

HOUSE No. 26

So much of the recommendations of the Department of the State Treasurer (House, No. 23) as relates to online lottery. Consumer Protection and Professional Licensure.

The Commonwealth of Massachusetts

In the One Hundred and Ninetieth General Court
(2017-2018)

An Act relative to online lottery.

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

1 SECTION 1. Section 24 of chapter 10 of the General Laws, appearing in the 2014
2 Official Edition, is hereby amended by striking out the first paragraph and inserting in place
3 thereof the following paragraph: -

4 The commission may conduct a state lottery, including a lottery conducted online, over
5 the internet or through the use of mobile applications. The commission shall determine: (i) the
6 types of lottery to be conducted; (ii) the prices of tickets, games or shares in the lottery; (iii) the
7 numbers and sizes of the prizes on the winning tickets, games or shares; (iv) the manner of
8 selecting the winning tickets, games or shares; (v) the manner of payment of prizes to the holders
9 of winning tickets, games or shares; (vi) the frequency of the drawings or selections of winning
10 tickets, games or shares; (vii) the types of locations at which tickets, games or shares may be
11 sold; (viii) the method to be used in selling tickets, games or shares; (ix) the licensing of agents
12 to sell tickets, games or shares; provided, however, that no person under the age of 18 shall be
13 licensed as an agent; (x) the manner and amount of compensation, if any, to be paid to licensed

14 sales agents; provided, however, that the amount of compensation, if any, to be paid to licensed
15 sales agents as commission shall be calculated on the total face value of each ticket, game or
16 share sold and not on the discounted price of any ticket, game or share sold; and (xi) such other
17 matters that the commission deems necessary or desirable for the efficient and economical
18 operation and administration of the lottery, for the convenience of the purchasers of tickets,
19 games or shares and for the convenience of the holders of winning tickets, games or shares. The
20 commission may operate the daily numbers game 7 days a week. Each lottery ticket, game or
21 share that is not played online shall have imprinted thereon the seal of the commonwealth and a
22 serial number. The commission may establish and from time to time revise such rules and
23 regulations as it deems necessary or desirable and shall file the same with the office of the state
24 secretary.

25 The commission shall establish rules and regulations for lotteries conducted online, over
26 the internet or through use of mobile applications that shall, at a minimum:

27 (i) require age verification measures to be reasonably designed to block access to and
28 prevent sales of lottery tickets, games or shares online, over the internet or through the use of a
29 mobile application to persons under the age of 18;

30 (ii) limit sales of lottery tickets, games or shares online, over the internet or through the
31 use of mobile applications to transactions initiated and received or otherwise made within the
32 commonwealth;

33 (iii) allow any player to voluntarily prohibit or otherwise exclude themselves from
34 purchasing a lottery ticket, game or share online, over the internet or through the use of a mobile
35 application;

36 (iv) establish maximum limits for account deposits and transactions of lottery tickets,
37 games or shares conducted online, over the internet or through the use of a mobile application
38 and allow players to reduce their own deposit or transaction limit at any time;

39 (v) limit any electronic deposits made in an online lottery account to the use of a verified
40 bank account, prepaid gift card or debit card; provided, however, that the commission shall not
41 accept credit card payments or deposits for the purchase of any ticket, game or share online, over
42 the internet or through the use of a mobile application;

43 (vi) clarify that money in an online lottery account belongs solely to the owner of the
44 account and may be withdrawn by the owner at any time; and

45 (vii) require the commission to implement promotional activities to encourage the
46 purchase of lottery tickets, games or shares through licensed sales agents including, but not
47 limited to, the sale of prepaid gift cards for online transactions through licensed sales agents.

48 The commission shall advise and make recommendations to the director regarding the
49 operation and administration of the lottery. The commission shall report monthly to the
50 governor, the attorney general and the general court on the total lottery revenues, prize
51 disbursements and other expenses for the preceding month. The commission shall make an
52 annual independently-audited financial report to the governor, the attorney general and the
53 general court which shall include a full and complete statement of lottery revenues, prize
54 disbursements and other expenses, including such recommendations as it may deem necessary or
55 advisable, and the report shall be made available electronically to the general public not later
56 than the earliest date established for reports in section 12 of chapter 7A. The commission shall
57 report immediately to the governor and the general court on any matters that require immediate

58 changes in the law in order to prevent abuses and evasions of the laws relative to lotteries or to
59 rectify undesirable conditions in connection with the administration or operation of the state
60 lottery.

61 Notwithstanding any general or special law to the contrary, the name, address, transaction
62 history, account balance or other personal or identifying information of an individual who
63 purchases lottery tickets, games or shares online, over the internet or through the use of mobile
64 applications shall not be deemed public records of the commission and shall not be subject to
65 section 10 of chapter 66; provided, however, that this section shall not prohibit the commission
66 from maintaining, using or sharing such information in the course of an investigation by law
67 enforcement or in compliance with sections 28A or 28B.

68 SECTION 2. Section 24A of said chapter 10, as so appearing, is hereby amended by
69 inserting after the word “games”, in line 8, the following words: - , including multi-jurisdictional
70 lottery games to be conducted online, over the internet or through the use of mobile applications
71 provided that such lotteries games to be conducted online, over the internet or through the use of
72 mobile applications have been properly authorized by each state or other jurisdiction that is part
73 of the group.

74 SECTION 3. Section 3 of chapter 137 of the General Laws, as so appearing, is hereby
75 amended by inserting after the figure “23K”, in line 7, the following words:- and chapter 10.