

HOUSE No. 3711

House bill No. 3702, as amended and passed to be engrossed by the House.
September 15, 2011.

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 to laws regulating the disbursement of public funds for the fiscal year ending
- 6 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 in the commonwealth, 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 office of the attorney general, established pursuant to section 11M of chapter 12, for the investigation and prosecution of criminal activity relating to legalized gaming in the commonwealth pursuant to chapter 23K.....\$500,000

SECTION 3. Section 7 of chapter 4 of the General Laws is hereby amended by striking out clause Tenth, as appearing in the 2008 Official Edition, 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 2008 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; provided further, that the code of ethics established in

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

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

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

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

The division shall submit quarterly requests to the commission for expenses associated with the operation of the division and the commission shall reimburse the division for such expenses; provided, however, that the commission shall not approve such a request if the request would exceed an annual reimbursement of \$2,000,000

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

SECTION 11. Subsection (b) of section 9 of chapter 13 of the General Laws is hereby amended by striking out the words “, as well as the state racing commission established by section 48 of chapter 6,” inserted by section 29 of chapter 4 of the acts of 2009.

SECTION 12. Subsection (e) of section 9B of said chapter 13 is hereby amended by striking out the words “, as well as the state racing commission established by section 48 of chapter 6,” , inserted by section 30 of said chapter 4.

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

SECTION 14. Section 38 of chapter 22C of the General Laws is hereby amended by inserting after the word “involving”, in lines 36 and 37, as appearing in the 2008 Official Edition, the following word:- illegal.

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

Section 70. The colonel of state police shall establish a gaming enforcement unit the responsibilities of which shall include, but not be limited to, the investigation of criminal 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 office 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 further, that the code of ethics established in 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 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;

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

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

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

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

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

150 (7) recognizing the importance of the commonwealth's unique cultural and social resources and
151 integrating them into new development opportunities shall be a key component of a decision to
152 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 under this chapter.

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

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

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

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

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

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

193 “Chair”, the chair of the commission.

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

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

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

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

216 “Commissioner”, a member of the commission.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

263 “Gross revenue” or “gross gaming revenue”, the total of all sums actually received by a gaming
264 licensee from gaming operations less the total of all sums paid out as winnings to patrons;
265 provided, however, that the total of all sums paid out as winning to patrons shall not include the
266 cash equivalent value of any merchandise or thing of value included in a jackpot or payout; and
267 provided further, that “Gross revenue” shall not include any amount received by a gaming
268 licensee from simulcast wagering. Provided further, the issuance to casino patrons or wagering
269 by casino patrons of any promotional gaming credit shall not be considered as gross revenue or
270 gross gaming revenue..

271 “Holding company”, a corporation, association, firm, partnership, trust or other form of business
272 organization, other than a natural person, which, directly or indirectly, owns, has the power or
273 right to control, or has the power to vote any significant part of the outstanding voting securities
274 of a corporation or other form of business organization which holds or applies for a gaming
275 license; provided, however, that “holding company”, in addition to any other reasonable use of
276 the term, shall indirectly have, hold or own any such power, right or security if it does so through
277 an interest in a subsidiary or any successive subsidiaries, notwithstanding how many such
278 subsidiaries may intervene between the holding company and the gaming licensee or applicant.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

357 “Surrounding communities”, municipalities in proximity to a host community which the
358 commission determines experience or are likely to experience impacts from the development or
359 operation of a gaming establishment, including municipalities from which the transportation
360 infrastructure provides ready access to an existing or proposed gaming establishment.

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

“Transfer”, the sale or other method, either directly or indirectly, of disposing of or parting with property or with an interest therein, or with 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 the approval of 2 of the 3 appointing authorities, 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

406 shall receive a salary equal to the salary of the commissioner of administration. Commissioners
407 shall devote their full time and attention to the duties of their office.

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

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

420 (h) All of the commissioners shall, if so directed by the chair, participate in the hearing and
421 decision of any matter before the commission; provided, however, that at least 2 commissioners
422 shall participate in the hearing and decision of matters other than those of formal or
423 administrative character coming before the commission; provided further, that any such matter
424 may be heard, examined and investigated by an employee of the commission designated and
425 assigned by the chair, with the concurrence of 1 other commissioner. Such employee shall make
426 a report in writing relative to the hearing, examining and investigating of every such matter to
427 the commission for its decision. For the purposes of hearing, examining and investigating any

such matter, such employee shall have all of the powers conferred upon a commissioner by this section. For each hearing, the concurrence of a majority of the commissioners participating in the decision shall be necessary.

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

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

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

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

(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; or (iii) provide fingerprints and a photograph consistent with standards adopted by the state police. 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; (iv) permanent residency; and (v) employment history.

The commission shall not hire a prospective employee if the prospective employee has: (i) been convicted of a felony or a misdemeanor that, in the discretion of the commission, bears a close relationship to the duties and responsibilities of the position for which employment is sought; (ii) been dismissed from prior employment for gross misconduct or incompetence; or (iii) 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 or misdemeanor while employed by the commission, the commission shall suspend the employee, with or without pay, and terminate employment with the commission upon conviction.

(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

497 associate, affiliate or other person or entity subject to the jurisdiction of the commission; (ii)
498 prohibiting the participation by commissioners and employees in a particular matter as defined in
499 section 1 of said chapter 268A that affects the financial interest of a relative within the third
500 degree of consanguinity or a person with whom such commissioner or employee has a significant
501 relationship as defined in the code; and (iii) providing for recusal of a commissioner in a
502 licensing decision due to a potential conflict of interest.

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

509 (o) No employee of the commission shall pursue any other business or occupation or other
510 gainful employment outside of the commission without the prior written approval of the
511 commission that such employment shall not interfere or be in conflict with the employee's duties
512 to the commission.

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

516 (q) No employee of the commission holding a major policy making position shall acquire an
517 interest in, or accept employment with, an applicant or licensee for a period of 2 years after the
518 termination of employment with the commission.

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

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

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

(u) The commissioners and those employees holding major policy-making positions shall be sworn to the faithful performance of their official duties. The commissioners and those employees holding major policy-making positions shall conduct themselves in a manner so as to render decisions that are fair and impartial and in the public interest; avoid impropriety and the appearance of impropriety in all matters under their jurisdiction; avoid all prohibited communications; require staff and personnel subject to their direction and control to observe the same standards of fidelity and diligence; disqualify themselves from proceedings in which their impartiality might reasonably be questioned; and 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 in the employ or connected with any person financing any such business; provided further, that immediate family members of commissioners and employees holding major policy making positions shall not own, or be in the employ of, or own stock in, any business which holds a license under this chapter. The

541 commissioners and employees shall not personally, or through a partner or agent, render
542 professional services or make or perform any business contract with or for any regulated entity,
543 except contracts made with the commissioners for the furnishing of services, nor shall the
544 commissioners or employees directly or indirectly receive any commission, bonus, discount, gift
545 or reward from a regulated entity.

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

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

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

553 (1) appoint officers and hire employees;

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

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

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

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

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

565 (7) provide and pay for advisory services and technical assistance as may be necessary in its
566 judgment to carry out this chapter and fix the compensation of persons providing such services
567 or assistance;

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

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

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

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

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

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

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

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

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

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

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

601 (19) request and receive from the state police, the criminal history systems board or other
602 criminal justice agencies, including, but not limited to, the Federal Bureau of Investigation and

603 the Internal Revenue Service, such criminal offender record information relating to criminal and
604 background investigations as necessary for the purpose of evaluating employees of, and
605 applicants for employment by, the commission and any regulated entity, and evaluating licensees
606 and applicants for licensure under this chapter;

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

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

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

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

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

625 (25) levy and collect assessments, fees and fines and impose penalties and sanctions for the
626 violation of this chapter and the regulations promulgated by the commission;

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

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

629 (28) conduct adjudicatory proceedings and promulgate regulations in accordance with chapter
630 30A;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

667 (3) prescribe the criteria for evaluation of the application for a gaming license including, with
668 regard to the proposed gaming establishment, an evaluation of architectural design and concept
669 excellence, integration of the establishment into its surroundings, including, but not limited to
670 potential access to multi-modal means of transportation, tourism appeal, level of capital
671 investment committed, financial strength of the applicant and the applicant's financial plan;

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

674 (5) require fingerprinting of an applicant for a gaming license, a gaming licensee or employee of
675 a gaming licensee or other methods of identification;

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

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

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

683 (9) prescribe the minimum procedures for effective control over the internal fiscal affairs of a
684 gaming licensee, including provisions for the safeguarding of assets and revenues, the recording

685 of cash and evidence of indebtedness and the maintenance of reliable records, accounts and
686 reports of transactions, operations and events, including reports by the commission;

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

688 (11) establish licensure and work permits for employees working at the gaming establishment
689 and minimum training requirements; provided, however, that the commission may establish
690 certification procedures for any training schools and the minimum requirements for reciprocal
691 licensing for out-of-state gaming employees;

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

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

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

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

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

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

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

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

Section 6. (a) There shall be within the commission an investigations and enforcement bureau 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 office 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. The commission, in consultation with the colonel of the state police, shall facilitate the execution of 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. 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.A.30001, et seq.

The commission may grant a simulcasting license to a gaming establishment; provided, however, that a reasonable percentage, as determined by the commission, of the wagering received on instate and out-of-state thoroughbred and harness races shall be allocated to the Race Horse Development Fund established in section 60 to support purse assistance and breeding programs; provided, however, that in granting said license to a gaming establishment, the commission shall take into consideration the impact on preexisting facilities licensed pursuant to chapters 128A and 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

770 address of the office to which the applications shall be delivered; (ii) the form of the application
771 and the method for submission; (iii) a general description of the anticipated schedule for
772 processing the application; (iv) the contact information of commission employees responsible for
773 handling applicant questions; and (v) any other information that the commission determines.

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

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

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

780 (1) the name of the applicant;

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

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

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

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

797 (6) information and documentation to demonstrate that the applicant has sufficient business
798 ability and experience to establish the likelihood of establishment and maintenance of a
799 successful gaming establishment;

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

802 (8) an agreement that the applicant shall mitigate the potential negative public health
803 consequences associated with gambling and the operation of a gaming establishment, including:
804 (i) maintaining a smoke-free environment within the gaming establishment under section 22 of
805 chapter 270; (ii) providing complimentary on-site space for an independent substance abuse and
806 mental health counseling service to be selected by the commission; (iii) prominently displaying
807 information on the signs of problem gambling and how to access assistance; (iv) describing a
808 process for individuals to exclude their names and contact information from a gaming licensee's
809 database or any other list held by the gaming licensee for use in marketing or promotional
810 communications; and (v) instituting other public health strategies as determined by the
811 commission;

812 (9) the designs for the proposed gaming establishment, including the names and addresses of the
813 architects, engineers and designers, and a timeline of construction that includes detailed stages of
814 construction for the gaming establishment, nongaming structures and racecourse, where
815 applicable;

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

817 (11) a description of the ancillary entertainment services and amenities to be provided at the
818 proposed gaming establishment; provided, however, that a gaming licensee shall only be
819 permitted to build a live entertainment venue that has less than 1,000 seats or more than 3,500
820 seats;

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

823 (13) completed studies and reports as required by the commission, which shall include, but not
824 be limited to, an examination of the proposed gaming establishment's: (i) economic benefits to
825 the region and the commonwealth; (ii) local and regional social, environmental, traffic and
826 infrastructure impacts; (iii) impact on the local and regional economy, including the impact on
827 cultural institutions and on small businesses in the host community and surrounding
828 communities; (iv) cost to the host community and surrounding communities and the
829 commonwealth for the proposed gaming establishment to be located at the proposed location;
830 and (v) the estimated municipal and state tax revenue to be generated by the gaming
831 establishment;

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

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

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

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

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

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

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

851 Section 10. (a) The commission shall set the minimum capital investment for all category 1
852 licenses; provided, however, that all gaming licensees shall make a capital investment of not less
853 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 206 of the acts of 1998, and has suitable capital to finance its operations and the proposed capital investment. Upon award of a gaming license by the commission, the applicant shall be required to deposit 10 per cent of the total investment proposed in the application into an interest-bearing account. Monies received from the applicant shall be held in escrow until the final stage of construction, as detailed in the timeline of construction submitted with the licensee's application and approved by the commission, at which time the deposit shall be returned to the applicant to be applied for the final stage. Should the applicant be unable to complete the gaming establishment, the deposit shall be forfeited to the commonwealth. In place of a cash deposit, the commission may allow for an applicant to secure a deposit bond insuring that 10 per cent of the proposed capital investment shall be forfeited to the commonwealth if the applicant is unable to complete the gaming establishment.

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

(c) Applicants for a category 1 license shall submit their proposed capital investment with their application to the commission which shall include stages of construction of the gaming establishment and the deadline by which the stages and overall construction and any infrastructure improvements will be completed. In awarding a category 1 license, the commission shall determine at what stage of construction a licensee shall be approved to open for business; provided, however, that a licensee shall not be approved to open for business until 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 a 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 final 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 will 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 206 of the acts of 1998, 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.

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

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

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

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

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

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

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

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

936 (7) whether the applicant is disqualified from receiving a license under section 16; provided,
937 however, that in considering the rehabilitation of an applicant for a gaming license, the
938 commission shall not automatically disqualify an applicant if the applicant affirmatively
939 demonstrates, by clear and convincing evidence, that the applicant has financial responsibility,

940 character, reputation, integrity and general fitness as such to warrant belief by the commission
941 that the applicant will act honestly, fairly, soundly and efficiently as a gaming licensee.

942 (b) If the bureau determines during its investigation that an applicant has failed to: (i) establish
943 the applicant's integrity or the integrity of any affiliate, close associate, financial source or any
944 person required to be qualified by the commission; (ii) demonstrate responsible business
945 practices in any jurisdiction; or (iii) overcome any other reason, as determined by the
946 commission, as to why it would be injurious to the interests of the commonwealth in awarding
947 the applicant a gaming license, the bureau shall cease any further review and recommend that the
948 commission deny the application.

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

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

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

960 (c) No applicant, licensee, registrant or person required to be qualified under this chapter shall
961 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.

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

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

(c) A person owning more than 5 per cent of the common stock of the applicant company, directly or indirectly, or a holding, intermediary or subsidiary of an applicant company may be required meet the qualifications for licensure under sections 12 and 16. The commission may waive the licensing requirements for institutional investors holding up to 15 per cent of the stock

of the applicant company or holding, intermediary or subsidiary company of the applicant company upon a showing by the person seeking the waiver that the applicant purchased the securities for investment purposes only and does not have any intention to influence or affect the affairs or operations of the applicant company or a holding, intermediary or subsidiary of the applicant company. An institutional investor granted a waiver which subsequently determines to influence or affect the affairs or operations of the applicant company or a holding, intermediary or subsidiary of the applicant company shall provide not less than 30 days notice to the commission of such intent and the commission shall ensure that the institutional investor meets the qualifications for licensure under said sections 12 and 16 before the institutional investor may take an action that may influence or affect the affairs of the applicant company or a holding, intermediary or subsidiary of the applicant company. Any company holding over 15 per cent of the applicant company, or a holding, intermediary or subsidiary of an applicant company, shall be required to meet the qualifications for licensure under said sections 12 and 16.

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

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

(f) A person required to be qualified for licensure shall apply for qualification within 30 days after taking a position with the business. A person who is required to be qualified for licensure

1006 pursuant to a decision of the commission shall apply for qualification within 30 days after that
1007 decision.

1008 (g) If a corporation or other form of business organization applying for a gaming license is, or if
1009 a corporation or other form of business organization holding a gaming license is to become, a
1010 subsidiary, each holding company, intermediary company and other entity having an interest in
1011 the applicant shall be required to be qualified for licensure under sections 12 and 16.

1012 (h) The commission shall require that a company or individual that can exercise control or
1013 provide direction to a gaming licensee or applicant for a gaming license or a holding,
1014 intermediary or subsidiary of a gaming licensee or applicant for a gaming license be qualified for
1015 licensure under sections 12 and 16; provided, however, that the commission may allow such
1016 person to seek a waiver under subsection (c).

1017 (i) The bureau shall investigate each person required to be qualified for licensure under this
1018 section and shall: (i) make a recommendation to the commission that the commission approve or
1019 deny the application for licensure; or (ii) extend the period for issuing a recommendation in order
1020 to obtain additional information necessary for a complete evaluation of the application for a
1021 license.

1022 Section 15. No applicant shall be eligible to receive a gaming license unless the applicant meets
1023 the following criteria and clearly states as part of an application that the applicant shall:

1024 (1) agree to be a licensed state lottery sales agent under chapter 10 to sell or operate the lottery,
1025 multi-jurisdictional and keno games; demonstrate that the lottery and keno games shall be readily
1026 accessible to the guests of the gaming establishment and agree that, as a condition of its license
1027 to operate a gaming establishment, that it will not create, promote, operate or sell games that are

1028 similar to or in direct competition, as determined by the commission, with games offered by the
1029 state lottery commission, including the lottery instant games or its lotto style games such as keno
1030 or its multi-jurisdictional games;

1031 (2) in accordance with the design plans submitted with the licensee's application to the
1032 commission, invest not less than the required capital under this chapter into the gaming
1033 establishment;

1034 (3) own or acquire, within 60 days after a license has been awarded, the land where the gaming
1035 establishment is proposed to be constructed; provided, however, that ownership of the land shall
1036 include a tenancy for a term of years under a lease that extends not less than 60 years beyond the
1037 term of the gaming license issued under this chapter;

1038 (4) meet the licensee deposit requirement;

1039 (5) demonstrate that it is able to pay and shall commit to paying the gaming licensing fee;

1040 (6) demonstrate to the commission how the applicant proposes to address lottery mitigation,
1041 compulsive gambling problems, workforce development and community development as well as
1042 host and surrounding community impact and mitigation issues as set forth in the memoranda of
1043 understanding required under this chapter;

1044 (7) identify the infrastructure costs of the host and surrounding communities incurred in direct
1045 relation to the construction and operation of a gaming establishment and commit to a community
1046 mitigation plan for those communities;

1047 (8) provide to the commission a signed agreement between the host community and the applicant
1048 setting forth the conditions to have a gaming establishment located within the host community;

1049 provided, however, that the agreement shall include a community impact fee for the host
1050 community and all stipulations of responsibilities between the host community and the applicant,
1051 including stipulations of known impacts from the development and operation of a gaming
1052 establishment;

1053 (9) provide to the commission signed agreements between the surrounding communities and the
1054 applicant setting forth the conditions to have a gaming establishment located in proximity to the
1055 surrounding communities and documentation of public outreach to those surrounding
1056 communities; provided, however, that the agreement shall include a community impact fee for
1057 each surrounding community and all stipulations of responsibilities between each surrounding
1058 community and the applicant, including stipulations of known impacts from the development and
1059 operation of a gaming establishment; provided further that, in the event that an applicant cannot reach
1060 agreement with a surrounding community, the applicant shall submit to the commission a report detailing
1061 the course of negotiations with the surrounding community, including the last offer proposed by the
1062 applicant and rejected by the surrounding community and the commission, as a condition of licensure,
1063 may require that an applicant fulfill the terms set forth in the last proposal or impose additional or
1064 alternative terms upon the applicant as the commission deems reasonable;

1065 (10) provide to the commission signed agreements between the impacted live entertainment
1066 venues, or its designee and the applicant setting forth the conditions to have a gaming
1067 establishment located in proximity to the impacted live entertainment venues; provided,
1068 however, that the agreement shall include, but not be limited to, terms relating to cross marketing
1069 and coordination of performance schedules;

1070 (11) pay to the commission a nonrefundable application fee of \$350,000 to defray the costs
1071 associated with the processing of the application and investigation of the applicant; provided,

1072 however, that if the costs of the investigation exceed the initial application fee, the applicant
1073 shall pay the additional amount to the commission within 30 days after notification of
1074 insufficient fees or the application shall be rejected;

1075 (12) comply with state and local building codes and local ordinances and bylaws, including
1076 sections 61 to 62H, inclusive, of chapter 30;

1077 (13) have received a certified and binding vote on a ballot question at an election in the host
1078 community, in favor of such license; provided, however that the vote shall take place after the
1079 effective date of this chapter; provided further that upon receipt of a request for an election, the
1080 governing body of the municipality shall call for the election to be held not less than 35 days but
1081 not more than 90 days from the date that the request was received; provided further, that a
1082 binding vote shall be conducted not less than 60 days after the execution of a signed agreement
1083 between the host community and the applicant as provided in clause (8); provided further, that
1084 the municipality that holds an election shall be reimbursed for its expenses related to the election
1085 by the applicant; provided further, that, for purposes of this clause, if the gaming establishment is
1086 proposed to be located in a city with a population of at least 125,000 residents according to the
1087 most recent enumerated federal census, "host community" shall mean the ward in which the
1088 gaming establishment is to be located for the purpose of receiving a certified and binding vote on
1089 a ballot question at an election; provided further, that, upon the signing of an agreement between
1090 the host community and the applicant, and upon the request of the applicant, the city or town
1091 clerk shall set a date certain for an election on the ballot question in the host community;
1092 provided further, that at such election, the question submitted to the voters shall be worded as
1093 follows: "Shall the (city/town) of _____ permit the operation of a gaming establishment
1094 licensed by the Massachusetts Gaming Commission to be located at ____ [description of

1095 site]_____? YES _____ NO _____” ; provided further, that if a majority of the votes cast in a
1096 host community in answer to the ballot question is in the affirmative, the host community shall
1097 be taken to have voted in favor of the applicant’s license; provided further, that if a proposed
1098 gaming establishment is situated in 2 or more cities or towns, the applicant shall execute an
1099 agreement with each host community, or a joint agreement with both communities, and receive a
1100 certified and binding vote on a ballot question at an election held in each host community, in
1101 favor of such a license;

1102 (14) provide a community impact fee to the host community;

1103 (15) formulate for commission approval and abide by a marketing program by which the
1104 applicant shall identify specific goals, expressed as an overall program goal applicable to the
1105 total dollar amount of contracts, for utilization of: (i) minority business enterprises, women
1106 business enterprises and veteran business enterprises to participate as contractors in the design of
1107 the gaming establishment; (ii) minority business enterprises, women business enterprises and
1108 veteran business enterprises to participate as contractors in the construction of the gaming
1109 establishment; and (iii) minority business enterprises, women business enterprises and veteran
1110 business enterprises to participate as vendors in the provision of goods and services procured by
1111 the gaming establishment and any businesses operated as part of the gaming establishment; and

1112 (16) formulate for commission approval and abide by an affirmative-action program of equal
1113 opportunity whereby the applicant establishes specific goals for the utilization of minorities,
1114 women and veterans on construction jobs; provided, however, that such goals shall be equal to or
1115 greater than the goals contained in the executive office for administration and finance
1116 Administration Bulletin Number14. In furtherance of specific goals for the utilization of

1117 minorities and women on construction jobs, the licensee shall send to each labor union or
1118 representative of workers with which the applicant has a collective bargaining agreement or
1119 other contract or understanding, a notice advising the labor union or workers' representative of
1120 the applicant's commitments.

1121 Section 16. The commission shall deny an application for a gaming license, or any license or
1122 registration issued under this chapter, if the applicant: (i) has been convicted of a felony or other
1123 convictions involving embezzlement, theft, fraud or perjury; provided, however, that for
1124 convictions which occurred before the 10-year period immediately preceding application for
1125 licensure, an applicant may demonstrate, and the commission shall consider, the applicant's
1126 rehabilitation and whether such conviction should not be an automatic disqualification under this
1127 section; (ii) submitted an application for a license under this chapter that contains false or
1128 misleading information; (iii) committed prior acts which have not been prosecuted or in which
1129 the applicant was not convicted but form a pattern of misconduct that makes the applicant
1130 unsuitable for a license under this chapter; or (iv) has affiliates or close associates that would not
1131 qualify for a license or whose relationship with the applicant may pose an injurious threat to the
1132 interests of the commonwealth in awarding a gaming license to the applicant.

1133 Section 17. (a) After a review of the entire application and any independent evaluations, the
1134 commission shall identify which communities shall be designated as the surrounding
1135 communities of a proposed gaming establishment; provided, however, that any community that
1136 has negotiated a surrounding community memorandum of understanding with the applicant that
1137 was submitted with the application shall be considered a surrounding community by the
1138 commission. In making that determination, the commission shall consider the detailed plan of
1139 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. When necessary the commission may facilitate the negotiation of fair and reasonable agreements between the applicant and surrounding communities.

(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 an live entertainment venue to be an impacted live entertainment venue and the applicant has not included a signed agreement with that live entertainment venue, or its designee in its application, 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. A gaming licensee's compliance with such agreements shall be considered upon a gaming licensee's application for renewal of the gaming license. When necessary the commission may facilitate the negotiation of fair and reasonable agreements between the applicant and impacted live entertainment venues.

(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 surrounding community shall be given at least 30 days notice of the public hearing. The

1163 commission shall hold the public hearing within the host community; provided, however, that the
1164 host community may request that the commission hold the hearing in another city or town.

1165 (d) The public hearing shall provide the commission the opportunity to address questions and
1166 concerns relative to the proposal of a gaming applicant to build a gaming establishment,
1167 including the scope and quality of the gaming area and amenities, the integration of the gaming
1168 establishment into the surrounding community and the extent of required mitigation plans, as
1169 well as receive input from members of the public from the impacted community or communities.
1170 During the hearing, the commission may take the opportunity to read into the record any letters
1171 of support, opposition or concern from members of the communities in the vicinity of the
1172 proposed gaming establishment.

1173 (e) Not later than 90 days after the conclusion of the public hearing, the commission shall take
1174 action on the application. The commission may: (i) grant the application for a gaming license;
1175 (ii) deny the application; or (iii) extend the period for issuing a decision in order to obtain any
1176 additional information necessary for a complete evaluation of the application; provided,
1177 however, that the extension shall be not longer than 30 days.

1178 (f) Upon denial of an application, the commission shall prepare and file the commission's
1179 decision and, if requested by the applicant, shall further prepare and file a statement of the
1180 reasons for the denial, including specific findings of fact by the commission and the
1181 recommendation from the bureau with respect to the suitability of the applicant pursuant to
1182 sections 12 and 16. Applicants may request a hearing before the commission to contest any
1183 findings of fact by the bureau into the suitability of the applicant.

1184 (g) The commission shall have full discretion as to whether to issue a license. Applicants shall
1185 have no legal right or privilege to a gaming license and shall not be entitled to any further review
1186 if denied by the commission.

1187 Section 18. In determining whether an applicant shall receive a gaming license, the commission
1188 shall evaluate and issue a statement of findings of how each applicant proposes to advance the
1189 following objectives:

1190 (1) protecting the lottery from any adverse impacts due to expanded gaming including, but not
1191 limited to, developing cross-marketing strategies with the lottery and increasing ticket sales to
1192 out-of-state residents;

1193 (2) promoting local businesses in host and surrounding communities, including developing cross-
1194 marketing strategies with local restaurants, small businesses, hotels, retail outlets and impacted
1195 live entertainment venues;

1196 (3) realizing maximum capital investment exclusive of land acquisition and infrastructure
1197 improvements;

1198 (4) implementing a workforce development plan to utilize the existing Massachusetts labor force,
1199 including the estimated number of construction jobs a proposed gaming establishment will
1200 generate, the development of workforce training programs that serve the unemployed and
1201 methods for accessing employment at the gaming establishment;

1202 (5) building a gaming establishment of high caliber with a variety of quality amenities to be
1203 included as part of the gaming establishment and operated in partnership with local hotels and

1204 dining, retail and entertainment facilities so that patrons experience the diversified regional
1205 tourism industry;

1206 (6) taking additional measures to address problem gambling including, but not limited to,
1207 training of gaming employees to identify patrons exhibiting problems with gambling and
1208 prevention programs targeted toward vulnerable populations;

1209 (7) providing a market analysis detailing the benefits of the site location of the gaming
1210 establishment and the estimated recapture rate of gaming-related spending by residents travelling
1211 to out of state gaming establishments;

1212 (8) utilizing sustainable development principles including, but not limited to: (i) being certified
1213 as gold or higher under the appropriate certification category in the Leadership in Environmental
1214 and Energy Design program created by the United States Green Building Council; (ii) meeting or
1215 exceeding the stretch energy code requirements contained in Appendix 120AA of the
1216 Massachusetts building energy code or equivalent commitment to advanced energy efficiency as
1217 determined by the secretary of energy and environmental affairs; (iii) efforts to mitigate vehicle
1218 trips; (iv) efforts to conserve water and manage storm water; (v) demonstration that electrical and
1219 HVAC equipment and appliances will be EnergyStar labeled where available; (vi) procuring or
1220 generating on-site 10 per cent of its annual electricity consumption from renewable sources
1221 qualified by the department of energy resources under section 11F of chapter 25A; and (vii)
1222 developing an ongoing plan to submeter and monitor all major sources of energy consumption
1223 and undertake regular efforts to maintain and improve energy efficiency of buildings in their
1224 systems;

1225 (9) establishing, funding and maintaining human resource hiring and training practices that
1226 promote the development of a skilled and diverse workforce and access to promotion
1227 opportunities through a workforce training program that: (i) establishes transparent career paths
1228 with measurable criteria within the gaming establishment that lead to increased responsibility
1229 and higher pay grades that are designed to allow employees to pursue career advancement and
1230 promotion; (ii) provides employee access to additional resources, such as tuition reimbursement
1231 or stipend policies, to enable employees to acquire the education or job training needed to
1232 advance career paths based on increased responsibility and pay grades; and (iii) establishes an
1233 on-site child day-care program;

1234 (10) contracting with local business owners for the provision of services and goods to the gaming
1235 establishment, including developing plans designed to assist businesses in the commonwealth in
1236 identifying the needs for goods and services to the establishment;

1237 (11) maximizing revenues received by the commonwealth;

1238 (12) providing a high number of quality jobs in the gaming establishment;

1239 (13) offering the highest and best value to create a secure and robust gaming market in the region
1240 and the commonwealth;

1241 (14) mitigating potential impacts on host and surrounding communities which might result from
1242 the development or operation of the gaming establishment;

1243 (15) purchasing, whenever possible, domestically manufactured slot machines for installation in
1244 the gaming establishment;

1245 (16) implementing a marketing program that identifies specific goals, expressed as an overall
1246 program goal applicable to the total dollar amount of contracts, for the utilization of: (i) minority
1247 business enterprises, women business enterprises and veteran business enterprises to participate
1248 as contractors in the design of the gaming establishment; (ii) minority business enterprises,
1249 women business enterprises and veteran business enterprises to participate as contractors in the
1250 construction of the gaming establishment; and (iii) minority business enterprises, women
1251 business enterprises and veteran business enterprises to participate as vendors in the provision of
1252 goods and services procured by the gaming establishment and any businesses operated as part of
1253 the gaming establishment; and

1254 (17) implementing a workforce development plan that: (i) incorporates an affirmative action
1255 program of equal opportunity by which the applicant guarantees to provide equal employment
1256 opportunities to all employees qualified for licensure in all employment categories, including
1257 persons with disabilities; (ii) utilizes the existing labor force in the commonwealth; (iii)
1258 estimates the number of construction jobs a gaming establishment will generate and provides for
1259 equal employment opportunities and which includes specific goals for the utilization of
1260 minorities and women on those construction jobs; (iv) identifies workforce training programs
1261 offered by the gaming establishment; and (v) identifies the methods for accessing employment at
1262 the gaming establishment.

1263 (18) whether the applicant has a contract with organized labor, including hospitality services, and
1264 has the support of organized labor for its application, which specifies: the number of employees
1265 to be employed at the gaming establishment, including detailed information on the pay rate and
1266 benefits for employees and contractor; the total amount of investment by the applicant in the
1267 gaming establishment and all infrastructure improvements related to the project; and completed

1268 studies and reports as required by the commission, which shall include, but are not limited to, an
1269 economic benefit study, both for the commonwealth and region; and whether the applicant has
1270 included detailed plans for assuring labor harmony during all phases of the construction, re-
1271 construction, renovation, development and operation of the gaming establishment.

1272 Section 19. (a) The commission may issue not more than 3 category 1 licenses based on the
1273 applications and bids submitted to the commission. Not more than 1 license shall be awarded per
1274 region. Regions shall be established as follows:

1275 (1) region A: suffolk, middlesex, essex, norfolk and worcester counties;

1276 (2) region B: hampshire, hampden, franklin and berkshire counties; and

1277 (3) region C: bristol, plymouth, nantucket, dukes and barnstable counties.

1278 Gaming licenses shall only be issued to applicants who are qualified under the criteria set forth in
1279 this chapter, as determined by the commission. Within any region, if the commission is not
1280 convinced that there is an applicant that has both met the eligibility criteria and provided
1281 convincing evidence that the applicant will provide value to the region in which the gaming
1282 establishment is proposed to be located and to the commonwealth, no gaming license shall be
1283 awarded in that region.

1284 (b) No other gaming license shall be issued by the commission for a period of 15 years
1285 after the initial awarding of gaming licenses. A category 1 license issued pursuant to this chapter
1286 shall be valid for an initial period of 20 years; provided, however, that after this initial period has
1287 elapsed, a renewed category 1 license issued pursuant to this chapter shall be valid for a period of
1288 15 years. The commission shall establish procedures for renewal and set the renewal fee based

1289 on the cost of fees associated with the evaluation of a licensee. Any renewal fees shall be
1290 deposited into the Gaming Revenue Fund.

1291 (c) No gaming licensee shall transfer a gaming license or any direct or indirect interest in
1292 the gaming license or a gaming establishment without the majority approval of the commission.
1293 A person seeking to acquire a gaming license through a transfer shall qualify for licensure under
1294 this chapter. The commission shall reject a gaming license transfer or a transfer of interest in the
1295 gaming establishment to an unsuitable person and may reject a proposed transfer that, in the
1296 opinion of the commission, would be disadvantageous to the interests of the commonwealth.

1297 (d) The commission shall take into consideration the physical distance in selecting the locations
1298 of the gaming establishments as they relate to each other and how they maximize benefits to the
1299 commonwealth.

1300 (e) If a category 1 license is awarded to an applicant with a simulcasting license under chapter
1301 128C as of July 1, 2011, a condition of the gaming license shall be to maintain the simulcasting
1302 license under said chapter 128C. Upon failure to conduct simulcast wagering, the commission
1303 shall suspend the category 1 license.

1304 (f) If a category 1 license is awarded to an applicant with live racing under chapter 128A as of
1305 July 1, 2011, a condition of the gaming license shall be to maintain and complete the annual live
1306 racing season under said chapter 128A. Upon failure to conduct live racing the commission shall
1307 suspend the category 1 license.

1308 (g) For the purposes of subsections (e) and (f), an applicant for a gaming license shall be
1309 considered to be the holder of a license under chapter 128A or chapter 128C if the applicant: (i)
1310 owns 50.1 or more per cent of the common stock of the company which obtained a license under

1311 said chapter 128A or 128C; and (ii) is a person who owns more than 5 per cent of the common
1312 stock of the applicant company, directly or indirectly, or is an institutional investor in the gaming
1313 license.

1314 Section 20. (a) The commission may issue not more than 1 category 2 license; provided,
1315 however, that the category 2 license shall only be issued to an applicant who is qualified under
1316 the criteria set forth in this chapter as determined by the commission. If the commission is not
1317 convinced that there is an applicant that has both met the eligibility criteria and provided
1318 convincing evidence that the applicant will provide value to the commonwealth, no category 2
1319 license shall be awarded.

1320 (b) If a category 2 license is awarded to an applicant with a simulcasting license under chapter
1321 128C as of July 1, 2011, a condition of said license shall be to maintain the simulcasting
1322 license.pursuant to said chapter 128C. Upon failure to conduct simulcast wagering the
1323 commission shall suspend the category 2 license.

1324 (c) If a category 2 license is awarded to an applicant with live racing, pursuant to chapter 128A
1325 as of July 1, 2011, a condition of the license shall be to maintain and complete the annual live
1326 racing season pursuant to said chapter 128A. Upon failure to conduct live racing, the commission
1327 shall suspend the category 2 license.

1328 (d) For the purposes of subsections (b) and (c), an applicant for a gaming license shall be
1329 considered to be the holder of a license under chapter 128A or chapter 128C if the applicant: (i)
1330 owns 50.1 or more per cent of the common stock of the company which obtained a license under
1331 chapter 128A or 128C; and (ii) includes a person who owns more than 5 per cent of the common

1332 stock of the applicant company, directly or indirectly, or is an institutional investor in the gaming
1333 license.

1334 (e) A category 2 license issued pursuant to this chapter shall not be transferrable or
1335 assignable without the approval of the commission; provided, however, that for 5 years after the
1336 initial issuance of a category 2 license, the commission shall only approve such a transfer if: (i)
1337 the licensee experiences a change in ownership; or (ii) the licensee fails to maintain suitability or
1338 other circumstances which the commission may consider, which, in the opinion of a majority of
1339 members of the commission, impact a licensee's ability to successfully operate a gaming
1340 establishment.

1341 (f) A category 2 license issued pursuant to this chapter shall be for a period of 5 years.
1342 The commission shall establish procedures for renewal and set the renewal fee based on the cost
1343 of fees associated with the evaluation of a licensee; provided, however, that the cost of renewal
1344 shall not be less than \$100,000. Any renewal fees shall be deposited into the Gaming Revenue
1345 Fund.

1346 Section 21. (a) The commission shall prescribe the form of the gaming license, which shall
1347 include, but not be limited to, the following license conditions for each licensee. The licensee
1348 shall:

1349 (1) have an affirmative obligation to abide by every statement made in its application to
1350 the commission including all evaluation criteria and eligibility requirements;

1351 (2) comply with all laws of the commonwealth, the laws of the United States and all rules
1352 and regulations promulgated under this chapter;

1353 (3) pay daily to the commission the gross gaming revenue payment;

1354 (4) make, or cause to be made, capital expenditures to its gaming establishment in a
1355 minimum aggregate amount equal to the lesser of \$15 million or 3.5 per cent per year of the net
1356 gaming revenues derived from the establishment;

1357 (5) change its business governing structure without the notification and approval of the
1358 commission;

1359 (6) operate, invest or own, in whole or in part, another gaming licensee's license or
1360 gaming establishment;

1361 (7) cooperate with the commission and the attorney general in all gaming-related
1362 investigations. Each gaming licensee shall make readily available all documents, materials,
1363 equipment, personnel and any other items requested during all investigations; provided, however,
1364 that material that the gaming licensee considers a trade secret or detrimental to the gaming
1365 licensee if it were made public may, with the commission's approval, be protected from public
1366 disclosure and the gaming licensee may require nondisclosure agreements with the commission
1367 before disclosing such material;

1368 (8) cooperate with the commission and the attorney general with respect to the
1369 investigation of any criminal matter; provided, however, that the gaming licensee shall, upon
1370 receipt of a criminal or civil process compelling testimony or production of documents in
1371 connection with a civil or criminal investigation, immediately disclose such information to the
1372 commission; and provided further, that this clause shall not prohibit private persons or public
1373 entities from seeking any remedy or damages against a gaming licensee;

1374 (9) allow the commission or the division and state police officers assigned to the
1375 commission or the division to conduct warrantless searches of the licensee's gaming area;

1376 (10) have a duty to inform the commission of any action which the gaming licensee
1377 reasonably believes would constitute a violation of this chapter, and shall assist the commission
1378 and any federal or state law enforcement agency in the investigation and prosecution of such
1379 violation; provided, however, that no person who informs the commission of such an action shall
1380 be discriminated against by an applicant or gaming licensee as a consequence for having
1381 supplied such information;

1382 (11) provide an office for the commission at the gaming establishment and the designated
1383 state police unit at the gaming establishment; provided, however, that the commission shall
1384 establish the minimum requirements for square footage for the state police office, office
1385 furnishings and parking space;

1386 (12) collect and annually report to the commission a detailed statistical report on the
1387 number, job titles, benefits and salaries of employees hired and retained in employment at the
1388 gaming establishment;

1389 (13) employ only those persons licensed or registered by the commission;

1390 (14) do business only with those vendors licensed or registered by the commission;

1391 (15) provide to the commission aggregate demographic information with respect to the
1392 gaming licensee's customers in a manner and under a schedule to be defined by the commission;

1393 (16) provide complimentary on-site space for an independent substance abuse,
1394 compulsive gambling and mental health counseling service and establish a program to train

1395 gaming employees in the identification of and intervention with customers exhibiting problem
1396 gaming behavior;

1397 (17) keep conspicuously posted in the gaming area a notice containing the name and a
1398 telephone number for problem gambling assistance; provided, however, that the commission
1399 may require the gaming licensee to provide this information in more than 1 language;

1400 (18) provide a process for individuals to exclude their names and contact information
1401 from the gaming licensee's database or any other list held by the gaming licensee for use in
1402 marketing or promotional communications;

1403 (19) institute additional public health strategies as required by the commission;

1404 (20) abide by an affirmative-action program of equal opportunity by which the gaming
1405 licensee guarantees to provide equal employment opportunities to all employees qualified for
1406 licensure in all employment categories, including a person with a disability, under the laws of the
1407 commonwealth.

1408 (21) formulate for commission approval and abide by an affirmative marketing program
1409 by which the gaming licensee identifies specific goals, expressed as an overall program goal
1410 applicable to the total dollar amount or value of contracts entered into, for the utilization of: (i)
1411 minority business enterprises, women business enterprises and veteran business enterprises to
1412 participate as contractors in the design of the gaming establishment; (ii) minority business
1413 enterprises, women business enterprises and veteran business enterprises to participate as
1414 contractors in the construction of the gaming establishment; and (iii) minority business
1415 enterprises, women business enterprises and veteran business enterprises to participate as
1416 vendors in the provision of goods and services procured by the gaming establishment and any

1417 businesses operated as part of the gaming establishment; provided, however, that the specific
1418 goals for the utilization of such minority business enterprises, women business enterprises and
1419 veteran business enterprises shall be based on the availability of such minority business
1420 enterprises, women business enterprises and veteran business enterprises engaged in the type of
1421 work to be contracted by the gaming licensee;

1422 (22) formulate for commission approval and abide by an affirmative action program of
1423 equal opportunity whereby the licensee establishes specific goals for the utilization of minorities,
1424 women and veterans on construction jobs; provided, however, that such goals shall be equal to or
1425 greater than the goals contained in executive office of administration and finance administration
1426 Bulletin Number 14; provided further, that in furtherance of the specific goals for the utilization
1427 of minorities, women and veterans on construction jobs, the gaming licensee shall send to each
1428 labor union or representative of workers with which the gaming licensee or its agent has a
1429 collective bargaining agreement or other contract or understanding, a notice advising the labor
1430 union or workers' representative of the gaming licensee's commitments;

1431 (23) provide to the commission, on a quarterly basis, a detailed statistical report on the
1432 number, gender and race of individuals hired to perform labor as part of the construction of the
1433 gaming establishment; and

1434 (24) collect and annually provide to the commission a detailed statistical report on the
1435 total dollar amounts contracted with and actually paid to minority business enterprises, women
1436 business enterprises and veterans business enterprises in: (i) design contracts; (ii) construction
1437 contracts; and (iii) contracts for every good and service procured by the gaming establishment;

provided, however, that such statistical report shall also identify the amounts so contracted as a percentage of total dollar amounts contracted with and actually paid to all firms.

(b) No person shall transfer a gaming license, a direct or indirect real interest, structure, real property, premises, facility, personal interest or pecuniary interest under a gaming license issued under this chapter or enter into an option contract, management contract or other agreement or contract providing for such transfer in the present or future, without the notification to, and approval by, the commission. The commission may promulgate rules and regulations that create exemptions from the approval requirement; provided, however, that: (i) in no event shall a bona fide commercial financial institution licensed by the division of banks which becomes a substantial party of interest with a gaming licensee be considered a transferee; (ii) the commission may require the transferor, transferee, or both, to pay to the commission an amount representing the commonwealth's share of the increased value for the transferred licenses, property or interest; provided, further, that the commission shall consider as a factor in determining the amount of the payment the market value of the gaming license, property or interest when it was acquired and at the time of the transfer; provided further, that the commission may place additional conditions or restrictions on a transfer that the commission considers suitable; provided further, that the commission may reject a transfer if the commission considers the transfer unsuitable; and (iii) any payments collected by the commission on behalf of the commonwealth based on the transfer shall be deposited in the same manner as license fees are deposited.

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

1460 (25) require its security personnel to conduct regular checks of parking areas for minors left in
1461 motor vehicles and immediately report any such finding to the local police in the municipality
1462 where the gaming establishment is located.

1463 Section 22. The sale, assignment, transfer, pledge or other disposition of any security issued by a
1464 corporation, which holds a gaming license shall be conditional and shall be ineffective if
1465 disapproved by the commission. If at any time the commission finds that an individual owner or
1466 holder of a security of a corporate licensee or of a holding or intermediary company with respect
1467 thereto is not qualified under this chapter and if as a result the corporate licensee is no longer
1468 qualified to continue as a gaming licensee, the commission shall take any action necessary to
1469 protect the interests of the commonwealth including, but not limited to, suspension or revocation
1470 of the gaming license of the corporation.

1471 Each corporation which has been issued a gaming license pursuant to this chapter shall file a
1472 report of any change of its corporate officers or members of its board of directors with the
1473 commission. No officer or director shall be entitled to exercise any powers of office until
1474 qualified by the commission.

1475 Section 23. (a) A category 1 or category 2 licensee shall issue an annual report to the commission
1476 explicitly stating its progress on meeting each of the stated goals and stipulations put forth in the
1477 licensee's original application. Inability to meet stated goals within a reasonable time frame, as
1478 determined by the commission, shall result in additional fees as deemed fair and reasonable by
1479 the commission. Failure to meet stated goals may also result in revocation of the license at any
1480 time by the commission.

1481 Nothing in this section shall preclude the commission at any time from reviewing the business
1482 operations of a gaming licensee to ensure that the conditions of licensure are being met
1483 including, but not limited to, the suitability of the gaming licensee and any affiliates and the
1484 fiscal stability of the gaming establishment.

1485 (b) The commission may condition, suspend or revoke a gaming license upon a finding that a
1486 licensee: (i) has committed a criminal or civil offense under this chapter or under any other laws
1487 of the commonwealth; (ii) is not in compliance with gaming regulations or is under criminal
1488 investigation in another jurisdiction; (iii) has breached a condition of licensure; (iv) has affiliates,
1489 close associates or employees that are not qualified or licensed under this chapter with whom the
1490 gaming licensee continues to conduct business or employ; (v) is no longer capable of
1491 maintaining operations at a gaming establishment; or (vi) whose business practice, upon a
1492 determination by the commission, is injurious to the policy objectives of this chapter.

1493 (c) Whenever any person contracts to transfer any property relating to an ongoing gaming
1494 establishment, including a security holding in a gaming licensee or holding or intermediary
1495 company, under circumstances which require that the transferee obtain licensure under this
1496 chapter, the contract shall not specify a closing or settlement date which is earlier than the 121
1497 days after the submission of a completed application for licensure or qualification, which
1498 application shall include a fully executed and approved trust agreement.

1499 The commission shall hold a hearing and render a decision on the interim authorization of the
1500 new applicant. If the commission grants interim authorization, then the closing or settlement may
1501 occur without interruption of operations of the gaming establishment. If the commission denies
1502 interim authorization, there shall be no closing or settlement until the commission makes a

1503 determination on the qualification of the applicant, and if the commission then denies
1504 qualification the contract shall thereby be terminated for all purposes without liability on the part
1505 of the transferor. The commission shall promulgate further regulations for interim authorization
1506 of a gaming establishment.

1507 (d) No person or affiliate shall be awarded, purchase or otherwise hold or have a financial
1508 interest in more than 1 gaming license issued by the commission.

1509 Section 24. (a) An applicant for a gaming license shall maintain an existing racing facility on the
1510 premises; provided, however, that the gaming licensee shall conduct live horse racing of the
1511 same horse breed that raced at the existing facility under Chapter 128A in the year 2010 and
1512 shall increase the number of live racing days to a minimum of 125 days according to the
1513 following schedule: (i) in the first calendar year of operation, a gaming licensee shall hold 105
1514 racing days; (ii) in the second calendar year of operation, a gaming licensee shall hold 115 racing
1515 days; and (iii) in the third and subsequent calendar years of operation, a gaming licensee shall
1516 hold 125 racing days;

1517 (b) A gaming licensee may increase the number of live racing days if the gaming licensee is
1518 holding a minimum of 125 racing days within 3 years of receiving a gaming license. If a gaming
1519 licensee does not conduct live racing for the minimum number of days set forth in subsection (a),
1520 the commission shall suspend the gaming license.

1521 (c) After 3 years of operation of the gaming establishment and in consultation with the parties to
1522 the purse agreement, the commission may adjust the amount of required racing days at a gaming
1523 establishment based on fields, demand and racing performance.

1524 (d) A gaming licensee with a live racetrack shall have an annual purse agreement in effect by
1525 December 31 of each year for the following year's racing; provided, however, that if the parties
1526 to a purse agreement at a gaming establishment cannot in good faith negotiate an agreement by
1527 December 31, the purse agreement shall be arbitrated by the commission.

1528 Section 25. (a) No gaming licensee shall conduct gaming without an operations certificate issued
1529 by the commission. An operations certificate shall only be issued upon compliance with the
1530 requirements of this chapter including, but not limited to: (i) implementation of all management
1531 controls required by the commission including, without limitation, controls on accounting,
1532 wagering and auditing; (ii) implementation of all security precautions required by the
1533 commission; (iii) an up to date listing of all gaming employees; (iv) licensing or registering of all
1534 gaming employees; (v) the provision of office space at the gaming establishment for use by the
1535 commission employees; (vi) the hours of operation of the gaming establishment; and (vii) that its
1536 personnel and procedures are efficient and prepared to entertain the public.

1537 The operations certificate shall be conspicuously posted and shall state the number of slot
1538 machines, table games or other authorized games, if applicable.

1539 (b) A gaming licensee may operate a gaming establishment from 6:00 am to 5:59 am; provided,
1540 however, that the gaming establishment shall register its hours of operation with the commission.

1541 (c) Each gaming establishment shall arrange its gaming area in such a manner as to promote
1542 optimum security for the gaming establishment operations including, but not limited to: (i) a
1543 closed circuit television system according to specifications approved by the commission, with
1544 access on the licensed premises to the system or its signal provided to the commission; (ii) rooms
1545 or locations approved by the commission for use by commission employees; and (iii) design

1546 specifications that ensure that visibility in a gaming area is not obstructed in any way that might
1547 interfere with the ability of the commission or the division to supervise gaming establishment
1548 operations.

1549 (d) Each applicant for a gaming license shall submit to the commission: (i) a description of its
1550 minimum system of internal procedures and administrative and accounting controls for gaming
1551 and any simulcast wagering operations; (ii) a certification by the applicant's chief legal officer
1552 that the submitted procedures conform to this chapter and any regulations promulgated
1553 hereunder; and (iii) a certification by the applicant's chief financial officer that the submitted
1554 procedures provide adequate and effective controls, establish a consistent overall system of
1555 internal procedures and administrative and accounting controls and conform to generally
1556 accepted accounting principles and any additional standards required by the commission. Each
1557 applicant shall submit the above descriptions and certifications at least 30 business days before
1558 such operations are scheduled to commence unless otherwise directed by the commission;
1559 provided, however, that no gaming licensee shall commence gaming operations or alter its
1560 minimum internal controls until such system of minimum controls is approved by the
1561 commission. The commission shall establish regulations for the information required in the
1562 internal control submission.

1563 Any proposed changes to a gaming licensee's system of internal procedures and controls shall be
1564 submitted to the commission along with 2 new certifications from its chief legal and financial
1565 officers. If the commission does not object, the gaming licensee may make the proposed
1566 changes 15 business days after submitting a description of the changes to the commission.

1567 (e) Gaming equipment shall not be possessed, maintained or exhibited by any person on the
1568 premises of a gaming establishment except in a gaming area approved by the commission or in a
1569 restricted area used for the inspection, repair or storage of such equipment and specifically
1570 designated for that purpose; provided, however, that this subsection shall not apply to licensed
1571 gaming vendors who operate a warehouse, showroom or sales facility within the commonwealth
1572 subject to the approval of the commission.

1573 (f) Each gaming establishment shall contain a count room and such other secure facilities as may
1574 be required by the commission for the counting and storage of cash, coins, tokens, checks,
1575 plaques, gaming vouchers, coupons and other devices or items of value used in wagering and
1576 approved by the commission that are received in the conduct of gaming and for the inspection,
1577 counting and storage of dice, cards, chips and other representatives of value.

1578 (g) A dealer may accept tips or gratuities from a patron at the table game where such dealer is
1579 conducting play; provided, however, that such tips or gratuities shall be placed in a pool for
1580 distribution among other dealers. The commission shall determine how tips and gratuities shall
1581 be set aside for the dealer pool as well as the manner of distribution among dealers. No key
1582 gaming employee or any other gaming official who serves in a supervisory position shall solicit
1583 or accept a tip or gratuity from a player or patron in the gaming establishment where the
1584 employee is employed.

1585 (h) No person under the age of 21 shall be permitted to wager or be in a gaming area; provided,
1586 however, that a person 18 years or over of age who is a licensed employee of the gaming
1587 establishment may be in a gaming area if in the performance of the duties the employee is
1588 licensed to undertake.

1589 (i) No category 1 or category 2 licensee shall operate unless the gaming establishment manager
1590 or the manager's designee is on the premises and representatives of the commission are present
1591 at the gaming establishment.

1592 (j) Each gaming establishment shall file an emergency response plan with the fire department
1593 and police department of the host community which shall include, but not be limited to: (i) a
1594 layout identifying all areas within the facility and grounds, including support systems and the
1595 internal and external access routes; (ii) the location and inventory of emergency response
1596 equipment and the contact information of the emergency response coordinator for the gaming
1597 establishment; (iii) the location of any hazardous substances and a description of any public
1598 health or safety hazards present on site; (iv) a description of any special equipment needed to
1599 respond to an emergency at the gaming establishment; (v) an evacuation plan; and (vi) any other
1600 information relating to emergency response as requested by the commission, the fire department
1601 or the police department of the host community.

1602 Section 26. (a) Notwithstanding chapter 138 or any other general or special law or rule or
1603 regulation to the contrary, the commission may grant, upon request of an applicant for a gaming
1604 license, a gaming beverage license for the sale and distribution of alcoholic beverages to be
1605 drunk on the premises of a gaming establishment. The division of gaming liquor enforcement of
1606 the alcoholic beverage control commission shall have the authority to enforce, regulate and
1607 control the distribution of alcoholic beverages in a gaming establishment.

1608 (b) The fee for the gaming beverage license and any renewals of the license shall be determined
1609 by the commission. The application fee shall be remitted with the gaming application fee.

1610 (c) Notwithstanding any regulation to the contrary, a licensee under this section shall be
1611 permitted to distribute alcohol free of charge and for on-premise consumption to patrons in the
1612 gaming area or as a complimentary service or item in the gaming establishment; provided,
1613 however, that the commission, in consultation with the alcoholic beverages control commission,
1614 shall promulgate regulations on such distribution as well as the forms of identification that may
1615 be presented to the gaming licensee to demonstrate proof that a person has attained the age of 21;
1616 provided further, that such regulations shall include requirements relative to alcohol training
1617 certification for any employee who serves alcohol at the gaming establishment.

1618 (d) The request submitted to the commission for a gaming beverage license by an applicant for a
1619 gaming license shall detail all areas where alcoholic beverages will be served within the gaming
1620 establishment. In issuing a gaming beverage license, the commission shall describe the scope of
1621 the particular license and any restrictions and limitations; provided, however, that the gaming
1622 beverage license shall not permit the sale or distribution of alcoholic beverages between the
1623 hours of 2 a.m. and 8 a.m.

1624 (e) A gaming licensee shall be responsible for violations of the gaming beverage license in the
1625 gaming establishment. The commission may revoke, suspend, refuse to renew or refuse to
1626 transfer a gaming beverage license for violations of chapter 138 that pertain to the sale and
1627 distribution of alcohol drunk on-premises and the regulations adopted by the commission. If, at
1628 any time, a gaming licensee elects temporary suspension of their gaming license due to
1629 violations of this section, said gaming licensee shall owe the commonwealth the average tax on
1630 gross gaming revenue based on an appropriate period of time as determined by the commission
1631 for the number of days operation was suspended.

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

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

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

(b) Except as otherwise authorized by the commission through regulations under this chapter, no gaming establishment, nor any person acting on behalf of said gaming establishment shall cash any check, make any loan, or otherwise provide or allow to any person any credit or advance of anything of value, or which represents value, to enable any person to place a wager; or release or discharge any debt, either in whole or in part, or make any loan which represents any losses incurred by any player in gaming or simulcast wagering activity, without maintaining a written record of the release or discharge in accordance with the rules of the commission. Nothing in this

1653 section shall prohibit a gaming establishment from accepting credit cards for non-gaming related
1654 purchases or services.

1655 (c) Checks cashed in conformity with the requirements of this section shall be valid instruments
1656 enforceable under the laws of the commonwealth. Any check cashed, transferred, conveyed or
1657 given in violation of this section or regulations promulgated thereunder shall be invalid and
1658 unenforceable.

1659 (d) The commission shall establish procedures and standards for approving promotional gaming
1660 credits, provided, however, that no such credit shall be reported as a promotional gaming credit
1661 by an operator of a gaming establishment unless the operator can establish that the credit was
1662 issued by the gaming establishment and received from a patron as a wager at a slot machine in
1663 the gaming establishment, provided further, that such promotional gaming credit shall not be
1664 taxable for the purposes of determining gross revenue.

1665 (e) No person, other than a gaming licensee, shall issue credit to a patron in a gaming
1666 establishment.

1667 (f) The commission shall, in consultation with the department of transitional assistance, the
1668 department of labor and workforce development, the department of housing and community
1669 development or the applicable administering agency, establish by regulation procedures and
1670 standards to prohibit a gaming establishment or any person acting on behalf of a gaming
1671 establishment from: (i) cashing a government-issued check; (ii) from operating on its premises
1672 any credit card or ATM machine that would allow a patron to obtain cash from a government-
1673 issued Electronic Benefits Transfer Card; and (iii) from extending or issuing credit to a patron of
1674 a gaming establishment who receives any form of income-based public assistance including, but

1675 not limited to, the Supplemental Nutrition Assistance Program, Temporary Assistance for Needy
1676 Families, Emergency Aid to Elders, Disabled and Children, public housing assistance,
1677 MassHealth and unemployment insurance. The procedures and standards established shall
1678 ensure the privacy of all patrons receiving public assistance.

1679 (g) A person may petition the commission to place the person's name on a list of persons to
1680 whom the extension of credit by a gaming establishment shall be prohibited. Any person filing
1681 such petition shall submit to the commission the person's name, address and date of birth. The
1682 person shall not be required to provide a reason for the request. The commission shall provide
1683 this list to the credit department of each gaming establishment; provided, however, that neither
1684 the commission nor the credit department of a gaming establishment shall divulge the names on
1685 this list to any person or entity other than those provided for in this subsection. If such a person
1686 wishes to have their name removed from the list, the person shall petition the commission in
1687 accordance with procedures for removal set forth by the commission. If the commission
1688 approves the request, the commission shall so inform the credit department of the gaming
1689 establishments no later than 7 days after approving the request.

1690 (h) Debt collections under this section and regulations promulgated thereunder shall be limited to
1691 key gaming employees or attorneys acting directly on behalf of gaming licensees; provided,
1692 further, that a key gaming employee shall be prohibited from making any such collections if they
1693 serve as a junket representative for the gaming licensee.

1694 Section 28. (a) No gaming licensee shall offer to provide any complimentary services, gifts, cash
1695 or other items of value to any person unless the complimentary item consists of a room, food,
1696 beverage, transportation or entertainment expenses provided directly to the patron and the

1697 patron's guests by the gaming licensee or indirectly to the patron and the patron's guests on
1698 behalf of a third party or the complimentary item consists of coins, tokens, cash or other
1699 complimentary items or services provided through a complimentary distribution program which
1700 shall be filed and approved by the commission upon the implementation of the program or
1701 maintained under regulation.

1702 (b) Gaming licensees shall submit quarterly reports to the commission covering all
1703 complimentary services offered or engaged in by the gaming licensee during the immediately
1704 preceding quarter. The reports shall identify regulated complimentary services and the costs of
1705 those services, the number of people who received each service or item and such other
1706 information as the commission may require. The report shall also document any services or
1707 items valued in excess of \$2,000 that were provided to patrons, including detailed reasons as to
1708 why they were provided.

1709 (c) Complimentary services or items shall be valued in an amount based upon the retail price
1710 normally charged by the gaming licensee for the service or item. The value of a complimentary
1711 service or item not normally offered for sale by a gaming licensee or provided by a third party on
1712 behalf of a gaming licensee shall be the cost to the gaming licensee of providing the service or
1713 item, as determined under rules adopted by the commission.

1714 Section 29. A gaming establishment offering a cashless wagering system shall allow individuals
1715 to monitor and impose betting limits on their cashless wagering. The gaming establishment shall
1716 allow individuals to set betting limits on their cashless wagering including, but not limited to, per
1717 bet limits, hourly limits, daily limits, weekly limits and monthly limits. An individual may lower
1718 limits and increase limits; provided, that the individual shall not increase betting limits more than

1719 once in a 24 hour period. Upon request by an individual, the gaming establishment shall provide
1720 to that individual a statement of that individual's cashless wagering activity for any given time
1721 period including total bets, wins and losses. Activity under this section shall be monitored by the
1722 commission. Individuals on the list of excluded persons shall not be permitted to participate in a
1723 cashless wagering system.

1724 Section 30. (a) No person shall be employed by a gaming licensee unless such person has been
1725 licensed by or registered with the commission.

1726 (b) Any person seeking a key gaming employee license or a gaming employee license shall file
1727 an application with the bureau. Such application shall be on a form prescribed by the bureau and
1728 shall include, but shall not be limited to, the following: (i) the name of the applicant; (ii) the
1729 address of the applicant and place of permanent residency; (iii) a detailed employment history of
1730 the applicant; (iv) fingerprints; (v) a criminal and arrest record; and (vi) any civil judgments
1731 obtained against the applicant pertaining to antitrust or security regulation. The bureau may
1732 require such other information as it considers appropriate including, but not limited to,
1733 information related to the financial integrity of the applicant and may require the applicant to
1734 submit other documentation it considers appropriate including, but not limited to, bank accounts
1735 and records, bank references, business and personal income and disbursement schedules, tax
1736 returns and other reports filed by government agencies and business and personal accounting
1737 check records and ledgers.

1738 (c) All other employees in a gaming establishment who are not considered to be gaming
1739 employees, key gaming employees or who have restricted access to an area of the gaming
1740 establishment or knowledge of security procedures, shall be required to register with the bureau

1741 as a gaming service employee and shall produce such information as the bureau may require to
1742 become registered under this chapter.

1743 (d) Upon receipt of an application for a key gaming employee license and a gaming employee
1744 license the bureau shall conduct an investigation of each applicant which shall include obtaining
1745 criminal offender record information from the criminal history systems board as well as
1746 exchanging fingerprint data and criminal history with the state police and the United States
1747 Federal Bureau of Investigation.

1748 (e) Upon petition by a gaming licensee, the commission may issue a temporary license to an
1749 applicant for a key gaming employee license or a gaming employee license provided that: (i) the
1750 applicant for a key gaming employee license or gaming employee license has filed a complete
1751 application with the commission; and (ii) the gaming licensee certifies, and the commission
1752 finds, that the issuance of a temporary license is necessary for the operation of the gaming
1753 establishment and is not designed to circumvent the normal licensing procedures.

1754 Unless otherwise stated by the commission, a temporary license issued under this section shall
1755 expire 6 months from the date of its issuance and may be renewed, at the discretion of the
1756 commission, for an additional 6 month period.

1757 (f) The commission may deny any application for a key gaming employee or gaming employee
1758 license or the registration of any other employee of a gaming establishment if the commission
1759 finds that an applicant or registrant is disqualified under section 16 or may be unsuitable for
1760 licensure under any of the criteria set forth in section 12; provided, however, that the
1761 commission, in its discretion, may issue a license to an applicant for a gaming employee license
1762 or register a gaming service employee who has a prior conviction if the applicant or registrant

1763 can affirmatively demonstrate the applicant's rehabilitation. In considering the rehabilitation of
1764 an applicant for a license under this section, the commission shall consider the following: (i) the
1765 nature and duties of the position of the applicant; (ii) the nature and seriousness of the offense or
1766 conduct; (iii) the circumstances under which the offense or conduct occurred; (iv) the date of the
1767 offense or conduct; (v) the age of the applicant when the offense or conduct was committed; (vi)
1768 whether the offense or conduct was an isolated or repeated incident; (vii) any social conditions
1769 which may have contributed to the offense or conduct; and (viii) any evidence of rehabilitation,
1770 including recommendations and references of persons supervising the applicant since the offense
1771 or conduct was committed.

1772 (g) After completing an investigation of an applicant for a key gaming employee or gaming
1773 employee license the bureau shall approve or deny the license. Any orders by the bureau
1774 denying an application under this section shall be accompanied with an explanation of why an
1775 applicant did not meet the qualifications for licensure under this chapter. An applicant for a key
1776 gaming employee or gaming employee license may request a hearing before the bureau to
1777 contest the findings. After the hearing the applicant may appeal the decision of the bureau to the
1778 commission and the commission may hear the appeal on the record. The decision of the
1779 commission shall be final and applicants for a key gaming employee or gaming employee license
1780 shall not be entitled to further review.

1781 (h) The commission shall be authorized to condition, suspend or revoke any license or
1782 registration under this section if the commission finds that a licensee or registrant has: (i) been
1783 arrested or convicted of a crime while employed by a gaming establishment and failed to report
1784 charges or the conviction to the commission; (ii) failed to comply with the requirements of

1785 section 14; or (iii) failed to comply with any of the requirements of this chapter pertaining to
1786 licensees.

1787 (i) The commission shall establish fees for a key gaming employee and a gaming employee
1788 license which shall include costs incurred for conducting a background investigation into an
1789 applicant for a license. The commission shall establish the term of a key gaming employee and a
1790 gaming employee license. It shall be the responsibility of any key gaming employee or gaming
1791 employee to ensure that the employee's license is current.

1792 Section 31. (a) No person shall conduct a business with a gaming licensee unless such person has
1793 been licensed or registered with the commission.

1794 (b) Any person seeking a gaming vendor license shall file an application with the bureau. Such
1795 application shall be on a form prescribed by the commission and shall include, but shall not be
1796 limited to, the following: (i) the name of the applicant; (ii) the post office address and if a
1797 corporation, the name of the state under the laws of which it is incorporated, the location of its
1798 principal place of business and the names and addresses of its directors and stockholders; (iii) a
1799 criminal and arrest record; (iv) any civil judgments obtained against the person pertaining to
1800 antitrust or security regulation; (v) the identity of every person having a direct or indirect interest
1801 in the business, and the nature of such interest; provided further, that if the disclosed entity is a
1802 trust, the application shall disclose the names and addresses of all beneficiaries; provided further,
1803 that if the disclosed entity is a partnership, the names and addresses of all partners, both general
1804 and limited; and provided further, that if the disclosed entity is a limited liability company, the
1805 names and addresses of all members; (vi) an independent audit report of all financial activities
1806 and interests including, but not limited to, the disclosure of all contributions, donations, loans or

1807 any other financial transactions to or from any gaming entity or operator in the past 5 years; and
1808 (vii) clear and convincing evidence of financial stability including, but not limited to, bank
1809 references, business and personal income and disbursement schedules, tax returns and other
1810 reports filed by government agencies and business and personal accounting check records and
1811 ledgers. The commission may require such other information as it considers appropriate
1812 including, but not limited to, information related to the financial integrity of the applicant and
1813 may require the applicant to submit other documentation it considers appropriate including, but
1814 not limited to, bank accounts and records, bank references, business and personal income and
1815 disbursement schedules, tax returns and other reports filed by government agencies and business
1816 and personal accounting check records and ledgers.

1817 (c) No person shall manufacture, sell, distribute, test or repair slot machines, other than antique
1818 slot machines as defined in section 5A of chapter 271, without a valid gaming vendor license
1819 issued by the commission.

1820 (d) All other suppliers or vendors who are not considered to be gaming vendors including, but
1821 not limited to, construction companies, vending machine providers, linen suppliers, garbage
1822 handlers, maintenance companies, limousine services, food purveyors or suppliers of alcoholic
1823 beverages, shall be considered non-gaming vendors and shall be required to register with the
1824 commission and shall produce such information as the commission may require; provided,
1825 however, that the commission may require any vendor regularly conducting over \$250,000 of
1826 business with a gaming licensee within a 12-month period or \$100,000 of business within a 3-
1827 year period to be licensed as a gaming vendor.

1828 (e) Any person owning more than 5 per cent of the common stock of a company required to be
1829 licensed as a gaming vendor, or a holding, intermediary or subsidiary of such company, shall be
1830 required to file for licensure. The commission may waive the licensing requirements for
1831 institutional investors holding up to 15 per cent of the stock of the company, or holding,
1832 intermediary or subsidiary company of the such company, upon a showing by the person seeking
1833 the waiver that the applicant purchased the securities for investment purposes only and does not
1834 have any intention to influence or affect the affairs or operations of the company or a holding,
1835 intermediary or subsidiary of the such company. Any institutional investor granted a waiver
1836 which subsequently determines to influence or affect the affairs or operations of the gaming
1837 vendor, or a holding, intermediary or subsidiary of the gaming vendor, shall provide not less than
1838 30 days notice to the commission of such intent and shall file an application and be subject to the
1839 licensing requirements of this chapter before taking any action that may influence or affect the
1840 affairs of the applicant company or a holding, intermediary or subsidiary of the applicant
1841 company. Any company holding over 15 per cent of a gaming vendor, or a holding,
1842 intermediary or subsidiary of a gaming vendor, shall be licensed under this chapter.

1843 (f) If an applicant for a gaming vendor license or vendor or supplier registration is licensed or
1844 registered in another jurisdiction within the United States with comparable license and
1845 registration requirements and is in good standing in all the jurisdictions in which it holds a
1846 license or registration, the commission may enter into a reciprocal agreement with the applicant
1847 to allow for an abbreviated licensing or registration process and issue a gaming vendor license or
1848 registration under this section; provided, however, that the commission shall reserve its rights to
1849 investigate the qualifications of an applicant at any time and may require the applicant to submit
1850 to a full application for a gaming vendor license or provide further information for registration.

1851 (g) The bureau shall deny any application for a gaming vendor license or the registration of any
1852 other vendor or supplier if the bureau finds that any applicant or registrant is disqualified under
1853 section 16 or may be unsuitable for licensure under any of the criteria set forth in section 12.

1854 (h) After completing an investigation of an applicant for a gaming vendor license, the bureau
1855 shall approve or deny the license. Any orders by the bureau denying an application under this
1856 section shall be accompanied with an explanation of why an applicant did not meet the
1857 qualifications for licensure under this section. An applicant for a gaming vendor license may
1858 request a hearing before the bureau to contest the findings. After the hearing the applicant may
1859 appeal the decision of the bureau to the commission and the commission may hear the appeal on
1860 the record. The decision of the commission shall be the final and applicants for a gaming vendor
1861 license shall not be entitled to further review.

1862 (i) The commission shall be authorized to condition, suspend or revoke any license or
1863 registration under this section if the commission finds that a licensee or registrant has: (i) been
1864 arrested or convicted of a crime; (ii) failed to comply with section 13; or (iii) failed to comply
1865 with any provision of this chapter pertaining to licensees.

1866 (j) The commission shall establish a master gaming or non-gaming vendor list to monitor all
1867 vendor contracts with a gaming establishment. Any gaming or non-gaming vendor doing
1868 business with a gaming establishment who has failed to submit an application for licensure or
1869 registration shall be prohibited from engaging in any future business with a gaming
1870 establishment; provided, however, that the commission may terminate any contract that has been
1871 entered into with an unlicensed or unregistered gaming or non-gaming vendor.

1872 (k) Gaming licensees shall have a continuing duty to inform the commission of all vendor
1873 contracts.

1874 (l) A license or registration issued under this section shall be issued for a term of 3 years. It shall
1875 be the responsibility of the gaming vendor or non-gaming vendor to ensure that the license is
1876 current.

1877 (m) The commission shall establish fees for gaming vendor licenses and non-gaming vendor
1878 registrations which shall include costs incurred for conducting a background investigation into an
1879 applicant for the license.

1880 (n) The commission shall monitor the conduct of all gaming vendors and other persons having a
1881 material involvement, directly or indirectly, with a gaming vendor to ensure that gaming vendor
1882 licenses are not issued to, or held by, and there is no direct or indirect material involvement with,
1883 a gaming vendor by unqualified, disqualified or unsuitable persons.

1884 Section 32. (a) Each labor organization, union or affiliate seeking to represent employees who
1885 are employed at a gaming establishment shall register with the commission.

1886 (b) Neither a labor organization, nor its officers who are not otherwise licensed or registered
1887 under this chapter, may hold any financial interest in a gaming establishment whose employees
1888 are represented by the organization.

1889 Section 33. (a) No junkets may be organized or permitted and no person may act as a junket
1890 representative or junket enterprise except as authorized by the commission under this chapter.

1891 (b) A junket representative employed by a gaming licensee or affiliate of a gaming licensee shall
1892 be licensed as a gaming employee including provisions for the issuance of a temporary license;

1893 provided, however, that the junket representative need not be a resident of the commonwealth. A
1894 person who holds a valid gaming employee license may act as a junket representative while
1895 employed by a gaming licensee or an affiliate. No gaming licensee shall employ or otherwise
1896 engage a junket representative who is not licensed under this chapter.

1897 (c) The commission shall deny an application for a license under this section if the commission
1898 finds that an applicant is disqualified under section 16 or may be unsuitable for licensure under
1899 any of the criteria set forth in section 12.

1900 (d) Each gaming licensee, junket representative or junket enterprise shall file a report with the
1901 bureau with respect to each list of junket patrons or potential junket patrons purchased directly or
1902 indirectly by the gaming licensee, junket representative or enterprise.

1903 (e) No junket enterprise or junket representative or person acting as a junket representative shall:
1904 (i) engage in efforts to collect upon checks that have been returned by banks without full and
1905 final payment; (ii) exercise approval authority with regard to the authorization or issuance of
1906 credit under this chapter; (iii) act on behalf of or under any arrangement with a gaming licensee
1907 or a gaming patron with regard to the redemption, consolidation or substitution of the gaming
1908 patron's checks awaiting deposit; (iv) individually receive or retain any fee from a patron for the
1909 privilege of participating in a junket; or (v) pay for any services, including transportation, or
1910 other items of value provided to, or for the benefit of, any patron participating in a junket.

1911 Section 34. (a) Upon revocation or suspension of a gaming license or upon the failure or refusal
1912 to renew a gaming license the commission may appoint a conservator to temporarily manage and
1913 operate the business of the gaming licensee relating to the gaming establishment. Such
1914 conservator shall be a person of similar experience in the field of gaming management and, in

1915 the case of replacing a gaming licensee, shall have experience operating a gaming establishment
1916 of similar caliber in another jurisdiction, and shall be in good standing in all jurisdictions in
1917 which the conservator operates operate any gaming establishment. Upon appointment, a
1918 conservator shall agree to all licensing provisions of the former gaming licensee.

1919 (b) A conservator shall, before assuming , managerial or operational duties, execute and file a
1920 bond for the faithful performance of such duties payable to the commission with such surety and
1921 in such form and amount as the commission shall approve.

1922 (c) The commission shall require that the former or suspended gaming licensee purchase liability
1923 insurance, in an amount determined by the commission, to protect a conservator from liability for
1924 any acts or omissions of the conservator during the conservator's appointment which are
1925 reasonably related to, and within the scope of the conservator's duties.

1926 (d) During the period of temporary management of the gaming establishment, the commission
1927 shall initiate proceedings under this chapter to award a new gaming license to a qualified
1928 applicant whose gaming establishment shall be located at the site of the preexisting gaming
1929 establishment.

1930 (e) Applicants for a new gaming license shall be qualified for licensure under this chapter;
1931 provided, however, that the commission shall determine an appropriate level of investment by an
1932 applicant into the preexisting gaming establishment.

1933 (f) Upon award of a new gaming license, the new gaming licensee shall pay the original
1934 licensing fee required under this chapter.

1935 Section 35. (a) The bureau shall have the authority to issue orders requiring persons to cease any
1936 activity which violates this chapter, a regulation adopted hereunder or any law related to gaming
1937 in the commonwealth. The bureau may, in its order, require compliance with such terms and
1938 conditions as are reasonably necessary to effectuate the purposes of this chapter.

1939 (b) If the bureau finds that a person is not in compliance with any order issued under this
1940 section, it shall assess a civil administrative penalty. The penalty may be assessed whether or not
1941 the violation was willful. In determining the amount of the civil penalty, the bureau shall
1942 consider: (i) the nature of the violation; (ii) the length of time the violation occurred; (iii) the risk
1943 to the public and to the integrity of gaming operations created by the conduct of the person; (iv)
1944 the seriousness of the conduct of the person; (v) any justification or excuse for such conduct by
1945 the person; (vi) the prior history of the particular person involved with respect to gaming
1946 activity; (vii) any corrective action taken by the person to prevent future misconduct; and (viii)
1947 and other relevant factors.

1948 (c) In addition to collecting any civil penalties recoverable under this chapter or any other
1949 general or special law, the bureau may bring an action in the superior court to restrain, prevent or
1950 enjoin any conduct prohibited by this chapter or to compel action to comply immediately and
1951 fully with any order issued by the bureau. Except in cases of emergency where, in the opinion of
1952 the court, immediate abatement of the unlawful conduct is required to protect the public interest,
1953 the court may in its decree fix a reasonable time during which the person responsible for the
1954 unlawful conduct may abate and correct the violation. The expense of the proceeding shall be
1955 recoverable from the subject of the proceeding.

1956 (d) Upon a recommendation from the bureau, the commission shall issue orders to condition,
1957 suspend or revoke a license or permit issued under this chapter.

1958 (e) The bureau shall issue an order to cease and desist any activity if the bureau finds that a
1959 licensee has engaged in or is about to engage in an act or practice which constitutes a violation of
1960 this chapter or laws of the commonwealth and may take such affirmative action to effectuate the
1961 order. If the bureau finds that the licensee is engaged in an act or practice that would cause
1962 irreparable harm to the security and integrity of the gaming establishment or the interests of the
1963 commonwealth in ensuring the security and integrity of gaming under this chapter, the bureau
1964 may issue a temporary suspension of the license.

1965 (f) Any licensee who has been issued a temporary order of suspension by the bureau shall be
1966 entitled to a hearing before the commission on such suspension within 7 days that the order was
1967 issued. At the conclusion of the hearing, the commission may issue a final order to condition,
1968 suspend or revoke the license in question.

1969 (g) A licensee shall have the right to an adjudicatory hearing on an order issued by the bureau
1970 under chapter 30A.

1971 Section 36. (a) The bureau may assess a civil administrative penalty on a licensee or registrant
1972 who fails to comply with any provision of this chapter or any regulation or order adopted by the
1973 commission; provided, however, that such noncompliance occurred after the bureau had given
1974 such person written notice of such noncompliance and the time stated in the notice for coming
1975 into compliance had elapsed; provided, however, that the bureau may assess such penalty
1976 without providing such written notice if such failure to comply: (i) was part of a pattern of
1977 noncompliance and not an isolated instance; (ii) was willful or neglectful and not the result of

1978 error; (iii) resulted in a significant breach to the integrity of the gaming establishment or gaming
1979 laws of the commonwealth; and (iv) consisted of failure to promptly report to the commission
1980 any knowledge of evidence or circumstances that would cause a reasonable person to believe that
1981 a violation of this chapter had been committed. The civil administrative penalty shall be in
1982 addition to any other civil penalty that may be prescribed by law.

1983 (b) For the purpose of determining whether such noncompliance was part of a pattern of
1984 noncompliance and not an isolated instance, the bureau shall consider without limitation the
1985 following: (i) whether the bureau had previously notified the person of such noncompliance on
1986 more than one occasion during the previous month or of any noncompliance with the same
1987 provision of a law, regulation, order, license or approval as the current noncompliance during the
1988 previous 6 month period; or (ii) whether the current and previous noncompliances, considered
1989 together, indicate a potential threat to the integrity of the gaming establishment and gaming in
1990 the commonwealth or an interference with the commission's ability to efficiently and effectively
1991 regulate gaming in the commonwealth and enforce any regulation, license or order. If a licensee
1992 or registrant who has received a notice of noncompliance fails to come into compliance within
1993 the time period stated in such notice, the civil administrative penalty may be assessed by the
1994 bureau upon such licensee or registrant from the date of receipt of such notice.

1995 (c) Whenever the bureau seeks to assess a civil administrative penalty on any licensee or
1996 registrant, the bureau shall cause to be served upon such licensee or registrant, either by service,
1997 in hand, or by certified mail, return receipt requested, a written notice of its intent to assess a
1998 civil administrative penalty which shall include a concise statement of the alleged act or
1999 omission for which such civil administrative penalty is sought to be assessed, each law,
2000 regulation, order, license or approval which has not been complied with as a result of such

2001 alleged act or omission, the amount which the bureau seeks to assess as a civil administrative
2002 penalty for each such alleged act or omission, a statement of such licensee's or registrant's right
2003 to an adjudicatory hearing on the proposed assessment, the requirements such licensee or
2004 registrant must comply with to avoid being deemed to have waived the right to an adjudicatory
2005 hearing and the manner of payment thereof if such person elects to pay the penalty and waive an
2006 adjudicatory hearing. After written notice of noncompliance or intent to assess a civil
2007 administrative penalty has been given, each such day thereafter during which such
2008 noncompliance occurs or continues shall constitute a separate offense and shall be subject to a
2009 separate civil administrative penalty if reasonable efforts have not been made to promptly come
2010 into compliance.

2011 (d) Whenever the bureau seeks to assess a civil administrative penalty on any licensee or
2012 registrant, such licensee or registrant shall have the right to an adjudicatory hearing under
2013 chapter 30A whose provisions shall apply except when they are inconsistent with the provisions
2014 of this chapter.

2015 (e) Such licensee or registrant shall be deemed to have waived such right to an adjudicatory
2016 hearing unless, within 21 days of the date of the bureau's notice that it seeks to assess a civil
2017 administrative penalty, such licensee or registrant files with the bureau a written statement
2018 denying the occurrence of any of the acts or omissions alleged by the bureau in such notice, or
2019 asserting that the money amount of the proposed civil administrative penalty is excessive. In any
2020 adjudicatory hearing authorized under chapter 30A, the bureau shall, by a preponderance of the
2021 evidence, prove the occurrence of each act or omission alleged by the bureau.

2022 (f) If a licensee or registrant waives the right to an adjudicatory hearing, the proposed civil
2023 administrative penalty shall be final immediately upon such waiver. If a civil administrative
2024 penalty is assessed at the conclusion of an adjudicatory hearing, said civil administrative penalty
2025 shall be final upon the expiration of 30 days if no action for judicial review of such decision is
2026 commenced under chapter 30A.

2027 (g) Any licensee or registrant who institutes proceedings for judicial review of the final
2028 assessment of a civil administrative penalty shall place the full amount of the final assessment in
2029 an interest-bearing escrow account in the custody of the clerk or magistrate of the reviewing
2030 court. The establishment of such an interest-bearing escrow account shall be a condition
2031 precedent to the jurisdiction of the reviewing court unless the party seeking judicial review
2032 demonstrates in a preliminary hearing held within 20 days of the filing of the complaint either
2033 the presence of a substantial question for review by the court or an inability to pay. Upon such a
2034 demonstration, the court may grant an extension or waiver of the interest-bearing escrow account
2035 or may require, in lieu of such interest-bearing escrow account, the posting of a bond payable
2036 directly to the commonwealth in the amount of 125 per cent of the assessed penalty. If, after
2037 judicial review, in a case where the requirement for an escrow account has been waived, and in
2038 cases where a bond has been posted in lieu of such requirement, the court affirms, in whole or in
2039 part, the assessment of a civil administrative penalty the commission shall be paid the amount
2040 thereof together with interest at the rate provided in section 6C of chapter 231. If, after such
2041 review in a case where an interest-bearing escrow account has been established, the court affirms
2042 the assessment of such penalty, in whole or in part, the commission shall be paid the amount
2043 thereof together with the accumulated interest in the interest-bearing escrow account. If the court
2044 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 civil administrative penalty was assessed shall be repaid the amount so set aside, together with the accumulated interest thereon.

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

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

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

2067 (c) Whoever works or is employed in a position, the duties of which require licensing or
2068 registration under this chapter, without the required license or registration, shall be punished by
2069 imprisonment in the house of correction for not more than 6 months or a fine not to exceed
2070 \$10,000, or both.

2071 (d) A gaming licensee who, without the permission of the commission: (i) places a game or
2072 gaming device into play or displays a game or gaming device in a gaming establishment; or (ii)
2073 receives, directly or indirectly, any compensation or reward or any percentage or share of the
2074 revenue for keeping, running or carrying on a game, or owning the real property upon, or the
2075 location within which any game occurs, shall be punished by imprisonment in the house of
2076 correction for not more than 2½ years or by a fine not to exceed \$25,000, or both, and in the case
2077 of a person other than a natural person, by a fine not to exceed \$100,000.

2078 (e) Whoever conducts or operates any game or gaming device after the person's gaming license
2079 has expired and prior to the actual renewal of the gaming license shall be punished by
2080 imprisonment in the house of correction for not more than 1½ years or a fine not to exceed
2081 \$25,000, or both, and in the case of a person other than a natural person, by a fine not to exceed
2082 \$100,000.

2083 (f) A gaming licensee who knowingly fails to exclude from the licensee's gaming establishment
2084 any person placed by the commission on the list of excluded persons shall be punished by a fine
2085 not to exceed \$5,000 or by imprisonment in the house of correction for not more than 1 year, or
2086 both, and in the case of a person other than a natural person, by a fine not to exceed \$100,000.

2087 (g) Whoever willfully: (i) fails to report, pay or truthfully account for and pay over a license fee
2088 or tax imposed by this chapter or by the regulations adopted under this chapter; or (ii) evades or

2089 defeats, or attempts to evade or defeat, a license fee or tax or payment of a license fee or tax shall
2090 be punished by imprisonment in the state prison for not more than 5 years or in the house of
2091 correction for not more than 2½ years or a fine not to exceed \$100,000, or both, and in the case
2092 of a person other than a natural person, by a fine not to exceed \$5,000,000.

2093 Section 38. Whoever willfully resists, prevents, impedes, interferes with or makes any false,
2094 fictitious or fraudulent statement or representation to the bureau, commission or division or to
2095 agents or employees of the bureau, commission or division in the lawful performance of the
2096 agent's or employee's duties under this chapter shall be punished by imprisonment in the state
2097 prison for not more than 5 years or in the house of correction for not more than 2½ years or by a
2098 fine not to exceed \$25,000, or both.

2099 Section 39. (a) Whoever, during a game in a gaming establishment, knowingly and by any trick
2100 or sleight of hand performance or by a fraud or fraudulent scheme, cards, dice or other gaming
2101 device, for himself, for another or for a representative of either: (i) wins, or attempts to win,
2102 money or property; or (ii) reduces, or attempts to reduce, a losing wager in a gaming
2103 establishment shall be guilty of cheating and swindling.

2104 (b) Whoever knowingly uses a cheating and swindling device or game in a gaming establishment
2105 shall be guilty of cheating and swindling.

2106 (c) Whoever commits the offense of cheating and swindling shall be punished as follows:

2107 (i) if the value of the money, property or wager cheated and swindled is \$75,000 or more, by
2108 imprisonment in the state prison for not more than 10 years or in the house of correction for not
2109 more than 2½ years or by a fine not to exceed \$1,000,000, or both, and in the case of a person
2110 other than a natural person, by a fine not to exceed \$10,000,000;

2111 (ii) if the value of the money, property or wager cheated and swindled is \$10,000 or more but
2112 less than \$75,000, by imprisonment in the state prison for not more than 5 years or in the house
2113 of correction for not more than 2½ years or by a fine not to exceed \$500,000, or both, and in the
2114 case of a person other than a natural person, by a fine not to exceed \$5,000,000;

2115 (iii) if the value of the money, property or wager cheated and swindled is \$1,000 or more but less
2116 than \$10,000, by imprisonment in the state prison for not more than 3 years or in the house of
2117 correction for not more than 2½ years or by a fine not to exceed \$100,000, or both, and in the
2118 case of a person other than a natural person, by a fine not to exceed \$1,000,000;

2119 (iv) if nothing of value was obtained in violation of this subsection or if the value of the money,
2120 property or wager cheated and swindled is less than \$1,000, by imprisonment in the house of
2121 correction for not more than 2½ years or by a fine not to exceed \$10,000, or both, and in the case
2122 of a person other than a natural person, by a fine not to exceed \$100,000.

2123 (d) Each episode or transaction of swindling and cheating may be the subject of a separate
2124 prosecution and conviction. In the discretion of the commonwealth, multiple episodes or
2125 transactions of swindling and cheating committed as part of a single scheme or course of conduct
2126 may be treated as a single offense and the amounts involved in acts of swindling and cheating
2127 committed according to a scheme or course of conduct, whether by the same person or several
2128 persons, may be aggregated in determining the value of money, property or wager involved in
2129 the offense.

2130 (e) A gaming licensee, or an employee of a gaming licensee, who, in a gaming establishment,
2131 knowingly: (i) conducts or operates any game using a cheating and swindling device or game;
2132 (ii) displays for play a cheating and swindling game; or (iii) permits to be conducted, operated or

2133 displayed, any cheating and swindling device or game shall be punished by imprisonment in the
2134 state prison for not more than 5 years or imprisonment in the house of correction for not more
2135 than 2½ years, or by a fine not to exceed \$25,000, or both, and in the case of a person other than
2136 a natural person, by a fine not to exceed \$100,000.

2137 Section 40. (a) Whoever possesses a cheating and swindling device or game, with the intent to
2138 defraud, cheat or steal, shall be punished by imprisonment in the house of correction for not
2139 more than 2½ years or by a fine not to exceed \$10,000, or both, and in the case of a person other
2140 than a natural person, by a fine not to exceed \$100,000.

2141 (b) Possession of a cheating and swindling device or game within a gaming establishment shall
2142 constitute prima facie evidence of an intent to defraud, cheat or steal, except possession by a
2143 gaming licensee or an employee of a gaming licensee, acting lawfully in furtherance of such
2144 person's employment within the gaming establishment, shall be punished by imprisonment in the
2145 house of correction for not more than 2½ years or a fine not to exceed \$10,000, or both.

2146 Section 41. Whoever manufactures, distributes, sells or services a gaming device, in violation of
2147 this chapter or regulations adopted under this chapter and for the purpose of defrauding, cheating
2148 or stealing from a person playing, operating or conducting a game in a gaming establishment,
2149 shall be punished by imprisonment in the state prison for not more than 5 years or imprisonment
2150 in the house of correction for not more than 2½ years or by a fine not to exceed \$25,000, or both,
2151 and in the case of a person other than a natural person, by a fine not to exceed \$150,000.

2152 Section 42. Any device, game or gaming device possessed, used, manufactured, distributed, sold
2153 or serviced in violation of this chapter shall be subject to seizure and forfeiture by the division or
2154 bureau. Forfeiture proceedings shall be conducted as provided in subsections (b) to (j),

2155 inclusive, of section 47 of chapter 94C. For purposes of subsection (d) of said section 47 of said
2156 chapter 94C, the commission shall be considered a police department, entitled to a police
2157 department's distribution of forfeiture proceedings.

2158 Section 43. (a) Whoever, being under 21 years old, plays, places wagers at or collects winnings
2159 from, whether personally or through an agent, a game in a gaming establishment shall be
2160 punished by imprisonment in the house of correction for not more than 6 months or a fine not to
2161 exceed \$1,000, or both.

2162 (b) Whoever, being a gaming licensee or an employee of a gaming licensee, who knowingly
2163 allows a person under the age of 21 to play, place wagers at, or collect winnings from a game in
2164 a gaming establishment, whether personally or through an agent, shall be punished, for a first
2165 offense, by imprisonment in the house of correction for not more than 1 year or a fine not to
2166 exceed \$10,000, or both, and in the case of a person other than a natural person, by a fine not to
2167 exceed \$500,000 and, for a second or subsequent offense, by imprisonment in the house of
2168 correction for not more than 2 years or a fine not to exceed \$50,000, or both, and in the case of a
2169 person other than a natural person, by a fine not to exceed \$1,000,000.

2170 Section 44. All penalties collected under this chapter shall be deposited into the Gaming
2171 Revenue Fund established under this chapter.

2172 Section 45. (a) The commission, by regulation, shall provide for the establishment of a list of
2173 excluded persons who are to be excluded from a gaming establishment. In determining the list
2174 of excluded persons, the commission may consider, but shall not be limited to: (i) whether a
2175 person has been convicted of a criminal offense under the laws of any state or the United States
2176 that is punishable by more than 6 months in a state prison, a house of correction or any

2177 comparable incarceration, a crime of moral turpitude or a violation of the gaming laws of any
2178 state; (ii) whether a person has violated or conspired to violate this chapter relating to: (A) failure
2179 to disclose an interest in a gaming establishment for which the person is required to obtain a
2180 license; or (B) willful evasion of fees or taxes; (iii) whether a person has a notorious or unsavory
2181 reputation which would adversely affect public confidence and trust that the gaming industry is
2182 free from criminal or corruptive elements; and (iv) the potential of injurious threat to the interests
2183 of the commonwealth in the gaming establishment.

2184 (b) No person shall be placed on the list of excluded persons due to race, color, religion, national
2185 origin, ancestry, sexual orientation, disability or sex.

2186 (c) The commission may revoke, limit, condition, suspend or fine a gaming establishment if such
2187 establishment knowingly or recklessly fails to exclude or eject from its premises any person
2188 placed by the commission on the list of excluded persons.

2189 (d) Whenever the commission places a name on the list of excluded persons, the commission
2190 shall serve written notice upon that person by personal service, registered or certified mail return
2191 receipt requested to the last ascertainable address, or by publication in a daily newspaper of
2192 general circulation for 1 week.

2193 (e)(1) Within 30 days of receipt of service by mail or 60 days after the last publication under
2194 subsection (d), a person placed on the list of excluded persons may request an adjudicatory
2195 hearing before the commission under chapter 30A and show cause as to why the person should
2196 be removed from the list of excluded persons. Failure to demand a hearing within the time
2197 allotted in this section shall preclude the person from having an administrative hearing, but in no
2198 way affect the person's right to petition for judicial review.

2199 (2) Upon receipt of a demand for hearing, the commission shall set a time and place for the
2200 hearing. This hearing shall be held not later than 30 days after receipt of the demand for the
2201 hearing, unless the time of the hearing is changed by agreement of the commission and the
2202 person demanding the hearing.

2203 (3) If, upon completion of the hearing, the commission determines that the person was
2204 wrongfully placed on the list of excluded persons, the commission shall remove the person's
2205 name from the list of excluded persons and notify all gaming licensees. A person aggrieved by a
2206 final decision of the commission in an adjudicatory proceeding under this section may petition
2207 for judicial review under section 14 of chapter 30A.

2208 (f) The commission shall establish a list of self-excluded persons from gaming establishments.
2209 A person may request such person's name to be placed on the list of self-excluded persons by
2210 filing a statement with the commission acknowledging that the person is a problem gambler and
2211 by agreeing that, during any period of voluntary exclusion, the person may not collect any
2212 winnings or recover any losses resulting from any gaming activity at a gaming establishment.
2213 The commission shall adopt further regulations, under section 5, for the self-excluded persons
2214 list including procedures for placement, removal and transmittal of such list to gaming
2215 establishments.

2216 (g) Gaming establishments shall not market to persons on any excluded persons list and shall
2217 deny access to complimentaries, check cashing privileges, club programs and other similar
2218 benefits to persons on the self-excluded persons list.

2219 (h) Notwithstanding any other law to the contrary, the self-excluded persons list shall not be
2220 open to public inspection. Nothing in this section, however, shall prohibit a gaming

2221 establishment from disclosing the identity of persons on the self-excluded persons list under this
2222 section to affiliated gaming establishments in this commonwealth or other jurisdictions for the
2223 limited purpose of assisting in the proper administration of responsible gaming programs
2224 operated by affiliated gaming establishments.

2225 (i) As used in this subsection the following words shall, unless the context clearly requires
2226 otherwise have the following meanings:

2227 (i) “Problem gambler”, a person who chronically or habitually gambles to the extent that: (1)
2228 such gambling substantially interferes with the person’s social or economic functioning; or (2)
2229 the person has lost the power of self control
2230 over that person’s gambling.

2231 (ii) “Immediate family”, the spouse, parent, child, brother or sister of an individual.

2232 An immediate family member or guardian may petition, in writing, a district court for an order
2233 of exclusion from gaming establishments applicable to a person whom the petitioner has reason
2234 to believe is a problem gambler. Upon receipt of a petition for an order of exclusion of a person
2235 and any sworn statements the court may request from the petitioner, the court shall immediately
2236 schedule a hearing on the petition and shall cause a summons and a copy of the petition to be
2237 served upon the person as provided by section 25 of chapter 276. The person may be represented
2238 by legal counsel and may present independent expert or other testimony. The court shall order
2239 examination by a qualified psychologist. If, after a hearing, the court based upon competent
2240 testimony finds that said person is a problem gambler and there is a likelihood of serious harm as
2241 a result of the person’s gambling, the court may order that such person be prohibited from

2242 gaming in gaming establishments. The court shall communicate this order to the commission,
2243 which shall place the person's name on the list of excluded persons.

2244 (j) A person who is prohibited from gaming in a gaming establishment under this section
2245 shall not collect any winnings or recover losses arising as a result of prohibited gaming winnings
2246 obtained by a person who is prohibited from gaming in a gaming establishment shall be forfeited
2247 to the commission and deposited into the Gaming Revenue Fund.

2248 (k) The commission shall pursue an interstate compact for the purposes of sharing
2249 information
2250 regarding the excluded persons list.

2251 Section 46. No applicant for a gaming license, nor any holding, intermediary or subsidiary
2252 company thereof, nor any officer, director, key gaming employee or principal employee of an
2253 applicant for or holder of a gaming license or of any holding, intermediary or subsidiary
2254 company thereof nor any person or agent on behalf of any such applicant, holder, company or
2255 person, shall directly or indirectly, pay or contribute any money or thing of value to any
2256 candidate for nomination or election to any public office in the commonwealth or to any group,
2257 political party, committee or association organized in support of any such candidate or political
2258 party; except that the provisions of this section shall not be construed to prohibit any individual
2259 who is a candidate for public office from contributing to the candidate's own campaign.

2260 Section 47. All political contributions or contributions in kind made by an applicant for a gaming
2261 license to a municipality or a municipal employee, as defined in section 1 of chapter 268A, of the
2262 host community of the applicant's proposed gaming establishment shall be disclosed, by the
2263 applicant, to the commission and the city or town clerk of the host community. Such disclosure

2264 shall be made by the applicant bi-annually, on or before July 15 for the period covering January
2265 1 through June 30 of that year and on or before January 15 for the period covering July 1 through
2266 December 31 of the preceding year. The office of campaign and political finance shall
2267 promulgate regulations to provide for timely and expeditious public reporting, which shall
2268 include electronic means or public posting in a city or town hall and post office, by city and town
2269 clerks of the contribution disclosures they receive from applicants.

2270 Section 48. A gaming licensee shall be subject to chapters 62 through 62E, inclusive, and
2271 chapters 63 through 63B, inclusive.

2272 Section 49. (a) A gaming establishment, including any business located within a gaming
2273 establishment, shall not be a certified project within the meaning of section 3F of chapter 23A.
2274 Gaming establishments shall not be designated as economic opportunity areas within the
2275 meaning of section 3E of chapter 23A. Gaming establishments shall not be eligible for tax
2276 increment financing under section 59 of chapter 40 or special tax assessments set forth in section
2277 3E of chapter 23A. Gaming establishments shall not be classified and taxed as recreational land
2278 under chapter 61B. Gaming establishments shall not be designated as a development district
2279 within the meaning of chapter 40Q.

2280 (b) Unless otherwise provided, a gaming establishment or a business located or to be
2281 located within a gaming establishment shall not be eligible for the following credits or
2282 deductions listed in chapter 62 or chapter 63: the investment tax credit under section 31A of
2283 chapter 63, the employment credit under section 31C of said chapter 63, the van pool credit
2284 under section 31E of said chapter 63, the deduction for expenditures for industrial waste
2285 treatment or air pollution control under section 38D of said chapter 63, the deduction for

2286 compensation paid to an eligible business facility's employees domiciled in a section of
2287 substantial poverty under section 38F of said chapter 63, the film tax credit under subsection (l)
2288 of section 6 of chapter 62 and section 38X of said chapter 63, the alternative energy sources
2289 deduction under section 38H of said chapter 63, the research expense credit under section 38M
2290 of said chapter 63, the economic opportunity area credit under subsection (g) of section 6 of said
2291 chapter 62, and section 38N of said chapter 63, the abandoned building deduction under
2292 subparagraph (10) of subsection (a) of Part B of section 3 of said chapter 62 and section 38O of
2293 said chapter 63, the harbor maintenance tax credit under section 38P of said chapter 63, the
2294 brownfields credit under subsection (j) of section 6 of said chapter 62 and section 38Q of said
2295 chapter 63, the historic rehabilitation tax credit under section 6J of said chapter 62 and section
2296 38R of said chapter 63 and the automatic sprinkler system depreciation deduction under section
2297 38S of said chapter.

2298 Section 50. Any liability to the commonwealth under this chapter shall constitute a debt to the
2299 commonwealth. Once a statement naming a gaming licensee is recorded, registered or filed, any
2300 such debt shall constitute a lien on all commercial property owned by a gaming licensee in the
2301 commonwealth and shall have priority over an encumbrance recorded, registered or filed with
2302 respect to any site.

2303 Section 51. (a) Prior to disbursement of cash or a prize in excess of \$600, a gaming licensee shall
2304 review information made available by the IV-D agency, as set forth in chapter 119A and by the
2305 department of revenue to ascertain whether the winner of the cash or prize owes past-due child
2306 support to the commonwealth or to an individual to whom the IV-D agency is providing services
2307 and to ascertain whether the winner of the cash or prize owes any past-due tax liability to the
2308 commonwealth.

2309 (b) If the winner of the cash or prize owes past-due child support or a past-due tax
2310 liability, the gaming licensee shall notify the IV-D agency or the commonwealth, respectively, of
2311 the winner's name, address and social security number. Subsequent to statutory state and federal
2312 tax withholding, the gaming licensee shall first disburse to the IV-D agency the full amount of
2313 the cash or prize or such portion of the cash or prize that satisfies the winner's past-due child
2314 support obligation.

2315 (c) If funds remain available after the disbursement to the IV-D agency or if no such
2316 obligation to the IV-D agency is owed, the gaming licensee shall disburse to the department of
2317 revenue the full amount of the cash or prize or such portion of the cash prize that satisfies the
2318 winner's past-due tax liability. The licensee shall disburse to the holder only that portion of the
2319 prize, if any, remaining after the holder's past-due child support obligation and the holder's past-
2320 due tax liability have been satisfied.

2321 Section 52. Gaming licensees shall, on a monthly basis, transmit to the department of transitional
2322 assistance and to the IV-D agency, as set forth in chapter 119A, a list of all persons who were
2323 awarded cash winning or a prize in excess of \$600 in the prior month. The information shall be
2324 provided in a format which is compatible with the automated data processing systems of the
2325 department and the IV-D agency to ensure the immediate identification of persons who may be
2326 receiving public assistance benefits. The information provided shall include the name, address
2327 and social security number of the person who was awarded the cash or prize valued in excess of
2328 \$600.

2329 Section 53. Unclaimed cash and prizes shall be retained by the gaming licensee for the person
2330 entitled to the cash or prize for 1 year after the game in which the cash or prize was won. If no

2331 claim is made for the cash or prize within 1 year, the cash or equivalent cash value of the prize
2332 shall be deposited in the Gaming Revenue Fund established in section 59.

2333 Section 54. If the person entitled to cash or a prize is under the age of 21 years, the cash or prize
2334 shall be remitted to the commission and deposited into the Gaming Revenue Fund established in
2335 section 59.

2336 Section 55. (a) A category 1 licensee shall pay a daily tax of 25 per cent on gross gaming
2337 revenues.

2338 (b) A category 2 licensee shall pay a daily tax of 40 per cent on gross gaming revenue.

2339 (c) In addition to the tax imposed under subsection (b), a category 2 licensee shall pay a daily
2340 assessment of 9 per cent of their gross gaming revenue to the Massachusetts race horse
2341 development fund established in section 60.

2342 (d) Taxes imposed under this section shall be remitted to the commission by a gaming licensee
2343 the day following each day of wagering.

2344 Section 56. (a) In addition to any other tax or fee imposed by this chapter, there shall be imposed
2345 an annual license fee of \$600 for each slot machine approved by the commission for use by a
2346 gaming licensee at a gaming establishment; provided, however, that not sooner than 5 years after
2347 award of an original gaming license, the commission may annually adjust the fee for inflation.
2348 The fee shall be imposed as of July 1 of each year for all approved slot machines on that date and
2349 shall be assessed on a pro rata basis for any slot machine approved for use thereafter.

2350 (b) The commission shall establish fees for any investigation into a violation of this chapter or
2351 regulation promulgated thereunder by a gaming licensee to be paid by the gaming licensee,

2352 including, but not limited to, billable hours by commission staff involved in the investigation and
2353 the costs of services, equipment or other expenses that are incurred by the commission during the
2354 investigation.

2355 (c) Any remaining costs of the commission necessary to maintain regulatory control over gaming
2356 establishments that are not covered by: (i) the fees set forth in subsections (a) and (b); (ii) any
2357 other fees assessed under this chapter; or (iii) any other designated source of funding, shall be
2358 assessed annually on gaming licensees under this chapter in proportion to the number of gaming
2359 positions at each gaming establishment. Each gaming licensee shall pay the amount assessed
2360 against it within 30 days after the date of the notice of assessment from the commission.

2361 (d) If the fees collected in subsections (a) and (b) exceed the cost required to maintain regulatory
2362 control, the surplus funds shall be credited in proportional shares against each gaming licensee's
2363 next assessment.

2364 (e) In addition to the fees collected under this section and any additional costs of the
2365 commission, the commission shall assess an annual fee of not less than \$5,000,000 in
2366 proportional shares against each gaming licensee in proportion to the number of gaming
2367 positions at each gaming establishment for the costs of service and public health programs
2368 dedicated to addressing problems associated with compulsive gambling. Such assessed fees shall
2369 be deposited into the Public Health Trust Fund established in section 58.

2370 (f) All fees and assessments collected under this section, except those collected under subsection
2371 (e), shall be deposited into the Gaming Control Fund established in section 57.

2372 Section 57. (a) There shall be established and set up on the books of the commonwealth a
2373 separate fund to be known as the Massachusetts Gaming Control Fund. The commission shall be

2374 the trustee of the fund and shall expend monies to finance operational activities of the
2375 commission. The fund shall be credited any appropriations, bond proceeds or other monies
2376 authorized by the general court and specifically designated to be credited thereto, the proceeds of
2377 the assessments levied under section 56, application fees for licenses issued under this chapter
2378 and such additional funds as are subject to the direction and control of the commission. All
2379 available monies in the fund that are unexpended at the end of each fiscal year shall not revert to
2380 the General Fund and shall be available for expenditure in the subsequent fiscal year. Any funds
2381 unexpended in any fiscal year for the purposes of which such assessments were made shall be
2382 credited against the assessment to be made in the following fiscal year and the assessment in the
2383 following fiscal year shall be reduced by any such unexpended amount. The commission shall
2384 record all expenditures made by subsidiary on the Massachusetts management and accounting
2385 reporting system, so-called, according to regulations established by the state comptroller.

2386 (b) The commission shall, for the purposes of compliance with state finance law, operate as a
2387 state agency as defined in section 1 of chapter 29 and shall be subject to the provisions
2388 applicable to agencies under the control of the governor including, but not limited to, chapters 7,
2389 7A, 10 and 29; provided, however, that the comptroller may identify any additional instructions
2390 or actions necessary for the commission to manage fiscal operations in the state accounting
2391 system and meet statewide and other governmental accounting and audit standards. Unless
2392 otherwise exempted by law or the applicable central service agency, the commission shall
2393 participate in any other available commonwealth central services including, but not limited, to
2394 the state payroll system under section 31 of said chapter 29, and may purchase other goods and
2395 services provided by state agencies in accordance with comptroller provisions. The comptroller
2396 may chargeback the commission for the transition and ongoing costs for participation in the state

2397 accounting and payroll systems and may retain and expend such costs without further
2398 appropriation for the purposes of this section. The commission shall be subject to section 5D of
2399 chapter 29 and subsection (f) of section 6B of chapter 29.

2400 The commission shall annually submit a finance plan to the secretary of administration and
2401 finance, the chairs of the house and senate committees on ways and means and the chairs of the
2402 joint committee on economic development and emerging technologies.

2403 Section 58. There is hereby established and set up on the books of the commonwealth a separate
2404 fund to be known as the Addiction Prevention and Mitigation Trust Fund. The addictions
2405 prevention and mitigation trust fund shall consist of fees assessed under section 56 and all other
2406 monies credited or transferred to the fund from any other source under law. The secretary of
2407 health and human services shall be the trustee of the addictions prevention and mitigation trust
2408 fund and may only expend monies in the fund, without further appropriation, to assist social
2409 service and public health programs dedicated to addressing problems associated with compulsive
2410 gambling, including, but not limited to, gambling prevention and addiction services, educational
2411 campaigns to mitigate the potential addictive nature of gambling and any studies and evaluations
2412 necessary, including the annual research agenda under section 71, to ensure the proper and most
2413 effective strategies.

2414 Section 59. There shall be established and set up on the books of the commonwealth a Gaming
2415 Revenue Fund, hereinafter the fund, which shall receive revenues collected from the tax on gross
2416 gaming revenue received from gaming licensees. The commission shall be the trustee of the fund
2417 and shall transfer monies in the fund as follows:

2418 (1) 100 per cent of the revenue received from a category 2 licensee shall be transferred to the
2419 Gaming Local Aid Fund; and

2420 (2) 100 per cent of the revenue received from a category 1 licensee shall be transferred as
2421 follows:

2422 (a) 2 per cent of revenues to the Massachusetts cultural council of which one-quarter of the
2423 revenues received shall be dedicated to the organization support program of the Massachusetts
2424 cultural council and three-quarters of revenues shall be dedicated to support not-for-profit or
2425 municipally-owned performing arts centers impacted as a result of the operation of gaming
2426 facilities; provided, however, that funds dedicated to such performing arts centers shall be to
2427 subsidize fees paid to touring shows or artists; provided further, that funding shall be
2428 appropriated through a competitive grant process to be developed and administered by the
2429 Massachusetts cultural council;

2430 (b) 1/2 per cent to the Massachusetts Tourism Fund to fund tourist promotion agencies under
2431 clause (c) of section 35J of chapter 10.

2432 (c) 6.5 per cent to the Community Mitigation Fund established in section 61;

2433 (d) 2 per cent to the Local Capital Projects Fund, established in section 2EEEE of chapter 29;

2434 (e) 20 per cent to the Gaming Local Aid Fund, established in section 63;

2435 (f) 10 per cent to the Commonwealth Stabilization Fund established in section 2H of chapter 29;
2436 provided, however, that in any fiscal year in which the amount appropriated in item 7061-0008
2437 of the general appropriation act, paid from the General Fund, or the amount of unrestricted
2438 general government aid paid from the General Fund, including lottery aid distribution to cities

2439 and towns as paid from the General Fund under clause (c) of the second paragraph of section 35
2440 of said chapter 10 and the amount of additional funds distributed to cities and towns as additional
2441 assistance paid from the General Fund, is less than that of the previous fiscal year, up to 1/2 of
2442 the funds otherwise directed to the Commonwealth Stabilization Fund under this section, up to
2443 an amount equal to the deficiency between said appropriations for the current and previous fiscal
2444 years, shall be transferred to the Gaming Local Aid Fund in addition to the 25 per cent under
2445 clause (e);

2446 (g) 14 per cent to the Education Fund, established in section 64;

2447 (h) 10 per cent shall be transferred to the Economic Development Fund, established in section
2448 2DDDD of chapter 29;

2449 (i) 10 per cent shall be used for debt reduction through a program of debt defeasance and
2450 accelerated debt payments; provided, however, that this program shall be developed jointly by
2451 the state treasurer and the secretary of administration and finance and shall be implemented in
2452 compliance with state finance law; provided further, that this program shall prioritize the
2453 reduction of risk in the commonwealth's debt portfolio; and provided further, that the state
2454 secretary and state treasurer shall provide a written description of the program to the finance
2455 advisory board established in section 97 of chapter 6 for the board's review and comment before
2456 the program is implemented and shall file a copy of that description with the house and senate
2457 committees on ways and means and the house and senate committees on bonding, capital
2458 expenditures and state assets when it is submitted to the finance advisory board;

2459 (j) 15 per cent shall be transferred to the Transportation Infrastructure and Development Fund,
2460 established in section 62; and

2461 (k) 5 per cent to the Public Health Trust Fund.

2462 (l) 5 per cent to the Community Preservation Fund.

2463 Section 60. (a) There shall be established and set up on the books of the commonwealth a Race
2464 Horse Development Fund to be administered by the commission. The fund shall consist of
2465 monies deposited under subsection (c) of section 55. The commission shall make distributions
2466 from the Race Horse Development Fund to each licensee under chapter 128A.

2467 (b) Funds received from subsection (a) shall be allocated by the commission as follows:

2468 (i) 80 per cent shall be deposited weekly into a separate, interest-bearing purse account to be
2469 established by and for the benefit of the horsemen; provided, however, that the earned interest on
2470 the account shall be credited to the purse account; and provided further, that licensees shall
2471 combine these funds with revenues from existing purse agreements to fund purses for live races
2472 consistent with those agreements with the advice and consent of the horsemen;

2473 (ii) for a thoroughbred track, 8 per cent shall be deposited on a monthly basis into the
2474 Massachusetts Thoroughbred Breeding Program authorized by the commission in section 2 of
2475 chapter 128;

2476 (iii) for a harness track, 8 per cent shall be deposited on a monthly basis into the Massachusetts
2477 Standardbred Breeding Program authorized by the commission in section 2 of chapter 128 and an
2478 additional 8 per cent shall be deposited on a monthly basis into a Standardbred Breeder
2479 Development Program authorized by the commission; and

2480 (iv) 4 per cent shall be used to fund health and pension benefits for the members of the
2481 horsemen's organizations representing the owners and trainers at the racetrack at which the

2482 category 2 licensee operates for the benefit of the organization's members, their families,
2483 employees and others under the rule and eligibility requirements of the organization, as approved
2484 by the commission; provided, however, that this amount shall be deposited within 5 business
2485 days of the end of each month into a separate account to be established by each respective
2486 horsemen's organization at a banking institution of its choice; and provided further, that of this
2487 amount, the commission shall determine how much shall be paid annually by the horsemen's
2488 organization to the thoroughbred jockeys or standardbred drivers organization at the racetrack at
2489 which the licensed racing entity operates for health insurance, life insurance or other benefits to
2490 active and disabled thoroughbred jockeys or standardbred drivers under the rules and eligibility
2491 requirements of that organization.

2492 Section 61. (a) There shall be established and set up on the books of the commonwealth a
2493 separate fund to be known as the Community Mitigation Fund. The fund shall consist of monies
2494 transferred under section 59 and all other monies credited or transferred to the fund from any
2495 other fund or source.

2496 (b) The commission shall administer the fund and, without further appropriation, shall expend
2497 monies in the fund to assist the host community and surrounding communities in offsetting costs
2498 related to the construction and operation of a gaming establishment including, but not limited to,
2499 communities and water and sewer districts in the vicinity of a gaming establishment, local and
2500 regional education, transportation, infrastructure, housing, environmental issues and public
2501 safety, including the office of the county district attorney, police, fire and emergency services.

2502 (c) Parties requesting appropriations from the fund shall submit a written request for funding to
2503 the commission before February 1 of each year. The commission may hold a public hearing in

2504 the region of a gaming establishment to provide parties with the opportunity to provide further
2505 information about their request for funds and shall distribute funds to requesting parties based on
2506 demonstrated need.

2507 Section 62. There shall be established and set up on the books of the commonwealth a fund to be
2508 known as the Transportation Infrastructure and Development Fund. The fund shall consist of
2509 monies transferred from the Gaming Revenue Fund and all other monies credited or transferred
2510 to the fund from any other fund or source and proceeds from the investment of such funds. The
2511 secretary of transportation shall be the trustee of this fund, provided that no funds shall be
2512 expended until the secretary of administration and finance has provided written approval
2513 annually of a proposed spending plan. Any expenditures from this fund shall be solely for the
2514 purpose of transportation and related infrastructure projects, including but not limited to transit
2515 expansion and maintenance; provided, however, that not less than 50 per cent of such
2516 expenditures shall be dedicated for the purpose of supplementing, and not offsetting, any
2517 expenditures made for the construction and reconstruction of municipal ways as described in
2518 clause (b) of the second paragraph of section 4 of chapter 6C.

2519 Section 63. There shall be established and set up on the books of the commonwealth a fund to be
2520 known as the Gaming Local Aid Fund. The fund shall consist of monies transferred under
2521 section 59 and all monies credited or transferred to the fund from any other fund or source and
2522 shall be subject to appropriation. Funds shall be distributed to cities and towns in accordance
2523 with the formula used to determine the distribution of Unrestricted General Government Aid
2524 under section 3 of the general appropriations act. Monies from the fund shall be used in addition
2525 to the balance of the state lottery fund for distribution to cities and towns in accordance with the
2526 provisions of clause (c) of section 35 of chapter 10 and any monies so distributed shall be

2527 considered part of “general revenue sharing aid” for purposes of annual aid and contribution
2528 requirements established pursuant to chapter 70 or section 3 of the annual general appropriation
2529 act.

2530 Section 64. There shall be established and set up on the books of the commonwealth a fund to be
2531 known as the Education Fund. The fund shall be credited any monies transferred under section
2532 59 and all monies credited to or transferred to the fund from any other fund or source.

2533 Expenditures from said fund shall be subject to appropriation, provided further, that 35 per cent
2534 of funds received shall be appropriated for the purposes of higher education to supplement, and
2535 not offset, any reduction in the general appropriation act from the previous fiscal year and,
2536 provided further, that any expenditures from said fund for K-12 education shall be used to
2537 supplement, and not offset, any reduction in item 7061-0008 of the general appropriation act
2538 from the previous fiscal year’s general appropriation act.

2539 Section 65. The commission shall audit as often as the commission determines necessary, but not
2540 less than annually, the accounts, programs, activities, and functions of all gaming licensees. To
2541 conduct the audit, authorized officers and employees of the commission shall have access to such
2542 accounts at reasonable times and the commission may require the production of books,
2543 documents, vouchers and other records relating to any matter within the scope of the audit,
2544 except tax returns. The superior court shall have jurisdiction to enforce the production of records
2545 that the commission requires to be produced under this section and the court shall order the
2546 production of all such records within the scope of any such audit. All audits shall be conducted in
2547 accordance with generally accepted auditing standards established by the American Institute of
2548 Certified Public Accountants. In any audit report of the accounts, funds, programs, activities and
2549 functions of a gaming licensee issued by the commission, containing adverse or critical audit

2550 results, the commission may require a response, in writing, to the audit results. The response
2551 shall be forwarded to the commission within 15 days of notification by the commission.

2552 On or before April 1 of each year, the commission shall submit a report to the clerks of the house
2553 of representatives and the senate who shall forward the report to the house and senate
2554 committees on ways and means which shall include, but not be limited to: (i) the number of
2555 audits performed under this section; (ii) a summary of findings under the audits; and (iii) the cost
2556 of each audit.

2557 Section 66. Unless the commission otherwise determines it to be in the best fiscal interests of the
2558 commonwealth, the commission shall utilize the services of a independent testing laboratory that
2559 has obtained a license as a gaming vendor to perform the testing of slot machines and other
2560 gaming equipment, and may also utilize applicable data from any such independent testing
2561 laboratory, or from a governmental agency of a state other than the Massachusetts, authorized to
2562 regulate slot machines and other gaming equipment.

2563 Section 67. The commission shall continue to evaluate the status of Indian tribes in the
2564 commonwealth, including, without limitation, gaining federal recognition or taking land into
2565 trust for tribal economic development. The commission shall evaluate and make a
2566 recommendation to the governor and the chairs of the joint committee on economic development
2567 and emerging technologies as to whether it would be in the best interest of the commonwealth to
2568 enter into any negotiations with said tribes for the purposes of establishing Class III gaming on
2569 tribal land.

2570 Section 68. (a) There shall be a gaming policy advisory committee to consist of the governor or
2571 the governor's designee, who shall serve as chair; the commission chair; the senate president or

2572 the president's designee; the speaker of the house of representatives or the speaker's designee;
2573 the senate minority leader or the senate minority leader's designee; the house minority leader or
2574 the house minority leader's designee; the commissioner of public health or the commissioner's
2575 designee; and 8 persons to be appointed by the governor, 3 of whom shall be representatives of
2576 gaming licensees, 1 of whom shall be a representative of a federally recognized Indian tribe in
2577 the commonwealth, 1 of whom shall be a representative of organized labor and 3 of whom shall
2578 be appointed from the vicinity of each gaming establishment, as defined by host community and
2579 surrounding community, upon determination of the licensee and site location by the commission.
2580 The committee shall designate subcommittees to examine community mitigation, compulsive
2581 gambling and gaming impacts on cultural and tourism. Members of the committee shall serve for
2582 2 year terms. The committee shall meet at least once annually for the purpose of discussing
2583 matters of gaming policy. The recommendations of the committee concerning gaming policy
2584 made under this section are advisory and shall not be binding on the commission and board.

2585 (b) There shall be a subcommittee on community mitigation under the gaming policy
2586 advisory committee consisting of 9 members: 1 of whom shall be appointed from the host
2587 community in region 1; 1 of whom shall be appointed from the host community in region 2; 1 of
2588 whom shall be appointed from the host community in region 3; 1 of whom shall be a
2589 representative from the department of revenue's division of local services; 1 of whom shall be a
2590 representative of the commission; 1 of whom shall be appointed by the governor and have
2591 professional experience in community mitigation related to gaming; 1 of whom shall be
2592 appointed by the governor and shall be a small business owner in a host community; 1 of whom
2593 shall be a representative from a Chamber of Commerce serving a host community; and 1 of
2594 whom shall be a representative from the Massachusetts municipal association. The subcommittee

2595 shall develop recommendations to be considered by the commission to address issues of
2596 community mitigation as a result of the development of gaming establishments in the
2597 commonwealth, including, but not limited to: how funds may be expended from the Community
2598 Mitigation Fund, the impact of gaming establishments on the host community as well as
2599 surrounding communities including, but not limited to, the impact on local resources as a result
2600 of new housing construction and potential necessary changes to affordable housing laws,
2601 increased education costs and curriculum changes due to population changes in the region,
2602 development and maintenance of infrastructure related to increased population and utilization in
2603 the region and public safety impacts resulting from the facility and how to address that impact.
2604 The subcommittee shall receive input from local community mitigation advisory committees.
2605 The subcommittee shall review annually the expenditure of funds from the Community
2606 Mitigation Fund and make recommendations to the commission relative to appropriate and
2607 necessary use of community mitigation funds. The commission may promulgate such
2608 regulations as advised by the subcommittee.

2609 (c) There shall be a subcommittee on addiction services under the gaming policy advisory
2610 committee consisting of 5 members: 1 of whom shall be a representative from the department of
2611 public health's bureau of substance abuse services; 1 of whom shall be a representative from the
2612 Massachusetts Council on Compulsive Gambling, Inc.; 1 of whom shall be a representative of
2613 the commission; and 2 of whom shall be appointed by the governor with professional experience
2614 in the area of gambling addictions. The subcommittee shall develop recommendations for
2615 regulations to be considered by the commission in addressing issues related to addiction services
2616 as a result of the development of gaming establishments in the commonwealth, including by not
2617 limited to, prevention and intervention strategies.

2618 (d) There shall be a subcommittee on public safety under the gaming policy advisory
2619 committee consisting of 7 members: 1 of whom shall be a member of the commission; 1 of
2620 whom shall be the secretary of the executive office of public safety or the secretary's designee; 1
2621 of whom shall be the attorney general or the attorney general's designee; 1 of whom shall be a
2622 representative from the Massachusetts District Attorneys Association; 1 of whom shall be the
2623 colonel of the state police or the colonel's designee; 1 of whom shall be a representative from the
2624 Massachusetts Chiefs of Police Association; and 1 of whom shall be a representative of a public
2625 safety labor union. The subcommittee shall develop recommendations for regulations to be
2626 considered by the commission to address public safety issues as a result of the development of
2627 gaming establishments in the commonwealth, including but not limited to, how to mitigate the
2628 impact of gaming establishments on crimes committed in the commonwealth. The subcommittee
2629 shall also study the impact of gaming establishments on all aspects of public safety in the
2630 commonwealth.

2631 (e) Each region, as defined in section 19, may establish a local community mitigation
2632 advisory committee, which shall include not fewer than 6 members: 1 of whom shall be
2633 appointed by each of the host and surrounding communities; 1 of whom shall be appointed by
2634 each regional planning agency to which at least 1 of the host or surrounding communities
2635 belongs; and 4 of whom shall be appointed by the commission, of whom at least 1 shall
2636 represent a chamber of commerce in the region, 1 shall represent a regional economic
2637 development organization in the region, and 2 shall represent human service providers in the
2638 region. Each local committee shall annually elect a chair and such other officers as it deems
2639 necessary to carry out its duties.

2640 Each local community mitigation advisory committee may provide information and
2641 develop recommendations for the subcommittee on community mitigation on any issues related
2642 to the gaming establishment located in its region including, but not limited to: (i) issues of
2643 community mitigation; (ii) how funds may be expended from the Community Mitigation Fund;
2644 and (iii) the impact of the gaming establishments on the host and surrounding communities.
2645 Additionally, each local community mitigation advisory committee may present information to
2646 the commission consistent with the rules of the commission on any issues related to the gaming
2647 establishment located in its region.

2648 Section 69. The commission shall report monthly to the governor, the attorney general, the
2649 senate and house committees on ways and means, the chairs of the joint committee on revenue
2650 and the chairs of the joint committee on economic development and emerging technologies the
2651 total gaming revenues, prize disbursements and other expenses for the preceding month and shall
2652 make an annual report to the same recipients which shall include a full and complete statement of
2653 gaming revenues, prize disbursements and other expenses, including such recommendations as
2654 the commission considers necessary or advisable. The commission shall report immediately to
2655 the governor, the attorney general, the senate and house committees on ways and means, the
2656 senate and house chairs of the joint committee on revenue and the senate and house chairs of the
2657 joint committee on economic development and emerging technologies any matter which requires
2658 immediate changes in the laws of the commonwealth in order to prevent abuses or evasions of
2659 the laws, rules or regulations related to gaming or to rectify undesirable conditions in connection
2660 with the administration or operation of gaming in the commonwealth.

2661 Section 70. The commission shall annually submit a complete and detailed report of the
2662 commission's activities, including a review of the implementation and enforcement of this

2663 chapter and the governance structure established in this chapter, within 90 days after the end of
2664 the fiscal year to the governor, the attorney general, the treasurer and receiver general, the clerk
2665 of the house of representatives, the clerk of the senate, the chairs of the joint committee on
2666 economic development and emerging technologies and the chairs of the house and senate
2667 committees on ways and means.

2668 Section 71. The Massachusetts gaming commission, with the advice of the gaming policy
2669 advisory committee, shall develop an annual research agenda in order to understand the social
2670 and economic effects of expanding gaming in the commonwealth and to obtain scientific
2671 information relative to the neuroscience, psychology, sociology, epidemiology and etiology of
2672 gambling. The secretary of health and human services, with the advice and consent of the
2673 commission may expend funds from the Public Health Trust Fund, established in section 58, to
2674 implement the objectives of the research agenda which shall include, but not be limited to, the
2675 following:

2676 (1) a baseline study of the existing occurrence of problem gambling in the
2677 commonwealth; provided, however, that the study shall examine and describe the existing levels
2678 of problem gambling and the existing programs available that prevent and address the harmful
2679 consequences of problem gambling; provided further, that the commission shall contract with
2680 scientists and physicians to examine the current research as to the causes for problem gambling
2681 and the health effects of problem gambling and the treatment methods currently available in the
2682 commonwealth; provided further, that the commission shall report on the findings of the baseline
2683 study and provide recommendations to the house and senate committees on ways and means, the
2684 joint committee on economic development and emerging technologies, the joint committee on

2685 mental health and substance abuse and the joint committee on public health relative to methods
2686 to supplement or improve problem gambling prevention and treatment services;

2687 (2) comprehensive legal and factual studies of the social and economic impacts of
2688 gambling in the commonwealth on: (a) state, local and Indian tribal governments; and (b)
2689 communities and social institutions generally, including individuals, families and businesses
2690 within such communities and institutions; provided, however, that the matters to be examined in
2691 such studies shall include, but not be limited to:

2692 (i) a review of existing federal, state, local and Indian tribal government policies and
2693 practices with respect to the legalization or prohibition of gambling, including a review of the
2694 costs of such policies and practices;

2695 (ii) an assessment of the relationship between gambling and levels of crime and of
2696 existing enforcement and regulatory practices intended to address any such relationship;

2697 (iii) an assessment of pathological or problem gambling, including its impact on
2698 individuals, families, businesses, social institutions and the economy;

2699 (iv) an assessment of the impact of gambling on individuals, families, businesses, social
2700 institutions and the economy generally, including the role of advertising in promoting gambling
2701 and the impact of gambling on depressed economic areas;

2702 (v) an assessment of the extent to which gaming has provided revenues to other state,
2703 local and Indian tribal governments;

2704 (vi) an assessment of the costs of added infrastructure, police force, increased
2705 unemployment, increased health care and dependency on public assistance; and

2706 (vii), an assessment of the impact of gambling facility development and gambling facilities on
2707 small businesses in host communities and surrounding communities, including a review of any
2708 economic harm experienced and potential solutions to mitigate associated economic harm;

2709 (viii) the costs of implementing chapter 23K of the General Laws; and

2710 (3) individual studies conducted by academic institutions in the commonwealth and
2711 individual researchers located in the commonwealth to study topics which shall include, but not
2712 be limited to: (i) reward and aversion, neuroimaging and neuroscience in humans, addiction
2713 phenotype genotype research, gambling-based experimental psychology and mathematical
2714 modeling of reward-based decision-making; (ii) the sociology and psychology of gambling
2715 behavior, gambling technology and marketing; and (iii) the epidemiology and etiology of
2716 gambling and problem gambling in the general population; provided, however, that when
2717 contracting with researchers to study such issues, the commission shall encourage the
2718 collaboration among researchers in the commonwealth and other states and jurisdictions.

2719 The commission and the committee shall annually make scientifically-based
2720 recommendations which reflect the results of this research to the house and senate committees on
2721 ways and means, the joint committee on economic development and emerging technologies, the
2722 joint committee on mental health and substance abuse and the joint committee on public health.
2723 The commission shall consider any such recommendations, research and findings in all decisions
2724 related to enhancing responsible gambling and mitigating problem gambling.

2725 SECTION 17. Chapter 23K of the General Laws is hereby amended by striking out section 7, as
2726 appearing in section 12, and inserting in place thereof the following section:-

Section 7. The commission shall administer and enforce any general and special law related to pari-mutuel wagering and simulcasting. The commission shall serve as a host racing commission and an off-track betting commission for purposes of 15 U.S.C. 30001, et seq.

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

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

Section 2DDDD. There shall be established and set up on the books of the commonwealth a separate fund to be known as the Gaming Economic Development Fund. The fund shall be credited with revenues transferred to it from the Gaming Revenue Fund established in section 59 of chapter 23K. Amounts credited to the fund shall be expended, subject to appropriation, to support economic development and job growth including, but not limited to: (1) workforce training, including transfers to the Workforce Competitiveness Trust Fund; (2) tourism promotion, including regional tourism promotion agencies and cultural and recreational attraction promotion; (3) summer jobs; (4) the Massachusetts Marketing Partnership; (5) higher education scholarships; (6) regional economic development initiatives; (7) support for small businesses, including small business lending; (8) green jobs promotion; (9) science, technology,

2749 engineering and mathematics career pipeline initiatives; and (10) agricultural development
2750 programs, including youth agricultural education.

2751 Section 2EEEE. There shall be established and set up on the books of the commonwealth a Local
2752 Capital Projects Fund. The fund shall be credited with any monies transferred from licensing fees
2753 of gaming establishments or funds transferred from the Gaming Revenue Fund under chapter
2754 23K and any monies credited to or transferred to the fund from any other fund or source.

2755 SECTION 19. Section 38 of said chapter 29, as appearing in the 2008 Official Edition, is hereby
2756 amended by striking out, in lines 115 and 116, the words “Fund, as established and defined in
2757 section thirty-five of chapter ten,” and inserting in place thereof the following words:- and
2758 Gaming Fund established in section 35 of chapter 10.

2759 SECTION 20. Said section 38 of said chapter 29, as so appearing, is hereby further amended by
2760 striking out, in lines 127 and 128, the words “the said State Lottery” and inserting in place
2761 thereof the following words:- the State Lottery and Gaming.

2762 SECTION 21. Section 1 of chapter 32 of the General Laws is hereby amended by inserting after
2763 the word “connector”, in line 211, as amended by section 47 of chapter 25 of the acts of 2009,
2764 the following words:- , the Massachusetts gaming commission,.

2765 SECTION 22. Section 2 of chapter 32A of the General Laws is hereby amended by inserting
2766 after the word “authority”, in line 12, as appearing in the 2008 Official Edition, the following
2767 words:- , the Massachusetts gaming commission.

2768 SECTION 23. Section 94 of chapter 41 of the General Laws, as so appearing, is hereby amended
2769 by inserting after the word “and”, in line 7, the first time it appears, the following word:- illegal.

2770 SECTION 24. Section 7A of chapter 55 of the General Laws, as so appearing, is hereby
2771 amended by adding the following subsection:-

2772 (c) The aggregate of all contributions by a person who holds a license issued by the
2773 Massachusetts gaming commission, who was required to apply for that license under section 14
2774 of chapter 23K, for the benefit of any 1 candidate and such candidate's committee shall not
2775 exceed \$200 in a calendar year. The aggregate of all contributions by a person who holds a
2776 license issued by the Massachusetts gaming commission, who was required to apply for that
2777 license under section 14 of chapter 23K, for the benefit of any other political committee, other
2778 than a ballot question committee, shall not exceed \$200 in a calendar year.

2779 SECTION 25. Section 18C of chapter 58 of the General Laws, as so appearing, is hereby
2780 amended by inserting after the word "Lottery", in line 6, the following words:- and Gaming.

2781 SECTION 26. Section 18D of said chapter 58 is hereby repealed.

2782 SECTION 26A. Notwithstanding any general or special law to the contrary, the department of
2783 revenue shall study the tax revenue loss incurred by establishing a deduction, under section 3 of
2784 chapter 62, similar to the deduction described in section 165(d) of the Code, to the extent, if any,
2785 that that amount of such losses occurred in gaming facilities located in Massachusetts. The
2786 department shall report its findings and recommendations, together with drafts of legislation
2787 necessary to carry those recommendations into effect, by filing the same with the clerks of the
2788 senate and house of representatives and with the house and senate chairs of the joint committee
2789 on revenue not later than June 30, 2012.

2790 SECTION 27. Section 5A of chapter 62 of the General Laws, as so appearing, is hereby
2791 amended by inserting after the word “commonwealth”, in line 24, the following words:- ,
2792 including gaming winnings acquired at or through a gaming establishment under chapter 23K.

2793 SECTION 28. The seventh paragraph of section 2 of chapter 62B of the General Laws, as so
2794 appearing, is hereby amended by striking out the first 2 sentences and inserting in place thereof
2795 the following 2 sentences:- Every person, including the United States, the commonwealth or any
2796 other state, or any political subdivision or instrumentality of the foregoing, making any payment
2797 of lottery or wagering winnings, which are subject to tax under chapter 62 and which are subject
2798 to withholding under section 3402(q) of the Internal Revenue Code shall deduct and withhold
2799 from such payment an amount equal to 5 per cent of such payment. For the purposes of this
2800 chapter and chapter 62C, such payment of winnings shall be treated as if it were wages paid by
2801 an employer to an employee.

2802 SECTION 29. Said chapter 62B is hereby further amended by striking out section 5, as so
2803 appearing, and inserting in place thereof the following section:-

2804 Section 5. Every employer required to deduct and withhold from an employee or payee a tax
2805 under section 2 or who would have been required under said section 2 in the case of an employee
2806 to deduct and withhold a tax if the employee had not claimed any personal exemption or
2807 dependency exemptions, shall furnish to each such employee or payee in respect of the wages or
2808 other payments paid by such employer to such employee or payee during the calendar year, on or
2809 before January 31 of the succeeding year, or, if an employee’s employment is terminated before
2810 the close of such calendar year, within 30 days from the day on which the last payment of wages
2811 shall be made, a written statement in duplicate showing the name of the employer, the name of

2812 the employee or payee and the social security number of such employee or payee, if any, the
2813 total amount of wages or other amounts subject to taxation under chapter 62 and the total amount
2814 deducted and withheld as tax. The statement shall contain such other information as the
2815 commissioner may prescribe. The commissioner may grant reasonable extensions of time, not
2816 exceeding 60 days, for the furnishing of the statement.

2817 An employer who fails to withhold or pay to the commissioner any sum required by this chapter
2818 to be withheld or paid shall be personally and individually liable therefor to the commonwealth.
2819 The term “employer,” as used in this section and in section 11, shall include a person or entity
2820 required to withhold tax from a payee, an officer or employee of a corporation or a member or
2821 employee of a partnership or limited liability company who, as such officer, employee or
2822 member is under a duty to withhold and pay over taxes in accordance with this section and
2823 section 2. Any sum withheld in accordance with said section 2 shall be considered to be held in
2824 trust for the commonwealth.

2825 If an employer in violation of this chapter fails to withhold the tax in accordance with section 2
2826 and thereafter the tax against which such tax may be credited pursuant to section 9 is paid, the
2827 tax so required to be withheld shall not be collected from the employer; but this paragraph shall
2828 not relieve the employer from liability for any penalties or additions to the tax otherwise
2829 applicable in respect of such failure to withhold.

2830 SECTION 30. The first paragraph of section 8 of chapter 62C of the General Laws, as so
2831 appearing, is hereby amended by striking out the last sentence and inserting in place thereof the
2832 following sentence:-The same basis of reporting shall be utilized for income that is subject to

2833 taxation or withholding under chapter 62 or 62B but is not subject to taxation or withholding
2834 under the Code.

2835 SECTION 31. The third paragraph of subsection (f) of section 38 of chapter 63 of the General
2836 Laws, as so appearing, is hereby amended by adding the following clause:- (8) in the case of a
2837 business deriving receipts from operating a gaming establishment or otherwise deriving receipts
2838 from conducting a wagering business or activity, income-producing activity shall be considered
2839 to be performed in this commonwealth to the extent that the location of wagering transactions or
2840 activities that generated the receipts is in this commonwealth.

2841 SECTION 32. Said subsection (f) of said section 38 of said chapter 63, as so appearing, is
2842 hereby amended by inserting after the word “place”, in line 200, the following clause:- (7) in the
2843 case of a business deriving receipts from operating a gaming establishment or otherwise deriving
2844 receipts from conducting a wagering business or activity, income-producing activity shall be
2845 considered to be performed in this commonwealth to the extent that the location of wagering
2846 transactions or activities that generated the receipts is in this commonwealth.

2847 SECTION 33. Section 2 of chapter 70 of the General Laws, as so appearing, is hereby amended
2848 by inserting after the word “Lottery”, in line 355, the following words:- and Gaming.

2849 SECTION 34. Section 2 of chapter 128 of the General Laws, as so appearing, is hereby
2850 amended by striking out, in line 99, the words “or dog”.

2851 SECTION 35. Said section 2 of said chapter 128, as so appearing, is hereby further amended by
2852 striking out subsection (i).

2853 SECTION 36. Said subsection 2 of said chapter 128, as so appearing, is hereby further amended
2854 by striking out, in lines 152 and 153, the words “the provisions of paragraphs (b), (f), (g), and
2855 (i)” and inserting in place thereof the following words:- subsections (b), (f) and (g).

2856 SECTION 37. Section 1 of chapter 128A of the General Laws, as so appearing, is hereby
2857 amended by striking out, in line 6, the words “state racing commission” and inserting in place
2858 thereof the following words:- Massachusetts gaming commission established in chapter 23K.

2859 SECTION 38. Said chapter 128A is hereby repealed.

2860 SECTION 39. Section 1 of chapter 128C of the General Laws, as appearing in the 2008 Official
2861 Edition, is hereby amended by striking out, in line 12, the words “state racing commission” and
2862 inserting in place thereof the following words:- Massachusetts gaming commission established in
2863 chapter 23K.

2864 SECTION 40. Said chapter 128C of the General Laws is hereby repealed.

2865 SECTION 41. Section 1 of chapter 137 of the General Laws, as appearing in the 2008 Official
2866 Edition, is hereby amended by inserting after the word “gaming”, in line 2, the following words:-
2867 , except for gaming conducted in licensed gaming establishments pursuant to chapter 23K.

2868 SECTION 42. Section 2 of said chapter 137, as so appearing, is hereby amended by striking out,
2869 in line 2, the word “where” and inserting in place thereof the following words:- , but not
2870 including an owner or operator of a licensed gaming establishment pursuant to chapter 23K,
2871 where.

2872 SECTION 43. Section 3 of said chapter 137, as so appearing, is hereby amended by inserting
2873 after the word “betting,”, in line 5, the following words:- ,but not including gaming conducted
2874 pursuant to chapter 23K.

2875 SECTION 44. Section 18 of chapter 139 of the General Laws, as so appearing, is hereby
2876 amended by inserting after the word “of”, in line 6, the word:- illegal.

2877 SECTION 45. Section 177A of chapter 140 of the General Laws, as so appearing, is hereby
2878 amended by inserting after the word “machines”, in line 12, the following words:- , but not
2879 including slot machines as defined in chapter 23K.

2880 SECTION 46. Section 26A of chapter 180 of the General Laws, as so appearing, is hereby
2881 amended by striking out, in lines 4 and 16, each time it appears, the words “or dog”.

2882 SECTION 47. The General Laws are hereby amended by inserting after chapter 267 the
2883 following chapter:-

2884 Chapter 267A

2885 Money Laundering.

2886 Section 1. As used in this chapter, the following words shall, unless the context clearly requires
2887 otherwise have the following meanings:

2888 “Criminal activity”, activity which constitutes a criminal offense punishable under the
2889 laws of the commonwealth by imprisonment in a state prison or a criminal offense committed in
2890 another jurisdiction punishable under the laws of that jurisdiction as a felony.

2891 “Financial institution”, (1) a bank as defined in section 1 of chapter 167; (2) a national
2892 banking association, bank, savings and loan, savings bank, cooperative bank, building and loan
2893 or credit union organized under the laws of the United States; (3) a banking association, bank,
2894 savings and loan, savings bank, cooperative bank, building and loan or credit union organized
2895 under the laws of any state; (4) an agency, agent or branch of a foreign bank; (5) a currency
2896 dealer or exchange; (6) a person or business engaged primarily in the cashing of checks; (7) a
2897 person or business regularly engaged in the issuing, selling or redeeming of traveler's checks,
2898 money orders or similar instruments; (8) a broker or dealer in securities or commodities; (9) a
2899 licensed transmitter of funds or other person or business regularly engaged in the transmission of
2900 funds to a foreign nation for others; (10) an investment banker or investment company; (11) an
2901 insurer; (12) a dealer in precious metals, stones or jewels; (13) a pawnbroker or scrap metal
2902 dealer; (14) a telegraph or other communications company; (15) a personal property or real estate
2903 broker; (16) a dealer in vehicles including, but not limited to, automobiles, aircraft and vessels;
2904 (17) an operator of a betting or gaming establishment; (18) a travel agent; (19) a thrift institution,
2905 as defined by section 1 of chapter 167F; (20) an operator of a credit card system; or (21) a loan
2906 or finance company.

2907 “Monetary instrument”, the currency and coin of the United States or any foreign
2908 country; any bank check, money order, stock, investment security, or negotiable instrument in
2909 bearer form or otherwise in such form that title passes upon delivery; gold, silver or platinum
2910 bullion or coins; diamonds, emeralds, rubies or sapphires; any negotiable instrument including:
2911 bank checks, cashier's checks, traveler's checks, or monetary orders made payable to the order of
2912 a named party that have not been endorsed or which bear restrictive endorsements; poker chips,

2913 vouchers or other tokens exchangeable for cash by gaming entities; and credit cards, debit cards,
2914 gift cards, gift certificates or scrips.

2915 “Transaction”, a purchase, sale, loan, pledge, gift, transfer, delivery, or other disposition
2916 and, with respect to a financial institution, including, but not limited to, a deposit, withdrawal,
2917 bailment, transfer between accounts, exchange of currency, loan, extension of credit, purchase or
2918 sale of any stock, bond, certificate of deposit or other monetary instrument, use of a safe deposit
2919 box or any other payment, transfer or delivery by, through, or to a financial institution, by
2920 whatever means effected.

2921 Section 2. Whoever knowingly:

2922 (1) transports or possesses a monetary instrument or other property that was derived from
2923 criminal activity with the intent to promote, carry on or facilitate criminal activity;

2924 (2) engages in a transaction involving a monetary instrument or other property known to be
2925 derived from criminal activity:

2926 (i) with the intent to promote, carry on or facilitate criminal activity; or

2927 (ii) knowing that the transaction is designed in whole or in part either to: (A) conceal or
2928 disguise the nature, location, source, ownership or control of the property derived from criminal
2929 activity; or (B) avoid a transaction reporting requirement of this chapter, of the United States, or
2930 of any other state; or

2931 (3) directs, organizes, finances, plans, manages, supervises or controls the transportation of, or
2932 transactions in, monetary instruments or other property known to be derived from criminal
2933 activity or which a reasonable person would believe to be derived from criminal activity shall be

2934 guilty of the crime of money laundering and shall be punished by imprisonment in the state
2935 prison for not more than 6 years or by a fine of not more than \$250,000 or twice the value of the
2936 property transacted, whichever is greater, or by both such imprisonment and fine. Whoever
2937 commits a second or subsequent such offense shall be punished by imprisonment in the state
2938 prison for not less than 2 years, but not more than 8 years or by a fine of not more than \$500,000
2939 or 3 times the value of the property transacted, whichever is greater, or by both such
2940 imprisonment and fine.

2941 Section 3. (a) A financial institution shall file with the attorney general a copy of any and
2942 all reports required by the Currency and Foreign Transactions Act, set forth in 31 U.S.C.,
2943 sections 5311 through 5315, 31 C.F.R. 103.

2944 (b) A financial institution, or any officer, employee, or agent of a financial institution that
2945 maintains and files a record or report under this section shall not be liable to its customer, to a
2946 state or local agency, or to any person for any loss or damage caused in whole or in part by the
2947 making, filing or governmental use of the record or report, or any information contained in the
2948 record or report. Nothing in this chapter shall be construed to give rise to a private cause of
2949 action for relief or damages. This subsection shall not preclude a financial institution, in its
2950 discretion, from instituting contact with, and then communicating with and disclosing customer
2951 financial records to appropriate federal, state or local law enforcement agencies if the financial
2952 institution has reason to suspect that the records or information demonstrate that the customer
2953 has violated this chapter.

2954 (c) Any report, record or information obtained by the attorney general under this section
2955 shall not be a public record under clause Twenty-sixth of section 7 of chapter 4 or section 10 of

2956 chapter 66 and shall not be subject to disclosure, except to other state and federal law
2957 enforcement agencies.

2958 (d) Any violation of this section shall be punished by a fine of \$100 for each report not
2959 filed.

2960 (e) The timely filing of complete and accurate reports required under subsection (a) with
2961 the appropriate federal agency shall constitute compliance with the requirements of subsection
2962 (a).

2963 Section 4. All monetary instruments or other property, real, intellectual or personal,
2964 obtained directly as a result of a violation of section 2, shall be subject to forfeiture to the
2965 commonwealth. Forfeiture proceedings shall be conducted as provided in subsections (b) to (j),
2966 inclusive, of section 47 of chapter 94C. For the purposes of subsection (d) of said section 47 of
2967 said chapter 94C, the investigations and enforcement bureau of the Massachusetts gaming
2968 commission established in chapter 23K shall be considered a police department and shall be
2969 entitled to a police department's distribution of forfeiture proceedings.

2970 SECTION 48. Section 6 of chapter 268B of the General Laws, as appearing in section 95 of
2971 chapter 28 of the acts of 2009, is hereby amended by adding the following paragraph:-

2972 For the purposes of this section, a person who holds a license issued by the Massachusetts
2973 gaming commission, who was required to apply for that license pursuant to section 14 of chapter
2974 23K, shall be considered a legislative agent.

2975 SECTION 49. Section 1 of chapter 271 of the General Laws, as appearing in the 2008 Official
2976 Edition, is hereby amended by inserting after the word “gaming”, in lines 3 and 4, the following
2977 words:- , except as permitted under chapter 23K.

2978 SECTION 50. Section 2 of said chapter 271, as so appearing, is hereby amended by striking out
2979 the words “in any”, in line 14, and inserting in place thereof the following words:- , except as
2980 permitted under chapter 23K, in any.

2981 SECTION 51. Section 3 of said chapter 271, as so appearing, is hereby amended by striking out,
2982 in line 1, the word “Every” and inserting in place thereof the following words:- Except as
2983 permitted under chapter 23K, every.

2984 SECTION 52. Section 5 of said chapter 271, as so appearing, is hereby amended by striking out,
2985 in line 1, the word “keeps”, and inserting in place thereof the following words:- , except as
2986 permitted under chapter 23K, keeps.

2987 SECTION 53. The second paragraph of section 5A of said chapter 271, as so appearing, is
2988 hereby amended by adding the following paragraph:-

2989 This section shall not apply to persons who manufacture, transport, sell, offer for sale, store,
2990 display, repair, recondition, possess or use any gambling device or parts for use in such a device
2991 for licensed gaming conducted under chapter 23K.

2992 SECTION 54. Section 6 of said chapter 271, as so appearing, is hereby amended by striking out,
2993 in lines 3 and 4, the words “gambling or unlawful game” and inserting in place thereof the
2994 words:- illegal gaming.

2995 SECTION 55. Section 7 of said chapter 271, as so appearing, is hereby amended by inserting
2996 after the word “device”, in line 7, the first time it appears, the following words:- that is not
2997 taking place in a gaming establishment licensed pursuant to chapter 23K.

2998 SECTION 55A. Section 7A of chapter 271 of the General Laws, as appearing in the 2008
2999 Official Edition, is hereby amended, by inserting at line 36, after the word ‘bazaar’, the
3000 following: ‘, except that the sponsoring organization may retain, at a reasonable fee, non-
3001 members to assist in the operation of such raffle or bazaar, including providing paid dealers and
3002 game supervisors to insure that the rules of the game are properly administered and complied
3003 with, so long as only qualified members of the sponsoring organization handle the funds
3004 collected and disbursed at the raffle or bazaar.

3005 SECTION 56. Said chapter 271 is hereby further amended by striking out section 8, as so
3006 appearing, and inserting in place thereof the following section:

3007 Section 8. Whoever owns, occupies or is in control of a house, shop or building and knowingly
3008 permits the establishing, managing or drawing of a lottery, or the disposal or attempt to dispose
3009 of property, or the sale of a lottery ticket or share of a ticket, or any other writing, certificate, bill,
3010 token or other device purporting or intended to entitle the holder, bearer or any other person to a
3011 prize or to a share of or interest in a prize to be drawn in a lottery, or in the disposal of property,
3012 and whoever knowingly allows money or other property to be raffled for or won by throwing or
3013 using dice or by any other game of chance that is not being conducted in a gaming establishment
3014 licensed under chapter 23K, shall be punished by a fine of not more than \$2,000 or by
3015 imprisonment in the house of correction for not more than 1 year.

3016 SECTION 57. Section 14 of said chapter 271, as so appearing, is hereby amended by inserting
3017 after the word “by”, in line 3, the first time it appears, the following words:- illegal gaming,
3018 including games of.

3019 SECTION 58. Section 16A of said chapter 271, as so appearing, is hereby amended by inserting
3020 after the word “wagerers”, in line 14, the following words:- or persons who organize, supervise,
3021 manage or finance persons for the purpose of legal gaming conducted under chapter 23K.

3022 SECTION 59. Section 17 of said chapter 271, as so appearing, is hereby amended by adding the
3023 following sentence: - This section shall not apply to a person who organizes, supervises,
3024 manages or finances another person for the purpose of gaming conducted in accordance with
3025 chapter 23K.

3026 SECTION 60. Section 19 of said chapter 271, as so appearing, is hereby amended by inserting
3027 after the word “hazard”, in line 16, the following sentence:- This section shall not apply to
3028 advertising of gaming conducted pursuant to chapter 23K.

3029 SECTION 61. Section 20 of said chapter 271, as so appearing, is hereby amended by adding the
3030 following sentence:- Nothing in this section shall prohibit a gaming establishment licensed
3031 under chapter 23K from posting, advertising or displaying materials relevant to its gaming
3032 operations.

3033 SECTION 62. Section 22 of said chapter 271, as so appearing, is hereby amended by inserting
3034 after the word “ of”, in line 6, the third time it appears, the following word:- illegal.

3035 SECTION 63. Section 23 of said chapter 271, as so appearing, is hereby amended by inserting
3036 after the word “for”, in line 28, the following words:-; provided, however, that such provisions
3037 shall not apply to gaming conducted pursuant chapter 23K.

3038 SECTION 64. Section 28 of said chapter 271, as so appearing, is hereby amended by inserting
3039 after the word “of”, in line 3, the third time it appears, the following word:- illegal.

3040 SECTION 65. Section 31 of said chapter 271, as so appearing, is hereby amended by inserting
3041 after the word “both”, in line 8, the following sentence: - This section shall not apply to racing
3042 conducted pursuant to chapter 23K.

3043 SECTION 66. The General Laws are hereby amended by inserting after chapter 271 the
3044 following chapter:-

3045 Chapter 271A

3046 Enterprise Crime.

3047 Section 1. As used in this chapter, the following words shall, unless the context clearly requires
3048 otherwise, have the following meanings:

3049 “Criminal enterprise activity”, the commission, attempt to commit or conspiracy to commit or
3050 the solicitation, coercion, aiding, abetting or intimidation of another to commit any of the
3051 following criminal activity under the laws of the commonwealth or equivalent crimes under the
3052 laws of any other jurisdiction: a violation of any criminal provision of chapter 23K; a felony
3053 offense under chapter 271; distributing, dispensing, manufacturing, or possession with intent to
3054 distribute, dispense or manufacture a controlled substance in violation of chapter 94C; murder;
3055 rape; manslaughter, not including motor vehicle homicide; assault; assault and battery; assault

3056 and battery in order to collect a loan; assault with intent to rob or murder; poisoning; mayhem;
3057 robbery; extortion; stalking; criminal harassment; kidnapping; arson; burglary; malicious
3058 destruction of property; commission of a felony for hire; breaking and entering; child
3059 exploitation; assault and battery on a child; rape of a child; rape and abuse of a child; enticement
3060 of a child under 16; human trafficking; violation of constitutional rights under section 37 of
3061 chapter 265; usury; uttering; misuse or fraudulent use of credit cards under section 37C of
3062 chapter 266; identity fraud; misappropriation of funds; gross fraud under section 76 of chapter
3063 276; insurance fraud; unlawful prize fighting or boxing matches; counterfeiting; perjury;
3064 subornation of perjury; obstruction of justice; money laundering; witness intimidation; bribery;
3065 electronic eavesdropping; prostitution under sections 2, 3, 4A, 4B, 6, 7, 12 and 13 of chapter
3066 272; receiving stolen property; larceny over \$250; larceny by false pretenses or embezzlement;
3067 forgery; procurement fraud; false claims; tax evasion; filing false tax returns; or any conduct
3068 defined as a racketeering activity under Title 18, U.S.C. s. 1961(1)(A)(B) and (D).

3069 “Enterprise”, an entity including any individual, sole proprietorship, partnership, corporation,
3070 association, trust or other legal entity and any unchartered union or group of persons associated
3071 in fact although not a legally recognized entity.

3072 “Gaming establishment”, an establishment licensed under chapter 23K.

3073 “Pattern of criminal enterprise activity”, engaging in at least 3 incidents of criminal enterprise
3074 activity that have the same or similar pattern, intents, results, accomplices, victims or methods of
3075 commission, or are otherwise interrelated by distinguishing characteristics and are not isolated
3076 incidents; provided, however, that at least 1 of the incidents occurred after the effective date of

3077 this chapter, and the last incident occurred within 5 years of another incident of criminal
3078 enterprise activity.

3079 “Unlawful debt”, a debt which was incurred or contracted in an illegal gambling activity or
3080 business; or which is unenforceable under state or federal law, in whole or in part, as to principal
3081 or interest under the law relating to usury.

3082 Section 2. Whoever knowingly: (1) through a pattern of criminal enterprise activity or through
3083 the collection of an unlawful debt acquires or maintains, directly or indirectly, an interest in or
3084 control of an enterprise which is engaged in, or the activities of which affect, licensed gaming
3085 under chapter 23K or ancillary industries which do business with a gaming establishment; (2)
3086 having received proceeds derived, directly or indirectly, from a pattern of criminal enterprise
3087 activity or through the collection of an unlawful debt, uses or invests, directly or indirectly, part
3088 of the proceeds including proceeds derived from the investment, in the acquisition of an interest
3089 in real property to be used in connection with licensed gaming, or in the establishment or
3090 operation of, an enterprise which is engaged in, or the activities of which affect, licensed gaming
3091 operations or ancillary industries which do business with a gaming establishment; (3) is
3092 employed by or associated with an enterprise to conduct or participate, directly or indirectly, in
3093 the conduct of the enterprise's affairs or activities which affect licensed gaming operations or
3094 ancillary industries which do business with a gaming establishment by engaging in a pattern of
3095 criminal enterprise activity or through the collection of an unlawful debt; or (4) conspires or
3096 attempts to violate subsections (1), (2), or (3) of this section or attempts to so conspire; shall be
3097 guilty of enterprise crime and shall be punished by imprisonment in the state prison for not more
3098 than 15 years or by a fine of not more than \$25,000, or by both such imprisonment and fine.

3099 Nothing in this chapter shall prohibit the purchase of securities on the open market for
3100 purposes of investment made without the intention of controlling or participating in the control
3101 of the issuer, or of assisting another to do so, if the securities of the issuer held by the: (i)
3102 purchaser; (ii) members of the purchaser's immediate family; or (iii) the purchaser's accomplices
3103 in any pattern of criminal activity for the collection of an unlawful debt after such purchase do
3104 not amount, in the aggregate, to 1 per cent of the outstanding securities of any 1 class and do not
3105 confer, either in law or in fact, the power to elect 1 or more directors of the issuer.

3106 Section 3. All monetary proceeds or other property, real, intellectual or personal, obtained
3107 directly as a result of a violation of this chapter, shall be subject to seizure and forfeiture to the
3108 commonwealth. Forfeiture proceedings shall be conducted as provided in subsections (b) to (j),
3109 inclusive of section 47 of chapter 94C. For purposes of subsection (d) of said section 47 of said
3110 chapter 94C, the investigation and enforcement bureau of the Massachusetts gaming commission
3111 established under chapter 23K shall be considered a police department, entitled to a police
3112 department's distribution of forfeiture proceedings.

3113 SECTION 67. Section 39 of chapter 272 of the General Laws, as appearing in the 2008 Official
3114 Edition, is hereby amended by inserting after the word "in", in line 7, the following word:-
3115 illegal.

3116 SECTION 68. The first paragraph of section 12A of chapter 494 of the acts of 1978 is hereby
3117 amended by striking out the words "and until January 31, 2012", inserted by section 1 of chapter
3118 77 of the acts of 2011, and inserting in place thereof the following words:- and until July 31,
3119 2014.

3120 SECTION 69. The last paragraph of said section 12A of said chapter 494 is hereby amended by
3121 striking out the words “January 31, 2012”, inserted by section 2 of said chapter 77, and inserting
3122 in place thereof the following words:- July 31, 2014.

3123 SECTION 70. The introductory paragraph of section 13 of said chapter 494 is hereby amended
3124 by striking out the words “and until January 31, 2012”, inserted by section 3 of said chapter 77,
3125 and inserting in place thereof the following words:- and until July 31, 2014.

3126 SECTION 71. Said section 13 of said chapter 494 is hereby further amended by striking out
3127 clause (c), as appearing in section 2 of chapter 114 of the acts of 1991.

3128 SECTION 72. Clause (d) of said section 13 of said chapter 494, as so appearing, is hereby
3129 amended by striking out, in line 21, the words “, (b) or (c)” and inserting in place thereof the
3130 following words:- or (b).

3131 SECTION 73. Said section 13 of said chapter 494 is hereby further amended by striking out
3132 subsection (f), as so appearing.

3133 SECTION 74. Section 15 of said chapter 494 is hereby amended by striking out the words “and
3134 until January 31, 2012”, inserted by section 4 of said chapter 77, and inserting in place thereof
3135 the following words:- and until July 31, 2014.

3136 SECTION 75. The first paragraph of section 9 of chapter 277 of the acts of 1986 is hereby
3137 amended by striking out the words “and until January 31, 2012”, inserted by section 5 of said
3138 chapter 77, and inserting in place thereof the following words:- and until July 31, 2014.

3139 SECTION 76. The first sentence of the first paragraph of section 3 of chapter 114 of the acts of
3140 1991 is hereby amended by striking out the words “and until January 31, 2012”, inserted by

3141 section 6 of said chapter 77, and inserting in place thereof the following words:- and until July
3142 31, 2014.

3143 SECTION 77. The last paragraph of said section 3 of said chapter 114 is hereby amended by
3144 striking out the words “January 31, 2012”, inserted by section 7 of said chapter 77, and inserting
3145 in place thereof the following words:- July 31, 2014.

3146 SECTION 78. The first paragraph of section 4 of said chapter 114 is hereby amended by striking
3147 out the words “and until January 31, 2012”, inserted by section 8 of said chapter 77, and
3148 inserting in place thereof the following words:- and until July 31, 2014.

3149 SECTION 79. The last paragraph of said section 4 of said chapter 114 is hereby amended by
3150 striking out the words “January 31, 2012”, inserted by section 9 of said chapter 77, and inserting
3151 in place thereof the following words:- July 31, 2014.

3152 SECTION 80. The first paragraph of section 5 of said chapter 114 is hereby amended by striking
3153 out the words “and until January 31, 2012”, inserted by section 10 of said chapter 77, and
3154 inserting in place thereof the following words:- and until July 31, 2014.

3155 SECTION 81. Section 13 of chapter 101 of the acts of 1992 is hereby repealed.

3156 SECTION 82. Section 45 of chapter 139 of the acts of 2001 is hereby amended by striking out
3157 the words “January 31, 2012”, inserted by section 12 of said chapter 77, and inserting in place
3158 thereof the following words:- July 31, 2014.

3159 SECTION 83. Section 20 of chapter 449 of the acts of 2006 is hereby amended by striking out
3160 the words “January 31, 2012”, inserted by section 13 of said chapter 77, and inserting in place
3161 thereof the following words:- July 31, 2014.

3162 SECTION 84. (a) Notwithstanding section 5 of chapter 128A of the General Laws or any other
3163 general or special law or rule or regulation to the contrary, the greyhound meeting licensee
3164 located in Bristol county and the greyhound meeting licensee located in Suffolk county shall not
3165 be eligible for purse assistance pursuant to clause (6) of subsection (h) of said section 5.

3166 (b) Notwithstanding chapters 128A and 128C of the General Laws or any other general or special
3167 law or rule or regulation to the contrary, amounts from unclaimed winnings and breaks generated
3168 by the greyhound meeting licensee located in Bristol county and the greyhound meeting licensee
3169 located in Suffolk county shall be dedicated to the Racing Stabilization Fund established in
3170 subsection (a) of section 85.

3171 (c) Notwithstanding section 14 of chapter 77 of the acts of 2011 or any other general or special
3172 law, rule or regulation to the contrary, the greyhound meeting licensee located in Bristol county
3173 and the greyhound meeting licensee located in Suffolk county shall, unless otherwise provided in
3174 this act, be subject to chapter 128A and 128C of the General Laws and chapter 139 of the acts of
3175 2001.

3176 SECTION 85. (a) Notwithstanding any general or special law or rule or regulation to the
3177 contrary, there shall be a Racing Stabilization Fund that shall be administered by the
3178 Massachusetts Gaming Commission, hereinafter known as the commission, established pursuant
3179 to chapter 23K of the General Laws. The fund shall consist of all revenues dedicated pursuant to
3180 this act. Any balance in the fund at the end of the fiscal year shall not revert to the General
3181 Fund; provided, however, that the commission shall distribute to owners and lessees of
3182 greyhound dogs who have raced in calendar year 2009 for the humane care, maintenance and
3183 adoption of those greyhound dogs, a sum equal to 1 per cent of the total amount wagered at each

3184 racing meeting licensee within the commonwealth acting as a guest track and simulcasting a live
3185 greyhound race from a host track from outside the commonwealth provided, however, that
3186 before any such amount is distributed, the commission shall develop a method and criteria by
3187 which to distribute such funds in an equitable manner among dog owners. The commission shall
3188 distribute to kennel owners who housed greyhound dogs who have raced in calendar year 2009
3189 for the humane care, maintenance and adoption of those greyhound dogs, a sum equal to 1.5 per
3190 cent of the total amount wagered at each racing meeting licensee within the commonwealth
3191 acting as a guest track and simulcasting a live greyhound race from a host track from outside
3192 commonwealth; provided, however, that before any amount is distributed, the commission shall
3193 develop a method and criteria by which to distribute such funds in an equitable manner among
3194 kennel owners; and provided further, the commission shall begin payments to kennel owners in
3195 April 2012. Such payments shall be paid on a biweekly basis beginning on April 12, 2012.

3196 (b) Notwithstanding section 12A of chapter 494 of the acts of 1978 or any other general or
3197 special law or rule or regulation to the contrary, after July 31, 2011, the comptroller shall transfer
3198 all monies deposited in the Greyhound Capital Improvements Trust Fund and the Greyhound
3199 Promotional Trust Fund, each established under said section 12A of said chapter 494, to the
3200 Racing Stabilization Fund established in subsection (a). After July 31, 2011, the comptroller
3201 shall transfer any revenues deposited into the Greyhound Capital Improvements Trust Fund and
3202 the Greyhound Promotional Trust Fund into the Racing Stabilization Fund within 10 days after
3203 receipt of those revenues.

3204 (c) Notwithstanding any general or special law to the contrary, the greyhound meeting licensee
3205 located in Bristol county and the greyhound meeting licensee located in Suffolk county shall
3206 report monthly to Massachusetts gaming commission established under chapter 23K of the

3207 General Laws on their net and gross revenue, including an itemization of premiums received,
3208 fees received and any amounts dedicated to purse accounts, the Greyhound Capital
3209 Improvements Trust Fund and the Greyhound Promotional Trust Fund. The report shall include
3210 the number of part-time and full-time staff employed by the licensees at the close of the previous
3211 month. The report shall also include the total amount of premiums paid to the harness horse
3212 meeting licensees located in Norfolk county and the running horse meeting licensee located in
3213 Suffolk county. Failure to file the report on the tenth day of each month shall be cause for
3214 suspension of the greyhound meeting license. The commission shall forward all such reports to
3215 the house and senate committees on ways and means, the joint committee on economic
3216 development and emerging technologies and the joint committee on labor and workforce
3217 development. The greyhound meeting licensee located in Bristol county and the greyhound
3218 meeting licensee located in Suffolk county shall also prepare a report of all funds received and
3219 disbursed for calendar years 2010 and 2011. The report shall also be filed with the commission
3220 not later than January 31, 2012, and the commission shall forward the reports to the house and
3221 senate committees on ways and means, the joint committee on economic development and
3222 emerging technologies and the joint committee on labor and workforce development.

3223 (d) Notwithstanding any general or special law, rule or regulation to the contrary, monies in the
3224 Racing Stabilization Fund established in subsection (a) may be used to assist efforts to secure
3225 alternative employment and retraining opportunities for displaced workers impacted by the
3226 enactment of chapter 388 of the acts of 2008 including, but not limited to, coordinating the
3227 delivery of available state and federal resources and services; provided, however, that such funds
3228 from the fund shall only be expended after all federal funds from the Workforce Investment Act

3229 and the American Reinvestment and Recovery Act have been exhausted; provided further, that
3230 state funds shall be distributed in accordance with subsection (a).

3231 (e) Notwithstanding any general or special law to the contrary, upon the effective date of this act,
3232 the comptroller shall transfer all monies from the Racing Stabilization Fund established pursuant
3233 to chapter 167 of the acts of 2009, as amended by section 14 of chapter 86 of the acts of 2010, to
3234 the Racing Stabilization Fund established herein.

3235 SECTION 86. Notwithstanding any general or special law to the contrary, in making initial
3236 appointments to the Massachusetts gaming commission established in chapter 23K of the
3237 General Laws, of the members to be appointed by majority agreement of the governor, the
3238 attorney general and the treasurer and receiver general, 1 commissioner shall be appointed for a
3239 term of 3 years and 1 shall be appointed for a term of 4 years. The commissioner to be appointed
3240 by the treasurer and receiver general shall serve for a term of 5 years, the commissioner to be
3241 appointed by the attorney general shall serve for a term of 6 years and the commissioner
3242 appointed by the governor shall serve for a term of 7 years. Commissioners shall be appointed
3243 within 90 days of the effective date of this act; provided, however, that no person shall be
3244 allowed to serve on the commission prior to the completion of a background investigation
3245 pursuant to section 3 of chapter 23K of the General Laws.

3246 SECTION 87. The chair of the Massachusetts gaming commission shall consider current
3247 employees of the state racing commission as eligible for employment with the commission and
3248 shall, subject to all other requirements and conditions of employment under chapter 23K of the
3249 General Laws, give preference to such individuals when making such employment decisions.

3250 SECTION 88. A gaming licensee awarded a gaming license under chapter 23K of the General
3251 Laws shall show preference in hiring to qualified persons permanently employed as of June 1,
3252 2010 at a facility authorized to conduct simulcasting under chapter 128C of the General Laws
3253 that was in operation on June 1, 2010 within the region for which the gaming license was granted
3254 if that facility terminates operation within 1 year of the Massachusetts gaming commission
3255 awarding the gaming license, subject to all other requirements and conditions of employment
3256 under said chapter 23K; provided, however, that a facility authorized to conduct simulcasting
3257 shall provide employment data on the number, names and addresses of employees in permanent
3258 employment with that facility as of June 1, 2010 to the commission to assist the gaming licensee
3259 in meeting this obligation.

3260 SECTION 89. (a) Notwithstanding any general or special law or rule or regulation to the
3261 contrary, the governor may enter into a compact with a federally recognized Indian tribe in the
3262 commonwealth.

3263 (b) The Massachusetts gaming commission shall, upon request of the governor, provide
3264 assistance to the governor in negotiating such compact.

3265 (c) The governor shall only enter into negotiations under this section with a tribe that has
3266 purchased, or entered into an agreement to purchase, a parcel of land for the proposed tribal
3267 gaming development and scheduled a vote in the host communities for approval of the proposed
3268 tribal gaming development.

3269 (d) A compact negotiated and agreed to by the governor and tribe shall be submitted to the
3270 general court for approval.

(e) Notwithstanding any general or special law or rule or regulation to the contrary, if a mutually agreed-upon compact has not been negotiated by the governor and Indian tribe or if such compact has not been approved by the general court before July 31, 2012, the commission shall 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 placed into trust for their benefit due to a decision by the Secretary of the Department of the Interior or a court of competent jurisdiction, the commission shall consider bids for a category 1 license in Region C under said chapter 23K. The commission shall prepare quarterly reports on the status of a federally recognized tribe's application with the Bureau of Indian Affairs to approve any negotiated compact or place land into trust for the purposes of conducting Indian gaming pursuant to the Indian Gaming Regulatory Act. The commission shall file such reports with the clerks of the house and senate and the chairs of the joint committee on economic development and emerging technologies.

SECTION 90. 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 2011, shall remain licensed as greyhound racing meeting licensees until July 31, 2014; provided, however, that the days between January 1 and July 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

3294 simulcasts shall comply with the Interstate Horse Racing Act of 1978, 15 U.S.C. Sec. 3001 et
3295 seq. or other applicable federal law; provided further, that all simulcasts from states which have
3296 racing associations that do not require approval in compliance with the Interstate Horse Racing
3297 Act of 1978, 15 U.S.C. Sec. 3004 (a) (1) (A), except simulcasts during the month of August,
3298 shall require the approval of the New England Horsemen's Benevolent and Protective
3299 Association prior to being simulcast to a racing meeting licensee within the commonwealth; and
3300 provided further, that if the association agrees to approve the simulcast for 1 racing meeting
3301 licensee, it shall approve the simulcast for all otherwise eligible racing meeting licensees.

3302 SECTION 91. (a) There shall be established and set up on the books of the commonwealth a
3303 Gaming Licensing Fund which shall receive all licensing fees collected from applicants in
3304 receipt of a category 1 or category 2 license under chapter 23K of the General Laws. The fund
3305 shall expire on December 31, 2015. The commission shall be the trustee of the fund and shall
3306 transfer monies in the fund as follows:

3307 (1) 5 per cent to the Race Horse Development Fund established in section 60 of chapter 23K
3308 of the General Laws.

3309 (2) 10 per cent to the Community Mitigation Fund established in section 61 of chapter 23K
3310 of the General Laws.

3311 (3) 14.5 per cent to the Transportation Infrastructure and Development Fund established in
3312 section 62 of chapter 23K of the General Laws.

3313 (4) 1.5 per cent to the Tourism Fund established in section 35J of chapter 10 of the General
3314 Laws.

3315 (5) 5 per cent shall be remitted to the comptroller for deposit into the Local Aid Stabilization
3316 Fund, established in section 2CCCC of chapter 29 of the General Laws;

3317 (6) 9 per cent to the Local Capital Projects Fund established in section 2E of chapter 29
3318 of the General Laws.

3319 (7) 13 per cent to the Manufacturing Fund established in section 96.

3320 (8) 17 per cent to the Community College Fund established in section 97.

3321 (9) 23 per cent to the Healthcare Payment Reform Fund established in section 99.

3322 (10) 2 per cent to the Community Preservation Fund.

3323

3324 (b) Upon receipt by the Massachusetts gaming commission of license fees from licensees,
3325 interim transfers and payments shall be made on a pro rata basis from the Gaming Licensing
3326 Fund as provided in clauses (1) and (2) of subsection (a); provided, however, that no transfer or
3327 payment under said clauses (1) and (2) of said subsection (a) shall occur until the fund
3328 reimburses \$20,000,000 to the Commonwealth Stabilization Fund as required by subsection (c)
3329 of section 92 of this act.

3330 SECTION 92. (a) Within 30 days after the effective date of this act, the comptroller shall transfer
3331 \$15,000,000 from the Commonwealth Stabilization Fund established in section 2H of chapter 29
3332 of the General Laws to the Massachusetts gaming commission for the start-up and operational
3333 costs of implementing chapter 23K of the General Laws.

3334 (b) Within 10 days after the effective date of this act, the comptroller shall transfer
3335 \$5,000,000, from the Commonwealth Stabilization Fund established in section 2H of chapter 29
3336 of the General Laws to the General Fund.

3337 (c) Upon receipt by the Massachusetts gaming commission of sufficient license fees from
3338 licensees under chapter 23K of the General Laws, the commission shall transfer \$20,000,000 to

3339 the Commonwealth Stabilization Fund established in section 2H of chapter 29 of the General
3340 Laws.

3341 SECTION 93. Notwithstanding any general or special law to the contrary, in the second fiscal
3342 year in which a deposit is made into the Gaming Local Aid Fund under clause (e) of paragraph
3343 (2) of section 59 of chapter 23K the General Laws, the commission shall transfer from the
3344 Gaming Local Aid Fund into the Local Aid Stabilization Fund an amount equal to 3.125 per cent
3345 of the gross gaming revenue received from a category 1 establishment. In the third fiscal year in
3346 which a deposit is made into the Gaming Local Aid Fund under said clause (e) of said paragraph
3347 (2) of said section 59 of said chapter 23K, the commission shall transfer from the Gaming Local
3348 Aid Fund into the Local Aid Stabilization Fund an amount equal to 6.25 per cent of the gross
3349 gaming revenue received from a category 1 establishment. In the fourth fiscal year in which a
3350 deposit is made into the Gaming Local Aid Fund under said clause (e) of said paragraph (2) of
3351 said section 59 of said chapter 23K, the commissioner shall transfer from Gaming Local Aid
3352 Fund into the Local Aid Stabilization Fund an amount equal to 9.375 per cent of the gross
3353 gaming revenue received from a category 1 establishment. In the fifth fiscal year in which a
3354 deposit is made into the Gaming Local Aid Fund under said clause (e) of said paragraph (2) of
3355 said section 59 of said chapter 23K and in all subsequent fiscal years, the commission shall
3356 transfer from the Gaming Local Aid Fund into the Local Aid Stabilization Fund an amount equal
3357 to 12.5 per cent of the gross gaming revenue received from a category 1 establishment.

3358 SECTION 94. The governing body of a host community which has accepted chapter 43D of the
3359 General Laws shall file a proposal with the interagency permitting board to designate the site
3360 proposed for a category 1 establishment as a priority development site. In a community which
3361 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 95. Notwithstanding any general or special law or rule or regulation to the contrary, a gaming establishment shall supply the Massachusetts gaming commission, hereinafter the 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

3385 informed recommendation to the general court relative to more effective regulation of gambling
3386 operations. The commission may directly initiate studies assessing the effectiveness of any
3387 specific measures, programs or interventions which the commonwealth has implemented in
3388 gaming operations and which might be illuminated through the behavioral data in question.

3389 SECTION 96. There shall be established and set up on the books of the commonwealth a
3390 Manufacturing Fund. The fund shall be credited with any monies transferred under section 91
3391 and any monies credited or transferred to the fund from any other fund or source and shall be
3392 subject to appropriation.

3393 SECTION 97. There shall be established and set up on the books of the commonwealth a
3394 Community College Fund. The fund shall be credited with any monies transferred under section
3395 91 and any monies credited or transferred to the fund from any other fund or source and shall be
3396 subject to appropriation.

3397 SECTION 98. There shall be established and set up on the books of the commonwealth a
3398 Healthcare Payment Reform Fund. The fund shall be credited with any monies transferred under
3399 section 91 and any monies credited or transferred to the fund from any other fund or source and
3400 shall be subject to appropriation.

3401 SECTION 99. Pursuant to section 2 of chapter 1194, 64 Stat. 1134, 15 U.S.C. 1171-1177,
3402 entitled "An act to prohibit transportation of gaming devices in interstate and foreign
3403 commerce", approved January 2, 1951, the commonwealth, acting by and through its duly
3404 elected and qualified members of the general court, hereby declares and proclaims that it shall be
3405 exempt from the provisions of chapter 1194, 64 Stat. 1134, and also designated as 15 U.S.C. 117

3406 -1178 for any gambling device authorized for use and transport under chapter 23K of the General
3407 Laws and any regulations promulgated thereunder.

3408 SECTION 100. Notwithstanding any general or special law to the contrary, all shipments of
3409 gambling devices into the commonwealth, including slot machines, the registering, recording and
3410 labeling of which has been duly had by the manufacturer or dealer thereof in accordance with
3411 sections 3 and 4 of “An act to prohibit transportation of gambling devices in interstate and
3412 foreign commerce,” 15 USC §§ 1171-1177, shall be deemed legal shipments thereof into the
3413 commonwealth.

3414 SECTION 101. Notwithstanding any general or special law to the contrary, the Massachusetts
3415 gaming commission shall analyze the laws relating to charitable gaming, raffles and bazaars in
3416 effect on the effective date of this act, including section 7A of chapter 271. The analysis shall
3417 include a review of the efficacy of those laws and the need to update, redraft or repeal said laws.
3418 The commission shall report its findings and recommendations, together with drafts of
3419 legislation necessary to carry those recommendations into effect, by filing the same with the
3420 clerks of the senate and house of representatives and with the house and senate chairs of the joint
3421 committee on economic development and emerging technologies not later than April 1, 2012.

3422 SECTION 102. Notwithstanding any general or special law to the contrary, the Massachusetts
3423 gaming commission, established by chapter 23K of the General Laws, shall analyze the pari-
3424 mutuel and simulcasting laws in effect on the effective date of this act. The analysis shall include
3425 a review of the efficacy of those laws and the need to replace those laws pursuant to the
3426 continuation of chapters 128A and 128C of the General Laws in this act. The analysis shall not
3427 address whether to increase the number of running horse, harness horse or greyhound racing

3428 meeting licensees in the commonwealth. The commission shall report its findings and
3429 recommendations, together with drafts of legislation necessary to carry those recommendations
3430 into effect, by filing the same with the clerks of the senate and house of representatives and with
3431 the house and senate chairs of the joint committee on economic development and emerging
3432 technologies not later than January 1, 2013.

3433 SECTION 103. The first report required under section 71 of chapter 23K shall be submitted not
3434 later than 2 years after the effective date of this act.

3435 SECTION 103A. Sections 4, 11, 12, 13, 37, 39 and section 7 of chapter 23K shall take effect 180
3436 days after the effective date of this act.

3437 SECTION 104. Clause 41 of section 4 of chapter 23K shall take effect on July 31, 2012.

3438 SECTION 105. Section 17 shall take effect on July 31, 2014.

3439 SECTION 106. Section 31 shall be effective for tax years beginning January 1, 2012.

3440 SECTION 107. Section 32 shall take effect on December 31, 2018.

3441 SECTION 108. Sections 38 and 40 shall take effect on July 31, 2014.

3442 SECTION 109. Subsection (a) of Section 85 shall take effect April 1, 2012.

3443 SECTION 110. The Massachusetts gaming commission shall, in consultation with the state
3444 lottery commission, establish a committee to analyze and develop recommendations and model
3445 legislation with respect to the issuance and implementation of internet poker licenses. The
3446 committee, in addition to members of the Massachusetts gaming commission and the state lottery
3447 commission, shall include: 2 members appointed by the speaker of the house; 1 member

3448 appointed by the minority leader of the house; 2 members appointed by the senate president; and
3449 1 member appointed by the minority leader of the senate; provided, however, that the
3450 recommendations and model legislation shall include an analysis of applicable federal and state
3451 law. The committee shall report its findings and recommendations, together with drafts of
3452 legislation necessary to carry those recommendations into effect, by filing the same with the
3453 clerks of the senate and house of representatives and with the house and senate chairs of the joint
3454 committee on economic development and emerging technologies not later than July 31, 2012.

3455 SECTION 111. Notwithstanding any general or special law, rule or regulation to the contrary
3456 for the purposes of chapter 62, gross revenue or gross gaming revenue as defined in chapter 23K
3457 of the General Laws shall be considered budgeted fund state tax revenue, regardless of the type
3458 of fund into which the revenues are deposited; provided, however, that monies received by the
3459 commonwealth as the result of a revenue sharing agreement between the commonwealth and a
3460 federally recognized tribe set forth in a negotiated compact shall not be considered budgeted
3461 fund state tax revenue.

3462 SECTION 112. The commissioner of revenue, in consultation with the commissioner of
3463 education, and the treasurer and receiver general of the commonwealth shall report to the general
3464 court on the following matters: 1) the primary sources of current and recent funding for each
3465 major program of state assistance to the cities, towns, and school districts of the commonwealth;
3466 including, but not limited to lottery aid, unrestricted general government assistance, PILOT
3467 payments for state owned land, and major aid programs in support of local education and
3468 transportation. Where feasible, those amounts and sources of funding shall be disaggregated by
3469 city and town, 2) the net dollar relationship between distributions to cities, towns, and school
3470 districts under each of the programs reviewed and the primary sources of funding that support

3471 them, 3) the prospective cost and feasibility of establishing equitable minimum and maximum
3472 distribution targets based on criteria including, but not limited to, population, real estate values,
3473 mean income level of the municipality as compared to the state mean income level and poverty
3474 levels based on relative criteria including, but not limited to, students qualifying for free and
3475 reduced lunch programs and mean age levels of residents for each program based on the
3476 disaggregated source of funding for each program; and 4) any potential alternative sources of
3477 funding to establish such equitable minimum target aid levels; including the Gaming Local Aid
3478 Fund and the Local Aid Stabilization Fund, created under the provisions of this Act. Said report
3479 shall be filed by the commissioner of revenue with the clerks of the house and senate by July 31,
3480 2012.

3481
3482 Prior to any distribution of gaming revenues from the Gaming Local Aid Fund and the Local Aid
3483 Stabilization Fund, the legislature shall review the report and adopt an equitable distribution
3484 program for the Gaming Local Aid Fund and Local Aid Stabilization Fund.