

HOUSE No. 3807

The Commonwealth of Massachusetts

The committee of conference on the disagreeing votes of the two branches, with reference to the Senate amendment (striking out all after the enacting clause and inserting in place thereof the text contained in Senate document numbered 2035) of the House Bill establishing expanded gaming in the Commonwealth (House, No. 3711), reports recommending passage of the accompanying bill (House, No. 3807).

For the committee,

Joseph F. Wagner

<i>Joseph F. Wagner</i>	<i>Stanley C. Rosenberg</i>
<i>Brian S. Dempsey</i>	<i>Jennifer L. Flanagan</i>
	<i>Richard J. Ross</i>

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The Commonwealth of Massachusetts

In the Year Two Thousand Eleven

An Act establishing expanded gaming in the Commonwealth.

Whereas, the deferred operation of this act would tend to defeat its purpose, which is forthwith to provide for economic investments and job creation in the commonwealth, therefore, it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

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. To provide for certain unanticipated obligations of the commonwealth, to provide
- 2 for an alteration of purpose for current appropriations, and to meet certain requirements of law,
- 3 the sums set forth in section 2A are hereby appropriated from the General Fund, unless
- 4 specifically designated otherwise, for the several purposes and subject to the conditions specified
- 5 in this section, and subject to laws regulating the disbursement of public funds for the fiscal year

ending June 30, 2012; provided, however, that notwithstanding any general or special law to the contrary, appropriations made herein shall not revert and shall be available for expenditure until June 30, 2013. The sums shall be in addition to any amounts previously appropriated and made available for the purposes of these items.

SECTION 2A.

OFFICE OF THE GOVERNOR

0411-1004 To provide for certain costs associated with the implementation of expanded gaming including, but not limited to, costs related to legal, financial and other professional services required for the negotiation and execution of a compact with a federally recognized Indian tribe in the commonwealth to establish a tribal casino in region C.....\$5,000,000

0810-1204 For the implementation and operation of the division of gaming enforcement within the department of the attorney general, established in section 11M of chapter 12 of the General Laws, for the investigation and prosecution of criminal activity relating to legalized gaming in the commonwealth pursuant to chapter 23K of the General Laws.....\$500,000

SECTION 3. Section 7 of chapter 4 of the General Laws, as appearing in the 2010 Official Edition, is hereby amended by striking out clause Tenth and inserting in place thereof the following clause:-

Tenth, "Illegal gaming," a banking or percentage game played with cards, dice, tiles or dominoes, or an electronic, electrical or mechanical device or machine for money, property, checks, credit or any representative of value, but excluding: (i) a lottery game conducted by the state lottery commission, under sections 24, 24A and 27 of chapter 10; (ii) a game conducted

under chapter 23K; (iii) pari-mutuel wagering on horse races under chapters 128A and 128C and greyhound races under said chapter 128C; (iv) a game of bingo conducted under chapter 271; and (v) charitable gaming conducted under said chapter 271.

SECTION 4. Section 48 of chapter 6 of the General Laws is hereby repealed.

SECTION 5. Section 35 of chapter 10 of the General Laws, as appearing in the 2010 Official Edition, is amended by inserting after the word "Lottery", in lines 2 and 16, each time it appears, the following words:- and Gaming.

SECTION 6. Section 39 of said chapter 10, as so appearing, is hereby amended by inserting after the word "Lottery", in lines 13 and 19, each time it appears, the following words:- and Gaming.

SECTION 7. Sections 64 and 65 of said chapter 10 are hereby repealed.

SECTION 8. Said chapter 10 is hereby further amended by inserting after section 72 the following section:-

Section 72A. The commissioner of the alcoholic beverages control commission shall establish a gaming liquor enforcement unit whose responsibilities shall include enforcing, regulating and controlling the distribution of alcoholic beverages in a gaming establishment.

The gaming liquor enforcement unit shall work in conjunction and cooperation with the investigations and enforcement bureau within the Massachusetts gaming commission established in chapter 23K. The commissioner shall assign investigators and employees of the unit to the bureau, who shall report to the director of the bureau and to the commissioner; provided, however, that the Massachusetts gaming commission shall designate the number of investigators and employees necessary to staff the unit; and provided further, that the code of ethics

established pursuant to subsection (m) of section 3 of chapter 23K shall apply to all investigators and employees of the unit. No investigator or employee of the unit, other than in the performance of official duties, shall place a wager in a gaming establishment licensed under chapter 23K. The commissioner shall establish a program to rotate investigators in and out of the unit. The alcoholic beverages control commission shall be reimbursed by the Massachusetts gaming commission for the costs of operating the unit; provided, however, that the Massachusetts gaming commission shall have final approval over the budget of the unit.

SECTION 9. Chapter 12 of the General Laws is hereby amended by inserting after section 11L the following section:-

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

“Commission”, the Massachusetts gaming commission established in chapter 23K.

“Division”, the division of gaming enforcement established in subsection (b).

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

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

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

(c) The division shall enforce criminal violations of chapter 23K which shall include, but not be limited to: (1) investigating and prosecuting allegations of criminal activity related to or impacting the operation of gaming establishments or games; (2) receiving and taking appropriate

69 action on referrals for criminal prosecution from the commission or any other law enforcement
70 body; (3) providing assistance, upon request, to the commission in the consideration and
71 promulgation of rules and regulations; (4) ensuring that there shall be no duplication of duties
72 and responsibilities between the division and the commission; and (5) recommending persons to
73 be placed on a list of excluded persons to be maintained by the commission.

74 No employee of the division and no person engaged by the division in the course of an
75 investigation, other than in the performance of their official duties, shall place a wager in a
76 gaming establishment licensed under chapter 23K during the period of their employment or
77 assignment with the division. The attorney general shall establish a code of ethics for all
78 division employees which shall be more restrictive than chapters 268A and 268B. A copy of the
79 code of ethics shall be filed with the state ethics commission. The code shall include provisions
80 reasonably necessary to carry out this section including, but not limited to: (i) prohibiting the
81 receipt of gifts by a division employee from a gaming licensee, applicant, close associate,
82 affiliate or other person or entity subject to the jurisdiction of the commission established in
83 chapter 23K; and (ii) prohibiting the participation by a division employee in a particular matter
84 as defined in section 1 of said chapter 268A that affects the financial interest of a relative within
85 the third degree of consanguinity or any other person with whom such employee has a significant
86 relationship as defined in the code of ethics.

87 Officers and employees of the gaming enforcement unit in the department of state police who are
88 assigned to the division shall record their time and submit their total hours to the director of
89 gaming enforcement. The division shall submit a request for reimbursement to the commission
90 and the commission shall reimburse the department of state police.

91 The division shall submit quarterly requests to the commission for expenses associated with the
92 operation of the division and the commission shall reimburse the division for such expenses;
93 provided, however, that the commission shall not approve such a request if the request would
94 exceed an annual reimbursement of \$3,000,000.

95 SECTION 10. Chapter 12B of the General Laws is hereby repealed.

96 SECTION 11. Section 9 of chapter 13 of the General Laws, as appearing in the 2010 Official
97 Edition, is hereby amended by striking out, in lines 17 and 18, the words “, as well as the state
98 racing commission established by section 48 of chapter 6,”.

99 SECTION 12. Section 9B of said chapter 13, as so appearing, is hereby amended by striking out,
100 in lines 47 and 48, the words “, as well as the state racing commission established by section 48
101 of chapter 6”.

102 SECTION 13. Said section 9B of said chapter 13, as so appearing, is hereby further amended by
103 striking out, in lines 50 and 51, the words “or regulated by the state racing commission, as
104 established by section 48 of chapter 6”.

105 SECTION 14. Section 38 of chapter 22C of the General Laws, as so appearing, is hereby
106 amended by inserting after the word “involving”, in lines 36 and 37, the following word:- illegal.

107 SECTION 15. Said chapter 22C is hereby further amended by adding the following section:-

108 Section 70. The colonel of state police shall establish a gaming enforcement unit the
109 responsibilities of which shall include, but not be limited to, the investigation of criminal
110 violations of chapter 23K or any other general or special law pertaining to gaming.

The gaming enforcement unit shall work in conjunction and cooperation with the investigations and enforcement bureau within the Massachusetts gaming commission to enforce chapter 23K and with the division of gaming enforcement within the department of the attorney general to investigate criminal activity related to gaming. Officers and employees of the unit shall be assigned to the investigations and enforcement bureau and shall report to the deputy director of investigations and enforcement and to the colonel of state police. The colonel shall also assign officers of the unit to the division of gaming enforcement, who shall report to the chief of gaming enforcement and to the colonel of state police. No officer of the unit, other than in the performance of official duties, shall place a wager in a gaming establishment licensed under chapter 23K; provided, however, that the code of ethics established pursuant to subsection (m) of section 3 of chapter 23K shall apply to all officers and employees of the unit. The colonel shall establish a program to rotate officers in and out of the unit.

SECTION 16. The General Laws are hereby further amended by inserting after chapter 23J the following chapter:-

CHAPTER 23K.

THE MASSACHUSETTS GAMING COMMISSION

Section 1. The General Court finds and declares that:

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

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

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

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

138 (5) the commonwealth must provide for new employment opportunities in all sectors of the
139 economy, particularly opportunities for the unemployed, and shall preserve jobs in existing
140 industries in the commonwealth; this chapter sets forth a robust licensing process whereby an
141 applicant for a gaming license shall submit a comprehensive plan for operating a gaming
142 establishment which includes how the applicant will foster and encourage new construction
143 through capital investment and provide permanent employment opportunities to residents of the
144 commonwealth;

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

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

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

(9) any license awarded by the commission shall be a revocable privilege and may be conditioned, suspended or revoked upon: (i) a breach of the conditions of licensure, including failure to complete any phase of construction of the gaming establishment or any promises made to the commonwealth in return for receiving a gaming license; (ii) any civil or criminal violations of the laws of the commonwealth or other jurisdictions; or (iii) a finding by the commission that a gaming licensee is unsuitable to operate a gaming establishment or perform the duties of their licensed position; and

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

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

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

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

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

172 “Bureau”, the investigations and enforcement bureau in the commission.

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

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

177 “Category 2 license”, a license issued by the commission that permits the licensee to operate a
178 gaming establishment with no table games and not more than 1,250 slot machines.

179 “Capital expenditure”, money spent by a gaming licensee to upgrade or maintain depreciable and
180 tangible long-term physical assets that are capitalized on the gaming licensee’s books under
181 generally accepted accounting principles and excluding expenditures or charges for the usual and
182 customary maintenance and repair of any fixed asset.

183 “Cashless wagering system”, a method of wagering and accounting in which the validity and
184 value of a wagering account, promotional account, wagering instrument or wagering credit, not
185 including a slot machine printed voucher, are determined, monitored and retained for an
186 individual by an electronic system operated and maintained by a gaming licensee which
187 maintains a record of each transaction involving the wagering account, promotional account,
188 wagering instrument or wagering credit, exclusive of the game or gaming device on which
189 wagers are being made, including electronic systems which facilitate electronic transfers of
190 money directly to or from a game or gaming device.

191 “Chair”, the chair of the commission.

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

194 “Cheating and swindling device” or “cheating and swindling game”, (i) a coin, token or slug
195 other than a lawful coin or legal tender of the United States or a coin not of the same
196 denomination as the coin intended to be used by the gaming establishment while playing or using
197 a slot machine in a gaming establishment, except that a “cheating and swindling device” shall not
198 include a token or similar object which is approved by the commission; (ii) a bogus or
199 counterfeit chip, coin or die; a marked card; a computerized, electronic, electrical, mechanical or
200 magnetic device; a tool, drill, wire, key or other device designed, constructed or programmed
201 specifically for: (A) use in obtaining an advantage in a game; (B) opening, entering or affecting
202 the operation of a gaming device; or (C) removing from a slot machine, other gaming device or
203 drop box any money or other contents; (iii) a tool, drill, wire, coin or token attached to a string or
204 wire, or an electronic or magnetic device to facilitate the alignment of a winning combination; or
205 (iv) a gaming device that has been manufactured, serviced, marked, plugged or tampered with, or
206 placed in a condition or operated in a manner to: (1) deceive, or attempt to deceive, the public; or
207 (2) alter, or attempt to alter, the normal random selection of characteristics, the normal chance of
208 the game or the result of the game at a gaming establishment.

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

213 “Commission”, the Massachusetts gaming commission established in section 3.

214 “Commissioner”, a member of the commission.

215 "Complimentary service or item", a service or item provided at no cost or at a reduced cost to a
216 patron of a gaming establishment.

217 “Conservator”, a person appointed by the commission to temporarily manage the operation of a
218 gaming establishment.

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

225 “Credit instrument”, a writing which evidences a gaming debt owed to a person who holds a
226 gaming license at the time the debt is created, including any writing taken in consolidation,
227 redemption or payment of a previous credit instrument.

228 “Division”, the division of gaming enforcement in the office of the attorney general.

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

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

231 “Game”, a banking or percentage game played with cards, dice, tiles, dominoes or an electronic,
232 electrical or mechanical device or machine played for money, property, checks, credit or any
233 other representative of value which has been approved by the commission.

234 “Gaming”, dealing, operating, carrying on, conducting, maintaining or exposing any game for
235 pay.

236 “Gaming area”, the portion of the premises of a gaming establishment in which or on which
237 gaming is conducted.

238 “Gaming device” or “gaming equipment”, an electronic, electrical or mechanical contrivance or
239 machine used in connection with gaming or a game.

240 “Gaming employee”, an employee of a gaming establishment who: (i) is directly connected to
241 the operation or maintenance of a slot machine or game taking place in a gaming establishment;
242 (ii) provides security in a gaming establishment; (iii) has access to a restricted area of a gaming
243 establishment; (iv) is connected with the operation of a gaming establishment; or (v) is so
244 designated by the commission.

245 “Gaming establishment”, the premises approved under a gaming license which includes a
246 gaming area and any other nongaming structure related to the gaming area and may include, but
247 shall not be limited to, hotels, restaurants or other amenities.

248 “Gaming license”, a license issued by the commission that permits the licensee to operate a
249 gaming establishment.

250 “Gaming licensee”, a person or entity who holds a gaming license under this chapter.

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

253 “Gaming service employee”, an employee of a gaming establishment who is not classified as a
254 gaming employee or a key gaming employee, but is required to register with the commission.

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

“Gaming vendor license”, a license issued by the commission that permits the licensee to act as a vendor to a gaming establishment.

“Governing body”, in a city having a Plan D or Plan E charter the city manager and city council and in any other city the mayor and the city council and in towns the board of selectmen.

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

“Holding company”, a corporation, association, firm, partnership, trust or other form of business organization, other than a natural person, which, directly or indirectly, owns, has the power or right to control, or has the power to vote any significant part of the outstanding voting securities of a corporation or any other form of business organization which holds or applies for a gaming license; provided, however, that a “holding company”, in addition to any other reasonable use of

the term, shall indirectly have, hold or own any such power, right or security if it does so through an interest in a subsidiary or any successive subsidiaries, notwithstanding how many such subsidiaries may intervene between the holding company and the gaming licensee or applicant.

“Host community”, a municipality in which a gaming establishment is located or in which an applicant has proposed locating a gaming establishment.

“Impacted live entertainment venue”, a not-for-profit or municipally-owned performance venue designed in whole or in part for the presentation of live concerts, comedy or theatrical performances, which the commission determines experiences, or is likely to experience, a negative impact from the development or operation of a gaming establishment.

“Institutional investor”, any of the following entities having a 5 per cent or greater ownership interest in a gaming establishment or gaming licensee: a corporation, bank, insurance company, pension fund or pension fund trust, retirement fund, including funds administered by a public agency, employees’ profit-sharing fund or employees’ profit-sharing trust, an association engaged, as a substantial part of its business or operation, in purchasing or holding securities, or any trust in respect of which a bank is a trustee or co-trustee, investment company registered under the federal Investment Company Act of 1940, collective investment trust organized by banks under part 9 of the Rules of the Comptroller of Currency, closed end investment trust, chartered or licensed life insurance company or property and casualty insurance company, investment advisor registered under the federal Investment Advisers Act of 1940, and such other persons as the commission may reasonably determine to qualify as an institutional investor for with the purposes of this chapter.

298 “Intermediary company”, a corporation, association, firm, partnership, trust or other form of
299 business organization, other than a natural person, which is a holding company with respect to a
300 corporation or other form of business organization which holds or applies for a gaming license,
301 and is a subsidiary with respect to a holding company.

302 “Junket”, an arrangement intended to induce a person to come to a gaming establishment to
303 gamble, where the person is selected or approved for participation on the basis of the person’s
304 ability to satisfy a financial qualification obligation related to the person’s ability or willingness
305 to gamble or on any other basis related to the person’s propensity to gamble and pursuant to
306 which and as consideration for which, any of the cost of transportation, food, lodging, and
307 entertainment for the person is directly or indirectly paid by a gaming licensee or an affiliate of
308 the gaming licensee.

309 “Junket enterprise”, a person, other than a gaming licensee or an applicant for a gaming license,
310 who employs or otherwise engages the services of a junket representative in connection with a
311 junket to a licensed gaming establishment, regardless of whether or not those activities occur
312 within the commonwealth.

313 “Junket representative”, a person who negotiates the terms of, or engages in the referral,
314 procurement or selection of persons who may participate in, a junket to a gaming establishment,
315 regardless of whether or not those activities occur within the commonwealth.

316 “Key gaming employee”, an employee of a gaming establishment who is: (i) in a supervisory
317 capacity; (ii) empowered to make discretionary decisions which regulate gaming establishment
318 operations; or (iii) so designated by the commission.

319 “License”, a license required under this chapter.

320 “List of excluded persons”, the list of excluded persons maintained by the commission under
321 section 45.

322 “Lottery”, the state lottery established in section 24 of chapter 10.

323 “Major policymaking position”, the executive or administrative head of the commission and any
324 person whose salary equals or exceeds that of a state employee classified in step 1 of job group
325 XXV of the general salary schedule in section 46 of chapter 30 and who reports directly to the
326 commission or the administrative head of any bureau or other major administrative unit within
327 the commission and persons exercising similar authority.

328 “Non-gaming vendor”, a supplier or vendor including, but not limited to, a construction
329 company, vending machine provider, linen supplier, garbage handler, maintenance company,
330 limousine service company, food purveyor or supplier of alcoholic beverages, which provides
331 goods or services to a gaming establishment or gaming licensee, but which is not directly related
332 to games.

333 “Operation certificate”, a certificate of compliance issued by the commission to the operator of a
334 gaming establishment.

335 “Person”, an individual, corporation, association, operation, firm, partnership, trust or other form
336 of business association.

337 “Promotional gaming credit”, a slot machine or table game credit or other item issued by a
338 gaming licensee to a patron to enable the placement of a wager at a slot machine or table game.

339 “Qualification” or “qualified”, the process of licensure set forth by the commission to determine
340 that all persons who have a professional interest in a gaming license, or gaming vendor license,

341 or the business of a gaming licensee or gaming vendor, meet the same standards of suitability to
342 operate or conduct business with a gaming establishment.

343 “Rewards card”, a card issued to a patron of a gaming establishment that tracks the amount of
344 money or time spent gaming in order to determine the value of provisions or complimentary
345 services to the patrons at a gaming establishment.

346 “Slot machine”, a mechanical, electrical or other device, contrivance or machine which, upon
347 insertion of a coin, token or similar object therein, or upon payment of any consideration
348 whatsoever, is available to play or operate, the play or operation of which, whether by reason of
349 the skill of the operator or application of the element of chance, or both, may deliver or entitle
350 the individual playing or operating the machine to receive cash, or tokens to be exchanged for
351 cash, or to receive merchandise or any other thing of value, whether the payoff is made
352 automatically from the machine or in any other manner, except that the cash equivalent value of
353 any merchandise or other thing of value shall not be included in determining the payout
354 percentage of a slot machine.

355 “State police”, the department of state police established in chapter 22C.

356 “Subsidiary”, a corporation, a significant part of whose outstanding equity securities are owned,
357 subject to a power or right of control, or held with power to vote, by a holding company or an
358 intermediary company, or a significant interest in a firm, association, partnership, trust or other
359 form of business organization, other than a natural person, which is owned, subject to a power or
360 right of control, or held with power to vote, by a holding company or an intermediary company.

361 “Surrounding communities”, municipalities in proximity to a host community which the
362 commission determines experience or are likely to experience impacts from the development or

operation of a gaming establishment, including municipalities from which the transportation infrastructure provides ready access to an existing or proposed gaming establishment.

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

“Transfer”, the sale or other method, either directly or indirectly, of disposing of or parting with property or an interest therein, or the possession thereof, or of fixing a lien upon property or upon an interest therein, absolutely or conditionally, voluntarily or involuntarily, by or without judicial proceedings, as a conveyance, sale, payment, pledge, mortgage, lien, encumbrance, gift, security or otherwise; provided, however, that the retention of a security interest in property delivered to a corporation shall be deemed a transfer suffered by such corporation.

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

Section 3. (a) There shall be a Massachusetts gaming commission which shall consist of 5 commissioners, 1 of whom shall be appointed by the governor; 1 of whom shall be appointed by the attorney general who shall have experience in criminal investigations and law enforcement; 1 of whom shall be appointed by the treasurer and receiver general who shall have experience in corporate finance and securities; and 2 of whom shall be appointed by a majority vote of the governor, attorney general and the treasurer and receiver general, 1 of whom shall have experience in legal and policy issues related to gaming and 1 of whom may have professional experience in gaming regulatory administration or gaming industry management. The governor shall designate the chair of the commission. The chair shall serve in that capacity throughout the term of appointment and until a successor shall be appointed. Prior to appointment to the

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

(b) Each commissioner shall be a resident of the commonwealth within 90 days of appointment and, while serving on the commission, shall not: (i) hold, or be a candidate for, federal, state or local elected office; (ii) hold an appointed office in a federal, state, or local government; or (iii) serve as an official in a political party. Not more than 3 commissioners shall be from the same political party.

(c) Each commissioner shall serve for a term of 5 years or until a successor is appointed and shall be eligible for reappointment; provided, however, that no commissioner shall serve more than 10 years. A person appointed to fill a vacancy in the office of a commissioner shall be appointed in a like manner and shall serve for only the unexpired term of such commissioner. The governor may remove a commissioner if the commissioner: (i) is guilty of malfeasance in office; (ii) substantially neglects the duties of a commissioner; (iii) is unable to discharge the powers and duties of the commissioner's office; (iv) commits gross misconduct; or (v) is convicted of a felony.

(d) Three commissioners shall constitute a quorum and the affirmative vote of 3 commissioners shall be required for an action of the commission. The chair or 3 members of the commission may call a meeting; provided, however, that notice of all meetings shall be given to each commissioner and to other persons who request such notice. The commission shall adopt

regulations establishing procedures, which may include electronic communications, by which a request to receive notice shall be made and the method by which timely notice may be given.

(e) Commissioners shall receive salaries not greater than three-quarters of the salary of the commissioner of administration under section 4 of chapter 7; provided, however, that the chair shall receive a salary equal to the salary of the commissioner of administration. Commissioners shall devote their full time and attention to the duties of their office.

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

(g) The chair shall have and exercise supervision and control over all the affairs of the commission. The chair shall preside at all hearings at which the chair is present and shall designate a commissioner to act as chair in the chair's absence. To promote efficiency in administration, the chair shall, from time to time, make such division or re-division of the work of the commission among the commissioners as the chair deems expedient.

(h) All of the commissioners shall, if so directed by the chair, participate in the hearing and decision of any matter before the commission; provided, however, that at least 2 commissioners shall participate in the hearing and decision of matters other than those of formal or administrative character coming before the commission; provided further, that any such matter

428 may be heard, examined and investigated by an employee of the commission designated and
429 assigned by the chair, with the concurrence of 1 other commissioner. Such employee shall make
430 a report in writing relative to the hearing, examination and investigation of every such matter to
431 the commission for its decision. For the purposes of hearing, examining and investigating any
432 such matter, such employee shall have all of the powers conferred upon a commissioner by this
433 section. For each hearing, the concurrence of a majority of the commissioners participating in the
434 decision shall be necessary.

435 (i) The commission shall appoint an executive director. The executive director shall serve at the
436 pleasure of the commission, shall receive such salary as may be determined by the commission,
437 and shall devote full time and attention to the duties of the office. The executive director shall be
438 a person with skill and experience in management and shall be the executive and administrative
439 head of the commission and shall be responsible for administering and enforcing the provisions
440 of law relative to the commission and to each administrative unit thereof. The executive director
441 shall appoint and employ a chief financial and accounting officer and may, subject to the
442 approval of the commission, employ other employees, consultants, agents and advisors,
443 including legal counsel, and shall attend meetings of the commission. The chief financial and
444 accounting officer of the commission shall be in charge of its funds, books of account and
445 accounting records. No funds shall be transferred by the commission without the approval of the
446 commission and the signatures of the chief financial and accounting officer and the treasurer. In
447 the case of an absence or vacancy in the office of the executive director or in the case of
448 disability as determined by the commission, the commission may designate an acting executive
449 director to serve as executive director until the vacancy is filled or the absence or disability

450 ceases. The acting executive director shall have all of the powers and duties of the executive
451 director and shall have similar qualifications as the executive director.

452 (j) The executive director may, from time to time and subject to the approval of the commission,
453 establish within the commission such administrative units as may be necessary for the efficient
454 and economical administration of the commission and, when necessary for such purpose, may
455 abolish any such administrative unit or may merge any 2 or more units. The executive director
456 shall prepare and keep current a plan of organization of the commission, of the assignment of its
457 functions to its various administrative units, offices and employees and of the places at which
458 and the methods by which the public may receive information or make requests. A current copy
459 of the plan of organization shall be kept on file with the state secretary and in the office of the
460 secretary of administration and finance.

461 (k) The executive director may appoint such persons as the executive director shall consider
462 necessary to perform the functions of the commission; provided, however, that chapter 31 and
463 section 9A of chapter 30 shall not apply to commission employees. If an employee serving in a
464 position which is classified under said chapter 31 or in which an employee has tenure by reason
465 of said section 9A of said chapter 30 shall be appointed to a position within the commission
466 which is not subject to said chapter 31, the employee shall, upon termination of service in such
467 position, be restored to the position which the employee held immediately prior to such
468 appointment; provided, however, that the employee's service in such position shall be
469 determined by the civil service commission in accordance with the standards applied by that
470 commission in administering said chapter 31. Such restoration shall be made without impairment
471 of the employee's civil service status or tenure under said section 9A of said chapter 30 and
472 without loss of seniority, retirement or other rights to which uninterrupted service in such prior

position would have entitled such employee. During the period of such appointment, each person so appointed from a position in the classified civil service shall be eligible to take any competitive promotional examination for which such person would otherwise have been eligible. Employees of the commission, including employees working in the bureau, shall be classified as group 1 pursuant to paragraph (g) of subdivision (2) of section 3 of chapter 32.

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

The commission shall not hire a prospective employee if the prospective employee has: (i) been convicted of a felony; (ii) been convicted of a misdemeanor more than 10 years prior to the prospective employee's application that, in the discretion of the commission, bears a close relationship to the duties and responsibilities of the position for which employment is sought; (iii) been dismissed from prior employment for gross misconduct or incompetence; or (iv) intentionally made a false statement concerning a material fact in connection with the prospective employee's application to the commission. If an employee of the commission is charged with a felony while employed by the commission, the commission shall suspend the employee, with or without pay, and terminate employment with the commission upon

conviction. If an employee of the commission is charged with a misdemeanor while employed by the commission, the commission shall suspend the employee, with or without pay, and may terminate employment with the commission upon conviction if, in the discretion of the commission, the offense for which the employee has been convicted bears a close relationship to the duties and responsibilities of the position held with the commission.

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

(n) Immediately upon assuming office, each commissioner and employee of the commission, except for secretarial and clerical personnel, shall swear or affirm that the commissioner or employee possesses no interest in a person licensed under this chapter. No individual shall be employed by the commission if, during the period commencing 3 years prior to employment, that

518 individual held any direct or indirect interest in, or was employed by, a licensee under this
519 chapter.

520 (o) No employee of the commission shall pursue any other business or occupation or other
521 gainful employment outside of the commission without the prior written approval of the
522 commission that such employment will not interfere or be in conflict with the employee's duties
523 to the commission.

524 (p) No commissioner shall hold a direct or indirect interest in, or be employed by, an applicant or
525 by a person licensed by the commission for a period of 3 years after the termination of
526 employment with the commission.

527 (q) No employee of the commission holding a major policymaking position shall acquire an
528 interest in, or accept employment with, an applicant or licensee for a period of 2 years after the
529 termination of employment with the commission.

530 (r) No employee of the commission in a non-major policymaking position shall acquire an
531 interest in, or accept employment with, an applicant or licensee under this chapter for a period of
532 1 year after termination of employment with the commission.

533 (s) A commission employee assigned to a gaming establishment shall be considered an essential
534 state employee.

535 (t) No commissioner or employee, other than in the performance of the commissioner's or
536 employee's official duties, shall place a wager in a gaming establishment.

537 (u) The commissioners and those employees holding major policymaking positions shall be
538 sworn to the faithful performance of their official duties. The commissioners and those

employees holding major policymaking positions shall: (i) conduct themselves in a manner so as to render decisions that are fair and impartial and in the public interest; (ii) avoid impropriety and the appearance of impropriety in all matters under their jurisdiction; (iii) avoid all prohibited communications; (iv) require staff and personnel subject to their direction and control to observe the same standards of fidelity and diligence; (v) disqualify themselves from proceedings in which their impartiality might reasonably be questioned; and (vi) refrain from financial or business dealings which would tend to reflect adversely on impartiality.

(v) The commissioners and employees shall not own, or be in the employ of, or own any stock in, a business which holds a license under this chapter, nor shall they have, directly or indirectly, a pecuniary interest in, or be connected with, any such business or be in the employ of or connected with any person financing any such business; provided, however, that immediate family members of commissioners and employees holding major policymaking positions shall not own, or be in the employ of, or own stock in, any business which holds a license under this chapter. The commissioners and employees shall not personally, or through a partner or agent, render professional services or make or perform any business contract with or for any regulated entity, except contracts made with the commissioners for the furnishing of services, nor shall the commissioners or employees directly or indirectly receive any commission, bonus, discount, gift or reward from a regulated entity.

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

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

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

(1) appoint officers and hire employees;

(2) establish, and from time to time amend, a plan of organization that it considers expedient;

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

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

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

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

(7) provide and pay for advisory services and technical assistance as may be necessary in its judgment to carry out this chapter and fix the compensation of persons providing such services or assistance; provided, however, that in exercising its authority under this clause, the commission may receive and approve applications from a municipality to provide for reasonable costs related to legal, financial and other professional services required for the negotiation and

581 execution of host and surrounding community agreements as provided in section 15, and to
582 require that such costs be paid by the applicant for a gaming license;

583 (8) prepare, publish and distribute, with or without charge as the commission may determine,
584 such studies, reports, bulletins and other materials as the commission considers appropriate;

585 (9) assure that licenses shall not be issued to, or held by, and that there shall be no material
586 involvement directly or indirectly with, a gaming operation or the ownership thereof, by
587 unqualified, disqualified or unsuitable persons or by persons whose operations are conducted in a
588 manner not conforming with this chapter;

589 (10) require an applicant for a position which requires a license under this chapter to apply for
590 such license and approve or disapprove any such application or other transactions, events and
591 processes as provided in this chapter;

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

594 (12) develop criteria, in addition to those outlined in this chapter, to assess which applications for
595 gaming licenses will provide the highest and best value to the commonwealth and the region in
596 which a gaming establishment is to be located;

597 (13) determine which applicants shall be awarded gaming licenses, gaming vendor licenses and
598 other licenses in accordance with this chapter;

599 (14) determine a suitable debt-to-equity ratio for applicants for a gaming license;

600 (15) deny an application or limit, condition, restrict, revoke or suspend a license, registration,
601 finding of suitability or approval, or fine a person licensed, registered, found suitable or
602 approved for any cause that the commission deems reasonable;

603 (16) monitor the conduct of licensees and other persons having a material involvement, directly
604 or indirectly, with a licensee for the purpose of ensuring that licenses are not issued to or held by
605 and that there is no direct or indirect material involvement with a licensee, by an unqualified or
606 unsuitable person or by a person whose operations are conducted in an unsuitable manner or in
607 unsuitable or prohibited places as provided in this chapter;

608 (17) gather facts and information applicable to the commission's obligation to issue, suspend or
609 revoke licenses, work permits or registrations for: (i) a violation of this chapter or any regulation
610 adopted by the commission; (ii) willfully violating an order of the commission directed to a
611 licensee; (iii) the conviction of a criminal offense; or (iv) the violation of any other offense
612 which would disqualify such a licensee from holding a license, work permit or registration;

613 (18) conduct investigations into the qualifications of all applicants for employment by the
614 commission and by any regulated entity and all applicants for licensure;

615 (19) request and receive from the state police, the criminal history systems board or other
616 criminal justice agencies including, but not limited to, the Federal Bureau of Investigation and
617 the Internal Revenue Service, such criminal offender record information relating to criminal and
618 background investigations as necessary for the purpose of evaluating employees of, and
619 applicants for employment by, the commission and any regulated entity, and evaluating licensees
620 and applicants for licensure under this chapter;

621 (20) be present, through its inspectors and agents, at all times, in gaming establishments for the
622 purposes of: (i) certifying revenue; (ii) receiving complaints from the public relating to the
623 conduct of gaming and wagering operations; (iii) examining records of revenues and procedures
624 and inspecting and auditing all books, documents and records of licensees; (iv) conducting
625 periodic reviews of operations and facilities for the purpose of regulations adopted hereunder;
626 and (v) exercising its oversight responsibilities with respect to gaming;

627 (21) inspect and have access to all equipment and supplies in a gaming establishment or on
628 premises where gaming equipment is manufactured, sold or distributed;

629 (22) seize and remove from the premises of a gaming licensee and impound any equipment,
630 supplies, documents and records for the purpose of examination and inspection;

631 (23) demand access to and inspect, examine, photocopy and audit all papers, books and records
632 of any affiliate of a gaming licensee or gaming vendor whom the commission suspects is
633 involved in the financing, operation or management of the gaming licensee or gaming vendor;
634 provided, however, that the inspection, examination, photocopying and audit may take place on
635 the affiliate's premises or elsewhere as practicable and in the presence of the affiliate or its agent;

636 (24) require that the books and financial or other records or statements of a gaming licensee or
637 gaming vendor be kept in a manner that the commission considers proper;

638 (25) levy and collect assessments, fees and fines and impose penalties and sanctions for a
639 violation of this chapter or any regulations promulgated by the commission;

640 (26) collect taxes and fees under this chapter;

641 (27) restrict, suspend or revoke licenses issued under this chapter;

642 (28) conduct adjudicatory proceedings and promulgate regulations in accordance with chapter
643 30A;

644 (29) hear appeals of the bureau's suspension or revocation of a license;

645 (30) refer cases for criminal prosecution to the appropriate federal, state or local authorities;

646 (31) issue subpoenas and compel the attendance of witnesses at any place within the
647 commonwealth, administer oaths and require testimony under oath before the commission in the
648 course of an investigation or hearing conducted under this chapter;

649 (32) ensure that there is no duplication of duties and responsibilities between the commission and
650 bureau; provided, however, that the commission shall not place any restriction upon the bureau's
651 ability to investigate or prosecute violations of this chapter or the regulations adopted by the
652 commission;

653 (33) determine which municipalities are the surrounding communities of a proposed gaming
654 establishment; provided, however, that in making such determination, the commission shall
655 consider factors including, but not limited to, population, infrastructure, distance from the
656 gaming establishment and political boundaries;

657 (34) establish parameters for elections under clause (13) of section 15;

658 (35) maintain an official internet website for the commission;

659 (36) monitor any federal activity regarding internet gaming and coordinate with the office of the
660 treasurer and receiver general on implementing any measures necessary to protect the
661 commonwealth's lottery and gaming interests;

(37) adopt, amend or repeal regulations for the implementation, administration and enforcement of this chapter;

(38) act as trustees for any gaming-related trust funds;

(39) designate impacted live entertainment venues; provided, however, that, in making such designations, the commission shall consider factors including, but not limited to, the venue's distance from the gaming establishment, venue capacity and the type of performances offered by that venue;

(40) provide assistance to the governor in negotiating a compact with a federally-recognized Indian tribe in the commonwealth; and

(41) regulate and enforce section 7A of chapter 271 relating to bazaars; provided, however, that nothing in this section shall limit the attorney general's authority over public charities pursuant to the General Laws.

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

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

(2) prescribe the information to be furnished by an applicant or licensee concerning an applicant or licensee's antecedents, habits, character, associates, criminal record, business activities and financial affairs, past or present;

(3) prescribe the criteria for evaluation of the application for a gaming license including, with regard to the proposed gaming establishment, an evaluation of architectural design and concept

683 excellence, integration of the establishment into its surroundings, potential access to multi-modal
684 means of transportation, tourism appeal, level of capital investment committed, financial strength
685 of the applicant and the applicant's financial plan;

686 (4) prescribe the information to be furnished by a gaming licensee relating to the licensee's
687 gaming employees;

688 (5) require fingerprinting of an applicant for a gaming license, a gaming licensee and employees
689 of a gaming licensee or other methods of identification;

690 (6) prescribe the manner and method of collection and payment of assessments and fees and
691 issuance of licenses;

692 (7) prescribe grounds and procedures for the revocation or suspension of a license or registration;

693 (8) require quarterly financial reports and an annual audit prepared by a certified public
694 accountant attesting to the financial condition of a gaming licensee and disclosing whether the
695 accounts, records and control procedures examined are maintained by the gaming licensee as
696 required by this chapter and the regulations promulgated by the commission;

697 (9) prescribe the minimum procedures for effective control over the internal fiscal affairs of a
698 gaming licensee, including provisions for the safeguarding of assets and revenues, the recording
699 of cash and evidence of indebtedness and the maintenance of reliable records, accounts and
700 reports of transactions, operations and events, including reports by the commission;

701 (10) provide for a minimum uniform standard of accounting procedures;

702 (11) establish licensure and work permits for employees working at the gaming establishment
703 and minimum training requirements; provided, however, that the commission may establish

704 certification procedures for any training schools and the minimum requirements for reciprocal
705 licensing for out-of-state gaming employees;

706 (12) require that all gaming establishment employees be properly trained in their respective
707 professions;

708 (13) prescribe the conduct of junkets and conditions of junket agreements between gaming
709 licensees and junket representatives;

710 (14) provide for the interim authorization of a gaming establishment under this chapter;

711 (15) develop standards for monitoring and enforcing a gaming licensee's agreement with
712 impacted live entertainment venues;

713 (16) establish procedures and ensure compliance with the timelines for making the capital
714 investments required under this chapter;

715 (17) require the posting of payback statistics of slot machines played in a gaming establishment;
716 and

717 (18) establish security procedures for ensuring the safety of minors on the premises of a gaming
718 establishment.

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

722 Section 6. (a) There shall be within the commission an investigations and enforcement bureau
723 which shall be the primary enforcement agent for regulatory matters under this chapter. The

bureau shall perform such functions as the chair may determine in relation to enforcement, including the investigation of all licensees under this chapter. The bureau shall be under the supervision and control of the deputy director of investigations and enforcement. The deputy director shall be the executive and administrative head of the bureau and shall be responsible for administering and enforcing the laws relative to the bureau and to each administrative unit of the bureau. The duties of the deputy director as provided in this chapter and in any other general or special law shall be exercised and discharged subject to the direction, control and supervision of the chair.

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

(c) Officers and employees of the gaming enforcement unit of the state police assigned to the commission under section 70 of chapter 22C shall work with employees of the bureau, under the direction of the deputy director, to investigate violations of this chapter by a licensee or to investigate any activity taking place on the premises of a gaming establishment. Officers assigned to work with the bureau shall record their time and submit total hours to the deputy director and the commission shall reimburse the state police.

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

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

(f) The gaming enforcement unit within the department of state police shall have exclusive police jurisdiction over any criminal activity relating to the operation of a gaming establishment or relating to games or gaming that occur inside a gaming establishment; provided, however, that the state police shall have concurrent jurisdiction with the law enforcement agency of the host community on all other policing matters and, in consultation with the commission, shall execute a memorandum of understanding with the law enforcement agency of the host community that shall include, but not be limited to, procedures involving: (i) assignment of police officers of the host community to the gaming enforcement unit of the state police; (ii) first responder calls from the gaming establishment; (iii) emergencies occurring within the gaming establishment, including the gaming area; and (iv) criminal investigations involving employees or patrons of a gaming establishment.

(g) Investigators and employees of the gaming liquor enforcement unit of the alcoholic beverages control commission assigned to the commission under section 72A of chapter 10 shall work with employees of the bureau, under the direction of the deputy director, to enforce, regulate and control the distribution of alcoholic beverages in a gaming establishment. Investigators assigned to work with the bureau shall record their time and submit their total hours to the deputy director and the commission shall reimburse the alcoholic beverages control commission.

Section 7. (a) The commission shall administer and enforce chapters 128A and 128C and any other general or special law related to pari-mutuel wagering or simulcasting. The commission shall serve as a host racing commission and an off-track betting commission for purposes of 15 U.S.C. 3001, et seq.

(b) The commission may grant a simulcasting license to a gaming establishment; provided, however, that the commission shall assess a percentage of the wagering received on in-state and out-of-state thoroughbred and harness races equal to that paid by a licensee under chapter 128C and the assessment shall be allocated to the Race Horse Development Fund established in section 60 to support purse assistance and breeding programs; provided further, that in granting any such license to a gaming establishment, the commission shall take into consideration the impact on preexisting facilities licensed pursuant to chapter 128A and said chapter 128C.

Section 8. (a) The commission shall issue a request for applications for category 1 and category 2 licenses; provided, however, that the commission shall first issue a request for applications for the category 2 licenses. All requests for applications shall include: (i) the time and date for receipt of responses to the request for applications, the manner they are to be received and the address of the office to which the applications shall be delivered; (ii) the form of the application and the method for submission; (iii) a general description of the anticipated schedule for processing the application; (iv) the contact information of commission employees responsible for handling applicant questions; and (v) any other information that the commission determines.

(b) Requests for applications pursuant to subsection (a) shall be advertised in a newspaper of general circulation and on the official internet website of the commission.

(c) The commission shall establish deadlines for the receipt of all applications for a gaming license. Applications received after the deadline shall not be reviewed by the commission.

Section 9. (a) The commission shall prescribe the form of the application for gaming licenses which shall require, but not be limited to:

(1) the name of the applicant;

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

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

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

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

812 (6) information and documentation to demonstrate that the applicant has sufficient business
813 ability and experience to create the likelihood of establishing and maintaining a successful
814 gaming establishment;

815 (7) a full description of the proposed internal controls and security systems for the proposed
816 gaming establishment and any related facilities;

817 (8) an agreement that the applicant shall mitigate the potential negative public health
818 consequences associated with gambling and the operation of a gaming establishment, including:

819 (i) maintaining a smoke-free environment within the gaming establishment under section 22 of
820 chapter 270; (ii) providing complimentary on-site space for an independent substance abuse and
821 mental health counseling service to be selected by the commission; (iii) prominently displaying
822 information on the signs of problem gambling and how to access assistance; (iv) describing a
823 process for individuals to exclude their names and contact information from a gaming licensee's
824 database or any other list held by the gaming licensee for use in marketing or promotional
825 communications; and (v) instituting other public health strategies as determined by the
826 commission;

827 (9) the designs for the proposed gaming establishment, including the names and addresses of the
828 architects, engineers and designers, and a timeline of construction that includes detailed stages of
829 construction for the gaming establishment, non-gaming structures and racecourse, where
830 applicable;

831 (10) the number of construction hours estimated to complete the work;

832 (11) a description of the ancillary entertainment services and amenities to be provided at the
833 proposed gaming establishment; provided, however, that a gaming licensee shall only be

834 permitted to build a live entertainment venue that has less than 1,000 seats or more than 3,500
835 seats;

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

838 (13) completed studies and reports as required by the commission, which shall include, but not
839 be limited to, an examination of the proposed gaming establishment's: (i) economic benefits to
840 the region and the commonwealth; (ii) local and regional social, environmental, traffic and
841 infrastructure impacts; (iii) impact on the local and regional economy, including the impact on
842 cultural institutions and on small businesses in the host community and surrounding
843 communities; (iv) cost to the host community and surrounding communities and the
844 commonwealth for the proposed gaming establishment to be located at the proposed location;
845 and (v) the estimated municipal and state tax revenue to be generated by the gaming
846 establishment; provided, however, that nothing contained in any such study or report shall
847 preclude a municipality from seeking funding approval pursuant to clause (7) of section 4 for
848 professional services to examine or evaluate a cost, benefit or other impact;

849 (14) the names of proposed vendors of gaming equipment;

850 (15) the location of the proposed gaming establishment, which shall include the address, maps,
851 book and page numbers from the appropriate registry of deeds, assessed value of the land at the
852 time of application and ownership interests over the past 20 years, including all interests,
853 options, agreements in property and demographic, geographic and environmental information
854 and any other information requested by the commission;

(16) the type and number of games to be conducted at the proposed gaming establishment and the specific location of the games in the proposed gaming establishment;

(17) the number of hotels and rooms, restaurants and other amenities located at the proposed gaming establishment and how they measure in quality to other area hotels and amenities;

(18) whether the applicant's proposed gaming establishment is part of a regional or local economic plan; and

(19) whether the applicant purchased or intends to purchase publicly-owned land for the proposed gaming establishment.

(b) Applications for licenses shall be public records under section 10 of chapter 66; provided however, that trade secrets, competitively-sensitive or other proprietary information provided in the course of an application for a gaming license under this chapter, the disclosure of which would place the applicant at a competitive disadvantage, may be withheld from disclosure under chapter 66.

Section 10. (a) The commission shall set the minimum capital investment for a category 1 license; provided, however, that a gaming licensee shall make a capital investment of not less than \$500,000,000 into the gaming establishment which shall include, but not be limited to, a gaming area, at least 1 hotel and other amenities as proposed in the application for a category 1 license; and provided further, that the commission shall determine whether it will include the purchase or lease price of the land where the gaming establishment will be located or any infrastructure designed to support the site including, but not limited to, drainage, utility support, roadways, interchanges, fill and soil or groundwater or surface water contamination issues, whether or not the applicant is an eligible owner or operator under chapter 21E and has suitable

877 capital to finance its operations and the proposed capital investment. Upon award of a gaming
878 license by the commission, the applicant shall be required to deposit 10 per cent of the total
879 investment proposed in the application into an interest-bearing account. Monies received from
880 the applicant shall be held in escrow until the final stage of construction, as detailed in the
881 timeline of construction submitted with the licensee's application and approved by the
882 commission, at which time the deposit shall be returned to the applicant to be applied for the
883 final stage. Should the applicant be unable to complete the gaming establishment, the deposit
884 shall be forfeited to the commonwealth. In place of a cash deposit, the commission may allow
885 for an applicant to secure a deposit bond insuring that 10 per cent of the proposed capital
886 investment shall be forfeited to the commonwealth if the applicant is unable to complete the
887 gaming establishment.

888 (b) A licensee who fails to begin gaming operations within 1 year after the date specified in its
889 construction timeline, as approved by the commission, shall be subject to suspension or
890 revocation of the gaming license by the commission and may, after being found by the
891 commission after a hearing to have acted in bad faith in its application, be assessed a fine of up
892 to \$50,000,000.

893 (c) An applicant for a category 1 license shall submit its proposed capital investment with its
894 application to the commission which shall include stages of construction of the gaming
895 establishment and the deadline by which the stages and overall construction and any
896 infrastructure improvements will be completed. In awarding a category 1 license, the
897 commission shall determine at what stage of construction a licensee shall be approved to open
898 for business; provided, however, that a licensee shall not be approved to open for business until
899 the commission has determined that at least the gaming area and other ancillary entertainment

services and non-gaming amenities, as required by the commission, have been built and are of a superior quality as set forth in the conditions of licensure; and provided further, that total infrastructure improvements onsite and around the vicinity of the gaming establishment, including projects to account for traffic mitigation as determined by the commission, shall be completed before the gaming establishment shall be approved for opening by the commission. The commission shall not approve a gaming establishment to open for business before the completion of the permanent gaming area.

(d) The commission shall determine the minimum licensing fee for each region, which shall not be less than \$85,000,000, to be paid by a category 1 licensee within 30 days after the award of the license. The license shall set forth the conditions to be satisfied by the licensee before the gaming establishment shall be opened to the public. The commission shall set any renewal fee for such license based on the cost of fees associated with the evaluation of a category 1 licensee under this chapter which shall be deposited into the Gaming Revenue Fund. Such renewal fee shall be exclusive of any subsequent licensing fees under this section.

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

Section 11. (a) The commission shall set the minimum capital investment for a category 2 license; provided, however, that the gaming licensee shall make a capital investment of not less than \$125,000,000 into the gaming establishment, which shall include, but not be limited to, a

gaming area or other amenities as proposed in the application for a category 2 license; and provided further, that the commission shall determine whether it will include the purchase or lease price of the land where the gaming establishment will be located or any infrastructure designed to support the site, including, but not limited to, drainage, utility support, roadways, interchanges, fill and soil or groundwater or surface water contamination issues, whether or not the applicant is an eligible owner or operator under chapter 21E and has suitable capital to finance its operations and the proposed capital investment. The investment required under this section shall be made within 2 years after receiving a gaming license; provided, however, that any infrastructure improvements necessary to increase visitor capacity and account for traffic mitigation shall not be considered part of the required capital investment and, as determined by the commission, shall be completed before the category 2 licensee shall be authorized to operate a slot machine at the gaming establishment.

(b) The commission shall determine the minimum licensing fee for a category 2 licensee, which shall not be less than \$25,000,000 to be paid within 30 days after the award of the license.

(c) Upon award of a category 2 license, the commission shall continue to assess the capitalization of a licensee for the duration of construction of the proposed gaming establishment and the term of the gaming license.

Section 12. (a) Upon receipt of an application for a gaming license, the commission shall instruct the bureau to commence an investigation into the suitability of the applicant. In evaluating the suitability of the applicant, the commission shall consider the overall reputation of the applicant including, without limitation:

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

944 (2) the financial stability, integrity and background of the applicant;

945 (3) the business practices and the business ability of the applicant to establish and maintain a
946 successful gaming establishment;

947 (4) whether the applicant has a history of compliance with gaming licensing requirements in
948 other jurisdictions;

949 (5) whether the applicant, at the time of application, is a defendant in litigation involving its
950 business practices;

951 (6) the suitability of all parties in interest to the gaming license, including affiliates and close
952 associates and the financial resources of the applicant; and

953 (7) whether the applicant is disqualified from receiving a license under section 16; provided,
954 however, that in considering the rehabilitation of an applicant for a gaming license, the
955 commission shall not automatically disqualify an applicant if the applicant affirmatively
956 demonstrates, by clear and convincing evidence, that the applicant has financial responsibility,
957 character, reputation, integrity and general fitness as such to warrant belief by the commission
958 that the applicant will act honestly, fairly, soundly and efficiently as a gaming licensee.

959 (b) If the bureau determines during its investigation that an applicant has failed to: (i) establish
960 the applicant's integrity or the integrity of any affiliate, close associate, financial source or any
961 person required to be qualified by the commission; (ii) demonstrate responsible business
962 practices in any jurisdiction; or (iii) overcome any other reason, as determined by the
963 commission, as to why it would be injurious to the interests of the commonwealth in awarding

the applicant a gaming license, the bureau shall cease any further review and recommend that the commission deny the application.

(c) If the bureau has determined that an applicant is suitable to receive a gaming license, the bureau shall recommend that the commission commence a review of the applicant's entire application.

Section 13. (a) An applicant for a gaming license, and any person required by the commission to be qualified for licensure, shall establish its individual qualifications for licensure to the commission by clear and convincing evidence.

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

(c) No applicant, licensee, registrant or person required to be qualified under this chapter shall willfully withhold information from, or knowingly give false or misleading information to, the commission. If the commission determines that an applicant, or a close associate of an applicant, has willfully provided false or misleading information, such applicant shall not be eligible to receive a license under this chapter. Any licensee or other person required to be qualified for licensure under this chapter who willfully provides false or misleading information shall have its license conditioned, suspended or revoked by the commission.

985 Section 14. (a) The commission shall require anyone with a financial interest in a gaming
986 establishment, or with a financial interest in the business of the gaming licensee or applicant for
987 a gaming license or who is a close associate of a gaming licensee or an applicant for a gaming
988 license, to be qualified for licensure by meeting the criteria provided in sections 12 and 16 and to
989 provide any other information that the commission may require.

990 (b) For each business that applies for a gaming license, the commission shall determine whether
991 each officer and director of a corporation, other than a publicly-traded corporation, general
992 partner and limited partner of a limited partnership, and member, transferee of a member's
993 interest in a limited liability company, director and manager of a limited liability company which
994 holds or applies for a gaming license meets the standards for qualification of licensure pursuant
995 to sections 12 and 16 and, in the judgment of the commission, any of a business's individual
996 stockholders, lenders, holders of evidence of indebtedness, underwriters, close associates,
997 executives, agents or employees.

998 (c) A person owning more than 5 per cent of the common stock of the applicant company,
999 directly or indirectly, or a holding, intermediary or subsidiary company of an applicant company
1000 may be required to meet the qualifications for licensure under sections 12 and 16. The
1001 commission may waive the licensing requirements for institutional investors holding up to 15 per
1002 cent of the stock of the applicant company or holding, intermediary or subsidiary company of the
1003 applicant company upon a showing by the person seeking the waiver that the applicant purchased
1004 the securities for investment purposes only and does not have any intention to influence or affect
1005 the affairs or operations of the applicant company or a holding, intermediary or subsidiary
1006 company of the applicant company. An institutional investor granted a waiver which
1007 subsequently determines to influence or affect the affairs or operations of the applicant company

1008 or a holding, intermediary or subsidiary company of the applicant company shall provide not less
1009 than 30 days notice to the commission of such intent and the commission shall ensure that the
1010 institutional investor meets the qualifications for licensure under said sections 12 and 16 before
1011 the institutional investor may take an action that may influence or affect the affairs of the
1012 applicant company or a holding, intermediary or subsidiary company of the applicant company.
1013 Any company holding over 15 per cent of the applicant company, or a holding, intermediary or
1014 subsidiary company of an applicant company, shall be required to meet the qualifications for
1015 licensure under said sections 12 and 16.

1016 (d) A person who is required to be qualified for licensure under this section as a general or
1017 limited partner shall not serve as such a partner until that person obtains the required approval or
1018 waiver from the commission.

1019 (e) The commission shall require any person involved in the financing of a gaming establishment
1020 or an applicant's proposed gaming establishment to be qualified for licensure pursuant to
1021 sections 12 and 16 and may allow such person to seek a waiver pursuant to the standards in
1022 subsection (c).

1023 (f) A person required to be qualified for licensure shall apply for qualification within 30 days
1024 after taking a position with the business. A person who is required to be qualified for licensure
1025 pursuant to a decision of the commission shall apply for qualification within 30 days after that
1026 decision.

1027 (g) If a corporation or other form of business organization applying for a gaming license is, or if
1028 a corporation or other form of business organization holding a gaming license is to become, a

1029 subsidiary, each holding company, intermediary company and other entity having an interest in
1030 the applicant shall be required to be qualified for licensure under sections 12 and 16.

1031 (h) The commission shall require that a company or individual that can exercise control or
1032 provide direction to a gaming licensee or applicant for a gaming license or a holding,
1033 intermediary or subsidiary company of a gaming licensee or applicant for a gaming license be
1034 qualified for licensure under sections 12 and 16; provided, however, that the commission may
1035 allow such person to seek a waiver under subsection (c).

1036 (i) The bureau shall investigate each person required to be qualified for licensure under this
1037 section and shall: (i) make a recommendation to the commission that the commission shall
1038 approve or deny the application for licensure; or (ii) extend the period for issuing a
1039 recommendation in order to obtain additional information necessary for a complete evaluation of
1040 the application for a license.

1041 Section 15. No applicant shall be eligible to receive a gaming license unless the applicant meets
1042 the following criteria and clearly states as part of an application that the applicant shall:

1043 (1) agree to be a licensed state lottery sales agent under chapter 10 to sell or operate the lottery,
1044 multi-jurisdictional and keno games; demonstrate that the lottery and keno games shall be readily
1045 accessible to the guests of the gaming establishment and agree that, as a condition of its license
1046 to operate a gaming establishment, it will not create, promote, operate or sell games that are
1047 similar to or in direct competition, as determined by the commission, with games offered by the
1048 state lottery commission, including the lottery instant games or its lotto style games such as keno
1049 or its multi-jurisdictional games;

1050 (2) in accordance with the design plans submitted with the licensee's application to the
1051 commission, invest not less than the required capital under this chapter into the gaming
1052 establishment;

1053 (3) own or acquire, within 60 days after a license has been awarded, the land where the gaming
1054 establishment is proposed to be constructed; provided, however, that ownership of the land shall
1055 include a tenancy for a term of years under a lease that extends not less than 60 years beyond the
1056 term of the gaming license issued under this chapter;

1057 (4) meet the licensee deposit requirement;

1058 (5) demonstrate that it is able to pay and shall commit to paying the gaming licensing fee;

1059 (6) demonstrate to the commission how the applicant proposes to address lottery mitigation,
1060 compulsive gambling problems, workforce development and community development and host
1061 and surrounding community impact and mitigation issues as set forth in the memoranda of
1062 understanding required under this chapter;

1063 (7) identify the infrastructure costs of the host and surrounding communities incurred in direct
1064 relation to the construction and operation of a gaming establishment and commit to a community
1065 mitigation plan for those communities;

1066 (8) provide to the commission a signed agreement between the host community and the applicant
1067 setting forth the conditions to have a gaming establishment located within the host community;
1068 provided, however, that the agreement shall include a community impact fee for the host
1069 community and all stipulations of responsibilities between the host community and the applicant,

1070 including stipulations of known impacts from the development and operation of a gaming
1071 establishment;

1072 (9) provide to the commission signed agreements between the surrounding communities and the
1073 applicant setting forth the conditions to have a gaming establishment located in proximity to the
1074 surrounding communities and documentation of public outreach to those surrounding
1075 communities; provided, however, that the agreement shall include a community impact fee for
1076 each surrounding community and all stipulations of responsibilities between each surrounding
1077 community and the applicant, including stipulations of known impacts from the development and
1078 operation of a gaming establishment;

1079 (10) provide to the commission signed agreements between the impacted live entertainment
1080 venues and the applicant setting forth the conditions to have a gaming establishment located in
1081 proximity to the impacted live entertainment venues; provided, however, that the agreement shall
1082 include, but not be limited to, terms relating to cross marketing, coordination of performance
1083 schedules, promotions and ticket prices;

1084 (11) pay to the commission a nonrefundable application fee of \$400,000 to defray the costs
1085 associated with the processing of the application and investigation of the applicant; provided,
1086 however, that if the costs of the investigation exceed the initial application fee, the applicant
1087 shall pay the additional amount to the commission within 30 days after notification of
1088 insufficient fees or the application shall be rejected; and provided further, that not less than
1089 \$50,000 of the application fee shall be used to reimburse the host and surrounding municipalities
1090 for the cost of determining the impact of a proposed gaming establishment and for negotiating
1091 community mitigation impact agreements;

1092 (12) comply with state and local building codes and local ordinances and bylaws, including
1093 sections 61 to 62H, inclusive, of chapter 30;

1094 (13) have received a certified and binding vote on a ballot question at an election in the host
1095 community in favor of such license; provided, however that a request for an election shall take
1096 place after the signing of an agreement between the host community and the applicant; provided
1097 further, that upon receipt of a request for an election, the governing body of the municipality
1098 shall call for the election to be held not less than 60 days but not more than 90 days from the date
1099 that the request was received; provided further, that the signed agreement between the host
1100 community and the applicant shall be made public with a concise summary, approved by the city
1101 solicitor or town counsel, in a periodical of general circulation and on the official website of the
1102 municipality not later than 7 days after the agreement was signed by the parties; provided further,
1103 that the agreement and summary shall remain on the website until the election has been certified;
1104 provided further, that the municipality that holds an election shall be reimbursed for its expenses
1105 related to the election by the applicant within 30 days after the election; provided further, that the
1106 commission shall deny an application for a gaming license if the applicant has not fully
1107 reimbursed the community; provided further, that, for the purposes of this clause, unless a city
1108 opts out of this provision by a vote of the local governing body, if the gaming establishment is
1109 proposed to be located in a city with a population of at least 125,000 residents as enumerated by
1110 the most recent enumerated federal census, “host community” shall mean the ward in which the
1111 gaming establishment is to be located for the purpose of receiving a certified and binding vote on
1112 a ballot question at an election; provided further, that, upon the signing of an agreement between
1113 the host community and the applicant and upon the request of the applicant, the city or town
1114 clerk shall set a date certain for an election on the ballot question in the host community;

1115 provided further, that at such election, the question submitted to the voters shall be worded as
1116 follows: “Shall the (city/town) of _____ permit the operation of a gaming establishment
1117 licensed by the Massachusetts Gaming Commission to be located at ____ [description of
1118 site] _____? YES _____ NO _____” ; provided further, that the ballot question shall be
1119 accompanied by a concise summary, as determined by the city solicitor or town counsel;
1120 provided further, that if a majority of the votes cast in a host community in answer to the ballot
1121 question is in the affirmative, the host community shall be taken to have voted in favor of the
1122 applicant’s license; provided further, that, if the ballot question is voted in the negative, the
1123 applicant shall not submit a new request to the governing body within 180 days of the last
1124 election; and provided further, that a new request shall be accompanied by an agreement between
1125 the applicant and host community signed after the previous election; provided further, that if a
1126 proposed gaming establishment is situated in 2 or more cities or towns, the applicant shall
1127 execute an agreement with each host community, or a joint agreement with both communities,
1128 and receive a certified and binding vote on a ballot question at an election held in each host
1129 community in favor of such a license;

1130 (14) provide a community impact fee to the host community;

1131 (15) formulate for commission approval and abide by a marketing program by which the
1132 applicant shall identify specific goals, expressed as an overall program goal applicable to the
1133 total dollar amount of contracts, for utilization of: (i) minority business enterprises, women
1134 business enterprises and veteran business enterprises to participate as contractors in the design of
1135 the gaming establishment; (ii) minority business enterprises, women business enterprises and
1136 veteran business enterprises to participate as contractors in the construction of the gaming
1137 establishment; and (iii) minority business enterprises, women business enterprises and veteran

1138 business enterprises to participate as vendors in the provision of goods and services procured by
1139 the gaming establishment and any businesses operated as part of the gaming establishment; and
1140 (16) formulate for commission approval and abide by an affirmative action program of equal
1141 opportunity whereby the applicant establishes specific goals for the utilization of minorities,
1142 women and veterans on construction jobs; provided, however, that such goals shall be equal to or
1143 greater than the goals contained in the executive office for administration and finance
1144 Administration Bulletin Number 14. In furtherance of specific goals for the utilization of
1145 minorities, women and veterans on construction jobs, the licensee shall send to each labor union
1146 or representative of workers with which the applicant has a collective bargaining agreement or
1147 other contract or understanding, a notice advising the labor union or workers' representative of
1148 the applicant's commitments.

1149 Section 16. (a) The commission shall deny an application for a gaming license or a license for a
1150 key gaming employee issued under this chapter, if the applicant: (i) has been convicted of a
1151 felony or other crime involving embezzlement, theft, fraud or perjury; (ii) submitted an
1152 application for a license under this chapter that contains false or misleading information; (iii)
1153 committed prior acts which have not been prosecuted or in which the applicant was not
1154 convicted but form a pattern of misconduct that makes the applicant unsuitable for a license
1155 under this chapter; or (iv) has affiliates or close associates that would not qualify for a license or
1156 whose relationship with the applicant may pose an injurious threat to the interests of the
1157 commonwealth in awarding a gaming license to the applicant.

1158 (b) The commission shall deny an application for a license or registration, other than a gaming
1159 license or a license for a key gaming employee, under this chapter if the applicant: (i) has been

convicted of a felony or other crime involving embezzlement, theft, fraud or perjury; provided, however, that for convictions which occurred before the 10-year period immediately preceding application for licensure, an applicant may demonstrate, and the commission shall consider, the applicant's rehabilitation and whether such conviction should not be an automatic disqualification under this section; (ii) submitted an application for a license under this chapter that contains false or misleading information; (iii) committed prior acts which have not been prosecuted or in which the applicant was not convicted but form a pattern of misconduct that makes the applicant unsuitable for a license under this chapter; or (iv) has affiliates or close associates that would not qualify for a license or whose relationship with the applicant may pose an injurious threat to the interests of the commonwealth in awarding a gaming license to the applicant.

Section 17. (a) After a review of the entire application and any independent evaluations, the commission shall identify which communities shall be designated as the surrounding communities of a proposed gaming establishment; provided, however, that any community that has negotiated a surrounding community memorandum of understanding with the applicant that was submitted with the application shall be considered a surrounding community by the commission. In making that determination, the commission shall consider the detailed plan of construction submitted by the applicant, information received from the public and factors which shall include, but not be limited to, population, infrastructure and distance from the gaming establishment and political boundaries. If the commission determines a city or town to be a surrounding community and the applicant has not finalized negotiations with that community in its application pursuant to section 15, the applicant shall negotiate a signed agreement with that community within 30 days and no action shall be taken on its application prior to the execution

of that agreement. Notwithstanding clause (9) of said section 15, in the event that an applicant and a surrounding community cannot reach an agreement within the 30-day period, the commission shall have established protocols and procedures for ensuring the conclusion of a negotiation of a fair and reasonable agreement between an applicant and a surrounding community in order to allow the applicant to submit a timely and complete application.

(b) After a review of the entire application and any independent evaluations, the commission shall identify which live entertainment venues shall be designated as impacted live entertainment venues of a proposed gaming establishment; provided, however, that any live entertainment venue that has negotiated an agreement with the applicant that was submitted with the application shall be considered an impacted live entertainment venue by the commission. If the commission determines a live entertainment venue to be an impacted live entertainment venue and the applicant has not finalized negotiations with that live entertainment venue in its application pursuant to section 15, the applicant shall negotiate a signed agreement with that live entertainment venue within 30 days and no action shall be taken on its application prior to the execution of that agreement. Notwithstanding clause (10) of said section 15, in the event an applicant and an impacted live entertainment venue cannot reach an agreement within the 30-day period, the commission shall have established protocols and procedures for ensuring the conclusion of a negotiation of a fair and reasonable agreement between an applicant and an impacted live entertainment venue in order to allow the applicant to submit a timely and complete application. A gaming licensee's compliance with such agreements shall be considered upon a gaming licensee's application for renewal of the gaming license.

(c) The commission shall conduct a public hearing on the application pursuant to section 11 ½ of chapter 30A. An applicant for a gaming license and a municipality designated as a host or

1206 surrounding community shall be given at least 30 days notice of the public hearing. The
1207 commission shall hold the public hearing within the host community; provided, however, that the
1208 host community may request that the commission hold the hearing in another city or town.

1209 (d) The public hearing shall provide the commission with the opportunity to address questions
1210 and concerns relative to the proposal of a gaming applicant to build a gaming establishment,
1211 including the scope and quality of the gaming area and amenities, the integration of the gaming
1212 establishment into the surrounding community and the extent of required mitigation plans and
1213 receive input from members of the public from an impacted community. During the hearing, the
1214 commission may take the opportunity to read into the record any letters of support, opposition or
1215 concern from members of a community in the vicinity of the proposed gaming establishment.

1216 (e) Not sooner than 30 days nor later than 90 days after the conclusion of the public hearing, the
1217 commission shall take action on the application. The commission may: (i) grant the application
1218 for a gaming license; (ii) deny the application; or (iii) extend the period for issuing a decision in
1219 order to obtain any additional information necessary for a complete evaluation of the application;
1220 provided, however, that the extension shall be not longer than 30 days.

1221 (f) Upon denial of an application, the commission shall prepare and file the commission's
1222 decision and, if requested by the applicant, shall further prepare and file a statement of the
1223 reasons for the denial, including specific findings of fact by the commission and the
1224 recommendation from the bureau relative to the suitability of the applicant pursuant to sections
1225 12 and 16. Applicants may request a hearing before the commission to contest any findings of
1226 fact by the bureau relative to the suitability of the applicant.

1227 (g) The commission shall have full discretion as to whether to issue a license. Applicants shall
1228 have no legal right or privilege to a gaming license and shall not be entitled to any further review
1229 if denied by the commission.

1230 Section 18. In determining whether an applicant shall receive a gaming license, the commission
1231 shall evaluate and issue a statement of findings of how each applicant proposes to advance the
1232 following objectives:

1233 (1) protecting the lottery from any adverse impacts due to expanded gaming including, but not
1234 limited to, developing cross-marketing strategies with the lottery and increasing ticket sales to
1235 out-of-state residents;

1236 (2) promoting local businesses in host and surrounding communities, including developing cross-
1237 marketing strategies with local restaurants, small businesses, hotels, retail outlets and impacted
1238 live entertainment venues;

1239 (3) realizing maximum capital investment exclusive of land acquisition and infrastructure
1240 improvements;

1241 (4) implementing a workforce development plan that utilizes the existing labor force, including
1242 the estimated number of construction jobs a proposed gaming establishment will generate, the
1243 development of workforce training programs that serve the unemployed and methods for
1244 accessing employment at the gaming establishment;

1245 (5) building a gaming establishment of high caliber with a variety of quality amenities to be
1246 included as part of the gaming establishment and operated in partnership with local hotels and

1247 dining, retail and entertainment facilities so that patrons experience the diversified regional
1248 tourism industry;

1249 (6) taking additional measures to address problem gambling including, but not limited to,
1250 training of gaming employees to identify patrons exhibiting problems with gambling and
1251 prevention programs targeted toward vulnerable populations;

1252 (7) providing a market analysis detailing the benefits of the site location of the gaming
1253 establishment and the estimated recapture rate of gaming-related spending by residents travelling
1254 to out-of-state gaming establishments;

1255 (8) utilizing sustainable development principles including, but not limited to: (i) being certified
1256 as gold or higher under the appropriate certification category in the Leadership in Environmental
1257 and Energy Design program created by the United States Green Building Council; (ii) meeting or
1258 exceeding the stretch energy code requirements contained in Appendix 120AA of the
1259 Massachusetts building energy code or equivalent commitment to advanced energy efficiency as
1260 determined by the secretary of energy and environmental affairs; (iii) efforts to mitigate vehicle
1261 trips; (iv) efforts to conserve water and manage storm water; (v) demonstrating that electrical and
1262 HVAC equipment and appliances will be EnergyStar labeled where available; (vi) procuring or
1263 generating on-site 10 per cent of its annual electricity consumption from renewable sources
1264 qualified by the department of energy resources under section 11F of chapter 25A; and (vii)
1265 developing an ongoing plan to submeter and monitor all major sources of energy consumption
1266 and undertake regular efforts to maintain and improve energy efficiency of buildings in their
1267 systems;

1268 (9) establishing, funding and maintaining human resource hiring and training practices that
1269 promote the development of a skilled and diverse workforce and access to promotion
1270 opportunities through a workforce training program that: (i) establishes transparent career paths
1271 with measurable criteria within the gaming establishment that lead to increased responsibility
1272 and higher pay grades that are designed to allow employees to pursue career advancement and
1273 promotion; (ii) provides employee access to additional resources, such as tuition reimbursement
1274 or stipend policies, to enable employees to acquire the education or job training needed to
1275 advance career paths based on increased responsibility and pay grades; and (iii) establishes an
1276 on-site child day-care program;

1277 (10) contracting with local business owners for the provision of goods and services to the gaming
1278 establishment, including developing plans designed to assist businesses in the commonwealth in
1279 identifying the needs for goods and services to the establishment;

1280 (11) maximizing revenues received by the commonwealth;

1281 (12) providing a high number of quality jobs in the gaming establishment;

1282 (13) offering the highest and best value to create a secure and robust gaming market in the region
1283 and the commonwealth;

1284 (14) mitigating potential impacts on host and surrounding communities which might result from
1285 the development or operation of the gaming establishment;

1286 (15) purchasing, whenever possible, domestically manufactured slot machines for installation in
1287 the gaming establishment;

1288 (16) implementing a marketing program that identifies specific goals, expressed as an overall
1289 program goal applicable to the total dollar amount of contracts, for the utilization of: (i) minority
1290 business enterprises, women business enterprises and veteran business enterprises to participate
1291 as contractors in the design of the gaming establishment; (ii) minority business enterprises,
1292 women business enterprises and veteran business enterprises to participate as contractors in the
1293 construction of the gaming establishment; and (iii) minority business enterprises, women
1294 business enterprises and veteran business enterprises to participate as vendors in the provision of
1295 goods and services procured by the gaming establishment and any businesses operated as part of
1296 the gaming establishment;

1297 (17) implementing a workforce development plan that: (i) incorporates an affirmative action
1298 program of equal opportunity by which the applicant guarantees to provide equal employment
1299 opportunities to all employees qualified for licensure in all employment categories, including
1300 persons with disabilities; (ii) utilizes the existing labor force in the commonwealth; (iii) estimates
1301 the number of construction jobs a gaming establishment will generate and provides for equal
1302 employment opportunities and which includes specific goals for the utilization of minorities,
1303 women and veterans on those construction jobs; (iv) identifies workforce training programs
1304 offered by the gaming establishment; and (v) identifies the methods for accessing employment at
1305 the gaming establishment;

1306 (18) whether the applicant has a contract with organized labor, including hospitality services, and
1307 has the support of organized labor for its application, which specifies: (i) the number of
1308 employees to be employed at the gaming establishment, including detailed information on the
1309 pay rate and benefits for employees and contractors; (ii) the total amount of investment by the
1310 applicant in the gaming establishment and all infrastructure improvements related to the project;

1311 (iii) completed studies and reports as required by the commission, which shall include, but need
1312 not be limited to, an economic benefit study, both for the commonwealth and the region; and (iv)
1313 whether the applicant has included detailed plans for assuring labor harmony during all phases of
1314 the construction, reconstruction, renovation, development and operation of the gaming
1315 establishment; and

1316 (19) gaining public support in the host and surrounding communities which may be
1317 demonstrated through public comment received by the commission or gaming applicant.

1318 Section 19. (a) The commission may issue not more than 3 category 1 licenses based on the
1319 applications and bids submitted to the commission. Not more than 1 license shall be awarded per
1320 region. Regions shall be established as follows:

1321 (1) region A: suffolk, middlesex, essex, norfolk and worcester counties;

1322 (2) region B: hampshire, hampden, franklin and berkshire counties; and

1323 (3) region C: bristol, plymouth, nantucket, dukes and barnstable counties.

1324 Gaming licenses shall only be issued to applicants who are qualified under the criteria set forth in
1325 this chapter, as determined by the commission. Within any region, if the commission is not
1326 convinced that there is an applicant that has both met the eligibility criteria and provided
1327 convincing evidence that the applicant will provide value to the region in which the gaming
1328 establishment is proposed to be located and to the commonwealth, no gaming license shall be
1329 awarded in that region.

1330 (b) A category 1 license issued by the commission in any region shall be valid for an
1331 initial period of 15 years; provided, however, , that no other gaming license shall be issued by the

1332 commission in any region during that 15-year period. The commission shall establish procedures
1333 for the renewal of a category 1 license, including a renewal fee, and submit to the clerks of the
1334 senate and house of representatives any legislative recommendations that may be necessary to
1335 implement those procedures, not less than 180 days before the expiration of the first license
1336 granted pursuant to this chapter.

1337 (c) No gaming licensee shall transfer a gaming license or any direct or indirect interest in
1338 the gaming license or a gaming establishment without the majority approval of the commission.
1339 A person seeking to acquire a gaming license through a transfer shall qualify for licensure under
1340 this chapter. The commission shall reject a gaming license transfer or a transfer of interest in the
1341 gaming establishment to an unsuitable person and may reject a proposed transfer that, in the
1342 opinion of the commission, would be disadvantageous to the interests of the commonwealth.

1343 (d) The commission shall take into consideration the physical distance in selecting the
1344 locations of the gaming establishments as they relate to each other and how they maximize
1345 benefits to the commonwealth; provided, however, that in determining which gaming applicant
1346 shall receive a gaming license in each region, the commission shall also consider the support or
1347 opposition to each gaming applicant from the public in the host and surrounding communities as
1348 demonstrated by public comment provided by the gaming applicant or directly to the
1349 commission pursuant to section 15 and through oral and written testimony received during the
1350 public hearing conducted pursuant to section 17.

1351 (e) If a category 1 license is awarded to an applicant with a live racing license under chapter
1352 128A as of July 1, 2011, a condition of the gaming license shall be to maintain and complete the

1353 annual live racing season under said chapter 128A. Upon failure to conduct live racing, the
1354 commission shall suspend the category 1 license.

1355 (f) If a category 1 license is awarded to an applicant with a simulcasting license under chapter
1356 128C as of July 1, 2011, a condition of the gaming license shall be to maintain the simulcasting
1357 license under said chapter 128C. Upon failure to conduct simulcast wagering, the commission
1358 shall suspend the category 1 license.

1359 (g) For the purposes of subsections (e) and (f), an applicant for a gaming license shall be
1360 considered to be the holder of a license under chapter 128A or chapter 128C if the applicant: (i)
1361 owns 50.1 or more per cent of the common stock of the company which obtained a license under
1362 said chapter 128A or 128C; and (ii) is a person who owns more than 5 per cent of the common
1363 stock of the applicant company, directly or indirectly, or is an institutional investor in the gaming
1364 license.

1365 Section 20. (a) The commission may issue not more than 1 category 2 license; provided,
1366 however, that the category 2 license shall only be issued to an applicant who is qualified under
1367 the criteria set forth in this chapter as determined by the commission. If the commission is not
1368 convinced that there is an applicant that has both met the eligibility criteria and provided
1369 convincing evidence that the applicant will provide value to the commonwealth, no category 2
1370 license shall be awarded.

1371 (b) If a category 2 license is awarded to an applicant with a simulcasting license under chapter
1372 128C as of July 1, 2011, a condition of the gaming license shall be to maintain the simulcasting
1373 license pursuant to said chapter 128C. Upon failure to conduct simulcast wagering the
1374 commission shall suspend the category 2 license.

1375 (c) If a category 2 license is awarded to an applicant with a live racing license pursuant to
1376 chapter 128A as of July 1, 2011 a condition of the gaming license shall be to maintain and
1377 complete the annual live racing season pursuant to said chapter 128A. Upon failure to conduct
1378 live racing, the commission shall suspend the category 2 license.

1379 (d) For the purposes of subsections (b) and (c), an applicant for a gaming license shall be
1380 considered to be the holder of a license under chapter 128A or chapter 128C if the applicant: (i)
1381 owns 50.1 or more per cent of the common stock of the company which obtained a license under
1382 chapter 128A or 128C; and (ii) includes a person who owns more than 5 per cent of the common
1383 stock of the applicant company, directly or indirectly, or is an institutional investor in the gaming
1384 license.

1385 (e) A category 2 license issued pursuant to this chapter shall not be transferrable or
1386 assignable without the approval of the commission; provided, however, that for 5 years after the
1387 initial issuance of a category 2 license, the commission shall only approve such a transfer if: (i)
1388 the licensee experiences a change in ownership; or (ii) the licensee fails to maintain suitability or
1389 other circumstances which the commission may consider, which, in the opinion of a majority of
1390 members of the commission, impacts a licensee's ability to successfully operate a gaming
1391 establishment.

1392 (f) A category 2 license issued pursuant to this chapter shall be for a period of 5 years.
1393 The commission shall establish procedures for renewal and set the renewal fee based on the cost
1394 of fees associated with the evaluation of a licensee; provided, however, that the cost of renewal
1395 shall not be less than \$100,000. Any renewal fees shall be deposited into the Gaming Revenue
1396 Fund.

1397 Section 21. (a) The commission shall prescribe the form of the gaming license, which shall
1398 include, but not be limited to, the following license conditions for each licensee. The licensee
1399 shall:

1400 (1) have an affirmative obligation to abide by every statement made in its application to
1401 the commission, including all evaluation criteria and eligibility requirements;

1402 (2) comply with all laws of the commonwealth, the laws of the United States and all rules
1403 and regulations promulgated under this chapter;

1404 (3) pay daily to the commission the gross gaming revenue payment;

1405 (4) make, or cause to be made, capital expenditures to its gaming establishment in a
1406 minimum aggregate amount equal to 3.5 per cent of the net gaming revenues derived from the
1407 establishment; provided, however, that a gaming licensee may make capital expenditures in an
1408 amount less than 3.5 per cent per year as part of a multi-year capital expenditure plan approved
1409 by the commission;

1410 (5) not change its business governing structure without the notification and approval of
1411 the commission;

1412 (6) not operate, invest in or own, in whole or in part, another gaming licensee's license or
1413 gaming establishment;

1414 (7) cooperate with the commission and the attorney general in all gaming-related
1415 investigations. Each gaming licensee shall make readily available all documents, materials,
1416 equipment, personnel and any other items requested during an investigation; provided, however,
1417 that material that the gaming licensee considers a trade secret or detrimental to the gaming

1418 licensee if it were made public may, with the commission's approval, be protected from public
1419 disclosure and the gaming licensee may require nondisclosure agreements with the commission
1420 before disclosing such material;

1421 (8) cooperate with the commission and the attorney general with respect to the
1422 investigation of any criminal matter; provided, however, that the gaming licensee shall, upon
1423 receipt of a criminal or civil process compelling testimony or production of documents in
1424 connection with a civil or criminal investigation, immediately disclose such information to the
1425 commission; and provided further, that this clause shall not prohibit private persons or public
1426 entities from seeking any remedy or damages against a gaming licensee;

1427 (9) allow the commission or the division and state police officers assigned to the
1428 commission or the division to conduct warrantless searches of the licensee's gaming area;

1429 (10) have a duty to inform the commission of any action which the gaming licensee
1430 reasonably believes would constitute a violation of this chapter, and shall assist the commission
1431 and any federal or state law enforcement agency in the investigation and prosecution of such
1432 violation; provided, however, that no person who informs the commission of such an action shall
1433 be discriminated against by an applicant or gaming licensee as a consequence for having
1434 supplied such information;

1435 (11) provide an office for the commission at the gaming establishment and the designated
1436 state police unit at the gaming establishment; provided, however, that the commission shall
1437 establish the minimum requirements for square footage for the state police office, office
1438 furnishings and parking spaces;

1439 (12) collect and annually report to the commission a detailed statistical report on the
1440 number, job titles, benefits and salaries of employees hired and retained in employment at the
1441 gaming establishment;

1442 (13) employ only those persons licensed or registered by the commission;

1443 (14) do business only with those vendors licensed or registered by the commission;

1444 (15) provide to the commission aggregate demographic information with respect to the
1445 gaming licensee's customers in a manner and under a schedule to be defined by the commission;

1446 (16) provide complimentary on-site space for an independent substance abuse,
1447 compulsive gambling and mental health counseling service and establish a program to train
1448 gaming employees in the identification of and intervention with customers exhibiting problem
1449 gaming behavior;

1450 (17) keep conspicuously posted in the gaming area a notice containing the name and a
1451 telephone number for problem gambling assistance; provided, however, that the commission
1452 may require the gaming licensee to provide this information in more than 1 language;

1453 (18) provide a process for individuals to exclude their names and contact information
1454 from the gaming licensee's database or any other list held by the gaming licensee for use in
1455 marketing or promotional communications;

1456 (19) institute additional public health strategies as required by the commission;

1457 (20) abide by an affirmative action program of equal opportunity by which the gaming
1458 licensee guarantees to provide equal employment opportunities to all employees qualified for

1459 licensure in all employment categories, including persons with a disabilities, under the laws of
1460 the commonwealth;

1461 (21) formulate for commission approval and abide by an affirmative marketing program
1462 by which the gaming licensee identifies specific goals, expressed as an overall program goal
1463 applicable to the total dollar amount or value of contracts entered into, for the utilization of: (i)
1464 minority business enterprises, women business enterprises and veteran business enterprises to
1465 participate as contractors in the design of the gaming establishment; (ii) minority business
1466 enterprises, women business enterprises and veteran business enterprises to participate as
1467 contractors in the construction of the gaming establishment; and (iii) minority business
1468 enterprises, women business enterprises and veteran business enterprises to participate as
1469 vendors in the provision of goods and services procured by the gaming establishment and any
1470 businesses operated as part of the gaming establishment; provided, however, that the specific
1471 goals for the utilization of such minority business enterprises, women business enterprises and
1472 veteran business enterprises shall be based on the availability of such minority business
1473 enterprises, women business enterprises and veteran business enterprises engaged in the type of
1474 work to be contracted by the gaming licensee;

1475 (22) formulate for commission approval and abide by an affirmative action program of
1476 equal opportunity whereby the licensee establishes specific goals for the utilization of minorities,
1477 women and veterans on construction jobs; provided, however, that such goals shall be equal to or
1478 greater than the goals contained in executive office of administration and finance administration
1479 Bulletin Number 14; provided further, that in furtherance of the specific goals for the utilization
1480 of minorities, women and veterans on construction jobs, the gaming licensee shall send to each
1481 labor union or representative of workers with which the gaming licensee or its agent has a

1482 collective bargaining agreement or other contract or understanding, a notice advising the labor
1483 union or workers' representative of the gaming licensee's commitments;

1484 (23) provide to the commission, on a quarterly basis, a detailed statistical report on the
1485 number, gender and race of individuals hired to perform labor as part of the construction of the
1486 gaming establishment;

1487 (24) collect and annually provide to the commission a detailed statistical report on the
1488 total dollar amounts contracted with and actually paid to minority business enterprises, women
1489 business enterprises and veteran business enterprises in: (i) design contracts; (ii) construction
1490 contracts; and (iii) contracts for every good and service procured by the gaming establishment;
1491 provided, however, that such statistical report shall also identify the amounts so contracted as a
1492 percentage of the total dollar amounts contracted with and actually paid to all firms; and

1493 (25) require its security personnel to conduct regular checks of parking areas for minors
1494 left in motor vehicles and immediately report any such finding to the local and state police in the
1495 municipality wherein the gaming establishment is located.

1496 (b) No person shall transfer a gaming license, a direct or indirect real interest, structure,
1497 real property, premises, facility, personal interest or pecuniary interest under a gaming license
1498 issued under this chapter or enter into an option contract, management contract or other
1499 agreement or contract providing for such transfer in the present or future, without the notification
1500 to, and approval by, the commission. The commission may promulgate rules and regulations that
1501 create exemptions from the approval requirement; provided, however, that: (i) in no event shall
1502 a bona fide banking institution, as defined in section 1 of chapter 167A, or a commercial
1503 financial institution which becomes a substantial party of interest with a gaming licensee be

1504 considered a transferee; (ii) the commission may require the transferor, transferee or both to pay
1505 to the commission an amount representing the commonwealth's share of the increased value for
1506 the transferred licenses, property or interest; provided further, that the commission shall consider
1507 as a factor in determining the amount of the payment the market value of the gaming license,
1508 property or interest when it was acquired and at the time of the transfer; provided further, that the
1509 commission may place additional conditions or restrictions on a transfer that the commission
1510 considers suitable; and provided further, that the commission may reject a transfer if the
1511 commission considers the transfer unsuitable; and (iii) any payments collected by the
1512 commission on behalf of the commonwealth based on the transfer shall be deposited in the same
1513 manner as license fees are deposited.

1514 (c) The commission may include any reasonable additional requirements to the license
1515 conditions.

1516 (d) A gaming licensee shall meet with municipally-owned and not-for-profit
1517 entertainment venues located in the commonwealth to discuss a mitigation plan which may
1518 include, but shall not be limited to, agreements regarding event scheduling, promotions, ticket
1519 prices, marketing and other operations which may impact the viability of such municipally-
1520 owned and not-for-profit entertainment venues. The commission shall encourage the
1521 establishment of such a mitigation plan through fair and reasonable discussion.

1522 Section 22. The sale, assignment, transfer, pledge or other disposition of any security issued by a
1523 corporation which holds a gaming license shall be conditional and shall be ineffective if
1524 disapproved by the commission. If at any time the commission finds that an individual owner or
1525 holder of a security of a corporate licensee or of a holding or intermediary company with respect

1526 thereto is not qualified under this chapter and if as a result the corporate licensee is no longer
1527 qualified to continue as a gaming licensee, the commission shall take any action necessary to
1528 protect the interests of the commonwealth including, but not limited to, suspension or revocation
1529 of the gaming license of the corporation.

1530 Each corporation which has been issued a gaming license pursuant to this chapter shall file a
1531 report of any change of its corporate officers or members of its board of directors with the
1532 commission. No officer or director shall be entitled to exercise any powers of office until
1533 qualified by the commission.

1534 Section 23. (a) A category 1 and category 2 licensee shall issue an annual report to the
1535 commission explicitly stating its progress on meeting each of the stated goals and stipulations put
1536 forth in the licensee's original application. Inability to meet stated goals within a reasonable
1537 time frame, as determined by the commission, shall result in additional fees as deemed fair and
1538 reasonable by the commission. Failure to meet stated goals may also result in revocation of the
1539 license at any time by the commission.

1540 Nothing in this section shall preclude the commission at any time from reviewing the business
1541 operations of a gaming licensee to ensure that the conditions of licensure are being met
1542 including, but not limited to, the suitability of the gaming licensee and any affiliates and the
1543 fiscal stability of the gaming establishment.

1544 (b) The commission may condition, suspend or revoke a gaming license upon a finding that a
1545 licensee: (i) has committed a criminal or civil offense under this chapter or under any other laws
1546 of the commonwealth; (ii) is not in compliance with gaming regulations or is under criminal
1547 investigation in another jurisdiction; (iii) has breached a condition of licensure; (iv) has affiliates,

1548 close associates or employees that are not qualified or licensed under this chapter with whom the
1549 gaming licensee continues to conduct business or employ; (v) is no longer capable of
1550 maintaining operations at a gaming establishment; or (vi) whose business practice, upon a
1551 determination by the commission, is injurious to the policy objectives of this chapter.

1552 (c) Whenever a person contracts to transfer any property relating to an ongoing gaming
1553 establishment, including a security holding in a gaming licensee or holding or intermediary
1554 company, under circumstances which require that the transferee obtain licensure under this
1555 chapter, the contract shall not specify a closing or settlement date which is earlier than 121 days
1556 after the submission of a completed application for licensure or qualification, which application
1557 shall include a fully executed and approved trust agreement.

1558 The commission shall hold a hearing and render a decision on the interim authorization of the
1559 new applicant. If the commission grants interim authorization, then the closing or settlement may
1560 occur without interruption of operations of the gaming establishment. If the commission denies
1561 interim authorization, there shall be no closing or settlement until the commission makes a
1562 determination on the qualification of the applicant and, if the commission then denies
1563 qualification, the contract shall thereby be terminated for all purposes without liability on the
1564 part of the transferor. The commission shall promulgate further regulations for interim
1565 authorization of a gaming establishment.

1566 (d) No person or affiliate shall be awarded, purchase or otherwise hold or have a financial
1567 interest in more than 1 gaming license issued by the commission.

1568 Section 24. (a) An applicant for a gaming license who holds a live racing license under chapter
1569 128A shall maintain an existing racing facility on the premises; provided, however, that the

1570 gaming licensee shall increase the number of live racing days to a minimum of 125 days
1571 according to the following schedule: (i) in the first calendar year of operation, a gaming licensee
1572 shall hold 105 racing days; (ii) in the second calendar year of operation, a gaming licensee shall
1573 hold 115 racing days; and (iii) in the third and subsequent calendar years of operation, a gaming
1574 licensee shall hold 125 racing days;

1575 (b) A gaming licensee may increase the number of live racing days if the gaming licensee is
1576 holding a minimum of 125 racing days within 3 years of receiving a gaming license. If a gaming
1577 licensee does not conduct live racing for the minimum number of days set forth in subsection (a),
1578 the commission shall suspend the gaming license.

1579 (c) After 3 years of operation of the gaming establishment and in consultation with the parties to
1580 the purse agreement, the commission may adjust the amount of required racing days at a gaming
1581 establishment based on fields, demand and racing performance.

1582 (d) A gaming licensee with a live racetrack shall have an annual purse agreement in effect by
1583 December 31 of each year for the following year's racing; provided, however, that if the parties
1584 to a purse agreement at a gaming establishment cannot in good faith negotiate an agreement by
1585 December 31, the purse agreement shall be arbitrated by the commission.

1586 Section 25. (a) No gaming licensee shall conduct gaming without an operations certificate issued
1587 by the commission. An operations certificate shall only be issued upon compliance with the
1588 requirements of this chapter including, but not limited to: (i) implementation of all management
1589 controls required by the commission including, without limitation, controls on accounting,
1590 wagering and auditing; (ii) implementation of all security precautions required by the
1591 commission; (iii) an up-to-date listing of all gaming employees; (iv) licensing or registering of

1592 all gaming employees; (v) the provision of office space at the gaming establishment for use by
1593 the commission employees; (vi) the hours of operation of the gaming establishment; and (vii)
1594 that its personnel and procedures are efficient and prepared to entertain the public. The
1595 operations certificate shall be conspicuously posted and shall state the number of slot machines,
1596 table games or other authorized games, if applicable.

1597 (b) A gaming licensee may operate a gaming establishment from 6:00 a.m. to 5:59 a.m.;
1598 provided, however, that the gaming establishment shall register its hours of operation with the
1599 commission.

1600 (c) Each gaming establishment shall arrange its gaming area in such a manner as to promote
1601 optimum security for the gaming establishment operations including, but not limited to: (i) a
1602 closed circuit television system according to specifications approved by the commission, with
1603 access on the licensed premises to the system or its signal provided to the commission; (ii) rooms
1604 or locations approved by the commission for use by commission employees; and (iii) design
1605 specifications that ensure that visibility in a gaming area is not obstructed in any way that might
1606 interfere with the ability of the commission or the division to supervise gaming establishment
1607 operations.

1608 (d) Each applicant for a gaming license shall submit to the commission: (i) a description of its
1609 minimum system of internal procedures and administrative and accounting controls for gaming
1610 and any simulcast wagering operations; (ii) a certification by the applicant's chief legal officer
1611 that the submitted procedures conform to this chapter and any regulations promulgated
1612 hereunder; and (iii) a certification by the applicant's chief financial officer that the submitted
1613 procedures provide adequate and effective controls, establish a consistent overall system of

1614 internal procedures and administrative and accounting controls and conform to generally
1615 accepted accounting principles and any additional standards required by the commission. Each
1616 applicant shall submit the above descriptions and certifications at least 30 business days before
1617 such operations are scheduled to commence unless otherwise directed by the commission;
1618 provided, however, that no gaming licensee shall commence gaming operations or alter its
1619 minimum internal controls until such system of minimum controls is approved by the
1620 commission. The commission shall establish regulations for the information required in the
1621 internal control submission.

1622 Any proposed changes to a gaming licensee's system of internal procedures and controls shall be
1623 submitted to the commission along with 2 new certifications from its chief legal and financial
1624 officers. If the commission does not object, the gaming licensee may make the proposed
1625 changes 15 business days after submitting a description of the changes to the commission.

1626 (e) Gaming equipment shall not be possessed, maintained or exhibited by any person on the
1627 premises of a gaming establishment except in a gaming area approved by the commission or in a
1628 restricted area used for the inspection, repair or storage of such equipment and specifically
1629 designated for that purpose provided, however, that this subsection shall not apply to a licensed
1630 gaming vendor who operates a warehouse, showroom or sales facility within the commonwealth
1631 subject to the approval of the commission.

1632 (f) Each gaming establishment shall contain a count room and such other secure facilities as may
1633 be required by the commission for the counting and storage of cash, coins, tokens, checks,
1634 plaques, gaming vouchers, coupons and other devices or items of value used in wagering and

1635 approved by the commission that are received in the conduct of gaming and for the inspection,
1636 counting and storage of dice, cards, chips and other representatives of value.

1637 (g) A dealer may accept tips or gratuities from a patron at the table game where such dealer is
1638 conducting play; provided, however, that such tips or gratuities shall be placed in a pool for
1639 distribution among other dealers. The commission shall determine how tips and gratuities shall
1640 be set aside for the dealer pool as well as the manner of distribution among dealers. No key
1641 gaming employee or any other gaming official who serves in a supervisory position shall solicit
1642 or accept a tip or gratuity from a player or patron in the gaming establishment where the
1643 employee is employed.

1644 (h) No person under the age of 21 shall be permitted to wager or be in a gaming area; provided,
1645 however, that a person 18 years or over of age who is a licensed employee of the gaming
1646 establishment may be in a gaming area if in the performance of the duties the employee is
1647 licensed to undertake; and provided, further, that no gaming licensee or gaming establishment
1648 shall authorize or conduct marketing and promotional communications relative to gaming to
1649 target persons under the age of 21.

1650 .

1651 (i) No category 1 or category 2 licensee shall operate unless the gaming establishment manager
1652 or the manager's designee is on the premises and representatives of the commission are present
1653 at the gaming establishment.

1654 (j) Each gaming establishment shall file an emergency response plan with the fire department
1655 and police department of the host community which shall include, but not be limited to: (i) a
1656 layout identifying all areas within the facility and grounds, including support systems and the

1657 internal and external access routes; (ii) the location and inventory of emergency response
1658 equipment and the contact information of the emergency response coordinator for the gaming
1659 establishment; (iii) the location of any hazardous substances and a description of any public
1660 health or safety hazards present on site; (iv) a description of any special equipment needed to
1661 respond to an emergency at the gaming establishment; (v) an evacuation plan; and (vi) any other
1662 information relating to emergency response as requested by the commission, the fire department
1663 or the police department of the host community.

1664 Section 26. (a) Notwithstanding chapter 138 or any other general or special law or rule or
1665 regulation to the contrary, the commission may grant, upon request of an applicant for a gaming
1666 license, a gaming beverage license for the sale and distribution of alcoholic beverages to be
1667 drunk on the premises of a gaming establishment. The division of gaming liquor enforcement of
1668 the alcoholic beverage control commission shall have the authority to enforce, regulate and
1669 control the distribution of alcoholic beverages in a gaming establishment.

1670 (b) The fee for the gaming beverage license and any renewals of the license shall be determined
1671 by the commission. The application fee shall be remitted with the gaming application fee.

1672 (c) Notwithstanding any regulation to the contrary, a licensee under this section may distribute
1673 alcohol free of charge and for on-premises consumption to patrons in the gaming area or as a
1674 complimentary service or item in the gaming establishment; provided, however, that the
1675 commission, in consultation with the alcoholic beverages control commission, shall promulgate
1676 regulations on such distribution and the forms of identification that may be presented to the
1677 gaming licensee to demonstrate proof that a person has attained the age of 21; and provided

1678 further, that such regulations shall include requirements relative to alcohol training certification
1679 for an employee who serves alcohol at a gaming establishment.

1680 (d) The request submitted to the commission for a gaming beverage license by an applicant for a
1681 gaming license shall detail all areas where alcoholic beverages will be served within the gaming
1682 establishment. In issuing a gaming beverage license, the commission shall describe the scope of
1683 the particular license and any restrictions and limitations; provided, however, that the gaming
1684 beverage license shall not permit the sale or distribution of alcoholic beverages between the
1685 hours of 2 a.m. and 8 a.m.

1686 (e) A gaming licensee shall be responsible for violations of the gaming beverage license in the
1687 gaming establishment. The commission may revoke, suspend, refuse to renew or refuse to
1688 transfer a gaming beverage license for violations of chapter 138 that pertain to the sale and
1689 distribution of alcohol consumed on the premises and the regulations adopted by the
1690 commission. If, at any time, a gaming licensee elects temporary suspension of its gaming license
1691 due to violations of this section, the gaming licensee shall owe the commonwealth the average
1692 tax on gross gaming revenue based on an appropriate period of time as determined by the
1693 commission for the number of days operation was suspended.

1694 (f) A gaming beverage license shall be nontransferable without prior approval from the
1695 commission. If the gaming beverage license is cancelled, revoked or no longer in use, it shall be
1696 returned physically, with all the legal rights, privileges and restrictions pertaining to the license,
1697 to the commission and the commission may then grant the license to a new gaming licensee
1698 under the same conditions as specified in this section.

1699 (g) A license granted under this section shall not decrease the number of such licenses authorized
1700 to be granted to the host community under chapter 138.

1701 Section 27. (a) A gaming licensee may issue credit to a patron of a gaming establishment in
1702 accordance with regulations promulgated by the commission. Such regulations shall include, but
1703 not be limited to: (i) procedures for confirming that a patron has an established credit history and
1704 is in good standing; (ii) whether the patron has a good credit history with the gaming
1705 establishment; (iii) authorization of any credit instrument; (iv) methods for acknowledging a
1706 credit instrument and payment of debt; and (v) information to be provided by the patron to the
1707 gaming establishment to be shared with the commission for auditing purposes.

1708 (b) Except as otherwise authorized by the commission through regulations under this chapter, no
1709 gaming establishment, nor any person acting on behalf of the gaming establishment, shall cash
1710 any check, make any loan or otherwise provide or allow to any person any credit or advance of
1711 anything of value, or which represents value, to enable that person to place a wager, or release or
1712 discharge any debt, either in whole or in part, or make any loan which represents any losses
1713 incurred by a player in gaming or simulcast wagering activity, without maintaining a written
1714 record of the release or discharge in accordance with the rules of the commission. Nothing in this
1715 section shall prohibit a gaming establishment from accepting credit cards for non-gaming-related
1716 purchases or services.

1717 (c) Checks cashed in conformity with this section shall be valid instruments enforceable under
1718 the laws of the commonwealth. Any check cashed, transferred, conveyed or given in violation of
1719 this section or regulations promulgated hereunder shall be invalid and unenforceable.

1720 (d) The commission shall establish procedures and standards for approving promotional gaming
1721 credits; provided, however, that no such credit shall be reported as a promotional gaming credit
1722 by an operator of a gaming establishment unless the operator can establish that the credit was
1723 issued by the gaming establishment and received from a patron as a wager at a slot machine in
1724 the gaming establishment.

1725 (e) No person, other than a gaming licensee, shall issue credit to a patron in a gaming
1726 establishment.

1727 (f) The commission shall, in consultation with the department of transitional assistance, the
1728 department of labor and workforce development, the department of housing and community
1729 development or the applicable administering agency, establish by regulation procedures and
1730 standards to prohibit a gaming establishment or any person acting on behalf of a gaming
1731 establishment from: (i) cashing a government-issued check; (ii) from operating on its premises
1732 any credit card or automated teller machine that would allow a patron to obtain cash from a
1733 government-issued electronic benefits transfer card; and (iii) from extending or issuing credit to
1734 a patron of a gaming establishment who receives any form of income-based public assistance
1735 including, but not limited to, the supplemental nutrition assistance program, temporary assistance
1736 for needy families, emergency aid to elders, disabled and children, public housing assistance,
1737 MassHealth and unemployment insurance. The procedures and standards established shall
1738 ensure the privacy of all patrons receiving public assistance.

1739 (g) A person may petition the commission to place the person's name on a list of persons to
1740 whom the extension of credit by a gaming establishment shall be prohibited. Any person filing
1741 such petition shall submit to the commission the person's name, address and date of birth. The

person shall not be required to provide a reason for the request. The commission shall provide this list to the credit department of each gaming establishment; provided, however, that neither the commission nor the credit department of a gaming establishment shall divulge the names on this list to any person or entity other than those provided for in this subsection. If such a person wishes to have their name removed from the list, the person shall petition the commission in accordance with procedures for removal set forth by the commission. If the commission approves the request, the commission shall so inform the credit department of the gaming establishments not later than 7 days after approving the request.

(h) Debt collections under this section and regulations promulgated thereunder shall be limited to key gaming employees or attorneys acting directly on behalf of gaming licensees; provided, however, that a key gaming employee shall not make any such collections if that employee serves as a junket representative for the gaming licensee.

Section 28. (a) No gaming licensee shall offer to provide any complimentary services, gifts, cash or other items of value to any person unless the complimentary item consists of a room, food, beverage, transportation or entertainment expenses provided directly to the patron and the patron's guests by the gaming licensee or indirectly to the patron and the patron's guests on behalf of a third party or the complimentary item consists of coins, tokens, cash or other complimentary items or services provided through a complimentary distribution program which shall be filed and approved by the commission upon the implementation of the program or maintained under regulation.

(b) Gaming licensees shall submit quarterly reports to the commission covering all complimentary services offered or engaged in by the gaming licensee during the immediately

preceding quarter. The reports shall identify regulated complimentary services and the costs of those services, the number of people who received each service or item and such other information as the commission may require. The report shall also document any services or items valued in excess of \$2,000 that were provided to patrons, including detailed reasons as to why they were provided.

(c) Complimentary services or items shall be valued in an amount based upon the retail price normally charged by the gaming licensee for the service or item. The value of a complimentary service or item not normally offered for sale by a gaming licensee or provided by a third party on behalf of a gaming licensee shall be the cost to the gaming licensee of providing the service or item, as determined under rules adopted by the commission.

Section 29. A gaming establishment offering a cashless wagering system shall allow individuals to monitor and impose betting limits on their cashless wagering. The gaming establishment shall allow individuals to set betting limits on their cashless wagering including, but not limited to, per bet limits, hourly limits, daily limits, weekly limits and monthly limits. An individual may lower limits and increase limits; provided, however, that the individual shall not increase betting limits more than once in a 24-hour period. The gaming establishment shall issue to each patron who has been issued a rewards card or who participates in a cashless wagering system by the gaming establishment a monthly statement, mailed to the patron at the patron's physical mailing address, which shall include the patron's total bets, wins and losses; provided, however, that a patron shall be given the opportunity to decline receiving a monthly statement at the time the rewards card is issued or during initial participation in a cashless wagering system; provided further, that a patron may later opt out of receiving monthly statements by providing a written request to cease monthly statements to the gaming establishment. A gaming licensee who has implemented

1787 such a program or system shall annually report to the commission the amount of money spent
1788 and lost by patrons who have been issued a rewards card or who participated in a cashless
1789 wagering system, aggregated by zip code. Activity under this section shall be monitored by the
1790 commission. Individuals on the list of excluded persons shall not be permitted to participate in a
1791 cashless wagering system.

1792 Section 30. (a) No person shall be employed by a gaming licensee unless such person has been
1793 licensed by or registered with the commission.

1794 (b) Any person seeking a key gaming employee license or a gaming employee license shall file
1795 an application with the bureau. Such application shall be on a form prescribed by the commission
1796 and shall include, but not be limited to, the following: (i) the name of the applicant; (ii) the
1797 address of the applicant; (iii) a detailed employment history of the applicant; (iv) fingerprints; (v)
1798 a criminal and arrest record; and (vi) any civil judgments obtained against the applicant
1799 pertaining to antitrust or security regulation. The bureau may require such other information as it
1800 considers appropriate including, but not limited to, information related to the financial integrity
1801 of the applicant, and may require the applicant to submit other documentation it considers
1802 appropriate including, but not limited to, bank accounts and records, bank references, business
1803 and personal income and disbursement schedules, tax returns and other reports filed by
1804 government agencies and business and personal accounting check records and ledgers.

1805 (c) All other employees in a gaming establishment who are not considered to be gaming
1806 employees, key gaming employees or who have restricted access to an area of the gaming
1807 establishment or knowledge of security procedures, shall be required to register with the bureau

1808 as a gaming service employee and shall produce such information as the bureau may require to
1809 become registered under this chapter.

1810 (d) Upon receipt of an application for a key gaming employee license and a gaming employee
1811 license the bureau shall conduct an investigation of each applicant which shall include obtaining
1812 criminal offender record information from the criminal history systems board and exchanging
1813 fingerprint data and criminal history with the department of state police and the United States
1814 Federal Bureau of Investigation.

1815 (e) Upon petition by a gaming licensee, the commission may issue a temporary license to an
1816 applicant for a key gaming employee license or a gaming employee license if: (i) the applicant
1817 for a key gaming employee license or gaming employee license has filed a completed application
1818 with the commission; and (ii) the gaming licensee certifies, and the commission finds, that the
1819 issuance of a temporary license is necessary for the operation of the gaming establishment and is
1820 not designed to circumvent the normal licensing procedures. Unless otherwise stated by the
1821 commission, a temporary license issued under this section shall expire 6 months from the date of
1822 its issuance and may be renewed, at the discretion of the commission, for an additional 6-month
1823 period.

1824 (f) The commission may deny an application for a key gaming employee or gaming employee
1825 license or the registration of any other employee of a gaming establishment if the commission
1826 finds that an applicant or registrant is disqualified under section 16 or may be unsuitable for
1827 licensure under any of the criteria set forth in section 12; provided, however, that the
1828 commission, in its discretion, may issue a license to an applicant for a gaming employee license
1829 or register a gaming service employee who has a prior conviction if the applicant or registrant

1830 can affirmatively demonstrate the applicant's rehabilitation. In considering the rehabilitation of
1831 an applicant for a license under this section, the commission shall consider the following: (i) the
1832 nature and duties of the position of the applicant; (ii) the nature and seriousness of the offense or
1833 conduct; (iii) the circumstances under which the offense or conduct occurred; (iv) the date of the
1834 offense or conduct; (v) the age of the applicant when the offense or conduct was committed; (vi)
1835 whether the offense or conduct was an isolated or repeated incident; (vii) any social conditions
1836 which may have contributed to the offense or conduct; and (viii) any evidence of rehabilitation,
1837 including recommendations and references of persons supervising the applicant since the offense
1838 or conduct was committed.

1839 (g) After completing an investigation of an applicant for a key gaming employee or gaming
1840 employee license the bureau shall approve or deny the license. Any orders by the bureau
1841 denying an application under this section shall be accompanied by an explanation of the reasons
1842 that an applicant did not meet the qualifications for licensure under this chapter. An applicant
1843 for a key gaming employee or gaming employee license may request a hearing before the bureau
1844 to contest the findings. After the hearing, the applicant may appeal the decision of the bureau to
1845 the commission and the commission may hear the appeal on the record. The decision of the
1846 commission shall be final and an applicant for a key gaming employee or gaming employee
1847 license shall not be entitled to further review.

1848 (h) The commission may condition, suspend or revoke a license or registration under this section
1849 if the commission finds that a licensee or registrant has: (i) been arrested or convicted of a crime
1850 while employed by a gaming establishment and failed to report the charges or the conviction to
1851 the commission; (ii) failed to comply with the requirements of section 14; or (iii) failed to
1852 comply with any of the requirements of this chapter pertaining to licensees.

1853 (i) The commission shall establish fees for a key gaming employee and a gaming employee
1854 license which shall include costs incurred for conducting a background investigation into an
1855 applicant for a license. The commission shall establish the term of a key gaming employee and a
1856 gaming employee license. It shall be the responsibility of the key gaming employee or gaming
1857 employee to ensure that the employee's license is current.

1858 Section 31. (a) No person shall conduct a business with a gaming licensee unless such person has
1859 been licensed or registered with the commission.

1860 (b) Any person seeking a gaming vendor license shall file an application with the bureau. Such
1861 application shall be on a form prescribed by the commission and shall include, but not be limited
1862 to, the following: (i) the name of the applicant; (ii) the post office address and, if a corporation,
1863 the name of the state under the laws of which it was incorporated, the location of its principal
1864 place of business and the names and addresses of its directors and stockholders; (iii) a criminal
1865 and arrest record; (iv) any civil judgments obtained against the person pertaining to antitrust or
1866 security regulation; (v) the identity of every person having a direct or indirect interest in the
1867 business and the nature of such interest; provided, however, that if the disclosed entity is a trust,
1868 the application shall disclose the names and addresses of all beneficiaries; provided further, that
1869 if the disclosed entity is a partnership, the application shall disclose the names and addresses of
1870 all partners, both general and limited; and provided further, that if the disclosed entity is a
1871 limited liability company, the application shall disclose the names and addresses of all members;
1872 (vi) an independent audit report of all financial activities and interests including, but not limited
1873 to, the disclosure of all contributions, donations, loans or any other financial transactions to or
1874 from a gaming entity or operator in the past 5 years; and (vii) clear and convincing evidence of
1875 financial stability including, but not limited to, bank references, business and personal income

1876 and disbursement schedules, tax returns and other reports filed by government agencies and
1877 business and personal accounting check records and ledgers. The commission may require such
1878 other information as it considers appropriate including, but not limited to, information related to
1879 the financial integrity of the applicant and may require the applicant to submit other
1880 documentation it considers appropriate including, but not limited to, bank accounts and records,
1881 bank references, business and personal income and disbursement schedules, tax returns and other
1882 reports filed by government agencies and business and personal accounting check records and
1883 ledgers.

1884 (c) No person shall manufacture, sell, distribute, test or repair slot machines, other than antique
1885 slot machines as defined in section 5A of chapter 271, without a valid gaming vendor license
1886 issued by the commission.

1887 (d) All other suppliers or vendors who are not considered to be gaming vendors including, but
1888 not limited to, construction companies, vending machine providers, linen suppliers, garbage
1889 handlers, maintenance companies, limousine services, food purveyors or suppliers of alcoholic
1890 beverages, shall be considered non-gaming vendors and shall register with the commission and
1891 shall produce such information as the commission may require; provided, however, that the
1892 commission may require any vendor regularly conducting over \$250,000 of business with a
1893 gaming licensee within a 12-month period or \$100,000 of business within a 3-year period to be
1894 licensed as a gaming vendor.

1895 (e) Any person owning more than 5 per cent of the common stock of a company required to be
1896 licensed as a gaming vendor, or a holding, intermediary or subsidiary company of such company,
1897 shall be required to file for licensure. The commission may waive the licensing requirements for

1898 institutional investors holding up to 15 per cent of the stock of the company, or holding,
1899 intermediary or subsidiary company of such company, upon a showing by the person seeking the
1900 waiver that the applicant purchased the securities for investment purposes only and does not have
1901 any intention to influence or affect the affairs or operations of the company or a holding,
1902 intermediary or subsidiary company of such company. Any institutional investor granted a
1903 waiver which subsequently determines to influence or affect the affairs or operations of the
1904 gaming vendor, or a holding, intermediary or subsidiary company of the gaming vendor, shall
1905 provide not less than 30 days notice to the commission of such intent and shall file an application
1906 and be subject to the licensing requirements of this chapter before taking any action that may
1907 influence or affect the affairs of the applicant company or a holding, intermediary or subsidiary
1908 company of the applicant company. Any company holding over 15 per cent of a gaming vendor,
1909 or a holding, intermediary or subsidiary company of a gaming vendor, shall be licensed under
1910 this chapter.

1911 (f) If an applicant for a gaming vendor license or vendor or supplier registration is licensed or
1912 registered in another jurisdiction within the United States with comparable license and
1913 registration requirements and is in good standing in all jurisdictions in which it holds a license or
1914 registration, the commission may enter into a reciprocal agreement with the applicant to allow
1915 for an abbreviated licensing or registration process and issue a gaming vendor license or
1916 registration under this section; provided, however, that the commission shall reserve its rights to
1917 investigate the qualifications of an applicant at any time and may require the applicant to submit
1918 to a full application for a gaming vendor license or provide further information for registration.

1919 (g) The bureau shall deny an application for a gaming vendor license or the registration of any
1920 other vendor or supplier if the bureau finds that the applicant or registrant is disqualified under
1921 section 16 or may be unsuitable for licensure under any of the criteria set forth in section 12.

1922 (h) After completing an investigation of an applicant for a gaming vendor license, the bureau
1923 shall approve or deny the license. Any orders by the bureau denying an application under this
1924 section shall be accompanied with an explanation of the reasons that an applicant did not meet
1925 the qualifications for licensure under this section. An applicant for a gaming vendor license may
1926 request a hearing before the bureau to contest the findings. After the hearing, the applicant may
1927 appeal the decision of the bureau to the commission and the commission may hear the appeal on
1928 the record. The decision of the commission shall be final and an applicant for a gaming vendor
1929 license shall not be entitled to further review.

1930 (i) The commission shall be authorized to condition, suspend or revoke any license or
1931 registration under this section if the commission finds that a licensee or registrant has: (i) been
1932 arrested or convicted of a crime; (ii) failed to comply with section 13; or (iii) failed to comply
1933 with any provision of this chapter pertaining to licensees.

1934 (j) The commission shall establish a master gaming or non-gaming vendor list to monitor all
1935 vendor contracts with a gaming establishment. Any gaming or non-gaming vendor doing
1936 business with a gaming establishment who has failed to submit an application for licensure or
1937 registration shall be prohibited from engaging in any future business with a gaming
1938 establishment; provided, however, that the commission may terminate any contract that has been
1939 entered into with an unlicensed or unregistered gaming or non-gaming vendor.

1940 (k) Gaming licensees shall have a continuing duty to inform the commission of all vendor
1941 contracts.

1942 (l) A license or registration issued under this section shall be issued for a term of 3 years. It shall
1943 be the responsibility of the gaming vendor or non-gaming vendor to ensure that the license is
1944 current.

1945 (m) The commission shall establish fees for gaming vendor licenses and non-gaming vendor
1946 registrations which shall include costs incurred for conducting a background investigation into an
1947 applicant for the license.

1948 (n) The commission shall monitor the conduct of all gaming vendors and other persons having a
1949 material involvement, directly or indirectly, with a gaming vendor to ensure that gaming vendor
1950 licenses are not issued to, or held by, and there is no direct or indirect material involvement with,
1951 a gaming vendor by unqualified, disqualified or unsuitable persons.

1952 Section 32. (a) Each labor organization, union or affiliate seeking to represent employees who
1953 are employed at a gaming establishment shall register with the commission.

1954 (b) Neither a labor organization, nor its officers who are not otherwise licensed or registered
1955 under this chapter, may hold any financial interest in a gaming establishment whose employees
1956 are represented by the organization.

1957 Section 33. (a) No junkets may be organized or permitted and no person may act as a junket
1958 representative or junket enterprise except as authorized by the commission under this chapter.

1959 (b) A junket representative employed by a gaming licensee or affiliate of a gaming licensee shall
1960 be licensed as a gaming employee, including provisions for the issuance of a temporary license;

provided, however, that the junket representative need not be a resident of the commonwealth. A person who holds a valid gaming employee license may act as a junket representative while employed by a gaming licensee or an affiliate. No gaming licensee shall employ or otherwise engage a junket representative who is not licensed under this chapter.

(c) The commission shall deny an application for a license under this section if the commission finds that an applicant is disqualified under section 16 or may be unsuitable for licensure under any of the criteria set forth in section 12.

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

(e) No junket enterprise or junket representative or person acting as a junket representative shall:

- (i) engage in efforts to collect upon checks that have been returned by banks without full and final payment;
- (ii) exercise approval authority with regard to the authorization or issuance of credit under this chapter;
- (iii) act on behalf of or under any arrangement with a gaming licensee or a gaming patron with regard to the redemption, consolidation or substitution of the gaming patron's checks awaiting deposit;
- (iv) individually receive or retain any fee from a patron for the privilege of participating in a junket; or
- (v) pay for any services, including transportation, or other items of value provided to, or for the benefit of, any patron participating in a junket.

Section 34. (a) Upon revocation or suspension of a gaming license or upon the failure or refusal to renew a gaming license, the commission may appoint a conservator to temporarily manage and operate the business of the gaming licensee relating to the gaming establishment. Such conservator shall be a person of similar experience in the field of gaming management and, in

1983 the case of replacing a gaming licensee, shall have experience operating a gaming establishment
1984 of similar caliber in another jurisdiction, and shall be in good standing in all jurisdictions in
1985 which the conservator operates a gaming establishment. Upon appointment, a conservator shall
1986 agree to all licensing provisions of the former gaming licensee.

1987 (b) A conservator shall, before assuming, managerial or operational duties, execute and file a
1988 bond for the faithful performance of its duties payable to the commission with such surety and in
1989 such form and amount as the commission shall approve.

1990 (c) The commission shall require that the former or suspended gaming licensee purchase liability
1991 insurance, in an amount determined by the commission, to protect a conservator from liability for
1992 any acts or omissions of the conservator during the conservator's appointment which are
1993 reasonably related to and within the scope of the conservator's duties.

1994 (d) During the period of temporary management of the gaming establishment, the commission
1995 shall initiate proceedings under this chapter to award a new gaming license to a qualified
1996 applicant whose gaming establishment shall be located at the site of the preexisting gaming
1997 establishment.

1998 (e) An applicant for a new gaming license shall be qualified for licensure under this chapter;
1999 provided, however, that the commission shall determine an appropriate level of investment by an
2000 applicant into the preexisting gaming establishment.

2001 (f) Upon award of a new gaming license, the new gaming licensee shall pay the original
2002 licensing fee required under this chapter.

2003 Section 35. (a) The bureau may issue orders requiring persons to cease any activity which
2004 violates this chapter, a regulation adopted hereunder or any law related to gaming in the
2005 commonwealth. The bureau may, in its order, require compliance with such terms and conditions
2006 as are reasonably necessary to effectuate the purposes of this chapter.

2007 (b) If the bureau finds that a person is not in compliance with any order issued under this
2008 section, it shall assess a civil administrative penalty. The penalty may be assessed whether or not
2009 the violation was willful. In determining the amount of the civil penalty, the bureau shall
2010 consider: (i) the nature of the violation; (ii) the length of time the violation occurred; (iii) the risk
2011 to the public and to the integrity of gaming operations created by the conduct of the person; (iv)
2012 the seriousness of the conduct of the person; (v) any justification or excuse for such conduct by
2013 the person; (vi) the prior history of the particular person involved with respect to gaming
2014 activity; (vii) any corrective action taken by the person to prevent future misconduct; and (viii)
2015 and other relevant factors.

2016 (c) In addition to collecting any civil penalties recoverable under this chapter or any other
2017 general or special law, the bureau may bring an action in the superior court to restrain, prevent or
2018 enjoin any conduct prohibited by this chapter or to compel action to comply immediately and
2019 fully with any order issued by the bureau. Except in cases of emergency where, in the opinion of
2020 the court, immediate abatement of the unlawful conduct is required to protect the public interest,
2021 the court may in its decree fix a reasonable time during which the person responsible for the
2022 unlawful conduct may abate and correct the violation. The expense of the proceeding shall be
2023 recoverable from the subject of the proceeding.

2024 (d) Upon a recommendation from the bureau, the commission shall issue orders to condition,
2025 suspend or revoke a license or permit issued under this chapter.

2026 (e) The bureau shall issue an order to cease and desist any activity if the bureau finds that a
2027 licensee has engaged in or is about to engage in an act or practice which constitutes a violation of
2028 this chapter or any other laws of the commonwealth and may take such affirmative action to
2029 effectuate the order. If the bureau finds that the licensee is engaged in an act or practice that
2030 would cause irreparable harm to the security and integrity of the gaming establishment or the
2031 interests of the commonwealth in ensuring the security and integrity of gaming under this
2032 chapter, the bureau may issue a temporary suspension of the license.

2033 (f) Any licensee who has been issued a temporary order of suspension by the bureau shall be
2034 entitled to a hearing before the commission on such suspension within 7 days after the order was
2035 issued. At the conclusion of the hearing, the commission may issue a final order to condition,
2036 suspend or revoke the license in question.

2037 (g) A licensee shall have the right to an adjudicatory hearing on an order issued by the bureau
2038 under chapter 30A.

2039 Section 36. (a) The bureau may assess a civil administrative penalty on a licensee or registrant
2040 who fails to comply with any provision of this chapter or any regulation or order adopted by the
2041 commission; provided, however, that the noncompliance shall have occurred after the bureau had
2042 given such person written notice of the noncompliance and the time stated in the notice for
2043 coming into compliance had elapsed; provided further, that the bureau may assess a penalty
2044 without providing written notice if the failure to comply: (i) was part of a pattern of
2045 noncompliance and not an isolated instance; (ii) was willful or neglectful and not the result of

error; (iii) resulted in a significant breach to the integrity of the gaming establishment or gaming laws of the commonwealth; and (iv) consisted of failure to promptly report to the commission any knowledge of evidence or circumstances that would cause a reasonable person to believe that a violation of this chapter had been committed. The civil administrative penalty shall be in addition to any other civil penalty that may be prescribed by law.

(b) For the purpose of determining whether such noncompliance was part of a pattern of noncompliance and not an isolated instance, the bureau shall consider, without limitation: (i) whether the bureau had previously notified the person of such noncompliance on more than 1 occasion during the previous month or of any noncompliance with the same provision of a law, regulation, order, license or approval as the current noncompliance during the previous 6-month period; or (ii) whether the current and previous noncompliances, considered together, indicate a potential threat to the integrity of the gaming establishment and gaming in the commonwealth or an interference with the commission's ability to efficiently and effectively regulate gaming in the commonwealth and enforce any regulation, license or order. If a licensee or registrant who has received a notice of noncompliance fails to come into compliance within the time period stated in the notice, the civil administrative penalty may be assessed by the bureau upon the licensee or registrant from the date of receipt of such notice.

(c) Whenever the bureau seeks to assess a civil administrative penalty on a licensee or registrant, the bureau shall cause to be served upon the licensee or registrant, either by service in hand or by certified mail, return receipt requested, a written notice of its intent to assess a civil administrative penalty which shall include a concise statement of the alleged act or omission for which such civil administrative penalty is sought to be assessed, each law, regulation, order, license or approval which has not been complied with as a result of such alleged act or omission,

2069 the amount which the bureau seeks to assess as a civil administrative penalty for each alleged act
2070 or omission, a statement of the licensee's or registrant's right to an adjudicatory hearing on the
2071 proposed assessment, the requirements the licensee or registrant shall comply with to avoid being
2072 deemed to have waived the right to an adjudicatory hearing and the manner of payment thereof if
2073 the person elects to pay the penalty and waive an adjudicatory hearing. After written notice of
2074 noncompliance or intent to assess a civil administrative penalty has been given, each day
2075 thereafter during which noncompliance occurs or continues shall constitute a separate offense
2076 and shall be subject to a separate civil administrative penalty if reasonable efforts have not been
2077 made by the licensee or registrant to promptly come into compliance.

2078 (d) Whenever the bureau seeks to assess a civil administrative penalty on a licensee or registrant,
2079 the licensee or registrant shall have the right to an adjudicatory hearing under chapter 30A, the
2080 provisions of which shall apply except when they are inconsistent with the provisions of this
2081 chapter.

2082 (e) A licensee or registrant shall be deemed to have waived its right to an adjudicatory hearing
2083 unless, within 21 days of the date of the bureau's notice that it seeks to assess a civil
2084 administrative penalty, the licensee or registrant files with the bureau a written statement denying
2085 the occurrence of any of the acts or omissions alleged by the bureau in the notice, or asserting
2086 that the amount of the proposed civil administrative penalty is excessive. In an adjudicatory
2087 hearing authorized under chapter 30A, the bureau shall, by a preponderance of the evidence,
2088 prove the occurrence of each act or omission alleged by the bureau.

2089 (f) If a licensee or registrant waives the right to an adjudicatory hearing, the proposed civil
2090 administrative penalty shall be final immediately upon such waiver. If a civil administrative

penalty is assessed at the conclusion of an adjudicatory hearing, the civil administrative penalty shall be final upon the expiration of 30 days if no action for judicial review of the decision is commenced under chapter 30A.

(g) A licensee or registrant who institutes proceedings for judicial review of the final assessment of a civil administrative penalty shall place the full amount of the final assessment in an interest-bearing escrow account in the custody of the clerk or magistrate of the reviewing court. The establishment of an interest-bearing escrow account shall be a condition precedent to the jurisdiction of the reviewing court unless the party seeking judicial review demonstrates in a preliminary hearing held within 20 days after the filing of the complaint either the presence of a substantial question for review by the court or an inability to pay. Upon such a demonstration, the court may grant an extension or waiver of the interest-bearing escrow account or may require, in lieu of such interest-bearing escrow account, the posting of a bond payable directly to the commonwealth in the amount of 125 per cent of the assessed penalty. If, after judicial review, in a case where the requirement for an escrow account has been waived, and in cases where a bond has been posted in lieu of such requirement, the court affirms, in whole or in part, the assessment of a civil administrative penalty, the commission shall be paid the amount thereof together with interest at the rate provided in section 6C of chapter 231. If, after such review in a case where an interest-bearing escrow account has been established, the court affirms the assessment of such penalty, in whole or in part, the commission shall be paid the amount thereof together with the accumulated interest in the interest-bearing escrow account. If the court sets aside the assessment of a civil administrative penalty in a case where the amount of such penalty has been deposited in an interest-bearing escrow account, the licensee or registrant on whom the

2113 civil administrative penalty was assessed shall be repaid the amount so set aside, together with
2114 the accumulated interest thereon.

2115 (h) Each licensee or registrant who fails to timely pay a civil administrative penalty and each
2116 person who issues a bond under this section and who fails to timely pay to the commission the
2117 amount required hereunder, shall be liable to the commonwealth for up to 3 times the amount of
2118 the civil administrative penalty, together with costs, plus interest from the time the civil
2119 administrative penalty became final and attorneys' fees, including all costs and attorneys' fees
2120 incurred directly in the collection thereof. The rate of interest shall be the rate provided in section
2121 6C of chapter 231. The bureau shall be authorized to require that the amount of a civil
2122 administrative penalty imposed under this section exceed any economic benefit realized by a
2123 person for noncompliance.

2124 Section 37. (a) Whoever conducts or operates, or permits to be conducted or operated, any game
2125 or gaming device in violation of this chapter or the regulations adopted under this chapter shall
2126 be punished by imprisonment in the state prison for not more than 5 years or imprisonment in the
2127 house of correction for not more than 2½ years, or by a fine not to exceed \$25,000, or both, and
2128 in the case of a person other than a natural person, by a fine not to exceed \$100,000.

2129 (b) Whoever employs, or continues to employ, an individual in a position, the duties of which
2130 require a license or registration under this chapter, who is not so licensed or registered, shall be
2131 punished by imprisonment in the house of correction for not more than 6 months or by a fine not
2132 to exceed \$10,000, or both, and in the case of a person other than a natural person, by a fine not
2133 to exceed \$100,000.

2134 (c) Whoever works or is employed in a position, the duties of which require licensing or
2135 registration under this chapter, without the required license or registration, shall be punished by
2136 imprisonment in the house of correction for not more than 6 months or a fine not to exceed
2137 \$10,000, or both.

2138 (d) A gaming licensee who, without the permission of the commission: (i) places a game or
2139 gaming device into play or displays a game or gaming device in a gaming establishment; or (ii)
2140 receives, directly or indirectly, any compensation or reward or any percentage or share of the
2141 revenue for keeping, running or carrying on a game, or owning the real property upon, or the
2142 location within which any game occurs, shall be punished by imprisonment in the house of
2143 correction for not more than 2½ years or by a fine not to exceed \$25,000, or both, and in the case
2144 of a person other than a natural person, by a fine not to exceed \$100,000.

2145 (e) Whoever conducts or operates any game or gaming device after the person's gaming license
2146 has expired and prior to the actual renewal of the gaming license shall be punished by
2147 imprisonment in the house of correction for not more than 1½ years or a fine not to exceed
2148 \$25,000, or both, and in the case of a person other than a natural person, by a fine not to exceed
2149 \$100,000.

2150 (f) A gaming licensee who knowingly fails to exclude from the licensee's gaming establishment
2151 any person placed by the commission on the list of excluded persons shall be punished by a fine
2152 not to exceed \$5,000 or by imprisonment in the house of correction for not more than 1 year, or
2153 both, and in the case of a person other than a natural person, by a fine not to exceed \$100,000.

2154 (g) Whoever willfully: (i) fails to report, pay or truthfully account for and pay over a license fee
2155 or tax imposed by this chapter or by the regulations adopted under this chapter; or (ii) evades or

2156 defeats, or attempts to evade or defeat, a license fee or tax or payment of a license fee or tax shall
2157 be punished by imprisonment in the state prison for not more than 5 years or in the house of
2158 correction for not more than 2½ years or a fine not to exceed \$100,000, or both, and in the case
2159 of a person other than a natural person, by a fine not to exceed \$5,000,000.

2160 Section 38. Whoever willfully resists, prevents, impedes, interferes with or makes any false,
2161 fictitious or fraudulent statement or representation to the bureau, commission or division or to
2162 agents or employees of the bureau, commission or division in the lawful performance of the
2163 agent's or employee's duties under this chapter shall be punished by imprisonment in the state
2164 prison for not more than 5 years or in the house of correction for not more than 2½ years or by a
2165 fine not to exceed \$25,000, or both.

2166 Section 39. (a) Whoever, during a game in a gaming establishment, knowingly and by any trick
2167 or sleight of hand performance or by a fraud or fraudulent scheme, cards, dice or other gaming
2168 device, for himself, for another or for a representative of either: (i) wins, or attempts to win,
2169 money or property; or (ii) reduces, or attempts to reduce, a losing wager in a gaming
2170 establishment shall be guilty of cheating and swindling.

2171 (b) Whoever knowingly uses a cheating and swindling device or game in a gaming establishment
2172 shall be guilty of cheating and swindling.

2173 (c) Whoever commits the offense of cheating and swindling shall be punished as follows:

2174 (i) if the value of the money, property or wager cheated and swindled is \$75,000 or more, by
2175 imprisonment in the state prison for not more than 10 years or in the house of correction for not
2176 more than 2½ years or by a fine not to exceed \$1,000,000, or both, and in the case of a person
2177 other than a natural person, by a fine not to exceed \$10,000,000;

2178 (ii) if the value of the money, property or wager cheated and swindled is \$10,000 or more but
2179 less than \$75,000, by imprisonment in the state prison for not more than 5 years or in the house
2180 of correction for not more than 2½ years or by a fine not to exceed \$500,000, or both, and in the
2181 case of a person other than a natural person, by a fine not to exceed \$5,000,000;

2182 (iii) if the value of the money, property or wager cheated and swindled is \$1,000 or more but less
2183 than \$10,000, by imprisonment in the state prison for not more than 3 years or in the house of
2184 correction for not more than 2½ years or by a fine not to exceed \$100,000, or both, and in the
2185 case of a person other than a natural person, by a fine not to exceed \$1,000,000;

2186 (iv) if nothing of value was obtained in violation of this subsection or if the value of the money,
2187 property or wager cheated and swindled is less than \$1,000, by imprisonment in the house of
2188 correction for not more than 2½ years or by a fine not to exceed \$10,000, or both, and in the case
2189 of a person other than a natural person, by a fine not to exceed \$100,000.

2190 (d) Each episode or transaction of swindling and cheating may be the subject of a separate
2191 prosecution and conviction. In the discretion of the commonwealth, multiple episodes or
2192 transactions of swindling and cheating committed as part of a single scheme or course of conduct
2193 may be treated as a single offense and the amounts involved in acts of swindling and cheating
2194 committed according to a scheme or course of conduct, whether by the same person or several
2195 persons, may be aggregated in determining the value of money, property or wager involved in
2196 the offense.

2197 (e) A gaming licensee, or an employee of a gaming licensee, who, in a gaming establishment,
2198 knowingly: (i) conducts or operates any game using a cheating and swindling device or game;
2199 (ii) displays for play a cheating and swindling game; or (iii) permits to be conducted, operated or

2200 displayed, any cheating and swindling device or game shall be punished by imprisonment in the
2201 state prison for not more than 5 years or imprisonment in the house of correction for not more
2202 than 2½ years, or by a fine not to exceed \$25,000, or both, and in the case of a person other than
2203 a natural person, by a fine not to exceed \$100,000.

2204 Section 40. (a) Whoever possesses a cheating and swindling device or game, with the intent to
2205 defraud, cheat or steal, shall be punished by imprisonment in the house of correction for not
2206 more than 2½ years or by a fine not to exceed \$10,000, or both, and in the case of a person other
2207 than a natural person, by a fine not to exceed \$100,000.

2208 (b) Possession of a cheating and swindling device or game within a gaming establishment shall
2209 constitute prima facie evidence of an intent to defraud, cheat or steal, except possession by a
2210 gaming licensee or an employee of a gaming licensee, acting lawfully in furtherance of such
2211 person's employment within the gaming establishment, and shall be punished by imprisonment
2212 in the house of correction for not more than 2½ years or a fine not to exceed \$10,000, or both.

2213 Section 41. Whoever manufactures, distributes, sells or services a gaming device, in violation of
2214 this chapter or regulations adopted under this chapter and for the purpose of defrauding, cheating
2215 or stealing from a person playing, operating or conducting a game in a gaming establishment,
2216 shall be punished by imprisonment in the state prison for not more than 5 years or imprisonment
2217 in the house of correction for not more than 2½ years or by a fine not to exceed \$25,000, or both,
2218 and in the case of a person other than a natural person, by a fine not to exceed \$150,000.

2219 Section 42. Any device, game or gaming device possessed, used, manufactured, distributed, sold
2220 or serviced in violation of this chapter shall be subject to seizure and forfeiture by the division or
2221 bureau. Forfeiture proceedings shall be conducted as provided in subsections (b) to (j),

2222 inclusive, of section 47 of chapter 94C. For purposes of subsection (d) of said section 47 of said
2223 chapter 94C, the commission shall be considered a police department and shall be entitled to a
2224 police department's distribution of forfeiture proceedings.

2225 Section 43. (a) Whoever, being under 21 years old, plays, places wagers at or collects winnings
2226 from, whether personally or through an agent, a game in a gaming establishment shall be
2227 punished by a fine not to exceed \$1,000.

2228 (b) Whoever, being a gaming licensee or an employee of a gaming licensee, who knowingly
2229 allows a person under the age of 21 to play, place wagers at, or collect winnings from a game in
2230 a gaming establishment, whether personally or through an agent, shall be punished, for a first
2231 offense, by imprisonment in the house of correction for not more than 1 year or a fine not to
2232 exceed \$10,000, or both, and in the case of a person other than a natural person, by a fine not to
2233 exceed \$500,000 and, for a second or subsequent offense, by imprisonment in the house of
2234 correction for not more than 2 years or a fine not to exceed \$50,000, or both, and in the case of a
2235 person other than a natural person, by a fine not to exceed \$1,000,000.

2236 (c) Whoever knowingly plays, places wagers at or collects winnings from a game in a gaming
2237 establishment for or on behalf of a person under 21 years of age shall be punished by
2238 imprisonment in a house of correction for not more than 6 months or by a fine of not more than
2239 \$1,000 or both.

2240 Section 44. All penalties collected under this chapter shall be deposited into the Gaming
2241 Revenue Fund established in section 59.

2242 Section 45. (a) The commission, by regulation, shall provide for the establishment of a list of
2243 excluded persons who are to be excluded from a gaming establishment. In determining the list

2244 of excluded persons, the commission may consider, but shall not be limited to: (i) whether a
2245 person has been convicted of a criminal offense under the laws of any state or the United States
2246 that is punishable by more than 6 months in a state prison, a house of correction or any
2247 comparable incarceration, a crime of moral turpitude or a violation of the gaming laws of any
2248 state; (ii) whether a person has violated or conspired to violate this chapter relating to: (A)
2249 failure to disclose an interest in a gaming establishment for which the person is required to obtain
2250 a license; or (B) willful evasion of fees or taxes; (iii) whether a person has a notorious or
2251 unsavory reputation which would adversely affect public confidence and trust that the gaming
2252 industry is free from criminal or corruptive elements; and (iv) the potential of injurious threat to
2253 the interests of the commonwealth in the gaming establishment.

2254 (b) No person shall be placed on the list of excluded persons due to race, color, religion, national
2255 origin, ancestry, sexual orientation, disability or sex.

2256 (c) The commission may revoke, limit, condition, suspend or fine a gaming establishment if such
2257 establishment knowingly or recklessly fails to exclude or eject from its premises any person
2258 placed by the commission on the list of excluded persons.

2259 (d) Whenever the commission places a name on the list of excluded persons, the commission
2260 shall serve written notice upon that person by personal service, registered or certified mail return
2261 receipt requested to the last ascertainable address or by publication in a daily newspaper of
2262 general circulation for 1 week.

2263 (e)(1) Within 30 days of receipt of service by mail or 60 days after the last publication under
2264 subsection (d), a person placed on the list of excluded persons may request an adjudicatory
2265 hearing before the commission under chapter 30A and show cause as to why the person should

2266 be removed from the list of excluded persons. Failure to demand a hearing within the time
2267 allotted in this section shall preclude the person from having an administrative hearing, but shall
2268 not affect the person's right to petition for judicial review.

2269 (2) Upon receipt of a demand for hearing, the commission shall set a time and place for the
2270 hearing. This hearing shall be held not later than 30 days after receipt of the demand for the
2271 hearing, unless the time of the hearing is changed by agreement of the commission and the
2272 person demanding the hearing.

2273 (3) If upon completion of the hearing the commission determines that the person was wrongfully
2274 placed on the list of excluded persons, the commission shall remove the person's name from the
2275 list of excluded persons and notify all gaming licensees. A person aggrieved by a final decision
2276 of the commission in an adjudicatory proceeding under this section may petition for judicial
2277 review under section 14 of chapter 30A.

2278 (f) The commission shall establish a list of self-excluded persons from gaming establishments.
2279 A person may request such person's name to be placed on the list of self-excluded persons by
2280 filing a statement with the commission acknowledging that the person is a problem gambler and
2281 by agreeing that, during any period of voluntary exclusion, the person shall not collect any
2282 winnings or recover any losses resulting from any gaming activity at a gaming establishment.
2283 The commission shall adopt further regulations, under section 5, for the self-excluded persons
2284 list including procedures for placement, removal and transmittal of such list to gaming
2285 establishments. The commission may revoke, limit, condition, suspend or fine a gaming
2286 establishment if the establishment knowingly or recklessly fails to exclude or eject from its
2287 premises any person placed on the list of self-excluded persons.

2288 (g) Gaming establishments shall not market to persons on any excluded persons list and shall
2289 deny access to complimentaries, check cashing privileges, club programs and other similar
2290 benefits to persons on the self-excluded persons list.

2291 (h) Notwithstanding any other general or special law to the contrary, the self-excluded persons
2292 list shall not be open to public inspection. Nothing in this section, however, shall prohibit a
2293 gaming establishment from disclosing the identity of persons on the self-excluded persons list
2294 under this section to affiliated gaming establishments in this commonwealth or other
2295 jurisdictions for the limited purpose of assisting in the proper administration of responsible
2296 gaming programs operated by affiliated gaming establishments.

2297 (i) As used in this subsection the following words shall have the following meanings unless the
2298 context clearly requires otherwise:

2299 (1) “Immediate family”, the spouse, parent, child, brother or sister of an individual.

2300

2301 (2) “Problem gambler”, a person who chronically or habitually gambles to the extent that such
2302 gambling substantially interferes with the person’s social or economic functioning or that the
2303 person has lost the power of self control over that person’s gambling.

2304 An immediate family member or guardian may petition, in writing, a district court for an order
2305 of exclusion from gaming establishments applicable to a person whom the petitioner has reason
2306 to believe is a problem gambler. Upon receipt of a petition for an order of exclusion of a person
2307 and any sworn statements the court may request from the petitioner, the court shall immediately
2308 schedule a hearing on the petition and shall cause a summons and a copy of the petition to be

2309 served upon the person as provided in section 25 of chapter 276. The person may be represented
2310 by legal counsel and may present independent expert or other testimony. The court shall order
2311 examination by a qualified psychologist. If after a hearing the court based upon competent
2312 testimony finds that the person is a problem gambler and there is a likelihood of serious harm as
2313 a result of the person's gambling, the court may order that such person be prohibited from
2314 gaming in gaming establishments. The court shall communicate this order to the commission,
2315 which shall place the person's name on the list of excluded persons.

2316 (j) A person who is prohibited from gaming in a gaming establishment under this section
2317 shall not collect any winnings or recover losses arising as a result of prohibited gaming winnings
2318 obtained by a person who is prohibited from gaming in a gaming establishment and such
2319 winnings shall be forfeited to the commission and deposited into the Gaming Revenue Fund.

2320 (k) The commission shall pursue an interstate compact for the purposes of sharing
2321 information regarding the excluded persons list.

2322 Section 46. No applicant for a gaming license, nor any holding, intermediary or subsidiary
2323 company thereof, nor any officer, director, key gaming employee or principal employee of an
2324 applicant for a gaming license or of any holding, intermediary or subsidiary company thereof nor
2325 any person or agent on behalf of any such applicant, company or person, shall directly or
2326 indirectly, pay or contribute any money or thing of value to: (i) an individual who holds a
2327 municipal, county or state office; (ii) any candidate for nomination or election to any public
2328 office in the commonwealth, including a municipal office; or (iii) any group, political party,
2329 committee or association organized in support of any such candidate or political party; provided,

2330 however, that the provisions of this section shall not prohibit an individual who is a candidate for
2331 public office from contributing to the candidate's own campaign.

2332 Section 47. All political contributions or contributions in kind made by an applicant for a gaming
2333 license to a municipality or a municipal employee, as defined in section 1 of chapter 268A, of the
2334 host community of the applicant's proposed gaming establishment shall be disclosed by the
2335 applicant to the commission and the city or town clerk of the host community. Such disclosure
2336 shall be made by the applicant biannually, on or before July 15 for the period covering January 1
2337 to June 30, inclusive, of that year and on or before January 15 for the period covering July 1 to
2338 December 31, inclusive, of the preceding year. The office of campaign and political finance
2339 shall promulgate regulations to provide for timely and expeditious public reporting, which shall
2340 include electronic means or public posting in a city or town hall and post office, by city and town
2341 clerks of the contribution disclosures they receive from applicants.

2342 Section 48. A gaming licensee shall be subject to chapters 62 to 62E, inclusive, and chapters 63
2343 to 63B, inclusive.

2344 Section 49. (a) A gaming establishment, including any business located within a gaming
2345 establishment, shall not be a certified project within the meaning of section 3F of chapter 23A.
2346 Gaming establishments shall not be designated as economic opportunity areas within the
2347 meaning of section 3E of said chapter 23A. Gaming establishments shall not be eligible for tax
2348 increment financing under section 59 of chapter 40 or special tax assessments set forth in section
2349 3E of said chapter 23A. Gaming establishments shall not be classified and taxed as recreational
2350 land under chapter 61B. Gaming establishments shall not be designated as development districts
2351 within the meaning of chapter 40Q.

(b) Unless otherwise provided, a gaming establishment or a business located or to be located within a gaming establishment shall not be eligible for the following credits or deductions listed in chapter 62 or chapter 63: the investment tax credit under section 31A of chapter 63, the employment credit under section 31C of said chapter 63, the van pool credit under section 31E of said chapter 63, the deduction for expenditures for industrial waste treatment or air pollution control under section 38D of said chapter 63, the deduction for compensation paid to an eligible business facility's employees domiciled in a section of substantial poverty under section 38F of said chapter 63, the film tax credit under subsection (l) of section 6 of chapter 62 and section 38X of said chapter 63, the alternative energy sources deduction under section 38H of said chapter 63, the research expense credit under section 38M of said chapter 63, the economic opportunity area credit under subsection (g) of said section 6 of said chapter 62 and section 38N of said chapter 63, the abandoned building deduction under subparagraph (10) of subsection (a) of Part B of section 3 of said chapter 62 and section 38O of said chapter 63, the harbor maintenance tax credit under section 38P of said chapter 63, the brownfields credit under subsection (j) of said section 6 of said chapter 62 and section 38Q of said chapter 63, the historic rehabilitation tax credit under section 6J of said chapter 62 and section 38R of said chapter 63 and the automatic sprinkler system depreciation deduction under section 38S of said chapter 63.

Section 50. Any liability to the commonwealth under this chapter shall constitute a debt to the commonwealth. Once a statement naming a gaming licensee is recorded, registered or filed, any such debt shall constitute a lien on all commercial property owned by a gaming licensee in the commonwealth and shall have priority over an encumbrance recorded, registered or filed with respect to any site.

2375 Section 51. (a) Prior to disbursement of cash or a prize in excess of \$600, a gaming licensee shall
2376 review information made available by the IV-D agency, as set forth in chapter 119A and by the
2377 department of revenue to ascertain whether the winner of the cash or prize owes past-due child
2378 support to the commonwealth or to an individual to whom the IV-D agency is providing services
2379 and to ascertain whether the winner of the cash or prize owes any past-due tax liability to the
2380 commonwealth.

2381 (b) If the winner of the cash or prize owes past-due child support or has a past-due tax
2382 liability, the gaming licensee shall notify the IV-D agency or the commonwealth, respectively, of
2383 the winner's name, address and social security number. Subsequent to statutory state and federal
2384 tax withholding, the gaming licensee shall first disburse to the IV-D agency the full amount of
2385 the cash or prize or such portion of the cash or prize that satisfies the winner's past-due child
2386 support obligation.

2387 (c) If funds remain available after the disbursement to the IV-D agency or if no such
2388 obligation to the IV-D agency is owed, the gaming licensee shall disburse to the department of
2389 revenue the full amount of the cash or prize or such portion of the cash prize that satisfies the
2390 winner's past-due tax liability. The licensee shall disburse to the holder only that portion of the
2391 prize, if any, remaining after the holder's past-due child support obligation and the holder's past-
2392 due tax liability have been satisfied.

2393 Section 52. Gaming licensees shall, on a monthly basis, transmit to the department of transitional
2394 assistance and to the IV-D agency, as set forth in chapter 119A, a list of all persons who were
2395 awarded cash winnings or a prize in excess of \$600 in the prior month. The information shall be
2396 provided in a format which is compatible with the automated data processing systems of the

2397 department and the IV-D agency to ensure the immediate identification of persons who may be
2398 receiving public assistance benefits. The information provided shall include the name, address
2399 and social security number of the person who was awarded the cash or prize valued in excess of
2400 \$600.

2401 Section 53. Unclaimed cash and prizes shall be retained by the gaming licensee for the person
2402 entitled to the cash or prize for 1 year after the game in which the cash or prize was won. If no
2403 claim is made for the cash or prize within 1 year, the cash or equivalent cash value of the prize
2404 shall be deposited in the Gaming Revenue Fund established in section 59.

2405 Section 54. If the person entitled to the cash or prize is under 21 years of age, the cash or prize
2406 shall be remitted to the commission and deposited into the Gaming Revenue Fund established in
2407 section 59.

2408 Section 55. (a) A category 1 licensee shall pay a daily tax of 25 per cent on gross gaming
2409 revenues.

2410 (b) A category 2 licensee shall pay a daily tax of 40 per cent on gross gaming revenue.

2411 (c) In addition to the tax imposed under subsection (b), a category 2 licensee shall pay a daily
2412 assessment of 9 per cent of its gross gaming revenue to the Race Horse Development Fund
2413 established in section 60.

2414 (d) Taxes imposed under this section shall be remitted to the commission by a gaming licensee
2415 the day following each day of wagering.

2416 Section 56. (a) In addition to any other tax or fee imposed by this chapter, there shall be imposed
2417 an annual license fee of \$600 for each slot machine approved by the commission for use by a

2418 gaming licensee at a gaming establishment; provided, however, that not sooner than 5 years after
2419 award of an original gaming license, the commission may annually adjust the fee for inflation.
2420 The fee shall be imposed as of July 1 of each year for all approved slot machines on that date and
2421 shall be assessed on a pro rata basis for any slot machine approved for use thereafter.

2422 (b) The commission shall establish fees for any investigation into a violation of this chapter or
2423 regulation promulgated hereunder by a gaming licensee to be paid by the gaming licensee
2424 including, but not limited to, billable hours by commission staff involved in the investigation and
2425 the costs of services, equipment or other expenses that are incurred by the commission during the
2426 investigation.

2427 (c) Any remaining costs of the commission necessary to maintain regulatory control over gaming
2428 establishments that are not covered by: (i) the fees set forth in subsections (a) and (b); (ii) any
2429 other fees assessed under this chapter; or (iii) any other designated sources of funding, shall be
2430 assessed annually on gaming licensees under this chapter in proportion to the number of gaming
2431 positions at each gaming establishment. Each gaming licensee shall pay the amount assessed
2432 against it within 30 days after the date of the notice of assessment from the commission.

2433 (d) If the fees collected in subsections (a) and (b) exceed the cost required to maintain regulatory
2434 control, the surplus funds shall be credited in proportional shares against each gaming licensee's
2435 next assessment.

2436 (e) In addition to the fees collected under this section and any additional costs of the
2437 commission, the commission shall assess an annual fee of not less than \$5,000,000 in
2438 proportional shares against each gaming licensee in proportion to the number of gaming
2439 positions at each gaming establishment for the costs of service and public health programs

2440 dedicated to addressing problems associated with compulsive gambling or other addiction
2441 services. Such assessed fees shall be deposited into the Public Health Trust Fund established in
2442 section 58.

2443 (f) All fees and assessments collected under this section, except those collected under subsection
2444 (e), shall be deposited into the Gaming Control Fund established in section 57.

2445 Section 57. (a) There shall be established and set up on the books of the commonwealth a
2446 separate fund to be known as the Massachusetts Gaming Control Fund. The commission shall be
2447 the trustee of the fund and shall expend monies to finance operational activities of the
2448 commission. The fund shall be credited any appropriations, bond proceeds or other monies
2449 authorized by the general court and specifically designated to be credited thereto, the proceeds of
2450 the assessments levied under section 56, initial application fees for licenses issued under this
2451 chapter and such additional funds as are subject to the direction and control of the commission.
2452 All available monies in the fund that are unexpended at the end of each fiscal year shall not
2453 revert to the General Fund and shall be available for expenditure in the subsequent fiscal year.
2454 Any funds unexpended in any fiscal year for the purposes of which such assessments were made
2455 shall be credited against the assessment to be made in the following fiscal year and the
2456 assessment in the following fiscal year shall be reduced by any such unexpended amount. The
2457 commission shall record all expenditures made by subsidiary on the Massachusetts management
2458 and accounting reporting system according to regulations established by the state comptroller.

2459 (b) The commission shall, for the purposes of compliance with state finance law, operate as a
2460 state agency as defined in section 1 of chapter 29 and shall be subject to the provisions
2461 applicable to agencies under the control of the governor including, but not limited to, chapters 7,

2462 7A, 10 and 29; provided, however, that the comptroller may identify any additional instructions
2463 or actions necessary for the commission to manage fiscal operations in the state accounting
2464 system and meet statewide and other governmental accounting and audit standards. Unless
2465 otherwise exempted by law or the applicable central service agency, the commission shall
2466 participate in any other available commonwealth central services including, but not limited, to
2467 the state payroll system under section 31 of said chapter 29 and may purchase other goods and
2468 services provided by state agencies in accordance with comptroller provisions. The comptroller
2469 may chargeback the commission for the transition and ongoing costs for participation in the state
2470 accounting and payroll systems and may retain and expend such costs without further
2471 appropriation for the purposes of this section. The commission shall be subject to section 5D of
2472 chapter 29 and subsection (f) of section 6B of chapter 29.

2473 The commission shall annually submit a finance plan to the secretary of administration and
2474 finance, the chairs of the house and senate committees on ways and means and the chairs of the
2475 joint committee on economic development and emerging technologies.

2476 Section 58. There is hereby established and set up on the books of the commonwealth a separate
2477 fund to be known as the Public Health Trust Fund. The fund shall consist of fees assessed under
2478 section 56 and all other monies credited or transferred to the fund from any other source under
2479 law. The secretary of health and human services shall be the trustee of the fund and may only
2480 expend monies in the fund, without further appropriation, to assist social service and public
2481 health programs dedicated to addressing problems associated with compulsive gambling
2482 including, but not limited to, gambling prevention and addiction services, substance abuse
2483 services, educational campaigns to mitigate the potential addictive nature of gambling and any

2484 studies and evaluations necessary, including the annual research agenda under section 71, to
2485 ensure the proper and most effective strategies.

2486 Section 59. There shall be established and set up on the books of the commonwealth a Gaming
2487 Revenue Fund which shall receive revenues collected from the tax on gross gaming revenue
2488 received from gaming licensees. The commission shall be the trustee of the fund and shall
2489 transfer monies in the fund as follows:

2490 (1) 100 per cent of the revenue received from a category 2 licensee shall be transferred to the
2491 Gaming Local Aid Fund established in section 63; and

2492 (2) 100 per cent of the revenue received from a category 1 licensee shall be transferred as
2493 follows:

2494 (a) 2 per cent of revenues to the Massachusetts cultural council of which one-quarter of the
2495 revenues received shall be dedicated to the organization support program of the Massachusetts
2496 cultural council and three-quarters of revenues shall be dedicated to support not-for-profit and
2497 municipally-owned performing arts centers impacted as a result of the operation of gaming
2498 facilities; provided, however, that funds dedicated to such performing arts centers shall be to
2499 subsidize fees paid to touring shows or artists; and provided further, that funding shall be
2500 appropriated through a competitive grant process to be developed and administered by the
2501 Massachusetts cultural council;

2502 (b) 1 per cent to the Massachusetts Tourism Fund to fund tourist promotion agencies under
2503 clause (c) of section 35J of chapter 10;

2504 (c) 6.5 per cent to the Community Mitigation Fund established in section 61;

2505 (d) 2 per cent to the Local Capital Projects Fund, established in section 2EEEE of chapter 29;

2506 (e) 20 per cent to the Gaming Local Aid Fund, established in section 63;

2507 (f) 10 per cent to the Commonwealth Stabilization Fund established in section 2H of chapter 29;

2508 provided, however, that in any fiscal year in which the amount appropriated in line-item 7061-

2509 0008 of the general appropriation act, paid from the General Fund, or the amount of unrestricted

2510 general government aid paid from the General Fund, including lottery aid distribution to cities

2511 and towns as paid from the General Fund under clause (c) of the second paragraph of section 35

2512 of said chapter 10 and the amount of additional funds distributed to cities and towns as additional

2513 assistance paid from the General Fund, is less than that of the previous fiscal year, up to 1/2 of

2514 the funds otherwise directed to the Commonwealth Stabilization Fund under this section, up to

2515 an amount equal to the deficiency between said appropriations for the current and previous fiscal

2516 years, shall be transferred to the Gaming Local Aid Fund in addition to the 25 per cent under

2517 clause (e);

2518 (g) 14 per cent to the Education Fund established in section 64;

2519 (h) 9.5 per cent to the Gaming Economic Development Fund established in section 2DDDD of

2520 said chapter 29;

2521 (i) 10 per cent shall be used for debt reduction through a program of debt defeasance and

2522 accelerated debt payments; provided, however, that this program shall be developed jointly by

2523 the state treasurer and the secretary of administration and finance and shall be implemented in

2524 compliance with state finance law; provided further, that this program shall prioritize the

2525 reduction of risk in the commonwealth's debt portfolio, but may also include payments to

2526 decrease the unfunded pension liability of the Pension Reserves Investment Trust Fund; and

2527 provided further, that the secretary of administration and finance and the state treasurer shall
2528 provide a written description of the program to the finance advisory board established in section
2529 97 of chapter 6 for the board's review and comment before the program is implemented and shall
2530 file a copy of that description with the house and senate committees on ways and means and the
2531 house and senate committees on bonding, capital expenditures and state assets when it is
2532 submitted to the finance advisory board;

2533 (j) 15 per cent to the Transportation Infrastructure and Development Fund established in section
2534 62;

2535 (k) 5 per cent to the Public Health Trust Fund established in section 58; and

2536 (l) 5 per cent to the Race Horse Development Fund established in section 60.

2537 Section 60. (a) There shall be established and set up on the books of the commonwealth a Race
2538 Horse Development Fund to be administered by the commission. The fund shall consist of
2539 monies deposited under subsection (c) of section 55. The commission shall make distributions
2540 from the Race Horse Development Fund to each licensee under chapter 128A.

2541 (b) There shall be a horse racing committee consisting of 5 members, 1 of whom shall be the
2542 governor or the governor's designee who shall serve as chair, 1 of whom shall be the treasurer
2543 and receiver general or the treasurer's designee, 1 of whom shall be the chair of the commission
2544 or the chair's designee, 1 of whom shall be appointed by the New England Horsemen's
2545 Benevolent & Protective Association and the Massachusetts Thoroughbred Breeding Program
2546 and 1 of whom shall be appointed by the Harness Horseman's Association of New England and
2547 the Massachusetts Standardbred Breeding Program. The horse racing committee shall make
2548 recommendations on how the funds received in subsection (a) shall be distributed between

2549 thoroughbred and standardbred racing facilities to support the thoroughbred and standardbred
2550 horse racing industries under this section. In making its recommendations, the committee shall
2551 consider certain criteria including, but not limited to: (i) the average purses awarded at
2552 thoroughbred and standardbred racing facilities; (ii) the total employment numbers, both direct
2553 and indirect, attributable to each horse racing industry; (iii) the relative needs of each horse
2554 racing industry for increased purses; (iv) the amount of the live racing handle generated by each
2555 horse racing industry; and (v) the number of breeding and training farms of each industry that are
2556 located in the commonwealth. The committee shall submit distribution recommendations to the
2557 clerks of the senate and house of representatives not later than 30 days before submitting the
2558 recommendations to the commission for final approval. The commission shall only change the
2559 distribution percentage upon a recommendation by the committee.

2560 (c) Funds received from the Race Horse Development Fund shall be distributed between
2561 thoroughbred and standardbred accounts, as approved by the commission, as follows:

2562 (i) 80 per cent of the funds approved by the commission shall be deposited weekly into a
2563 separate, interest-bearing purse account to be established by and for the benefit of the horsemen;
2564 provided, however, that the earned interest on the account shall be credited to the purse account;
2565 and provided further, that licensees shall combine these funds with revenues from existing purse
2566 agreements to fund purses for live races consistent with those agreements with the advice and
2567 consent of the horsemen;

2568 (ii) 16 per cent of the funds approved by the commission shall be deposited as follows: (A) for a
2569 thoroughbred track, into the Massachusetts Thoroughbred Breeding Program authorized by the

2570 commission; or (B) for a standardbred track, into the Massachusetts Standardbred Breeding
2571 Program authorized by the commission;

2572 (iii) 4 per cent shall be used to fund health and pension benefits for the members of the
2573 horsemen's organizations representing the owners and trainers at a horse racing facility for the
2574 benefit of the organization's members, their families, employees and others under the rule and
2575 eligibility requirements of the organization, as approved by the commission; provided, however,
2576 that this amount shall be deposited within 5 business days of the end of each month into a
2577 separate account to be established by each respective horsemen's organization at a banking
2578 institution of its choice; and provided further, that of this amount, the commission shall
2579 determine how much shall be paid annually by the horsemen's organization to the thoroughbred
2580 jockeys or standardbred drivers organization at the horse racing facility for health insurance, life
2581 insurance or other benefits to active and disabled thoroughbred jockeys or standardbred drivers
2582 under the rules and eligibility requirements of that organization.

2583 Section 61. (a) There shall be established and set up on the books of the commonwealth a
2584 separate fund to be known as the Community Mitigation Fund. The fund shall consist of monies
2585 transferred under section 59 and all other monies credited or transferred to the fund from any
2586 other fund or source.

2587 (b) The commission shall administer the fund and, without further appropriation, shall expend
2588 monies in the fund to assist the host community and surrounding communities in offsetting costs
2589 related to the construction and operation of a gaming establishment including, but not limited to,
2590 communities and water and sewer districts in the vicinity of a gaming establishment, local and
2591 regional education, transportation, infrastructure, housing, environmental issues and public

2592 safety, including the office of the county district attorney, police, fire and emergency services.
2593 The commission may, at its discretion, distribute funds to a governmental entity or district other
2594 than a single municipality in order to implement a mitigation measure that affects more than 1
2595 municipality; provided, however, that such entity or district shall submit a written request for
2596 funding in the same manner as a municipality would be required to submit such a request under
2597 subsection (c).

2598 (c) Parties requesting appropriations from the fund shall submit a written request for funding to
2599 the commission before February 1 of each year. The commission may hold a public hearing in
2600 the region of a gaming establishment to provide parties with the opportunity to provide further
2601 information about their request for funds and shall distribute funds to requesting parties based on
2602 demonstrated need.

2603 Section 62. There shall be established and set up on the books of the commonwealth a fund to be
2604 known as the Transportation Infrastructure and Development Fund. The fund shall consist of
2605 monies transferred from the Gaming Revenue Fund and all other monies credited or transferred
2606 to the fund from any other fund or source and proceeds from the investment of such funds. The
2607 secretary of transportation shall be the trustee of this fund; provided, however, that no funds shall
2608 be expended until the secretary of administration and finance has provided written approval
2609 annually of a proposed spending plan. Any expenditures from this fund shall be solely for the
2610 purpose of transportation and related infrastructure projects including but not limited to, transit
2611 expansion and maintenance; provided, however, that not less than 50 per cent of such
2612 expenditures shall be dedicated for the purpose of supplementing, and not offsetting, any
2613 expenditures made for the construction and reconstruction of municipal ways as described in
2614 clause (b) of the second paragraph of section 4 of chapter 6C.

2615 Section 63. There shall be established and set up on the books of the commonwealth a fund to be
2616 known as the Gaming Local Aid Fund. The fund shall consist of monies transferred under
2617 section 59 and all monies credited or transferred to the fund from any other fund or source and
2618 shall be subject to appropriation. Funds shall be distributed to cities and towns in accordance
2619 with the formula used to determine the distribution of unrestricted general government aid under
2620 section 3 of the general appropriation act. Monies from the fund shall be used in addition to the
2621 balance of the State Lottery Fund for distribution to cities and towns under clause (c) of the
2622 second paragraph of section 35 of chapter 10 and any monies so distributed shall be considered
2623 part of general revenue sharing aid for purposes of annual aid and contribution requirements
2624 established pursuant to chapter 70 or section 3 of the annual general appropriation act.

2625 Section 64. There shall be established and set up on the books of the commonwealth a fund to be
2626 known as the Education Fund. The fund shall be credited any monies transferred under section
2627 59 and all monies credited to or transferred to the fund from any other fund or source.
2628 Expenditures from the fund shall be subject to appropriation; provided, however, that 35 per cent
2629 of the funds received shall be appropriated for the purposes of higher education to supplement,
2630 not offset, any reduction in the general appropriation act from the previous fiscal year; and
2631 provided further, that any expenditures from the fund for K-12 education shall be used to
2632 supplement, and not offset, any reduction in line-item 7061-0008 of the general appropriation act
2633 from the previous fiscal year's general appropriation act.

2634 Section 65. The commission shall audit as often as the commission determines necessary, but not
2635 less than annually, the accounts, programs, activities, and functions of all gaming licensees. To
2636 conduct the audit, authorized officers and employees of the commission shall have access to such
2637 accounts at reasonable times and the commission may require the production of books,

2638 documents, vouchers and other records relating to any matter within the scope of the audit,
2639 except tax returns. The superior court shall have jurisdiction to enforce the production of records
2640 that the commission requires to be produced under this section and the court shall order the
2641 production of all such records within the scope of any such audit. All audits shall be conducted in
2642 accordance with generally accepted auditing standards established by the American Institute of
2643 Certified Public Accountants. In any audit report of the accounts, funds, programs, activities and
2644 functions of a gaming licensee issued by the commission containing adverse or critical audit
2645 results, the commission may require a response, in writing, to the audit results. The response
2646 shall be forwarded to the commission within 15 days of notification by the commission.

2647 On or before April 1 of each year, the commission shall submit a report to the clerks of the house
2648 of representatives and the senate who shall forward the report to the house and senate
2649 committees on ways and means which shall include, but not be limited to: (i) the number of
2650 audits performed under this section; (ii) a summary of findings under the audits; and (iii) the cost
2651 of each audit.

2652 Section 66. Unless the commission otherwise determines it to be in the best fiscal interests of the
2653 commonwealth, the commission shall utilize the services of an independent testing laboratory
2654 that has been qualified and approved by the commission pursuant to this chapter to perform the
2655 testing of slot machines and other gaming equipment and may also utilize applicable data from
2656 the independent testing laboratory, or from a governmental agency of a state other than the
2657 commonwealth, authorized to regulate slot machines and other gaming equipment.

2658 Section 67. The commission shall continue to evaluate the status of Indian tribes in the
2659 commonwealth including, without limitation, gaining federal recognition or taking land into trust

2660 for tribal economic development. The commission shall evaluate and make a recommendation to
2661 the governor and the chairs of the joint committee on economic development and emerging
2662 technologies as to whether it would be in the best interest of the commonwealth to enter into any
2663 negotiations with those tribes for the purpose of establishing Class III gaming on tribal land.

2664 Section 68. (a) There shall be a gaming policy advisory committee to consist of the governor or
2665 the governor's designee, who shall serve as chair, the commission chair, 2 members of the senate
2666 of whom 1 shall be appointed by minority leader, 2 members of the house of representatives of
2667 whom 1 shall be appointed by the minority leader, the commissioner of public health or the
2668 commissioner's designee and 8 persons to be appointed by the governor, of whom 3 shall be
2669 representatives of gaming licensees, 1 shall be a representative of a federally recognized Indian
2670 tribe in the commonwealth, 1 shall be a representative of organized labor and 3 shall be
2671 appointed from the vicinity of each gaming establishment, as defined by the host community and
2672 surrounding communities, upon determination of the licensee and site location by the
2673 commission. The committee shall designate subcommittees to examine community mitigation,
2674 compulsive gambling and gaming impacts on cultural facilities and tourism. Members of the
2675 committee shall serve for 2-year terms. The committee shall meet at least once annually for the
2676 purpose of discussing matters of gaming policy. The recommendations of the committee
2677 concerning gaming policy made under this section shall be advisory and shall not be binding on
2678 the commission.

2679 (b) There shall be a subcommittee on community mitigation under the gaming policy
2680 advisory committee consisting of 12 members, 1 of whom shall be appointed from the host
2681 community in region A, 1 of whom shall be appointed from the host community in region B; 1 of
2682 whom shall be appointed from the host community in region C, 1 of whom shall be a

2683 representative from the department of revenue's division of local services, 1 of whom shall be a
2684 representative of the commission, 3 of whom shall be appointed by the governor, of whom 1
2685 shall have professional experience in community mitigation related to gaming, 1 shall be a small
2686 business owner in a host community and 1 shall be a representative from a chamber of commerce
2687 serving a host community who shall be chosen from a list of 3 candidates selected by the
2688 chambers of commerce in the surrounding communities, 1 of whom shall represent the local
2689 community mitigation advisory committee in region A, 1 of whom shall represent the local
2690 mitigation advisory committee in region B, 1 of whom shall represent the local mitigation
2691 advisory committee in region C and 1 of whom shall be a representative from the Massachusetts
2692 Municipal Association. The subcommittee shall develop recommendations to be considered by
2693 the commission to address issues of community mitigation as a result of the development of
2694 gaming establishments in the commonwealth including, but not limited to, how funds may be
2695 expended from the Community Mitigation Fund, the impact of gaming establishments on the
2696 host community and surrounding communities including, but not limited to, the impact on local
2697 resources as a result of new housing construction and potential necessary changes to affordable
2698 housing laws, increased education costs and curriculum changes due to population changes in the
2699 region, development and maintenance of infrastructure related to increased population and
2700 utilization in the region and public safety impacts resulting from the facility and ways to address
2701 that impact. The subcommittee shall receive input from local community mitigation advisory
2702 committees. The subcommittee shall review annually the expenditure of funds from the
2703 Community Mitigation Fund and make recommendations to the commission relative to
2704 appropriate and necessary use of community mitigation funds. The commission may promulgate
2705 such regulations as advised by the subcommittee; provided, however, that the commission shall

2706 submit proposed final regulations to the subcommittee for comment 30 days before
2707 promulgation.

2708 (c) There shall be a subcommittee on addiction services under the gaming policy advisory
2709 committee consisting of 5 members, 1 of whom shall be a representative from the department of
2710 public health's bureau of substance abuse services; 1 of whom shall be a representative from the
2711 Massachusetts Council on Compulsive Gambling, Inc., 1 of whom shall be a representative of
2712 the commission and 2 of whom shall be appointed by the governor with professional experience
2713 in the area of gambling addictions. The subcommittee shall develop recommendations for
2714 regulations to be considered by the commission in addressing issues related to addiction services
2715 as a result of the development of gaming establishments in the commonwealth including, by not
2716 limited to, prevention and intervention strategies.

2717 (d) There shall be a subcommittee on public safety under the gaming policy advisory
2718 committee consisting of 7 members, 1 of whom shall be a member of the commission, 1 of
2719 whom shall be the secretary of public safety or the secretary's designee, 1 of whom shall be the
2720 attorney general or the attorney general's designee, 1 of whom shall be a representative from the
2721 Massachusetts District Attorneys Association, 1 of whom shall be the colonel of state police or
2722 the colonel's designee, 1 of whom shall be a representative from the Massachusetts Chiefs of
2723 Police Association and 1 of whom shall be a representative of a public safety labor union. The
2724 subcommittee shall develop recommendations for regulations to be considered by the
2725 commission to address public safety issues as a result of the development of gaming
2726 establishments in the commonwealth including, but not limited to, ways to mitigate the impact of
2727 gaming establishments on crimes committed in the commonwealth. The subcommittee shall also
2728 study the impact of gaming establishments on all aspects of public safety in the commonwealth.

2729 (e) Each region, as defined in section 19, may establish a local community mitigation
2730 advisory committee, which shall include not fewer than 6 members, 1 of whom shall be
2731 appointed by each of the host and surrounding communities, 1 of whom shall be appointed by
2732 each regional planning agency to which at least 1 of the host or surrounding communities
2733 belongs and 4 of whom shall be appointed by the commission, of whom at least 1 shall represent
2734 a chamber of commerce in the region, 1 shall represent a regional economic development
2735 organization in the region and 2 shall represent human service providers in the region. Each
2736 local committee shall annually elect a chair and such other officers as it deems necessary to carry
2737 out its duties. Each local committee shall annually elect 1 committee member from those
2738 members appointed by surrounding communities to represent the local committee in the
2739 subcommittee on community mitigation under subsection (b).

2740 Each local community mitigation advisory committee may provide information and
2741 develop recommendations for the subcommittee on community mitigation on any issues related
2742 to the gaming establishment located in its region including, but not limited to: (i) issues of
2743 community mitigation; (ii) ways in which funds may be expended from the Community
2744 Mitigation Fund; and (iii) the impact of the gaming establishments on the host and surrounding
2745 communities. Additionally, each local community mitigation advisory committee may present
2746 information to the commission consistent with the rules of the commission on any issues related
2747 to the gaming establishment located in its region.

2748 Section 69. The commission shall report monthly to the governor, the attorney general, the
2749 senate and house committees on ways and means, the chairs of the joint committee on revenue
2750 and the chairs of the joint committee on economic development and emerging technologies on
2751 the total gaming revenues, prize disbursements and other expenses for the preceding month and

2752 shall make an annual report to the same recipients which shall include a full and complete
2753 statement of gaming revenues, prize disbursements and other expenses, including such
2754 recommendations as the commission considers necessary or advisable. The commission shall
2755 report immediately to the governor, the attorney general, the senate and house committees on
2756 ways and means, the senate and house chairs of the joint committee on revenue and the senate
2757 and house chairs of the joint committee on economic development and emerging technologies on
2758 any matter which requires immediate changes in the laws in order to prevent abuses or evasions
2759 of the laws, rules or regulations related to gaming or to rectify undesirable conditions in
2760 connection with the administration or operation of gaming in the commonwealth.

2761 Section 70. The commission shall annually submit a complete and detailed report of the
2762 commission's activities, including a review of the implementation and enforcement of this
2763 chapter and the governance structure established in this chapter, within 90 days after the end of
2764 the fiscal year to the governor, the attorney general, the treasurer and receiver general, the clerks
2765 of the senate and the house of representatives, the chairs of the joint committee on economic
2766 development and emerging technologies and the chairs of the house and senate committees on
2767 ways and means.

2768 Section 71. The commission, with the advice of the gaming policy advisory committee, shall
2769 develop an annual research agenda in order to understand the social and economic effects of
2770 expanding gaming in the commonwealth and to obtain scientific information relative to the
2771 neuroscience, psychology, sociology, epidemiology and etiology of gambling. The secretary of
2772 health and human services, with the advice and consent of the commission, may expend funds
2773 from the Public Health Trust Fund established in section 58 to implement the objectives of the
2774 research agenda which shall include, but not be limited to:

(1) a baseline study of the existing occurrence of problem gambling in the commonwealth; provided, however, that the study shall examine and describe the existing levels of problem gambling and the existing programs available that prevent and address the harmful consequences of problem gambling; provided further, that the commission shall contract with scientists and physicians to examine the current research as to the causes for problem gambling and the health effects of problem gambling and the treatment methods currently available in the commonwealth; provided further, that the commission shall report on the findings of the baseline study and provide recommendations to the house and senate committees on ways and means, the joint committee on economic development and emerging technologies, the joint committee on mental health and substance abuse and the joint committee on public health relative to methods to supplement or improve problem gambling prevention and treatment services;

(2) comprehensive legal and factual studies of the social and economic impacts of gambling in the commonwealth on: (a) state, local and Indian tribal governments; and (b) communities and social institutions generally, including individuals, families and businesses within such communities and institutions; provided, however, that the matters to be examined in such studies shall include, but not be limited to:

(i) a review of existing federal, state, local and Indian tribal government policies and practices with respect to the legalization or prohibition of gambling, including a review of the costs of such policies and practices;

(ii) an assessment of the relationship between gambling and levels of crime and of existing enforcement and regulatory practices intended to address any such relationship;

2796 (iii) an assessment of pathological or problem gambling, including its impact on
2797 individuals, families, businesses, social institutions and the economy;

2798 (iv) an assessment of the impact of gambling on individuals, families, businesses, social
2799 institutions and the economy generally, including the role of advertising in promoting gambling
2800 and the impact of gambling on depressed economic areas;

2801 (v) an assessment of the extent to which gaming has provided revenues to other state,
2802 local and Indian tribal governments;

2803 (vi) an assessment of the costs of added infrastructure, police force, increased
2804 unemployment, increased health care and dependency on public assistance;

2805 (vii) an assessment of the impact of the development and operation of the gaming
2806 establishment on small businesses in host communities and surrounding communities, including
2807 a review of any economic harm experienced and potential solutions to mitigate associated
2808 economic harm; and

2809 (viii) the costs of implementing this chapter.

2810 (3) individual studies conducted by academic institutions and individual researchers in
2811 the commonwealth to study topics which shall include, but not be limited to: (i) reward and
2812 aversion, neuroimaging and neuroscience in humans, addiction phenotype genotype research,
2813 gambling-based experimental psychology and mathematical modeling of reward-based decision
2814 making; (ii) the sociology and psychology of gambling behavior, gambling technology and
2815 marketing; and (iii) the epidemiology and etiology of gambling and problem gambling in the
2816 general population; provided, however, that when contracting with researchers to study such

2817 issues, the commission shall encourage the collaboration among researchers in the
2818 commonwealth and other states and jurisdictions.

2819 The commission and the committee shall annually make scientifically-based
2820 recommendations which reflect the results of this research to the house and senate committees on
2821 ways and means, the joint committee on economic development and emerging technologies, the
2822 joint committee on mental health and substance abuse and the joint committee on public health.
2823 The commission shall consider any such recommendations, research and findings in all decisions
2824 related to enhancing responsible gambling and mitigating problem gambling.

2825 SECTION 17. Chapter 23K of the General Laws is hereby amended by striking out section 7, as
2826 appearing in section 16, and inserting in place thereof the following section:-

2827 Section 7. (a) The commission shall administer and enforce any general and special law
2828 related to pari-mutuel wagering and simulcasting. The commission shall serve as a host racing
2829 commission and an off-track betting commission for purposes of 15 U.S.C. 3001, et seq.

2830 (b) The commission may grant a simulcasting license to a gaming establishment or an
2831 entity previously licensed pursuant to chapter 128A or chapter 128C; provided, however, that the
2832 commission shall require that a minimum of 10 per cent of the wagering received on in-state and
2833 out-of-state thoroughbred and harness races be allocated to the Race Horse Development Fund
2834 established in section 60 to support purse assistance and breeding programs; provided further,
2835 that in granting any such license to a gaming establishment, the commission shall take into
2836 consideration the impact on preexisting facilities previously licensed pursuant to said chapters
2837 128A and 128C.

2838 SECTION 18. Chapter 29 of the General Laws is hereby amended by inserting after section
2839 2BBBB the following 3 sections:

2840 Section 2CCCC. There shall be established and set up on the books of the commonwealth a
2841 separate fund to be known as the Local Aid Stabilization Fund. The fund shall consist of monies
2842 transferred to it from the Gaming Revenue Fund established in section 59 of chapter 23K, all
2843 other monies credited or transferred to it from any other fund or source and proceeds from the
2844 investment of such funds. Subject to appropriation, the fund shall be distributed to cities and
2845 towns as a supplement to other sources of local aid distributions, but shall not be subject to
2846 section 5C.

2847 Section 2DDDD. There shall be established and set up on the books of the commonwealth a
2848 separate fund to be known as the Gaming Economic Development Fund. The fund shall be
2849 credited with revenues transferred to it from the Gaming Revenue Fund established in section 59
2850 of chapter 23K. Amounts credited to the fund shall be expended, subject to appropriation, to
2851 support economic development and job growth including, but not limited to: (1) workforce
2852 training, including transfers to the Workforce Competitiveness Trust Fund established in section
2853 2WWW of chapter 29; (2) tourism promotion, including regional tourism promotion agencies
2854 and cultural and recreational attraction promotion; (3) summer jobs; (4) the Massachusetts
2855 marketing partnership established in section 13A of chapter 23A; (5) higher education
2856 scholarships; (6) regional economic development initiatives; (7) support for small businesses,
2857 including small business lending; (8) green jobs promotion; (9) science, technology, engineering
2858 and mathematics career pipeline initiatives; and (10) agricultural development programs,
2859 including youth agricultural education.

2860 Section 2EEEE. There shall be established and set up on the books of the commonwealth a Local
2861 Capital Projects Fund. The fund shall be credited with any funds transferred from the Gaming
2862 Revenue Fund established in section 59 of chapter 23K and any monies credited to or transferred
2863 to the fund from any other fund or source.

2864 SECTION 19. Section 38 of said chapter 29, as appearing in the 2010 Official Edition, is hereby
2865 amended by striking out, in line 116, the words “Fund, as established and defined in section
2866 thirty-five of chapter ten,” and inserting in place thereof the following words:- and Gaming
2867 Fund established in section 35 of chapter 10.

2868 SECTION 20. Said section 38 of said chapter 29, as so appearing, is hereby further amended by
2869 striking out, in lines 127 and 128, the words “ said State Lottery” and inserting in place thereof
2870 the following words:- State Lottery and Gaming.

2871 SECTION 21. Section 1 of chapter 32 of the General Laws is hereby amended by inserting after
2872 the word “connector”, in line 216, as so appearing, the following words:- , the Massachusetts
2873 gaming commission.

2874 SECTION 22. Section 2 of chapter 32A of the General Laws, as so appearing, is hereby
2875 amended by inserting after the word “authority”, in line 12, the following words:- , the
2876 Massachusetts gaming commission.

2877 SECTION 23. Section 94 of chapter 41 of the General Laws, as so appearing, is hereby amended
2878 by inserting after the word “and”, in line 7, the first time it appears, the following word:- illegal.

2879 SECTION 24. Section 7A of chapter 55 of the General Laws, as so appearing, is hereby
2880 amended by adding the following subsection:-

2881 (c) The aggregate of all contributions by a person who holds a license issued by the
2882 Massachusetts gaming commission, who was required to apply for that license under section 14
2883 of chapter 23K, for the benefit of any 1 candidate and such candidate's committee shall not
2884 exceed \$200 in a calendar year. The aggregate of all contributions by a person who holds a
2885 license issued by the Massachusetts gaming commission, who was required to apply for that
2886 license under said section 14 of said chapter 23K, for the benefit of any other political
2887 committee, other than a ballot question committee, shall not exceed \$200 in a calendar year.

2888 SECTION 25. Section 18C of chapter 58 of the General Laws, as so appearing, is hereby
2889 amended by inserting after the word "Lottery", in line 6, the following words:- and Gaming.

2890 SECTION 26. Section 18D of said chapter 58 is hereby repealed.

2891 SECTION 27. Section 5A of chapter 62 of the General Laws, as appearing in the 2010 Official
2892 Edition, is hereby amended by inserting after the word "commonwealth", in line 24, the
2893 following words:- , including gaming winnings acquired at or through a gaming establishment
2894 licensed under chapter 23K.

2895 SECTION 28. The seventh paragraph of section 2 of chapter 62B of the General Laws, as so
2896 appearing, is hereby amended by striking out the first 2 sentences and inserting in place thereof
2897 the following 2 sentences:- Every person, including the United States, the commonwealth or any
2898 other state, or any political subdivision or instrumentality of the foregoing, making any payment
2899 of lottery or wagering winnings which are subject to tax under chapter 62 and which are subject
2900 to withholding under section 3402 of the Internal Revenue Code, without the exception for slot
2901 machines, keno and bingo played at licensed casinos in subsections (q)(5) and (r) of said section
2902 3402 of the Internal Revenue Code, shall deduct and withhold from such payment an amount

2903 equal to 5 per cent of such payment, except that such withholding for purposes of this chapter
2904 shall apply to payments of winnings of \$600 or greater notwithstanding any contrary provision of
2905 the Internal Revenue Code. For the purposes of this chapter and chapter 62C, such payment of
2906 winnings shall be treated as if it were wages paid by an employer to an employee.

2907 SECTION 29. Said chapter 62B is hereby further amended by striking out section 5, as so
2908 appearing, and inserting in place thereof the following section:-

2909 Section 5. Every employer required to deduct and withhold from an employee or payee a tax
2910 under section 2 or who would have been required under said section 2 in the case of an employee
2911 to deduct and withhold a tax if the employee had not claimed any personal exemption or
2912 dependency exemptions, shall furnish to each such employee or payee in respect of the wages or
2913 other payments paid by such employer to such employee or payee during the calendar year, on or
2914 before January 31 of the succeeding year, or, if an employee's employment is terminated before
2915 the close of such calendar year, within 30 days from the day on which the last payment of wages
2916 shall be made, a written statement in duplicate showing the name of the employer, the name of
2917 the employee or payee and the social security number of the employee or payee, if any, the total
2918 amount of wages or other amounts subject to taxation under chapter 62 and the total amount
2919 deducted and withheld as tax. The statement shall contain such other information as the
2920 commissioner may prescribe. The commissioner may grant reasonable extensions of time, not
2921 exceeding 60 days, for the furnishing of the statement.

2922 An employer who fails to withhold or pay to the commissioner any sum required by this chapter
2923 to be withheld or paid shall be personally and individually liable therefor to the commonwealth.
2924 The term "employer," as used in this section and in section 11, shall include a person or entity

2925 required to withhold tax from a payee, an officer or employee of a corporation or a member or
2926 employee of a partnership or limited liability company who, as such officer, employee or
2927 member is under a duty to withhold and pay over taxes in accordance with this section and
2928 section 2. Any sum withheld in accordance with said section 2 shall be considered to be held in
2929 trust for the commonwealth.

2930 If an employer in violation of this chapter fails to withhold the tax in accordance with section 2
2931 and thereafter the tax against which such tax may be credited pursuant to section 9 is paid, the
2932 tax so required to be withheld shall not be collected from the employer; provided, however, that
2933 this paragraph shall not relieve the employer from liability for any penalties or additions to the
2934 tax otherwise applicable in respect of such failure to withhold.

2935 SECTION 30. The first paragraph of section 8 of chapter 62C of the General Laws, as so
2936 appearing, is hereby amended by striking out the last sentence and inserting in place thereof the
2937 following sentence:-The same basis of reporting shall be utilized for income that is subject to
2938 taxation or withholding under chapter 62 or 62B but is not subject to taxation or withholding
2939 under the Code.

2940 SECTION 31. Section 38 of chapter 63 of the General Laws, as so appearing, is hereby
2941 amended by inserting after the figure “64I”, in line 176, the following words:- ; and (8) in the
2942 case of a business deriving receipts from operating a gaming establishment or otherwise deriving
2943 receipts from conducting a wagering business or activity, income-producing activity shall be
2944 considered to be performed in this commonwealth to the extent that the location of wagering
2945 transactions or activities that generated the receipts is in this commonwealth.

2946 SECTION 32. Said section 38 of said chapter 63, as so appearing, is hereby further amended by
2947 striking out, in line 200, the words “workforce in place” and inserting in place thereof the
2948 following words:- “workforce in place”; and (7) in the case of a business deriving receipts from
2949 operating a gaming establishment or otherwise deriving receipts from conducting a wagering
2950 business or activity, income-producing activity shall be considered to be performed in this
2951 commonwealth to the extent that the location of wagering transactions or activities that generated
2952 the receipts is in this commonwealth.

2953 SECTION 33. Section 2 of chapter 70 of the General Laws, as so appearing, is hereby amended
2954 by inserting after the word “Lottery”, in line 355, the following words:- and Gaming.

2955 SECTION 34. Section 2 of chapter 128 of the General Laws, as so appearing, is hereby amended
2956 by striking out, in line 99, the words “or dog”.

2957 SECTION 35. Said section 2 of said chapter 128, as so appearing, is hereby further amended by
2958 striking out subsection (i).

2959 SECTION 36. Said section 2 of said chapter 128, as so appearing, is hereby further amended by
2960 striking out, in lines 152 and 153, the words “the provisions of paragraphs (b), (f), (g), and (i)”
2961 and inserting in place thereof the following words:- subsections (b), (f) and (g).

2962 SECTION 37. Section 1 of chapter 128A of the General Laws, as so appearing, is hereby
2963 amended by striking out, in line 6, the words “state racing commission” and inserting in place
2964 thereof the following words:- Massachusetts gaming commission established in chapter 23K.

2965 SECTION 38. Section 2 of said chapter 128A, as so appearing, is hereby amended by striking
2966 out, in lines 6 and 7, the words “state racing commission” and inserting in place thereof the
2967 following words:- Massachusetts gaming commission established in chapter 23K.

2968 SECTION 39. Said chapter 128A is hereby repealed.

2969 SECTION 40. Section 1 of chapter 128C of the General Laws, as appearing in the 2010 Official
2970 Edition, is hereby amended by striking out, in line 12, the words “state racing commission” and
2971 inserting in place thereof the following words:- Massachusetts gaming commission established in
2972 chapter 23K.

2973 SECTION 41. Said chapter 128C of the General Laws is hereby repealed.

2974 SECTION 42. Section 1 of chapter 137 of the General Laws, as appearing in the 2010 Official
2975 Edition, is hereby amended by inserting after the word “gaming”, in line 2, the following words:-
2976 , except for gaming conducted in licensed gaming establishments pursuant to chapter 23K.

2977 SECTION 43. Section 2 of said chapter 137, as so appearing, is hereby amended by striking out,
2978 in line 2, the word “where” and inserting in place thereof the following words:- , but not
2979 including an owner or operator of a gaming establishment licensed pursuant to chapter 23K,
2980 where.

2981 SECTION 44. Section 3 of said chapter 137, as so appearing, is hereby amended by inserting
2982 after the word “betting”, in line 5, the following words:- , but not including gaming conducted
2983 pursuant to chapter 23K.

2984 SECTION 45. Section 18 of chapter 139 of the General Laws, as so appearing, is hereby
2985 amended by inserting after the word “of”, in line 6, the word:- illegal.

2986 SECTION 46. Section 177A of chapter 140 of the General Laws, as so appearing, is hereby
2987 amended by inserting after the word “machines”, in line 12, the following words:- , but not
2988 including slot machines as defined in chapter 23K.

2989 SECTION 47. Section 26A of chapter 180 of the General Laws, as so appearing, is hereby
2990 amended by striking out, in lines 4 and 16, each time it appears, the words “or dog”.

2991 SECTION 48. The General Laws are hereby further amended by inserting after chapter 267 the
2992 following chapter:-

2993 Chapter 267A

2994 Money Laundering.

2995 Section 1. As used in this chapter, the following words shall have the following meanings unless
2996 the context clearly requires otherwise:

2997 “Criminal activity”, activity which constitutes a criminal offense punishable under the
2998 laws of the commonwealth by imprisonment in a state prison or a criminal offense committed in
2999 another jurisdiction punishable under the laws of that jurisdiction as a felony.

3000 “Financial institution”, (1) a bank as defined in section 1 of chapter 167; (2) a national
3001 banking association, bank, savings and loan association, savings bank, cooperative bank,
3002 building and loan or credit union organized under the laws of the United States; (3) a banking
3003 association, bank, savings and loan association, savings bank, cooperative bank, building and
3004 loan or credit union organized under the laws of any state; (4) an agency, agent or branch of a
3005 foreign bank; (5) a currency dealer or exchange; (6) a person or business engaged primarily in
3006 the cashing of checks; (7) a person or business regularly engaged in the issuing, selling or

3007 redeeming of traveler's checks, money orders or similar instruments; (8) a broker or dealer in
3008 securities or commodities; (9) a licensed transmitter of funds or other person or business
3009 regularly engaged in the transmission of funds to a foreign nation for others; (10) an investment
3010 banker or investment company; (11) an insurer; (12) a dealer in precious metals, stones or
3011 jewels; (13) a pawnbroker or scrap metal dealer; (14) a telegraph or other communications
3012 company; (15) a personal property or real estate broker; (16) a dealer in vehicles including, but
3013 not limited to, automobiles, aircraft and vessels; (17) an operator of a betting or gaming
3014 establishment; (18) a travel agent; (19) a thrift institution, as defined in section 1 of chapter
3015 167F; (20) an operator of a credit card system; or (21) a loan or finance company.

3016 “Monetary instrument”, the currency and coin of the United States or any foreign
3017 country; any bank check, money order, stock, investment security, or negotiable instrument in
3018 bearer form or otherwise in such form that title passes upon delivery; gold, silver or platinum
3019 bullion or coins; diamonds, emeralds, rubies or sapphires; any negotiable instrument including,
3020 bank checks, cashier's checks, traveler's checks or monetary orders made payable to the order of
3021 a named party that have not been endorsed or which bear restrictive endorsements; poker chips,
3022 vouchers or other tokens exchangeable for cash by gaming entities; and credit cards, debit cards,
3023 gift cards, gift certificates or scrips.

3024 “Transaction”, a purchase, sale, loan, pledge, gift, transfer, delivery or other disposition
3025 and, with respect to a financial institution, including, but not limited to, a deposit, withdrawal,
3026 bailment, transfer between accounts, exchange of currency, loan, extension of credit, purchase or
3027 sale of any stock, bond, certificate of deposit or other monetary instrument, use of a safe deposit
3028 box or any other payment, transfer or delivery by, through or to a financial institution, by
3029 whatever means effected.

3030 Section 2. Whoever knowingly:

3031 (1) transports or possesses a monetary instrument or other property that was derived from
3032 criminal activity with the intent to promote, carry on or facilitate criminal activity;

3033 (2) engages in a transaction involving a monetary instrument or other property known to be
3034 derived from criminal activity:

3035 (i) with the intent to promote, carry on or facilitate criminal activity; or

3036 (ii) knowing that the transaction is designed in whole or in part either to: (A) conceal or
3037 disguise the nature, location, source, ownership or control of the property derived from criminal
3038 activity; or (B) avoid a transaction reporting requirement of this chapter, of the United States, or
3039 of any other state; or

3040 (3) directs, organizes, finances, plans, manages, supervises or controls the transportation of, or
3041 transactions in, monetary instruments or other property known to be derived from criminal
3042 activity or which a reasonable person would believe to be derived from criminal activity shall be
3043 guilty of the crime of money laundering and shall be punished by imprisonment in the state
3044 prison for not more than 6 years or by a fine of not more than \$250,000 or twice the value of the
3045 property transacted, whichever is greater, or by both such imprisonment and fine. Whoever
3046 commits a second or subsequent such offense shall be punished by imprisonment in the state
3047 prison for not less than 2 years, but not more than 8 years or by a fine of not more than \$500,000
3048 or 3 times the value of the property transacted, whichever is greater, or by both such
3049 imprisonment and fine.

Section 3. (a) If the Financial Crimes Enforcement Network of the United States Department of the Treasury at any time no longer permits a law enforcement agency including, but not limited to, the attorney general, from entering into a memorandum of understanding to obtain reports required by the Currency and Foreign Transactions Act, set forth in 31 U.S.C. § 5311 to 5315, 31 C.F.R. chapter X, on a case-by-case basis, a financial institution, upon the request of the attorney general, shall file with the attorney general reports required by said Currency and Foreign Transactions Act, set forth in 31 U.S.C. § 5311 to 5315, 31 CFR chapter X.

(b) A financial institution, or an officer, employee or agent of a financial institution that provides any reports or information under this section shall not be liable to its customer, to a state or local agency or to any person for any loss or damage caused in whole or in part by the making, filing or governmental use of the report, or any information contained in the report. Nothing in this chapter shall give rise to a private cause of action for relief or damages. Nothing in this subsection shall preclude a financial institution, in its discretion, from instituting contact with, and then communicating with and disclosing customer financial records to appropriate federal, state or local law enforcement agencies if the financial institution has reason to suspect that the records or information demonstrate that the customer has violated this chapter.

(c) Any report, record or information obtained by the attorney general under this section shall not be a public record under clause Twenty-sixth of section 7 of chapter 4 or section 10 of chapter 66 and shall not be subject to disclosure, except to other state and federal law enforcement agencies.

Section 4. All monetary instruments or other property, real, intellectual or personal, obtained directly as a result of a violation of section 2, shall be subject to forfeiture to the commonwealth. Forfeiture proceedings shall be conducted as provided in subsections (b) to

3073 (j), inclusive, of section 47 of chapter 94C. For the purposes of subsection (d) of said section 47
3074 of said chapter 94C, the investigations and enforcement bureau of the Massachusetts gaming
3075 commission established in chapter 23K shall be considered a police department and shall be
3076 entitled to a police department's distribution of forfeiture proceedings.

3077 SECTION 49. Section 5 of chapter 268A of the General Laws, as appearing in the 2010 Official
3078 Edition, is hereby amended by inserting after clause (b) the following clause:-

3079 (b½) A former state, county or municipal employee who participated as such in general
3080 legislation on expanded gaming in the commonwealth or in the implementation, administration
3081 or enforcement of chapter 23K, and who becomes an officer or employee of, or who acquires a
3082 financial interest in, an applicant for a gaming license or a gaming licensee under said chapter
3083 23K within one year after his last state, county or municipal employment has ceased, or

3084 SECTION 50. Section 6 of chapter 268B of the General Laws, as so appearing, is hereby
3085 amended by adding the following paragraph:-

3086 For the purposes of this section, a person who holds a license issued by the Massachusetts
3087 gaming commission, who was required to apply for that license pursuant to section 14 of chapter
3088 23K, shall be considered a legislative agent.

3089 SECTION 51. Section 1 of chapter 271 of the General Laws, as so appearing, is hereby amended
3090 by inserting after the word "gaming", in lines 3 and 4, the following words:- , except as
3091 permitted under chapter 23K.

3092 SECTION 52. Section 2 of said chapter 271, as so appearing, is hereby amended by inserting
3093 after the word “playing”, in line 4, the following words:- , except as permitted under chapter
3094 23K.

3095 SECTION 53. Section 3 of said chapter 271, as so appearing, is hereby amended by striking out,
3096 in line 1, the word “Every” and inserting in place thereof the following words:- Except as
3097 permitted under chapter 23K, every.

3098 SECTION 54. Section 5 of said chapter 271, as so appearing, is hereby amended by striking out,
3099 in line 1, the word “keeps”, and inserting in place thereof the following words:- , except as
3100 permitted under chapter 23K, keeps.

3101 SECTION 55. Section 5A of said chapter 271, as so appearing, is hereby amended by adding the
3102 following paragraph:-

3103 This section shall not apply to persons who manufacture, transport, sell, offer for sale, store,
3104 display, repair, recondition, possess or use any gambling device or parts for use in such a device
3105 for licensed gaming conducted under chapter 23K.

3106 SECTION 56. Section 6 of said chapter 271, as so appearing, is hereby amended by striking out,
3107 in lines 3 and 4, the words “any gambling or unlawful game” and inserting in place thereof the
3108 words:- illegal gaming.

3109 SECTION 57. Section 7 of said chapter 271, as so appearing, is hereby amended by inserting
3110 after the word “device”, in line 7, the first time it appears, the following words:- that is not
3111 taking place in a gaming establishment licensed pursuant to chapter 23K.

3112 SECTION 58. Said chapter 271 is hereby further amended by striking out section 8, as so
3113 appearing, and inserting in place thereof the following section:-

3114 Section 8. Whoever owns, occupies or is in control of a house, shop or building and knowingly
3115 permits the establishing, managing or drawing of a lottery, or the disposal or attempt to dispose
3116 of property, or the sale of a lottery ticket or share of a ticket, or any other writing, certificate, bill,
3117 token or other device purporting or intended to entitle the holder, bearer or any other person to a
3118 prize or to a share of or an interest in a prize to be drawn in a lottery, or in the disposal of
3119 property, and whoever knowingly allows money or other property to be raffled for or won by
3120 throwing or using dice or by any other game of chance that is not being conducted in a gaming
3121 establishment licensed under chapter 23K, shall be punished by a fine of not more than \$2,000 or
3122 by imprisonment in the house of correction for not more than 1 year.

3123 SECTION 59. Section 14 of said chapter 271, as so appearing, is hereby amended by inserting
3124 after the word “by”, in line 3, the first time it appears, the following words:- illegal gaming,
3125 including games of.

3126 SECTION 60. Section 16A of said chapter 271, as so appearing, is hereby amended by inserting
3127 after the word “wagerers”, in line 14, the following words:- or persons who organize, supervise,
3128 manage or finance persons for the purpose of gaming conducted under chapter 23K.

3129 SECTION 61. Section 17 of said chapter 271, as so appearing, is hereby amended by adding the
3130 following sentence: - This section shall not apply to a person who organizes, supervises,
3131 manages or finances another person for the purpose of gaming conducted in accordance with
3132 chapter 23K.

3133 SECTION 62. Section 19 of said chapter 271, as so appearing, is hereby amended by adding the
3134 following sentence:- This section shall not apply to advertising of gaming conducted pursuant to
3135 chapter 23K.

3136 SECTION 63. Section 20 of said chapter 271, as so appearing, is hereby amended by adding the
3137 following sentence:- Nothing in this section shall prohibit a gaming establishment licensed
3138 under chapter 23K from posting, advertising or displaying materials relevant to its gaming
3139 operations.

3140 SECTION 64. Section 22 of said chapter 271, as so appearing, is hereby amended by inserting
3141 after the word “ of”, in line 6, the third time it appears, the following word:- illegal.

3142 SECTION 65. Section 23 of said chapter 271, as so appearing, is hereby amended by inserting
3143 after the word “for”, in line 28, the following words:-; provided, however, that such provisions
3144 shall not apply to gaming conducted pursuant to chapter 23K.

3145 SECTION 66. Section 28 of said chapter 271, as so appearing, is hereby amended by inserting
3146 after the word “of”, in line 3, the third time it appears, the following word:- illegal.

3147 SECTION 67. Section 31 of said chapter 271, as so appearing, is hereby amended by adding the
3148 following sentence: - This section shall not apply to racing conducted pursuant to chapter 23K.

3149 SECTION 68. The General Laws are hereby amended by inserting after chapter 271 the
3150 following chapter:-

3151 Chapter 271A

3152 Enterprise Crime.

3153 Section 1. As used in this chapter, the following words shall have the following meanings unless
3154 the context clearly requires otherwise:

3155 “Criminal enterprise activity”, the commission, attempt to commit or conspiracy to commit or
3156 the solicitation, coercion, aiding, abetting or intimidation of another to commit any of the
3157 following criminal activities under the laws of the commonwealth or equivalent crimes under the
3158 laws of any other jurisdiction: a violation of any criminal provision of chapter 23K; a felony
3159 offense under chapter 271; distributing, dispensing, manufacturing or possessing with intent to
3160 distribute, dispense or manufacture a controlled substance in violation of chapter 94C; murder;
3161 rape; manslaughter, not including motor vehicle homicide; assault; assault and battery; assault
3162 and battery in order to collect a loan; assault with intent to rob or murder; poisoning; mayhem;
3163 robbery; extortion; stalking; criminal harassment; kidnapping; arson; burglary; malicious
3164 destruction of property; commission of a felony for hire; breaking and entering; child
3165 exploitation; assault and battery on a child; rape of a child; rape and abuse of a child; enticement
3166 of a child under 16; human trafficking; violation of constitutional rights under section 37 of
3167 chapter 265; usury; uttering; misuse or fraudulent use of credit cards under section 37C of
3168 chapter 266; identity fraud; misappropriation of funds; gross fraud under section 76 of chapter
3169 276; insurance fraud; unlawful prize fighting or boxing matches; counterfeiting; perjury;
3170 subornation of perjury; obstruction of justice; money laundering; witness intimidation; bribery;
3171 electronic eavesdropping; prostitution under sections 2, 3, 4A, 4B, 6, 7, 12 and 13 of chapter
3172 272; receiving stolen property; larceny over \$250; larceny by false pretenses or embezzlement;
3173 forgery; procurement fraud; false claims; tax evasion; filing false tax returns; or any conduct
3174 defined as a racketeering activity under Title 18, U.S.C. s. 1961(1)(A)(B) and (D).

3175 “Enterprise”, an entity including any individual, sole proprietorship, partnership, corporation,
3176 association, trust or other legal entity and any unchartered union or group of persons associated
3177 in fact although not a legally-recognized entity.

3178 “Gaming establishment”, an establishment licensed under chapter 23K.

3179 “Pattern of criminal enterprise activity”, engaging in at least 3 incidents of criminal enterprise
3180 activity that have the same or similar pattern, intents, results, accomplices, victims or methods of
3181 commission or are otherwise interrelated by distinguishing characteristics and are not isolated
3182 incidents; provided, however, that at least 1 of the incidents shall have occurred after the
3183 effective date of this chapter and the last incident shall have occurred within 5 years of another
3184 incident of criminal enterprise activity.

3185 “Unlawful debt”, a debt which was incurred or contracted in an illegal gambling activity or
3186 business or which is unenforceable under state or federal law, in whole or in part, as to principal
3187 or interest under the law relating to usury.

3188 Section 2. Whoever knowingly: (1) through a pattern of criminal enterprise activity or through
3189 the collection of an unlawful debt acquires or maintains, directly or indirectly, an interest in or
3190 control of an enterprise which is engaged in, or the activities of which affect, licensed gaming
3191 under chapter 23K or ancillary industries which do business with a gaming establishment; (2)
3192 having received proceeds derived, directly or indirectly, from a pattern of criminal enterprise
3193 activity or through the collection of an unlawful debt, uses or invests, directly or indirectly, part
3194 of the proceeds, including proceeds derived from the investment, in the acquisition of an interest
3195 in real property to be used in connection with licensed gaming, or in the establishment or
3196 operation of an enterprise which is engaged in, or the activities of which affect, licensed gaming

3197 operations or ancillary industries which do business with a gaming establishment; (3) is
3198 employed by or associated with an enterprise to conduct or participate, directly or indirectly, in
3199 the conduct of the enterprise's affairs or activities which affect licensed gaming operations or
3200 ancillary industries which do business with a gaming establishment by engaging in a pattern of
3201 criminal enterprise activity or through the collection of an unlawful debt; or (4) conspires or
3202 attempts to violate clauses (1), (2), or (3) or attempts to so conspire; shall be guilty of enterprise
3203 crime and shall be punished by imprisonment in the state prison for not more than 15 years or by
3204 a fine of not more than \$25,000 or by both such imprisonment and fine.

3205 Nothing in this chapter shall prohibit the purchase of securities on the open market for
3206 purposes of investment made without the intention of controlling or participating in the control
3207 of the issuer, or of assisting another to do so, if the securities of the issuer held by the: (i)
3208 purchaser; (ii) members of the purchaser's immediate family; or (iii) the purchaser's accomplices
3209 in any pattern of criminal activity for the collection of an unlawful debt after such purchase do
3210 not amount, in the aggregate, to 1 per cent of the outstanding securities of any 1 class and do not
3211 confer, either in law or in fact, the power to elect 1 or more directors of the issuer.

3212 Section 3. All monetary proceeds or other property, real, intellectual or personal, obtained
3213 directly as a result of a violation of this chapter, shall be subject to seizure and forfeiture to the
3214 commonwealth. Forfeiture proceedings shall be conducted as provided in subsections (b) to (j),
3215 inclusive of section 47 of chapter 94C. For the purposes of subsection (d) of said section 47 of
3216 said chapter 94C, the investigation and enforcement bureau of the Massachusetts gaming
3217 commission established in chapter 23K shall be considered a police department and shall be
3218 entitled to a police department's distribution of forfeiture proceedings.

3219 SECTION 69. Section 39 of chapter 272 of the General Laws, as appearing in the 2010 Official
3220 Edition, is hereby amended by inserting after the word “in”, in line 7, the following word:-
3221 illegal.

3222 SECTION 70. The first paragraph of section 12A of chapter 494 of the acts of 1978 is hereby
3223 amended by striking out the words “and until January 31, 2012”, inserted by section 1 of chapter
3224 77 of the acts of 2011, and inserting in place thereof the following words:- and until July 31,
3225 2014.

3226 SECTION 71. The last paragraph of said section 12A of said chapter 494 is hereby amended by
3227 striking out the words “January 31, 2012”, inserted by section 2 of said chapter 77, and inserting
3228 in place thereof the following words:- July 31, 2014.

3229 SECTION 72. The introductory paragraph of section 13 of said chapter 494 is hereby amended
3230 by striking out the words “and until January 31, 2012”, inserted by section 3 of said chapter 77,
3231 and inserting in place thereof the following words:- and until July 31, 2014.

3232 SECTION 73. Said section 13 of said chapter 494 is hereby further amended by striking out
3233 clause (c), as appearing in section 2 of chapter 114 of the acts of 1991.

3234 SECTION 74. Clause (d) of said section 13 of said chapter 494, as so appearing, is hereby
3235 amended by striking out, in line 21, the words “, (b) or (c)” and inserting in place thereof the
3236 following words:- or (b).

3237 SECTION 75. Said section 13 of said chapter 494 is hereby further amended by striking out
3238 subsection (f), as so appearing.

3239 SECTION 76. Section 15 of said chapter 494 is hereby amended by striking out the words “and
3240 until January 31, 2012”, inserted by section 4 of chapter 77 of the acts of 2011, and inserting in
3241 place thereof the following words:- and until July 31, 2014.

3242 SECTION 77. The first paragraph of section 9 of chapter 277 of the acts of 1986 is hereby
3243 amended by striking out the words “and until January 31, 2012”, inserted by section 5 of said
3244 chapter 77, and inserting in place thereof the following words:- and until July 31, 2014.

3245 SECTION 78. The first sentence of the first paragraph of section 3 of chapter 114 of the acts of
3246 1991 is hereby amended by striking out the words “and until January 31, 2012”, inserted by
3247 section 6 of said chapter 77, and inserting in place thereof the following words:- and until July
3248 31, 2014.

3249 SECTION 79. The last paragraph of said section 3 of said chapter 114 is hereby amended by
3250 striking out the words “January 31, 2012”, inserted by section 7 of said chapter 77, and inserting
3251 in place thereof the following words:- July 31, 2014.

3252 SECTION 80. The first paragraph of section 4 of said chapter 114 is hereby amended by striking
3253 out the words “and until January 31, 2012”, inserted by section 8 of said chapter 77, and
3254 inserting in place thereof the following words:- and until July 31, 2014.

3255 SECTION 81. The last paragraph of said section 4 of said chapter 114 is hereby amended by
3256 striking out the words “January 31, 2012”, inserted by section 9 of said chapter 77, and inserting
3257 in place thereof the following words:- July 31, 2014.

3258 SECTION 82. The first paragraph of section 5 of said chapter 114 is hereby amended by striking
3259 out the words “and until January 31, 2012”, inserted by section 10 of said chapter 77, and
3260 inserting in place thereof the following words:- and until July 31, 2014.

3261 SECTION 83. Section 13 of chapter 101 of the acts of 1992 is hereby repealed.

3262 SECTION 84. Section 45 of chapter 139 of the acts of 2001 is hereby amended by striking out
3263 the words “January 31, 2012”, inserted by section 12 of chapter 77 of the acts of 2011, and
3264 inserting in place thereof the following words:- July 31, 2014.

3265 SECTION 85. Section 20 of chapter 449 of the acts of 2006 is hereby amended by striking out
3266 the words “January 31, 2012”, inserted by section 13 of said chapter 77, and inserting in place
3267 thereof the following words:- July 31, 2014.

3268 SECTION 86. (a) Notwithstanding section 5 of chapter 128A of the General Laws or any other
3269 general or special law or rule or regulation to the contrary, the greyhound meeting licensee
3270 located in Bristol county and the greyhound meeting licensee located in Suffolk county shall not
3271 be eligible for purse assistance pursuant to clause (6) of subsection (h) of said section 5.

3272 (b) Notwithstanding chapters 128A and 128C of the General Laws or any other general or special
3273 law or rule or regulation to the contrary, amounts from unclaimed winnings and breaks generated
3274 by the greyhound meeting licensee located in Bristol county and the greyhound meeting licensee
3275 located in Suffolk county shall be dedicated to the Racing Stabilization Fund established in
3276 subsection (a) of section 89.

3277 (c) Notwithstanding section 14 of chapter 77 of the acts of 2011 or any other general or special
3278 law or rule or regulation to the contrary, the greyhound meeting licensee located in Bristol

county and the greyhound meeting licensee located in Suffolk county shall, unless otherwise provided in this act, be subject to chapters 128A and 128C of the General Laws and chapter 139 of the acts of 2001.

SECTION 87. (a) Notwithstanding any general or special law or rule or regulation to the contrary, there shall be a Racing Stabilization Fund that shall be administered by the Massachusetts Gaming Commission established in chapter 23K of the General Laws. The fund shall consist of all revenues dedicated pursuant to this act. Any balance in the fund at the end of the fiscal year shall not revert to the General Fund; provided, however, that the commission shall distribute to owners and lessees of greyhound dogs who have raced in calendar year 2009 for the humane care, maintenance and adoption of those greyhound dogs, a sum equal to 1 per cent of the total amount wagered at each racing meeting licensee within the commonwealth acting as a guest track and simulcasting a live greyhound race from a host track from outside the commonwealth; provided, however, that in no event shall the sum exceed the amount dedicated to the Racing Stabilization Fund during calendar years 2010 and 2011; provided further, that before any such amount is distributed, the commission shall develop a method and criteria by which to distribute such funds in an equitable manner among dog owners. The commission shall distribute to kennel owners who housed greyhound dogs who have raced in calendar year 2009 for the humane care, maintenance and adoption of those greyhound dogs, a sum equal to 1.5 per cent of the total amount wagered at each racing meeting licensee within the commonwealth acting as a guest track and simulcasting a live greyhound race from a host track from outside commonwealth; provided, however, that in no event shall the sum exceed the amount dedicated to the Racing Stabilization Fund during calendar years 2010 and 2011; provided further, that before any amount is distributed, the commission shall develop a method and criteria by which to

3302 distribute such funds in an equitable manner among kennel owners; and provided further, the
3303 commission shall begin payments to kennel on a biweekly basis beginning on April 12, 2012;
3304 provided, however, that no such payments shall be made after June 30, 2014.

3305 (b) Notwithstanding section 12A of chapter 494 of the acts of 1978 or any other general or
3306 special law or rule or regulation to the contrary, after July 31, 2011, the comptroller shall transfer
3307 all monies deposited in the Greyhound Capital Improvements Trust Fund and the Greyhound
3308 Promotional Trust Fund, each established under said section 12A of said chapter 494, to the
3309 Racing Stabilization Fund established in subsection (a). After July 31, 2011, the comptroller
3310 shall transfer any revenues deposited into the Greyhound Capital Improvements Trust Fund and
3311 the Greyhound Promotional Trust Fund into the Racing Stabilization Fund within 10 days after
3312 receipt of those revenues.

3313 (c) Notwithstanding any general or special law to the contrary, the greyhound meeting licensee
3314 located in Bristol county and the greyhound meeting licensee located in Suffolk county shall
3315 report monthly to the Massachusetts gaming commission established in chapter 23K of the
3316 General Laws on their net and gross revenue, including an itemization of premiums received,
3317 fees received and any amounts dedicated to purse accounts, the Greyhound Capital
3318 Improvements Trust Fund and the Greyhound Promotional Trust Fund. The report shall include
3319 the number of part-time and full-time staff employed by the licensees at the close of the previous
3320 month. The report shall also include the total amount of premiums paid to the harness horse
3321 meeting licensees located in Norfolk county and the running horse meeting licensee located in
3322 Suffolk county. Failure to file the report on the tenth day of each month shall be cause for
3323 suspension of the greyhound meeting license. The commission shall forward all such reports to
3324 the house and senate committees on ways and means, the joint committee on economic

3325 development and emerging technologies and the joint committee on labor and workforce
3326 development. The greyhound meeting licensee located in Bristol county and the greyhound
3327 meeting licensee located in Suffolk county shall also prepare a report of all funds received and
3328 disbursed for calendar years 2010 and 2011. The report shall also be filed with the commission
3329 not later than January 31, 2012, and the commission shall forward the reports to the house and
3330 senate committees on ways and means, the joint committee on economic development and
3331 emerging technologies and the joint committee on labor and workforce development.

3332 (d) Notwithstanding any general or special law or rule or regulation to the contrary, monies in
3333 the Racing Stabilization Fund established in subsection (a) may be used to assist efforts to secure
3334 alternative employment and retraining opportunities for displaced workers impacted by the
3335 enactment of chapter 388 of the acts of 2008 including, but not limited to, coordinating the
3336 delivery of available state and federal resources and services; provided, however, that such funds
3337 from the fund shall only be expended after all federal funds from the Workforce Investment Act
3338 and the American Reinvestment and Recovery Act have been exhausted; and provided further,
3339 that state funds shall be distributed in accordance with subsection (a).

3340 (e) Notwithstanding any general or special law to the contrary, upon the effective date of this act,
3341 the comptroller shall transfer all monies from the Racing Stabilization Fund established pursuant
3342 to chapter 167 of the acts of 2009, to the Racing Stabilization Fund established herein.

3343 SECTION 88. Notwithstanding any general or special law to the contrary, in making initial
3344 appointments to the Massachusetts gaming commission established in chapter 23K of the
3345 General Laws, of the members to be appointed by majority agreement of the governor, the
3346 attorney general and the treasurer and receiver general, 1 commissioner shall be appointed for a

3347 term of 3 years and 1 shall be appointed for a term of 4 years. The commissioner to be appointed
3348 by the treasurer and receiver general shall serve for a term of 5 years, the commissioner to be
3349 appointed by the attorney general shall serve for a term of 6 years and the commissioner
3350 appointed by the governor shall serve for a term of 7 years. Commissioners shall be appointed
3351 within 120 days after the effective date of this act; provided, however, that no person shall be
3352 allowed to serve on the commission prior to the completion of a background investigation
3353 pursuant to section 3 of said chapter 23K.

3354 SECTION 89. The chair of the Massachusetts gaming commission shall consider current
3355 employees of the state racing commission as eligible for employment with the commission and
3356 shall, subject to all other requirements and conditions of employment under chapter 23K of the
3357 General Laws, give preference to such individuals when making such employment decisions.

3358 SECTION 90. A gaming licensee awarded a gaming license under chapter 23K of the General
3359 Laws shall show preference in hiring to qualified persons permanently employed as of June 1,
3360 2010, at a facility authorized to conduct simulcasting under chapter 128C of the General Laws
3361 that was in operation on June 1, 2010, within the region for which the gaming license was
3362 granted if that facility terminates operation within 1 year of the Massachusetts gaming
3363 commission awarding the gaming license, subject to all other requirements and conditions of
3364 employment under said chapter 23K; provided, however, that a facility authorized to conduct
3365 simulcasting shall provide employment data on the number, names and addresses of employees
3366 in permanent employment with that facility as of June 1, 2010, to the commission to assist the
3367 gaming licensee in meeting this obligation.

3368 SECTION 91. (a) Notwithstanding any general or special law or rule or regulation to the
3369 contrary, the governor may enter into a compact with a federally recognized Indian tribe in the
3370 commonwealth.

3371 (b) The Massachusetts gaming commission shall, upon request of the governor, provide
3372 assistance to the governor in negotiating such compact.

3373 (c) The governor shall only enter into negotiations under this section with a tribe that has
3374 purchased, or entered into an agreement to purchase, a parcel of land for the proposed tribal
3375 gaming development and scheduled a vote in the host communities for approval of the proposed
3376 tribal gaming development. The governing body in the host community shall coordinate with the
3377 tribe to schedule a vote for approval of the proposed gaming establishment upon receipt of a
3378 request from the tribe. The governing body of the host community shall call for the election to
3379 be held not less than 60 days but not more than 90 days from the date the request was received.

3380 (d) A compact negotiated and agreed to by the governor and tribe shall be submitted to the
3381 general court for approval. The compact shall include a statement of the financial investment
3382 rights of any individual or entity which has made an investment to the tribe, its affiliates or
3383 predecessor applicants of the tribe for the purpose of securing a gaming license for that tribe
3384 under its name or any subsidiary or affiliate since 2005.

3385

3386 (e) Notwithstanding any general or special law or rule or regulation to the contrary, if a mutually
3387 agreed-upon compact has not been negotiated by the governor and Indian tribe or if such
3388 compact has not been approved by the general court before July 31, 2012, the commission shall
3389 issue a request for applications for a category 1 license in Region C pursuant to chapter 23K of

the General Laws not later than October 31, 2012; provided, however, that if, at any time on or after August 1, 2012, the commission determines that the tribe will not have land taken into trust by the United States Secretary of the Interior, the commission shall consider bids for a category 1 license in Region C under said chapter 23K.

SECTION 92 Notwithstanding section 2 of chapter 128A of the General Laws and sections 1, 2 and 2A of chapter 128C of the General Laws or any other general or special law, rule or regulation to the contrary, the greyhound meeting licensee located in Bristol county and the greyhound meeting licensee located in Suffolk county licensed to conduct live racing pursuant to said chapter 128A and simulcast wagering pursuant to said chapter 128C in calendar year 2009, shall remain licensed as greyhound racing meeting licensees until July 31, 2014; provided, however, that the days between January 1 and December 31 of each year shall be dark days pursuant to said chapter 128C and the licensees shall continue to be precluded from conducting live racing during that period and as provided in chapter 388 of the acts of 2008; provided further, that all simulcasts shall comply with the Interstate Horse Racing Act of 1978, 15 U.S.C. Sec. 3001 et seq. or other applicable federal law; provided further, that all simulcasts from states which have racing associations that do not require approval in compliance with the Interstate Horse Racing Act of 1978, 15 U.S.C. Sec. 3004 (a) (1) (A), except simulcasts during the month of August, shall require the approval of the New England Horsemen's Benevolent & Protective Association prior to being simulcast to a racing meeting licensee within the commonwealth; and provided further, that if the association agrees to approve the simulcast for 1 racing meeting licensee, it shall approve the simulcast for all otherwise eligible racing meeting licensees.

SECTION 93. (a) There shall be established and set up on the books of the commonwealth a Gaming Licensing Fund which shall receive all category 1 or category 2 licensing fees, with the

3413 exception of initial application fees, collected from applicants in receipt of a category 1 or
3414 category 2 license under chapter 23K of the General Laws. The fund shall expire on December
3415 31, 2015. The commission shall be the trustee of the fund and shall transfer monies in the fund
3416 as follows;

3417 (1) 10 per cent to the Community Mitigation Fund established in section 61 of chapter 23K
3418 of the General Laws;

3419 (2) 14.5 per cent to the Transportation Infrastructure and Development Fund established in
3420 section 62 of chapter 23K of the General Laws;

3421 (3) 11 per cent to the Local Capital Projects Fund established in section 2EEEE of chapter 29
3422 of the General Laws;

3423 (4) 13 per cent to the Manufacturing Fund established in section 98;

3424 (5) 17 per cent to the Community College Fund established in section 99;

3425 (6) 1.5 per cent to the Massachusetts Tourism Fund established in section 35J of chapter 10
3426 of the General Laws;

3427 (7) 23 per cent to the Healthcare Payment Reform Fund established in section 100;

3428 (8) 5 per cent shall be remitted to the comptroller for deposit into the Local Aid Stabilization
3429 Fund established in section 2CCCC of chapter 29 of the General Laws; and

3430 (9) 5 per cent shall be remitted to the Race Horse Development Fund established in section
3431 60 of chapter 23K of the General Laws.

3432 (b) Upon receipt by the Massachusetts gaming commission of license fees from licensees,
3433 interim transfers and payments shall be made on a pro rata basis from the Gaming Licensing
3434 Fund as provided in clauses (1) and (2) of subsection (a); provided, however, that no transfer or
3435 payment under said clauses (1) and (2) of said subsection (a) shall occur until the fund
3436 reimburses \$20,000,000 to the Commonwealth Stabilization Fund as required by subsection (c)
3437 of section 94.

3438 SECTION 94. (a) Within 30 days after the effective date of this act, the comptroller shall transfer
3439 \$15,000,000 from the Commonwealth Stabilization Fund established in section 2H of chapter 29
3440 of the General Laws to the Massachusetts gaming commission for the start-up and operational
3441 costs of implementing chapter 23K of the General Laws.

3442 (b) Within 10 days after the effective date of this act, the comptroller shall transfer
3443 \$5,000,000, from the Commonwealth Stabilization Fund established in section 2H of chapter 29
3444 of the General Laws to the General Fund.

3445 (c) Upon receipt by the Massachusetts gaming commission of sufficient license fees from
3446 licensees under chapter 23K of the General Laws, the commission shall transfer \$20,000,000 to
3447 the Commonwealth Stabilization Fund established in section 2H of chapter 29 of the General
3448 Laws.

3449 SECTION 95. Notwithstanding any general or special law to the contrary, in the second fiscal
3450 year in which a deposit is made into the Gaming Local Aid Fund under subclause (e) of clause
3451 (2) of section 59 of chapter 23K the General Laws, the commission shall transfer from the
3452 Gaming Local Aid Fund into the Local Aid Stabilization Fund an amount equal to 3.125 per cent
3453 of the gross gaming revenue received from a category 1 establishment. In the third fiscal year in

which a deposit is made into the Gaming Local Aid Fund under said subclause (e) of said clause (2) of said section 59 of said chapter 23K, the commission shall transfer from the Gaming Local Aid Fund into the Local Aid Stabilization Fund an amount equal to 6.25 per cent of the gross gaming revenue received from a category 1 establishment. In the fourth fiscal year in which a deposit is made into the Gaming Local Aid Fund under said subclause (e) of said clause (2) of said section 59 of said chapter 23K, the commissioner shall transfer from Gaming Local Aid Fund into the Local Aid Stabilization Fund an amount equal to 9.375 per cent of the gross gaming revenue received from a category 1 establishment. In the fifth fiscal year in which a deposit is made into the Gaming Local Aid Fund under said subclause (e) of said clause (2) of said section 59 of said chapter 23K and in all subsequent fiscal years, the commission shall transfer from the Gaming Local Aid Fund into the Local Aid Stabilization Fund an amount equal to 12.5 per cent of the gross gaming revenue received from a category 1 establishment.

SECTION 96. The governing body of a host community which has accepted chapter 43D of the General Laws shall file a proposal with the interagency permitting board to designate the site proposed for a category 1 establishment as a priority development site. In a community which has not accepted said chapter 43D, the planning board shall designate a local permitting ombudsman, who shall be a planning board member of the host community or a member of the host community planning board's professional staff, to help coordinate and expedite local permitting of the category 1 establishment.

SECTION 97. Notwithstanding any general or special law or rule or regulation to the contrary, a gaming establishment shall supply the Massachusetts gaming commission with customer tracking data collected or generated by loyalty programs, player tracking software, player card systems, online gambling transactions or any other information system. The commission shall

contract with an experienced nonprofit research entity to develop an anonymizing system that automatically removes from the data: (a) personally identifying information, including player name, street address, bank or credit information and the last 4 digits of a player's zip code, in compliance with section 2 of chapter 93H of the General Laws; and (b) game identifying information, including game name and device manufacturing company, in protection of corporate intellectual property. The data shall retain information on player characteristics including, but not limited to, gender, age and region of residence, player behavior including, but not limited to, frequency of play, length of play, speed of play, denomination of play, amounts wagered and, if applicable, number of lines or hands played and characteristics of games played including, but not limited to, reel configuration, return-to-player or RTP, volatility index and denomination. The commission shall convey the anonymized data to a research facility which shall make the data available to qualified researchers for the purposes of: (1) conducting analyses that improve understanding of how gambling addiction develops and progresses; (2) developing evidence-based harm minimization strategies; and (3) developing evidence-based systems to monitor, detect and intervene in high-risk gambling. The commission shall request reports on researcher analyses of the behavioral data, which could provided informed recommendation to the general court relative to more effective regulation of gambling operations. The commission may directly initiate studies assessing the effectiveness of any specific measures, programs or interventions which the commonwealth has implemented in gaming operations and which might be illuminated through the behavioral data in question.

SECTION 98. There shall be established and set up on the books of the commonwealth a Manufacturing Fund. The fund shall be credited with any monies transferred under section 95

3499 and any monies credited or transferred to the fund from any other fund or source and shall be
3500 subject to appropriation.

3501 SECTION 99. There shall be established and set up on the books of the commonwealth a
3502 Community College Fund. The fund shall be credited with any monies transferred under section
3503 97 and any monies credited or transferred to the fund from any other fund or source and shall be
3504 subject to appropriation.

3505 SECTION 100. There shall be established and set up on the books of the commonwealth a
3506 Healthcare Payment Reform Fund. The fund shall be credited with any monies transferred under
3507 section 97 and any monies credited or transferred to the fund from any other fund or source and
3508 shall be subject to appropriation.

3509 SECTION 101. Pursuant to section 2 of chapter 1194, 64 Stat. 1134, 15 U.S.C. 1171-1177,
3510 entitled "An act to prohibit transportation of gaming devices in interstate and foreign
3511 commerce", approved January 2, 1951, the commonwealth, acting by and through its duly
3512 elected and qualified members of the general court, hereby declares and proclaims that it shall be
3513 exempt from the provisions of chapter 1194, 64 Stat. 1134, and also designated as 15 U.S.C. 117
3514 -1178 for any gambling device authorized for use and transport under chapter 23K of the General
3515 Laws and any regulations promulgated thereunder.

3516 SECTION 102. Notwithstanding any general or special law to the contrary, all shipments of
3517 gambling devices into the commonwealth, including slot machines, the registering, recording and
3518 labeling of which has been duly had by the manufacturer or dealer thereof in accordance with
3519 sections 3 and 4 of "An act to prohibit transportation of gambling devices in interstate and

3520 foreign commerce,” 15 U.S.C. §§1171-1177, shall be deemed legal shipments thereof into the
3521 commonwealth.

3522 SECTION 103. Notwithstanding any general or special law to the contrary, the Massachusetts
3523 gaming commission shall analyze the laws relating to charitable gaming, raffles and bazaars in
3524 effect on the effective date of this act, including section 7A of chapter 271 of the General Laws.
3525 The analysis shall include a review of the efficacy of those laws and the need to update, redraft
3526 or repeal those laws. The commission shall report its findings and recommendations, together
3527 with drafts of legislation necessary to carry those recommendations into effect, by filing the
3528 same with the clerks of the senate and house of representatives and with the house and senate
3529 chairs of the joint committee on economic development and emerging technologies not later than
3530 April 1, 2012.

3531 SECTION 104. Notwithstanding any general or special law to the contrary, the Massachusetts
3532 gaming commission established in chapter 23K of the General Laws shall analyze the pari-
3533 mutuel and simulcasting laws in effect on the effective date of this act. The analysis shall include
3534 a review of the efficacy of those laws and the need to replace those laws pursuant to the
3535 continuation of chapters 128A and 128C of the General Laws in this act. The analysis shall not
3536 address whether to increase the number of running horse, harness horse or greyhound racing
3537 meeting licensees in the commonwealth. The commission shall report its findings and
3538 recommendations, together with drafts of legislation necessary to carry those recommendations
3539 into effect, by filing the same with the clerks of the senate and house of representatives and with
3540 the house and senate chairs of the joint committee on economic development and emerging
3541 technologies not later than January 1, 2013.

3542 SECTION 105. The horse racing committee established in section 60 of chapter 23K of the
3543 General Laws shall make a report to the Massachusetts gaming commission and to the clerks of
3544 the senate and house of representatives on its recommendations to distribute funds from the Race
3545 Horse Development Fund established in said section 60 of said chapter 23K said section no later
3546 than 180 days after the effective date of this act.

3547 SECTION 106. The alcoholic beverages control commission shall conduct a study on whether
3548 204 C.M.R. 4.00, et seq. shall be updated or amended in order to protect licensees under section
3549 12 of chapter 138 of the General Laws from unfair competition with gaming establishments that
3550 are granted gaming beverage licenses in the commonwealth. The commission shall seek
3551 comments from the public through an open comment period in which the public may submit
3552 letters, written testimony or emails and shall hold at least 2 public hearings in locations across
3553 the commonwealth. The commission shall file a report of any recommendations with the
3554 governor, the state treasurer and the clerks of the senate and house of representatives not later
3555 than June 30, 2013.

3556 SECTION 107. Notwithstanding any general or special law to the contrary, with respect to
3557 distribution of alcohol free of charge and for on-premises consumption to patrons, subsection (c)
3558 of section 26 of chapter 23K of the General Laws and the regulations promulgated thereunder
3559 shall be limited to the gaming area.

3560 SECTION 108. The first report required under section 71 of chapter 23K of the General Laws
3561 shall be submitted not later than 2 years after the effective date of this act.

3562 SECTION 109. The vote required to be taken at an election in a host community pursuant to
3563 clause (13) of section 15 of chapter 23K of the General Laws shall occur after the effective date
3564 of said chapter 23K.

3565 SECTION 110. Sections 4, 11, 12, 13, 37, 38 and 40 of this act and section 7 of chapter 23K
3566 shall take effect 180 days after the effective date of this act.

3567 SECTION 111. Clause (41) of section 4 of chapter 23K of the General Laws shall take effect on
3568 July 31, 2012.

3569 SECTION 112. Sections 17, 39 and 41 shall take effect on July 31, 2014.

3570 SECTION 113. Section 31 shall be effective for tax years beginning January 1, 2012.

3571 SECTION 114. Section 32 shall take effect on December 31, 2018.

3572 SECTION 115. Subsection (a) of section 87 shall take effect April 1, 2012.