subject  
1901 to chapters 62 through 62E, inclusive, and chapters 63 through 63B, inclusive.

1902 Section 42 Any liability to the commonwealth under this chapter shall constitute a debt to the  
1903 commonwealth. Any such debt shall constitute a lien on all commercial property owned by a  
1904 gaming licensee in the commonwealth, once a statement naming such licensee is recorded,  
1905 registered or filed, and shall have priority over any encumbrance theretofore recorded, registered  
1906 or filed with respect to any site.

1907 Section 43. Prior to disbursement of a prize in excess of \$600, a licensee shall review  
1908 information furnished by the IV-D agency and by the department of revenue, as set forth in  
1909 chapter 119A and in this section to ascertain whether the holder of a winning ticket owes past  
1910 due child support to the commonwealth or to an individual to whom the IV-D agency is  
1911 providing services, and to ascertain whether the holder of a winning ticket owes any past-due tax  
1912 liability to the commonwealth. If the holder owes past-due child support or a past-due tax  
1913 liability, the licensee shall notify the IV-D agency or the commonwealth, respectively, of the  
1914 holder's name, address and social security number. Subsequent to statutory state and federal tax

1915 withholding, the licensee shall first disburse to the IV-D agency the full amount of the prize or  
1916 such portion of the prize that satisfies the holder's past-due child support obligation and, if funds  
1917 remain available after that disbursement, the licensee shall disburse to the department of revenue  
1918 the full amount of the prize or such portion of the prize that satisfies the holder's past-due tax  
1919 liability. The licensee shall disburse to the holder only that portion of the prize, if any, remaining  
1920 after the holder's past-due child support obligation and the holder's past-due tax liability have  
1921 been satisfied.

1922 Section 44. The division shall, on a monthly basis, transmit to the department of transitional  
1923 assistance and to the IV-D agency, as set forth in chapter 119A, a list of all persons who were the  
1924 holders of any winning ticket in excess of \$600.00 in the prior month. The information shall be  
1925 provided in a format which is compatible with the automated data processing systems of said  
1926 departments, to ensure the immediate identification of persons who may be receiving public  
1927 assistance benefits. The information provided shall include the name, address and social security  
1928 number of the holder of the winning ticket.

1929 Section 45. Unclaimed prize money shall be retained by the licensee for the person entitled  
1930 thereto for 1 year after the drawing in which the prize was won. If no claim is made for said  
1931 money within such year, the prize money shall be deposited in the gaming revenue fund  
1932 established by section 52.

1933 Section 46. If the person entitled to a prize or any winning ticket is under the age of 21 years said  
1934 prize shall be remitted to the commission and deposited into the gaming revenue fund established  
1935 by section 52.

1936 Section 47. A gaming establishment, including any business located within such establishment,  
1937 shall not be a certified project within the meaning of section 3F of chapter 23A. Gaming  
1938 establishments shall not be designated an economic opportunity area within the meaning of  
1939 section 3E of chapter 23A. Gaming establishments are not eligible for tax increment financing as  
1940 set forth in section 59 of chapter 40 or special tax assessments set forth in section 3E of chapter  
1941 23A. Gaming establishments may not be classified and taxed as recreational land under the  
1942 provisions of chapter 61B. Gaming establishments may not be designated as a development  
1943 district within the meaning of chapter 40Q. Unless otherwise provided, a gaming establishment  
1944 or any business located or to be located within a resort casino is not eligible for the following  
1945 credits or deductions listed in chapter 62 or chapter 63: the investment tax credit under section  
1946 31A of chapter 63, the employment credit under section 31C of chapter 63, the van pool credit  
1947 under section 31E of chapter 63, the deduction for expenditures for industrial waste treatment or  
1948 air pollution control under section 38D of chapter 63, the deduction for compensation paid to an  
1949 eligible business facility's employees domiciled in a section of substantial poverty under section  
1950 38F of chapter 63, the alternative energy sources deduction under section 38H of chapter 63, the  
1951 research expense credit under section 38M of chapter 63, the economic opportunity area credit  
1952 under section 6(g) of chapter 62, and section 38N of chapter 63, the abandoned building  
1953 deduction under section 3B(a)(10) of chapter 62, and section 38O of chapter 63, the harbor  
1954 maintenance tax credit under section 38P of chapter 63, the brownfields credit under section 6(j)  
1955 of chapter 62, and section 38Q of chapter 63, the historic rehabilitation tax credit under section  
1956 6J of chapter 62 and section 38R of chapter 63, the automatic sprinkler system depreciation  
1957 deduction under section 38S of chapter 63, and the credit for a solar water heating system under  
1958 section 38T of chapter 63.

1959 Section 48 The sale, assignment, transfer, pledge or other disposition of any security issued by a  
1960 corporation, which holds a gaming license is conditional and shall be ineffective if disapproved  
1961 by the commission. If at any time the commission finds that an individual owner or holder of any  
1962 security of a corporate licensee or of a holding or intermediary company with respect thereto is  
1963 not qualified under this chapter, and if as a result the corporate licensee is no longer qualified to  
1964 continue as a gaming licensee in the commonwealth, the commission shall take any action  
1965 necessary to protect the interests of the commonwealth including, but not limited to, suspension  
1966 or revocation of the gaming license of the corporation.

1967 Each corporation which has been issued a gaming license pursuant to the provisions of this  
1968 chapter shall file a report of any change of its corporate officers or members of its board of  
1969 directors with the commission. No officer or director shall be entitled to exercise any powers of  
1970 office until qualified by the commission.

1971 Section 49. The commission shall audit as often as the commission determines necessary, but  
1972 not less than annually, the accounts, programs, activities, and functions of all licensees, and for  
1973 said purpose the authorized officers and employees of the commission shall have access to such  
1974 accounts at reasonable times and the commission may require the production of books,  
1975 documents, vouchers and other records relating to any matter within the scope of such audit,  
1976 except tax returns. The superior court shall have jurisdiction to enforce the production of records  
1977 that the commission requires to be produced pursuant to this section, and the court shall order the  
1978 production of all such records within the scope of any such audit. All such audits shall be  
1979 conducted in accordance with generally accepted auditing standards established by the American  
1980 Institute of Certified Public Accountants. In any audit report of the accounts, funds, programs,  
1981 activities, and functions of a licensee issued by the commission, containing adverse or critical

1982 audit results, the commission may require a response, in writing, to such audit results. Such  
1983 response shall be forwarded to the commission within 15 days of notification by the commission.

1984 On or before April 1 of each year, the commission shall submit a report to the clerks of the house  
1985 of representatives and the senate who shall forward the same to the house and senate committees  
1986 on ways and means which shall include, but not be limited to: (i) the number of audits performed  
1987 under this section; (ii) a summary of findings under said audits; and (iii) the cost of each audit.

1988 Section 50. Unless the commission otherwise determines it to be in the best fiscal interests of the  
1989 commonwealth, the commission shall utilize the services of a private testing laboratory that has  
1990 obtained a license as a gaming vendor pursuant to section 26 to perform the testing of slot  
1991 machines and other gaming equipment, and may also utilize applicable data from any such  
1992 private testing laboratory, or from a governmental agency of a state other than the Massachusetts,  
1993 authorized to regulate slot machines and other gaming equipment.

1994 Section 51. There is hereby established and placed upon the books of the commonwealth a  
1995 Gaming Licensing Fund which shall receive all licensing fees collected from applicants in  
1996 receipt of a category 1, 2 or 3 gaming license. The fund shall expire on December 31, 2015. The  
1997 commission shall be the trustee of the fund and shall transfer monies in the fund in order of the  
1998 following provisions:-

1999 \$15,000,000 to the community mitigation fund established by section 54;

2000 \$5,000,000 to the General Fund to reimburse the General Fund for the initial regulatory costs of  
2001 the commission;

2002 \$40,000,000 to the local capital projects fund established by section 58;

2003 \$50,000,000 shall be transferred to the Manufacturing Fund established by section 56;

2004 \$25,000,000 shall be transferred to the Community College Fund established by section 57;

2005 \$3,000,000 to the Massachusetts tourism fund established pursuant to section 35J of chapter 10;

2006 Any remaining monies in the fund after disbursement to sections 1 through 6 shall be transferred

2007 to the commonwealth stabilization fund established by section 2H of chapter 29;

2008 Section 52. There is hereby established and placed upon the books of the commonwealth a

2009 Gaming Revenue Fund which shall receive revenues collected from the tax on gross gaming

2010 revenue received from gaming licensees. The commission shall be the trustee of the fund and

2011 shall transfer monies in the fund in accordance with the following provisions:-

2012 (1) Until a category 1 facility is operational, one hundred per cent of the revenue received from

2013 category 2 and category 3 licensees shall be transferred to the gaming local aid fund established

2014 by section 55.

2015 (2) Upon the opening of a category 1 facility, all monies received into the fund shall be

2016 transferred as follows:-

2017 One per cent shall be transferred to the Massachusetts tourism fund established pursuant to

2018 section 35J of chapter 10;

2019 Two per cent shall be transferred to the community mitigation fund established by section 54;

2020 provided, however, that said fund balance shall not exceed \$15,000,000. Funds in excess of

2021 \$15,000,000 shall be transferred to the local capital projects fund established by section 58;

2022 Seven per cent shall be transferred to the local capital projects fund established by section 58;



2023 Thirty per cent shall be transferred to the Gaming Local Aid Fund established by section 55.

2024 Thirty per cent shall be transferred to the Commonwealth Stabilization Fund established by

2025 section 2H of chapter 29; and

2026 Thirty per cent shall be transferred to the Education Fund established by section 59.

2027 Section 53 (a) There is hereby established and placed upon the books of the commonwealth a

2028 Race Horse Development Fund to be administered by the commission. The commission shall

2029 make distributions from the race horse fund to each of the active and operating category 2

2030 licensees conducting live racing.

2031 (b) Funds from the race horse development fund shall be distributed in proportion to the gross

2032 gaming revenue of each category 2 licensee; provided that the funds received by each licensee

2033 shall be allocated in accordance with the following provisions:

2034 (i) eighty per cent shall be deposited weekly into a separate, interest-bearing purse account to be

2035 established by and for the benefit of the horsemen. The earned interest on the account shall be

2036 credited to the purse account. Licensees shall combine these funds with revenues from existing

2037 purse agreements to fund purses for live races consistent with those agreements with the advice

2038 and consent of the horsemen;

2039 (ii) for a thoroughbred track, 16 per cent shall be deposited on a monthly basis into the

2040 Massachusetts thoroughbred breeding program authorized by the commission pursuant to section

2041 2 of chapter 128;

2042 (iii) for a harness track, 8 per cent shall be deposited on a monthly basis into the Massachusetts

2043 standardbred breeding program authorized by the commission pursuant to section 2 of chapter

2044 128 and an additional 8 per cent shall be deposited on a monthly basis into a standardbred  
2045 breeder development program authorized by the commission;

2046 (iv) four per cent shall be used to fund health and pension benefits for the members of the  
2047 horsemen's organizations representing the owners and trainers at the racetrack at which the  
2048 category 2 licensee operates for the benefit of the organization's members, their families,  
2049 employees and others in accordance with the rule and eligibility requirements of the  
2050 organization, as approved by the commission. This amount shall be deposited within 5 business  
2051 days of the end of each month into a separate account to be established by each respective  
2052 horsemen's organization at a banking institution of its choice. Of this amount, the commission  
2053 shall determine how much should be paid annually by the horsemen's organization to the  
2054 thoroughbred jockeys or standardbred drivers organization at the racetrack at which the licensed  
2055 racing entity operates for health insurance, life insurance or other benefits to active and disabled  
2056 thoroughbred jockeys or standardbred drivers in accordance with the rules and eligibility  
2057 requirements of that organization.

2058 Section 54 (a) There shall be established and set up on the books of the commonwealth a  
2059 separate fund to be known as the Community Mitigation Fund. The community fund shall  
2060 consist of monies transferred under section 52 and all other monies credited or transferred to the  
2061 fund from any other fund or source pursuant to law; provided, however, that the balance of the  
2062 fund shall not exceed \$15,000,000.

2063 (b) The commission shall administer the fund and, without further appropriation, shall expend  
2064 monies in the fund to assist contiguous communities in offsetting costs related to the construction  
2065 and operation of a gaming facility including, but not limited to, communities and water and

2066 sewer districts in the vicinity of a gaming facility and public safety, including the office of the  
2067 county district attorney.

2068 (c) Parties requesting appropriations from the community fund shall submit a written request for  
2069 funding to the commission before February 1 of each year. The commission may hold a public  
2070 hearing in the region of a gaming facility to provide parties with the opportunity to provide  
2071 further information about their request for funds and shall distribute funds to requesting parties  
2072 based on demonstrated need.

2073 Section 55 There shall be established and set up on the books of the commonwealth a fund to be  
2074 known as the Gaming Local Aid Fund. The gaming local aid fund shall consist of monies  
2075 transferred under section 52 and all monies credited or transferred to the fund from any other  
2076 fund or source pursuant to law.

2077 Notwithstanding any general or special law, rule or regulation to the contrary, monies from the  
2078 gaming local aid fund shall be used in addition to the balance of the state lottery fund for  
2079 distribution to cities and towns in accordance with the provisions of clause (c) of section 35 of  
2080 chapter 10 and any monies so distributed shall be considered part of “General revenue sharing  
2081 aid” for purposes of annual aid and contribution requirements established pursuant to chapter 70  
2082 or section 3 of the annual general appropriation act.

2083 Section 56 There is hereby established and set up on the books of the commonwealth a fund to  
2084 be known as the Manufacturing Fund. The manufacturing fund shall be credited any monies  
2085 transferred under section 51 and all monies credited to or transferred to the fund from any other  
2086 fund or source pursuant to law.

2087 Section 57 There is hereby established and set up on the books of the commonwealth a fund to  
2088 be known as the Community College Fund. The community college fund shall be credited any  
2089 monies transferred under section 51 and all monies credited to or transferred to the fund from  
2090 any other fund or source pursuant to law.

2091 Section 58 There is hereby established and set up on the books of the commonwealth a fund to  
2092 be known as the Local Capital Projects Fund. The local capital projects fund shall be credited  
2093 any monies transferred under sections 51 or 52 and all monies credited to or transferred to the  
2094 fund from any other fund or source pursuant to law.

2095 Section 59 There is hereby established and set up on the books of the commonwealth a fund to  
2096 be known as the Education Fund. The education fund shall be credited any monies transferred  
2097 under section 52 and all monies credited to or transferred to the fund from any other fund or  
2098 source pursuant to law.

2099 Section 60 The commission shall continue to evaluate the progress of federally recognized tribes  
2100 in the commonwealth as they proceed with any applications to place land into trust for the  
2101 purposes of tribal economic development. The commission shall determine whether it would be  
2102 in the best interest of the commonwealth to enter into any negotiations with said tribes for the  
2103 purposes of establishing Class III gaming on tribal land and shall submit reports as it deems  
2104 necessary, but not less than once a year, to the governor and the clerks of the senate and house of  
2105 representatives detailing any land in trust issues as well as the financing capabilities of a  
2106 proposed tribal casino.

2107 Section 61. There shall be a gaming policy advisory council consisting of 12 members: 1 of  
2108 whom shall be the state treasurer, or his designee; 1 of whom shall be the attorney general, or his

2109 designee; 1 of whom shall be the chair of the commission; 1 of whom shall be the secretary of  
2110 administration and finance, or his designee; 1 of whom shall be appointed by the senate  
2111 president; 1 of whom shall be appointed by the speaker of the house of representatives; and 6 of  
2112 whom shall be appointed by the governor, 1 of whom shall have an expertise in the treatment of  
2113 gambling addiction, 1 of whom shall be a representative from the tourism industry, 1 of whom  
2114 shall be a member of organized labor, 1 of whom shall be a representative from a licensed  
2115 gaming establishment; and 2 of whom shall be appointed from the vicinity of each resort casino  
2116 upon determination of the licensee and site location by the commission. Members of the council  
2117 shall serve for a term of two years. The council shall convene after all members have been  
2118 appointed to the commission and annually thereafter unless otherwise convened by the governor  
2119 for the purpose of discussing matters of gaming policy. The recommendations concerning  
2120 gaming policy made by the council pursuant to this section shall not be binding on the  
2121 commission.

2122 Section 62. The commission shall annually submit a complete and detailed report of the  
2123 commission's activities within 90 days after the end of the fiscal year to the clerk of the house of  
2124 representatives, the clerk of the senate, the chairs of the joint committee on economic  
2125 development and emerging technologies and the chairs of the house and senate committees on  
2126 ways and means.

2127 SECTION 13 Section 1 of chapter 32 of the General Laws, as appearing in the 2008 Official  
2128 Edition, is hereby amended by inserting after the word "connector", in line 211, the following  
2129 words:- , the Massachusetts Gaming Commission,.

2130 SECTION 14. Section 2 of chapter 32A of the General Laws, as so appearing, is hereby  
2131 amended by inserting after the word “authority”, in line 12, the following words:- , the  
2132 Massachusetts gaming commission.

2133 SECTION 15. Section 94 of chapter 41 of the General Laws, as so appearing, is hereby  
2134 amended by inserting after the word “and”, in line 7, the first time it appears, the following word:  
2135 illegal.

2136 SECTION 16. Section 18D of chapter 58 of the General Laws is hereby repealed

2137 SECTION 17. Subsection (d)(1) of section 2 of chapter 62 of the General Laws, as so appearing,  
2138 is hereby amended by inserting after paragraph (P) the following paragraph:-

2139 (Q) Losses from wagering transactions shall be allowed only to the extent of the gains from such  
2140 transactions pursuant to section 165 of the Code..

2141 SECTION 18. Section 2 of chapter 62B of the General Laws, as so appearing, is hereby  
2142 amended by striking out the seventh paragraph and inserting in place thereof the following  
2143 paragraph:-

2144 Every person, including the United States, the commonwealth or any other state, or any political  
2145 subdivision or instrumentality of the foregoing, making any payment of lottery or wagering  
2146 winnings, which are subject to tax under chapter 62 and which are subject to withholding under  
2147 section 3402(q) without the exception for slot machines, and keno, and bingo played at licensed  
2148 casinos in the commonwealth in subsection (q)(5) and (r) of the Internal Revenue Code shall  
2149 deduct and withhold from such payment an amount equal to 5 percent of such payment, except  
2150 that such withholding for purposes of this chapter shall apply to payments of winnings of \$600 or

2151 greater notwithstanding any contrary provisions of the Internal Revenue Code, as amended from  
2152 time to time. For purposes of this chapter and chapter 62C, such payment of winnings shall be  
2153 treated as if it were wages paid by an employer to an employee. Every person who is to receive a  
2154 payment of winnings which is subject to withholding under this section shall furnish to the  
2155 person making such payment a statement, made under penalties of perjury, containing the name,  
2156 address and taxpayer identification number of the person receiving the payment and of each  
2157 person entitled to any portion of such payment.

2158 SECTION 19. Said chapter 62Bis hereby further amended by striking out section 5, as so  
2159 appearing, and inserting in place thereof the following section:-

2160 Section 5. Every employer required to deduct and withhold from an employee or payee a tax  
2161 under section 2, or who would have been required under said section in the case of an employee  
2162 to deduct and withhold a tax if the employee had not claimed any personal exemption or  
2163 dependency exemptions, shall furnish to each such employee or payee in respect of the wages or  
2164 other payments paid by such employer to such employee or payee during the calendar year, on or  
2165 before January 31 of the succeeding year, or, if an employee's employment is terminated before  
2166 the close of such calendar year, within 30 days from the day on which the last payment of wages  
2167 is made, a written statement in duplicate showing the name of the employer, the name of the  
2168 employee or payee and his social security account number, if any, the total amount of wages or  
2169 other amounts subject to taxation under chapter 62, and the total amount deducted and withheld  
2170 as tax. This statement may contain such other information as the commissioner may prescribe.  
2171 The commissioner may grant reasonable extensions of time, not exceeding 60 days, for the  
2172 furnishing of the statement.

2173 Every employer who fails to withhold or pay to the commissioner any sums required by this  
2174 chapter to be withheld or paid shall be personally and individually liable therefore to the  
2175 commonwealth. The term “employer,” as used in this section and in section 11, includes any  
2176 person or entity required to withhold tax from any payee, and includes an officer or employee of  
2177 a corporation, or a member or employee of a partnership or limited liability company, who as  
2178 such officer, employee or member is under a duty to withhold and pay over taxes in accordance  
2179 with this section and section 2. Any sum withheld in accordance with section 2 shall be  
2180 considered to be held in trust for the commonwealth.

2181 If an employer in violation of the provisions of this chapter fails to withhold the tax in  
2182 accordance with section 2, and thereafter the tax against which such tax may be credited,  
2183 pursuant to section 9, is paid, the tax so required to be withheld shall not be collected from the  
2184 employer; but this paragraph shall in no case relieve the employer from liability for any penalties  
2185 or addition to the tax otherwise applicable in respect of such failure to withhold.

2186 SECTION 20. The first paragraph of section 8 of chapter 62C of the General Laws, as so  
2187 appearing, is hereby amended by striking out the last sentence and inserting in place thereof the  
2188 following sentence:-The same basis of reporting shall be utilized for income that is subject to  
2189 taxation or withholding under chapter 62 or 62B but is not subject to taxation or withholding  
2190 under the Code.

2191 SECTION 21. Subsection (f) of section 38 of chapter 63 of the General Laws, as so appearing,  
2192 is hereby amended by striking out the third paragraph and inserting in place thereof the following  
2193 paragraph:- “,



2194 For the purposes of this subsection: (1) in the case of the licensing of intangible property, the  
2195 income-producing activity shall be considered to be performed in the commonwealth to the  
2196 extent that the intangible property is used in the commonwealth; (2) the corporation shall be  
2197 considered to be taxable in the state of the purchaser if the tangible personal property is delivered  
2198 or shipped to a purchaser in a foreign country; (3) sales of tangible personal property to the  
2199 United States government or any agency or instrumentality thereof for purposes of resale to a  
2200 foreign government or any agency or instrumentality thereof are not sales made in the  
2201 commonwealth; (4) in the case of the sale, exchange or other disposition of a capital asset, as  
2202 defined in paragraph (m) of section 1 of chapter 62, used in a taxpayer's trade or business,  
2203 including a deemed sale or exchange of such asset, "sales" are measured by the gain from the  
2204 transaction; (5) "security" means any interest or instrument commonly treated as a security as  
2205 well as other instruments which are customarily sold in the open market or on a recognized  
2206 exchange, including, but not limited to, transferable shares of a beneficial interest in any  
2207 corporation or other entity, bonds, debentures, notes, and other evidences of indebtedness,  
2208 accounts receivable and notes receivable, cash and cash equivalents including foreign currencies,  
2209 and repurchase and futures contracts; (6) in the case of a sale or deemed sale of a business, the  
2210 term "sales" does not include receipts from the sale of the business "good will" or similar  
2211 intangible value, including, without limitation, "going concern value" and "workforce in place.";  
2212 (7) to the extent authorized pursuant to the life sciences tax incentive program established by  
2213 section 5 of chapter 23I, a certified life sciences company may be deemed a research and  
2214 development corporation for purposes of exemptions under chapters 64H and 64I; and (8) in the  
2215 case of a business deriving receipts from operating a gaming facility or otherwise deriving  
2216 receipts from conducting a wagering business or activity, income-producing activity shall be

2217 considered to be performed in this commonwealth to the extent that the location of wagering  
2218 transactions or activity that generated the receipts is in this commonwealth.

2219 SECTION 22. Section 2 of chapter 128 of the General Laws, as so appearing, is hereby  
2220 amended by striking out, in line 99, the words “or dog”.

2221 SECTION 23. Said section 2 of said chapter 128, as so appearing, is hereby further amended by  
2222 striking out subsection (i).

2223 SECTION 24. Section 1 of chapter 128A of the General Laws, as so appearing, is hereby  
2224 amended by striking out, in line 6, the words “state racing commission” and inserting in place  
2225 thereof the following words:- Massachusetts gaming commission established pursuant to chapter  
2226 23K.

2227 SECTION 25. Chapter 128A of the General Laws is hereby repealed. .

2228 SECTION 26. Section 1 of chapter 128C of the General Laws, as appearing in the 2008 Official  
2229 Edition, is hereby amended by striking out, in line 12, the words “state racing commission” and  
2230 inserting in place thereof the following words:- Massachusetts gaming commission established  
2231 pursuant to chapter 23K.

2232 SECTION 27. Said chapter 128C of the General Laws is hereby repealed.

2233 SECTION 28. Section 1 of chapter 137 of the General Laws, as appearing in the 2008 Official  
2234 Edition, is hereby amended by inserting after the words “gaming,” in line 2, the following  
2235 words:- ,except for gaming conducted in licensed gaming establishments pursuant to chapter  
2236 23K.

2237 SECTION 29. Section 2 of said chapter 137, as so appearing, is hereby amended by striking out,  
2238 in line 2, the word “where” and inserting in place thereof the following words:- , except for an  
2239 owner or operator of a licensed gaming establishment pursuant to chapter 23K, where.

2240 SECTION 30. Section 3 of said chapter 137, as so appearing, is hereby amended by inserting  
2241 after the words “betting,” in line 5, the following words:- ,except for legalized gaming  
2242 conducted pursuant to chapter 23K.

2243 SECTION 31. Section 18 of chapter 139 of the General Laws, as so appearing, is hereby  
2244 amended by inserting after the word “of”, in line 6, the word:- illegal.

2245 SECTION 32. Section 177A of chapter 140 of the General Laws, as so appearing, is hereby  
2246 amended by inserting after the word “machines”, in line 12, the following words:- , and  
2247 excluding slot machines as defined by chapter 23K.

2248 SECTION 33. Section 26A of chapter 180 of the General Laws, as so appearing, is hereby  
2249 amended by striking out, in lines 4 and 16, the following words “ or dog”.

2250 SECTION 34. The General Laws are hereby amended by inserting after chapter 267 the  
2251 following chapter:-

2252 Chapter 267A

2253 Money Laundering

2254 Section 1. As used in this chapter, the following words shall, unless the context clearly requires  
2255 otherwise, have the following meanings:-

2256 “Conducts”, initiates, concludes or participates in initiating or concluding a transaction.

2257 “Criminal activity”, a criminal offense punishable under the laws of the commonwealth by  
2258 imprisonment in a state prison or a criminal offense committed in another jurisdiction punishable  
2259 under the laws of that jurisdiction as a felony.

2260 “Financial institution”, any: (1) bank as defined in section 1 of chapter 167; (2) national banking  
2261 association, bank, savings and loan, savings bank, cooperative bank, building and loan, or credit  
2262 union organized under the laws of the United States; (3) banking association, bank, savings and  
2263 loan, savings bank, cooperative bank, building and loan or credit union organized under the laws  
2264 of any state; (4) any agency, agent, or branch of a foreign bank; (5) currency dealer or exchange;  
2265 (6) any person or business engaged primarily in the cashing of checks; (7) person or business  
2266 regularly engaged in the issuing, selling, or redeeming of traveler's checks, money orders or  
2267 similar instruments; (8) broker or dealer in securities or commodities; (9) licensed transmitter of  
2268 funds or other person or business regularly engaged in the transmission of funds to a foreign  
2269 nation for others; (10) investment banker or investment company; (11) insurer; (12) dealer in  
2270 precious metals, stones or jewels; (13) pawnbroker or scrap metal dealer; (14) telegraph or other  
2271 communications company; (15) personal property or real estate broker; (16) dealer in vehicles,  
2272 including, but not limited to, automobiles, aircraft and vessels; (17) operator of a betting or  
2273 gambling facility; (18) travel agent; any thrift institution; any operator of a credit card system; or  
2274 (19) any loan or finance company.

2275 “Monetary instrument”, the currency and coin of the United States or any foreign country; any  
2276 bank check, money order, stock, investment security, or negotiable instrument in bearer form or  
2277 otherwise in such form that title passes upon delivery; gold, silver or platinum bullion or coins;  
2278 diamonds, emeralds, rubies, or sapphires; any negotiable instrument including: bank checks,  
2279 cashier's checks, traveler's checks, or monetary orders made payable to the order of a named

2280 party that have not been endorsed or which bear restrictive endorsements; poker chips, vouchers  
2281 or other tokens exchangeable for cash by gaming entities; and credit cards, debit cards, gift cards,  
2282 gift certificates, calling cards, or scrips.

2283 “Transaction”, a purchase, sale, loan, pledge, gift, transfer, delivery, or other disposition, and  
2284 with respect to a financial institution includes a deposit, withdrawal, bailment, transfer between  
2285 accounts, exchange of currency, loan, extension of credit, purchase or sale of any stock, bond,  
2286 certificate of deposit, or other monetary instrument, use of a safe deposit box, or any other  
2287 payment, transfer, or delivery by, through, or to a financial institution, by whatever means  
2288 effected.

2289 Section 2. Whoever knowingly: (1) engages in a transaction involving a monetary instrument or  
2290 other property known to be derived from criminal activity with the intent to promote, carry on or  
2291 facilitate criminal activity, or knowing that the transaction is designed in whole or in part either  
2292 to conceal or disguise the nature, location, source, ownership or control of the property derived  
2293 from criminal activity or to avoid a transaction reporting requirement of this chapter, of the  
2294 United States, or of any other state; (2) transports or possesses a monetary instrument or other  
2295 property that was derived from criminal activity; or (3) directs, organizes, finances, plans,  
2296 manages, supervises, or controls the transportation of or transactions in monetary instruments or  
2297 other property known to be derived from criminal activity or which a reasonable person would  
2298 believe to be derived from criminal activity; is guilty of the crime of money laundering and shall  
2299 be punished by imprisonment in the state prison for not more than 6 years or by a fine of not  
2300 more than \$250,000 or twice the value of the property transacted, whichever is greater, or by  
2301 both such imprisonment and fine; and for any subsequent offense shall be punished by  
2302 imprisonment in the state prison for not less than 2 years, but not more than 8 years or by a fine

2303 of not more than \$500,000 or 3 times the value of the property transacted, whichever is greater,  
2304 or by both such imprisonment and fine.

2305 Section 3. (a) A financial institution shall file with the attorney general a copy of any and all  
2306 reports required by the Currency and Foreign Transactions Act, set forth in 31 U.S.C., sections  
2307 5311 through 5315, 31 C.F.R. 103.

2308 (b) A financial institution, or any officer, employee, or agent thereof that maintains and files a  
2309 record in reliance of this section shall not be liable to its customer, to a state or local agency, or  
2310 to any person for any loss or damage caused in whole or in part by the making, filing, or  
2311 governmental use of the report, or any information contained therein. Nothing in this chapter  
2312 shall be construed to give rise to a private cause of action for relief or damages. This paragraph  
2313 does not preclude a financial institution, in its discretion, from instituting contact with, and  
2314 thereafter communicating with and disclosing customer financial records to appropriate federal,  
2315 state, or local law enforcement agencies when the financial institution has reason to suspect that  
2316 the records or information demonstrate that the customer has violated any provisions of this  
2317 chapter.

2318 (c) Any report, record, or information obtained by the attorney general pursuant to this section is  
2319 not a public record and is not subject to disclosure, except to other state and federal law  
2320 enforcement agencies.

2321 (d) Any violation of this section, which is not a violation of section 2, shall be punished by a fine  
2322 of \$100 for each report not filed.

2323 Section 4. All monetary instruments or other property, real or personal, obtained directly as a  
2324 result of a violation of section 2 of this chapter, shall be subject to forfeiture to the  
2325 commonwealth.

2326 SECTION 35. Section 1 of chapter 271 of the General Laws, as appearing in the 2008 Official  
2327 Edition, is hereby amended by inserting after the word “gaming”, in lines 3 and 4, the following  
2328 words:- ,except as permitted under chapter 23K.

2329 SECTION 36. Section 2 of said chapter 271, as so appearing, is hereby amended by inserting  
2330 after the words “playing”, in line 4, the following words:- ,except as permitted under chapter  
2331 23K.

2332 SECTION 37. Section 3 of said chapter 271, as so appearing, is hereby amended by inserting  
2333 after the words “gaming”, in line 3, the following words:- ,except as permitted under chapter  
2334 23K.

2335 SECTION 38. Section 5 of said chapter 271, as so appearing, is hereby amended by inserting  
2336 after the words “thing,”, in line 7, the following words:- except as permitted under chapter 23K.

2337 SECTION 39. The second paragraph of section 5A of chapter 271, as so appearing, is hereby  
2338 amended by adding the following sentence:-

2339 This section shall not apply to persons who manufacture, transport, sell, offer for sale, store,  
2340 display, repair, recondition, possess or use any gambling device or parts for use therein for  
2341 controlled gaming conducted under chapter 23K.

2342 SECTION 40. Section 6 of said chapter 271, as so appearing, is hereby amended by striking out,  
2343 in lines 3 and 4, the words “gambling or unlawful game and inserting in place thereof the  
2344 words:- illegal gaming.

2345 SECTION 41. Section 7 of said chapter 271, as so appearing, is hereby amended by inserting  
2346 after the word “device”, in line 7, the first time it appears, the following words:- that is taking  
2347 place in a legalized gaming establishment pursuant to chapter 23K,.

2348 SECTION 42. Said chapter 271 is hereby further amended by striking out section 8, as so  
2349 appearing, and inserting in place thereof the following section:

2350 Section 8. Whoever owns, occupies, or is in control of a house, shop or building and knowingly  
2351 permits the establishing, managing or drawing of such lottery, or such disposal or attempt to  
2352 dispose of property, or the sale of a lottery ticket or share of a ticket, or any other writing,  
2353 certificate, bill, token or other device purporting or intended to entitle the holder, bearer or any  
2354 other person to a prize or to a share of or interest in a prize to be drawn in a lottery, or in such  
2355 disposal or property, and whoever knowingly suffers money or other property to be raffled for or  
2356 won by throwing or using dice or by any other game of chance that is not being conducted in a  
2357 legalized gaming facility pursuant to chapter 23K, shall be punished by a fine of not more than  
2358 \$2000 or by imprisonment in a jail or house of correction for not more than 1 year.

2359 SECTION 43. Section 14 of said chapter 271, as so appearing, is hereby further amended by  
2360 inserting after the word “by”, in line 3, the first time it appears, the following words:- illegal  
2361 games of.

2362 SECTION 44. Section 16A of said chapter 271, as so appearing, is hereby amended by inserting  
2363 after the word “wagerers”, in line 14, the following words:- or to persons who organize,



2364 supervise, manage or finance persons for the purpose of controlled gaming conducted under  
2365 chapter 23K.

2366 SECTION 45. Section 17 of said chapter 271, as so appearing, is hereby amended by adding the  
2367 following sentence:-

2368 This section shall not apply to persons who organize, supervise, manage or finance persons for  
2369 the purpose of controlled gaming conducted under chapter 23K.

2370 SECTION 46. Section 19 of said chapter 271, as so appearing, is hereby amended by inserting  
2371 after the word “hazard”, in line 16, the following words:- ; provided, however, that this section  
2372 shall not apply to advertising of legalized gaming conducted pursuant to chapter 23K.

2373 SECTION 47. Section 20 of said chapter 271, as so appearing, is hereby amended by inserting  
2374 after the word “used”, in line 17, the following words:- ; provided, however that this section shall  
2375 not apply to advertising of legalized gaming conducted pursuant to chapter 23K.

2376 SECTION 48. Section 22 of said chapter 271, as so appearing, is hereby amended by inserting  
2377 after the word “ of”, in line 6, the third time it appears, the following word:- illegal.

2378 SECTION 49. Section 23 of said chapter 271, as so appearing, is hereby amended by inserting  
2379 after the word “for”, in line 28, the following words:-; provided, however, that such provision  
2380 shall not apply to legalized gaming conducted pursuant chapter 23K.

2381 SECTION 50. Section 28 of said chapter 271, as so appearing, is hereby amended by inserting  
2382 after the word “of”, in line 3, the third time it appears, the following word:- illegal.

2383 SECTION 51. Section 31 of said chapter 271, as so appearing, is hereby amended by inserting  
2384 after the word “both”, in line 8, the following words:- ;provided, however, that this section shall  
2385 not apply to legalized racing conducted pursuant to chapter 23K.

2386 SECTION 52. The General Laws are hereby amended by inserting after chapter 271 the  
2387 following new chapter:-

2388

2389 Chapter 271A

2390 Enterprise Crime

2391

2392 Section 1. As used in this chapter, the following words shall, unless the context clearly requires  
2393 otherwise, have the following meanings:-

2394 “Criminal enterprise activity”, to commit ,attempt to commit, conspire to commit, or solicit,  
2395 coerce, aid, abet, or intimidate another to commit any of the following criminal activity under the  
2396 laws of the commonwealth or equivalent crimes under the laws of any other jurisdiction: murder;  
2397 rape; manslaughter; assault; assault and battery; mayhem; robbery; extortion; stalking; criminal  
2398 harassment; kidnapping; arson; burglary; malicious destruction of property; commission of a  
2399 felony for hire; breaking and entering; child exploitation; poison; human trafficking; violation of  
2400 constitutional rights; usury; uttering; misuse or fraudulent use of credit cards; identity fraud;  
2401 misappropriation of funds; gross fraud; insurance fraud; prize fighting; boxing matches;  
2402 counterfeiting; perjury; subornation of perjury; obstruction of justice; money laundering; witness  
2403 intimidation; bribery; electronic eavesdropping; prostitution; receiving stolen property; larceny

2404 over \$250.00; larceny by false pretenses or/embezzlement; forgery; prohibited financial interest;  
2405 procurement fraud; false claims; tax evasion; filing false tax return; crimes involving violations  
2406 of laws relating to gambling and lottery; gift; liquor; tobacco s; firearms; securities; lobbying;  
2407 ethics; conflict of interest child and elder abuse; or any conduct defined as a racketeering activity  
2408 under Title 18, U.S.C. s. 1961(1)(A)(B) and (D).

2409 “Enterprise”, any individual, sole proprietorship, partnership, corporation, trust or other legal  
2410 entity, or any unchartered union, association or group of persons associated in fact although not a  
2411 legally recognized entity, and including unlawful and lawful enterprises and governmental and  
2412 other entities.

2413

2414 “Pattern of criminal enterprise activity”, engaging in at least two incidents of criminal enterprise  
2415 activity that have the same or similar pattern, intents, results, accomplices, victims or methods of  
2416 commission, or are otherwise interrelated by distinguishing characteristics and are not isolated  
2417 incidents; provided Y at least 1 of the acts occurred after the effective date of this act and the  
2418 last of the incidents occurred within 5 years after a prior commission of criminal enterprise  
2419 activity.

2420

2421 “Unlawful debt”, a debt incurred or contracted in an illegal gambling activity or business or  
2422 which is unenforceable under state or federal law in whole or part as to principal or interest  
2423 because of the law relating to usury.

2424

2425 Section 2. Whoever knowingly: (1) through a pattern of criminal enterprise activity or through  
2426 the collection of an unlawful debt, receives anything of value or acquires or maintains, directly  
2427 or indirectly, any interest in or control of any enterprise; (2) has received any proceeds derived,  
2428 directly or indirectly, from a pattern of criminal enterprise activity or through the collection of an  
2429 unlawful debt, to use or invest, directly or indirectly, any part of the proceeds including proceeds  
2430 derived from the investment, in the acquisition of any interest in real property, or in the  
2431 establishment or operation of, any enterprise; (3) is employed by or associated with any  
2432 enterprise to conduct or participate, directly or indirectly, in the conduct of the enterprise's affairs  
2433 by engaging in a pattern of criminal enterprise activity or through the collection of an unlawful  
2434 debt; or (4) conspires or attempts to violate subsections (a), (b), or (c) of this section; is guilty of  
2435 enterprise crime and shall be punished by imprisonment in the state prison for not more than 3  
2436 years and not more than 15 years or by a fine of not more than \$25,000, or by both such  
2437 imprisonment and fine.

2438 A purchase of securities on the open market for purposes of investment, and without the  
2439 intention of controlling or participating in the control of the issuer, or of assisting another to do  
2440 so, shall not be unlawful under this section if the securities of the issuer held by the purchaser,  
2441 the members of his immediate family, and his or their accomplices in any pattern of criminal  
2442 activity or the collection of an unlawful debt after such purchase do not amount in the aggregate  
2443 to one percent of the outstanding securities of any one class and do not confer, either in law or in  
2444 fact, the power to elect one or more directors of the issuer.

2445 Section 3. All monetary proceeds or other property, real or personal, obtained directly as a result  
2446 of a violation of this chapter, shall be subject to seizure and forfeiture to the commonwealth.

2447 SECTION 53. Section 39 of chapter 272 of the General Laws, as appearing in the 2008 Official  
2448 Edition, is hereby amended by inserting after the word “in”, in line 7, the following word:-  
2449 illegal.

2450 SECTION 54. Section 99 of said chapter 272, as so appearing, is hereby amended by inserting  
2451 after the word “forgery,”, in line 68, the word:- illegal.

2452 SECTION 55 . Said section 13 of said chapter 494, as most recently amended by section 2 of  
2453 chapter 114 of the acts of 1991, is hereby further amended by striking out clause (c ).

2454 SECTION 56. Clause (d) of said section 13 of said chapter 494, as appearing in said section 2 of  
2455 said chapter 114, is hereby amended by striking out, in line 21, the words “(b) or (c)” and  
2456 inserting in place thereof the following words:- and (b).

2457 SECTION 57. Said section 13 of said chapter 494, as most recently amended by said section 2  
2458 of said chapter 114, is hereby further amended by striking out subsection (f)

2459 SECTION 58. The first paragraph of section 12A of chapter 494 of the acts of 1978 is hereby  
2460 amended by striking out the words “and until July 31, 2010”, inserted by section 1 of chapter 167  
2461 of the acts of 2009, and inserting in place thereof the following words:- December 31, 2014.

2462 SECTION 59. The last paragraph of said section 12A of said chapter 494 is hereby amended by  
2463 striking out the words “July 31, 2010”, inserted by section 2 of said chapter 167, and inserting in  
2464 place thereof the following words:- December 31, 2014.

2465 SECTION 60. The introductory paragraph of section 13 of said chapter 494 is hereby amended  
2466 by striking out the words “and until July 31, 2010”, inserted by section 3 of said chapter 167, and  
2467 inserting in place thereof the following words:- and until December 31, 2014.

2468 SECTION 61. Section 15 of said chapter 494 is hereby amended by striking out the words “and  
2469 until July 31, 2010”, inserted by section 4 of said chapter 167, and inserting in place thereof the  
2470 following words:- and until December 31, 2014.

2471 SECTION 62. The first paragraph of section 9 of chapter 277 of the acts of 1986 is hereby  
2472 amended by striking out the words “and until July 31, 2010”, inserted by section 5 of said  
2473 chapter 167, and inserting in place thereof the following words:- and until December 31, 2014.

2474 SECTION 63. The first sentence of the first paragraph of section 3 of chapter 114 of the acts of  
2475 1991 is hereby amended by striking out the words “and until July 31, 2010”, inserted by section  
2476 6 of said chapter 167, and inserting in place thereof the following words:- and until December  
2477 31, 2014.

2478 SECTION 64. The last paragraph of said section 3 of said chapter 114 is hereby amended by  
2479 striking out the words “July 31, 2010”, inserted by section 7 of said chapter 167, and inserting in  
2480 place thereof the following words:- December 31, 2014.

2481 SECTION 65. The first paragraph of section 4 of said chapter 114 is hereby amended by striking  
2482 out the words “and until July 31, 2010”, inserted by section 8 of said chapter 167, and inserting  
2483 in place thereof the following words:- and until December 31, 2014.

2484 SECTION 66. The last paragraph of said section 4 of said chapter 114 is hereby amended by  
2485 striking out the words “July 31, 2010”, inserted by section 9 of said chapter 167, and inserting in  
2486 place thereof the following words:- December 31, 2014.

2487 SECTION 67. The first paragraph of section 5 of said chapter 114 is hereby amended by striking  
2488 out the words “and until July 31, 2010”, inserted by section 10 of said chapter 167, and inserting  
2489 in place thereof the following words:- and until December 31, 2014.

2490 SECTION 68. Section 13 of chapter 101 of the acts of 1992 is hereby amended by striking out  
2491 the words “July 31, 2010”, inserted by section 11 of said chapter 167, and inserting in place  
2492 thereof the following words:- December 31, 2014.

2493 SECTION 69. Section 45 of chapter 139 of the acts of 2001 is hereby amended by striking out  
2494 the words “July 31, 2010”, inserted by section 12 of said chapter 167, and inserting in place  
2495 thereof the following words:- December 31, 2014.

2496 SECTION 70. Section 20 of chapter 449 of the acts of 2006 is hereby amended by striking out  
2497 the words “July 31, 2010”, inserted by section 13 of said chapter 167, and inserting in place  
2498 thereof the following words:- December 31, 2014.

2499 SECTION 71. Notwithstanding any general or special law to the contrary, in making initial  
2500 appointments to the board of directors of the Massachusetts gaming commission established  
2501 pursuant to section 3 of chapter 23K of the General Laws, the governor, the attorney general and  
2502 the treasurer and receiver general, by majority agreement, shall appoint 1 commissioner to serve  
2503 for a term of 3 years, 1 commissioner to serve for a term of 4 years, 1 commissioner to serve for  
2504 a term of 5 years, 1 commissioner to serve for a term of 6 years, and 1 commissioner to serve for  
2505 a term of 7 years.

2506 SECTION 72. Notwithstanding any general or special law to the contrary, the vote of a  
2507 municipality required pursuant to section 16 of chapter 23K of the General Laws shall occur  
2508 after the effective date of this act.

2509 SECTION 73. Pursuant to section 2 of chapter 1194, 64 Stat. 1134, 15 U.S.C. 1171-1177,  
2510 approved January 2, 1951, the commonwealth, acting by and through duly elected and qualified  
2511 members of the general court, does declare and proclaim that the commonwealth shall be exempt  
2512 from the provisions of chapter 1194, 64 Stat. 1134, 15 U.S.C. 1171 to 1178 for any gambling  
2513 device authorized for use and transport under chapter 23K of the General Laws and any  
2514 regulations promulgated thereunder.

2515 SECTION 74. All shipments of gambling devices into the commonwealth, including slot  
2516 machines, the registering, recording and labeling of which has been duly had by the  
2517 manufacturer or dealer thereof in accordance with sections 3 and 4 of an Act of Congress of the  
2518 United States entitled "An act to prohibit transportation of gambling devices in interstate and  
2519 foreign commerce," approved January 2, 1951, being chapter 1194, 64 Stat. 1134, and also  
2520 designated as 15 USC §§ 1171-1177, shall be deemed legal shipments thereof into this  
2521 commonwealth.

2522 SECTION 75. Notwithstanding any general or special law to the contrary, the Massachusetts  
2523 gaming commission shall analyze the pari-mutuel and simulcasting statutes in effect as of the  
2524 effective date of this act. Said analysis shall include a review of the efficacy of said statutes and  
2525 the need to replace said statutes pursuant to the sunset of chapters 128A and 128C of the General  
2526 Laws established under this act. Said review shall not include a review of whether to increase the  
2527 number of running horse, harness horse or greyhound racing meeting licensees. Said commission  
2528 shall report its finding together with legislation, if any, to the clerks of the house of  
2529 representatives and senate and to the chairs of the joint committee on economic development and  
2530 emerging technologies no later than January 1, 2013.



2531 SECTION 76. Section 25 and 27 of this act shall take effect on July 31, 2014.