

HOUSE No. 03111

The Commonwealth of Massachusetts

PRESENTED BY:

Bradley H. Jones, Jr.

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act establishing expanded gaming in the Commonwealth

.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Bradley H. Jones, Jr.</i>	<i>20th Middlesex</i>
<i>Donald F. Humason, Jr.</i>	<i>4th Hampden</i>
<i>Geoff Diehl</i>	<i>7th Plymouth</i>
<i>F. Jay Barrows</i>	<i>1st Bristol</i>
<i>Donald Wong</i>	<i>9th Essex</i>
<i>Sheila Harrington</i>	<i>1st Middlesex</i>
<i>Paul K. Frost</i>	<i>7th Worcester</i>
<i>George N. Peterson, Jr.</i>	<i>9th Worcester</i>
<i>Bradford Hill</i>	<i>4th Essex</i>
<i>Elizabeth Poirier</i>	<i>14th Bristol</i>

HOUSE No. 03111

By Mr. Jones of North Reading, a petition (accompanied by bill, House, No. 3111) of Bradley H. Jones, Jr. and others relative to establishing expanded gaming in the Commonwealth. Economic Development and Emerging Technologies.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE
□ HOUSE
□ , NO. 4619 OF 2009-2010.]

The Commonwealth of Massachusetts

In the Year Two Thousand Eleven

An Act establishing expanded gaming in the Commonwealth

□.

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

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

9 simulcast, pursuant to chapter 128A and chapter 128C; (iv) the game of bingo conducted
10 pursuant to chapter 271; and (v) any charitable gaming, so called, conducted pursuant to chapter
11 271.

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 Section 48 of said chapter 6 is hereby repealed.

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 Sections 64 and 65 of chapter 10 of the General Laws are hereby repealed.

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

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

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

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

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

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

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

25 (c) The division shall have jurisdiction to enforce criminal violations of chapter 23K including,
26 but not limited to, the power to: (1) investigate allegations of criminal activity related to or
27 impacting the operation of gaming establishments or games; (2) receive and take appropriate
28 action on referrals for criminal prosecution from the commission; (3) provide assistance, upon

29 request, to the commission in the consideration and promulgation of rules and regulations; (4)
30 ensure that there is no duplication of duties and responsibilities between it and the commission;
31 and (5) recommend persons to be placed on the list of excluded persons maintained by the
32 commission.

33 No employee of the division, or any person engaged by the division in the course of an
34 investigation, other than those in the performance of their official duties, shall place a wager in
35 any gaming establishment licensed pursuant to chapter 23K during the period of their
36 employment or assignment with the division. The attorney general shall establish a code of
37 ethics for all division employees that is more restrictive than the provisions of chapters 268A and
38 268B; a copy of which shall be filed with the state ethics commission. The code shall include
39 provisions reasonably necessary to carry out the purposes of section 11M including, but not
40 limited to: (i) prohibiting the receipt of gifts by a division employee from any gaming licensee,
41 applicant, close associate, affiliate or other person or entity subject to the jurisdiction of the
42 commission established by chapter 23K; and (ii) prohibiting the participation by a division
43 employee in any particular matter as defined by section 1 of chapter 268A that affects the
44 financial interest of any relative within the third degree of consanguinity or person with whom
45 such employee has a significant relationship as defined by such code.

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

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

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

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

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

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

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

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

71 performance of official duties, shall place a wager in any gaming establishment licensed under
72 chapter 23K.

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

75 CHAPTER 23K.

76 THE MASSACHUSETTS GAMING COMMISSION

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

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

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

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

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

88 (5) the commonwealth must provide for new employment opportunities in all sectors of the
89 economy, particularly opportunities for the unemployed; this chapter sets forth a robust licensing
90 process where applicants for a gaming license shall submit a comprehensive plan for operating a

91 gaming establishment which includes how they will foster and encourage new construction
92 through capital investment and provide permanent employment opportunities to residents of the
93 commonwealth;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

128 “Chair”, the chair of the commission.

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

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

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

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

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

146 “Commission”, the Massachusetts gaming commission.

147 “Commissioner”, a member of the commission.

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

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

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

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

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

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

155 “Game”, any banking or percentage game played with cards, dice, tiles, dominoes, or any
156 electronic, electrical or mechanical device or machine played for money, property, checks, credit
157 or any representative of value which has been approved by the commission pursuant to this
158 chapter.

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

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

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

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

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

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

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

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

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

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

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

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

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

197 “Harness horse racing facility”, a harness horse racing facility located in Norfolk county that
198 was licensed pursuant to chapter 128A to conduct live harness horse racing in calendar year
199 2009; and (ii) is licensed pursuant to chapter 128A to conduct live harness horse racing and
200 licensed pursuant to chapter 128C to conduct simulcast wagering.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

282 “Thoroughbred horse racing facility”, a thoroughbred racing facility located in Suffolk county
283 that was licensed pursuant to chapter 128A to conduct live running horse racing in calendar year
284 2009; and (ii) is licensed pursuant to chapter 128A to conduct live harness horse racing and
285 licensed pursuant to chapter 128C to conduct simulcast wagering.

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

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

294 Section 3. (a) There shall be established a Massachusetts gaming commission which shall consist
295 of 5 commissioners who shall be appointed by a majority vote of the governor, attorney general

296 and state treasurer, 1 of whom shall have experience in legal and policy issues related to gaming,
297 1 of whom shall have experience in corporate finance and securities, 1 of whom shall have
298 experience with criminal investigations and law enforcement, 1 of whom shall be a certified
299 public accountant who has a comprehensive knowledge of corporate auditing, and 1 of whom
300 shall have at least 5 years experience in public or business administration. The governor,
301 attorney general and treasurer shall, by majority vote, appoint a commissioner to serve as chair.
302 The commissioner appointed to chair shall serve in such capacity throughout such
303 commissioner's entire term and until his successor shall be appointed. Prior to appointment
304 a background investigation shall be conducted into the financial stability, integrity and
305 responsibility of a candidate for appointment to the commission as well as the candidate's
306 reputation for good character, honesty and integrity. No person who has been convicted of a
307 felony shall be eligible to serve on the commission.

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

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

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

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

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

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

333 (f) The chair shall have and exercise supervision and control over all the affairs of the
334 commission. He shall preside at all hearings at which he is present, and shall designate a
335 commissioner to act as chair in his absence. He shall not, except as is otherwise provided herein,
336 be charged with any administrative functions. To promote efficiency in administration, he shall
337 from time to time make such division or re-division of the work of the commission among the
338 commissioners as he deems expedient. All of the commissioners shall, if so directed by the chair,
339 participate in the hearing and decision of any matter before the commission. In the hearing of all
340 matters other than those of formal or administrative character coming before the commission, at

341 least 2 commissioners shall participate and in the decision of all such matters at least 2
342 commissioners shall participate; provided, however, that any such matter may be heard,
343 examined and investigated by an employee of the commission designated and assigned thereto
344 by the chair with the concurrence of 1 other commissioner. Such employee shall make a report in
345 writing relative to every such matter to the commission for its decision thereon. For the purposes
346 of hearing, examining and investigating any such matter such employee shall have all of the
347 powers conferred upon a commissioner by this section, and all pertinent provisions of this
348 section shall apply to such proceedings. In every hearing the concurrence of a majority of the
349 commissioners participating in the decision shall be necessary therefor.

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

362 In the case of an absence or vacancy in the office of the executive director, or in the case of
363 disability as determined by the commission, the commission may designate an acting executive

364 director to serve as executive director until the vacancy is filled or the absence or disability
365 ceases. The acting executive director shall have all the powers and duties of the executive
366 director and shall have similar qualifications as the executive director. —

367 (h) The executive director may from time to time, subject to the approval of the commission,
368 establish within the commission such administrative units as may be necessary for the efficient
369 and economical administration of the commission, and when necessary for such purpose, may
370 abolish any such administrative unit, or may merge any 2 or more units. The executive director
371 shall prepare and keep current a plan of the organization of the commission, of the assignment of
372 its functions to its various administrative units, offices and employees, and of the places at which
373 and the methods whereby the public may receive information or make requests. A current copy
374 of the plan of organization shall be kept on file with the state secretary and in the office of the
375 secretary of administration.

376 (i) The executive director may appoint such persons as he shall deem necessary to perform the
377 functions of the commission; provided that chapter 31 and section 9A of chapter 30 shall not
378 apply to any commission employee. If an employee serving in a position which is classified
379 under said chapter 31 or in which an employee has tenure by reason of said section 9A of chapter
380 30 shall be appointed to a position within this office which is not subject to the provisions of said
381 chapter 31, the employee shall, upon termination of his service in such position, be restored to
382 the position which he held immediately prior to such appointment; provided, however, that his
383 service in such position shall be determined by the civil service commission in accordance with
384 the standards applied by said commission in administering said chapter 31. Such restoration shall
385 be made without impairment of his civil service status or tenure under said section 9A of chapter
386 30 and without loss of seniority, retirement or other rights to which uninterrupted service in such

387 prior position would have entitled him. During the period of such appointment, each person so
388 appointed from a position in the classified civil service shall be eligible to take any competitive
389 promotional examination for which he would otherwise have been eligible. The executive
390 director shall consider current employees of the state racing commission as eligible for
391 employment with the commission and shall transfer said employees into the commission if
392 qualified under this chapter.

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

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

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

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

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

429 (m) No employee of the commission shall pursue any other business or occupation or other
430 gainful employment outside of the commission without the prior written approval of the

431 commission that such employment shall not interfere or be in conflict with the employee's duties
432 to the commission.

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

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

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

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

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

446 (q) The commissioners, executive director and those employees holding a major policy-making
447 position shall be sworn to the faithful performance of their official duties. Each commissioner,
448 executive director and those employees holding a major policy making position shall conduct
449 themselves in a manner so as to render decisions that are fair and impartial and in the public
450 interest; avoid impropriety and the appearance of impropriety in all matters under their
451 jurisdiction; avoid all prohibited communications; require staff and personnel subject to their

452 direction and control to observe the same standards of fidelity and diligence; disqualify
453 themselves from proceedings in which their impartiality might reasonably be questioned; and
454 refrain from financial or business dealings which would tend to reflect adversely on impartiality.

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

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

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

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

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

473 (1) appoint officers and hire employees;

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

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

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

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

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

486 (7) provide and pay for advisory services and technical assistance as may be necessary in its
487 judgment to carry out the purpose of this chapter and fix their compensation;

488 (8) prepare, publish and distribute, with or without charge, as the commission may
489 determine, such studies, reports and bulletins and other material as the commission deems
490 appropriate;

491 (9) assure that licenses shall not be issued to nor held by, nor shall there be any material
492 involvement, directly or indirectly, with a gaming operation or the ownership thereof, by
493 unqualified, disqualified, or unsuitable persons or persons whose operations are conducted in a
494 manner not conforming with this chapter;

495 (10) require any person to apply for a license as provided in this chapter and approve or
496 disapprove any such application or other transactions, events, and processes as provided in this
497 chapter;

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

500 (12) develop criteria, in addition to those outlined in this chapter, to assess which applications
501 for gaming licenses will provide the highest and best value to the commonwealth;

502 (13) determine which applicants shall be awarded gaming licenses and other licenses in
503 accordance with the terms of this chapter;

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

510 (15) conduct investigations into the qualifications of all applicants for employment by the
511 commission and by any regulated entity and all applicants for licensure;

512 (16) request and receive from the state police, the criminal history systems board, or other
513 criminal justice agencies, including but not limited to the United States Federal Bureau of
514 Investigation and the federal Internal Revenue Service, such criminal offender record
515 information relating to criminal and background investigations as necessary for the purpose of

516 evaluating employees of, and applicants for employment by, the commission and any regulated
517 entity, and evaluating licensees and applicants for licensure.

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

524 (18) inspect and have access to all equipment and supplies in any licensed gaming
525 establishment or in any premises where gaming equipment is manufactured, sold or distributed;

526 (19) seize and remove from the premises of any gaming licensee and impound any equipment,
527 supplies, documents or records for the purpose of examination and inspection;

528 (20) demand access to and inspect, examine, photocopy and audit all papers, books and
529 records of any affiliate of a licensee whom the commission suspects is involved in the financing,
530 operation or management of the licensee. The inspection, examination, photocopying and audit
531 may take place on the affiliate's premises or elsewhere as practicable, and in the presence of the
532 affiliate or its agent;

533 (21) require that the books and financial or other records or statements of any licensee be kept
534 in a manner that the commission deems proper;

535 (22) levy and collect assessments, fees and fines and impose penalties and sanctions for the
536 violation of this chapter and the regulations promulgated hereunder;

- 537 (23) collect taxes;
- 538 (24) restrict, suspend or revoke licenses issued under this chapter;
- 539 (25) conduct adjudicatory proceedings and promulgate regulations in accordance with the
540 provisions of chapter 30A;
- 541 (26) refer cases for criminal prosecution to the appropriate federal, state or local authorities;
- 542 (27) issue subpoenas and compel the attendance of witnesses at any place within the
543 commonwealth, administer oaths and require testimony under oath before the commission in the
544 course of any investigation or hearing conducted under this chapter; and
- 545 (28) maintain an official Internet website for the commission;
- 546 (29)
- 547 (30) adopt, amend, or repeal regulations for the administration and enforcement of this
548 chapter. Act as trustees for any gaming related trust funds.
- 549 Section 5. The commission shall promulgate regulations for the implementation, administration
550 and enforcement of this chapter including without limitation regulations that:
- 551 (1) prescribe the method and form of application which any applicant for licensure shall follow
552 and complete before consideration of an application by the commission;
- 553 (2) prescribe the information to be furnished by any applicant or licensee concerning his
554 antecedents, habits, character, associates, criminal record, business activities and financial
555 affairs, past or present;

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

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

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

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

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

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

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

571 (10) establish licensure and work permits for employees working at the gaming establishment
572 and minimum training requirements; provided further that the commission may establish
573 certification procedures for any training schools in the commonwealth as well as the minimum
574 requirements for reciprocal licensing for out of out-of-state gaming employees; and

575 (11) require that all gaming establishment employees be properly trained in their respective
576 professions.

577 (12) require the posting of payback statistics of slot machines played in a gaming facility; and

578 (13) require that all gaming establishments have security patrols outside the gaming

579 establishments who conduct regular checks of parking areas for minors left in motor vehicles and

580 shall immediately report any such finding to security personnel at the gaming establishment.

581 The commission may, pursuant to section 2 of chapter 30A, promulgate, amend, or repeal any

582 regulation promulgated under this chapter as an emergency regulation if such regulation is

583 necessary to protect the interests of the commonwealth in regulating a gaming establishment.

584 Section 6. The commission shall administer and enforce chapter 128A and 128C and any other

585 general or special law related to pari-mutuel wagering or simulcasting. The commission shall

586 serve as a host racing commission and an off-track betting commission for purposes of 15

587 U.S.C.A.30001, et seq.

588 Section 7. (a) In addition to any other tax or fee imposed by this chapter, there shall be imposed

589 an annual license fee of \$600 for each machine approved by the commission for use by a gaming

590 licensee at a gaming establishment; provided, however, that, no sooner than 5 years after award

591 of original license the commission may annually adjust the fee for inflation. The fee shall be

592 imposed as of July 1 of each year for all approved slot machines on that date and shall be

593 assessed on a pro rata basis for any slot machine approved for use thereafter during the year.

594 (b) The commission shall, by regulation, establish fees for any investigation into a violation of

595 this chapter or regulation promulgated thereunder by a gaming licensee to be paid by the

596 licensee, including, but not limited to, billable hours by commission staff involved in the

597 investigation and the costs of services, equipment or other expenses that are incurred by the

598 commission during the investigation.

599 (c) Any remaining costs of the commission necessary to maintain regulatory control over gaming
600 establishments that are not covered by: (i) the fees set forth in subsections (a) and (b), (ii) any
601 other fees assessed pursuant to this chapter or (ii) any other designated source of funding shall be
602 assessed annually on gaming licensees under this chapter in proportion to the number of gaming
603 positions at each gaming facility. Each licensee shall pay the amount assessed against it within
604 30 days after the date of the notice of assessment from the commission.

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

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

614 (f) All fees and assessments collected under this section, except those collected pursuant to
615 subsection (e), shall be deposited into the Gaming Control Fund established pursuant to section
616 8.

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

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

632 (b) The commission shall, for the purposes of compliance with state finance law, operate as a
633 state agency as defined in section 1 of chapter 29 and shall be subject to the provisions
634 applicable to agencies under the control of the governor including, but not limited to, chapter 7A,
635 chapter 7, chapter 10 and chapter 29; provided, however, that the comptroller may identify any
636 additional instructions or actions necessary for the commission to manage fiscal operations in the
637 state accounting system and meet statewide and other governmental accounting and audit
638 standards. Unless otherwise exempted by law or the applicable central service agency, the
639 commission shall participate in any other available commonwealth central services including, but
640 not limited, to the state payroll system pursuant to section 31 of chapter 29, and may purchase
641 other goods and services provided by state agencies in accordance with comptroller provisions.
642 The comptroller may chargeback the commission for the transition and ongoing costs for
643 participation in the state accounting and payroll systems and may retain and expend such costs

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

704 (c) Any person owning more than 5 per cent of the common stock of the applicant company or a
705 holding, intermediary or subsidiary of an applicant company shall be required to file for
706 licensure. The commission may waive the licensing requirements for institutional investors
707 holding up to 15 per cent of the stock of the applicant company or holding, intermediary or
708 subsidiary company of the applicant company upon a showing by the person seeking the waiver
709 that the applicant purchased the securities for investment purposes only and does not have any
710 intention to influence or affect the affairs or operations of the applicant company or a holding,
711 intermediary or subsidiary of the applicant company. Any institutional investor granted a waiver
712 which subsequently determines to influence or affect the affairs or operations of the applicant
713 company or a holding, intermediary or subsidiary of the applicant company shall provide not less
714 than 30 days notice to the commission of such intent and shall file an application and be subject
715 to the licensing requirements of this chapter before taking any action that may influence or affect
716 the affairs of the applicant company or a holding, intermediary or subsidiary of the applicant
717 company. Any company holding over 15 per cent of the applicant company, or a holding,
718 intermediary or subsidiary of an applicant company shall be deemed to be a qualifier and shall
719 file an application form with the commission and be subject to the licensing requirements of this
720 chapter.

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

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

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

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

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

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

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

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

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

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

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

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

764 (5) shall demonstrate to the commission how the applicant proposes to address lottery mitigation,
765 compulsive gambling problems, workforce development and community development and all
766 host community impact and mitigation issues.

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

770 (7) shall provide to the commission a signed agreement between the host community and the
771 applicant setting forth the conditions to have a gaming establishment located within the host
772 community; provided that the agreement shall include a community impact fee for the host
773 community and all stipulations of responsibilities between the host community and the applicant;
774 and

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

776 Section 15. (a) In addition to the requirements set forth in section 14, no business shall be
777 eligible to apply for a gaming license unless it: (i) is organized under the laws of the
778 commonwealth, although such business organization may be a wholly or partially owned
779 subsidiary of a foreign business; (ii) maintains an office in the gaming establishment; (iii)
780 maintains a ledger in the gaming establishment of the business organization reflecting the current
781 ownership of the business organization, and in the case of a corporation, of every class of
782 security issued by the corporation; (iv) maintains all operating accounts required by the
783 commission in a bank chartered in the commonwealth or in a bank with a full service branch
784 present in the commonwealth; (v) includes among the purposes stated in its official filings with
785 the state secretary the conduct of gaming; (vi) in the case of a non-publicly traded corporation,
786 files with the commission such adopted corporate charter provisions as may be necessary to
787 establish the right of prior approval by the commission with regard to transfers of securities,
788 shares, and other interests in the applicant corporation; (vii) in the case of a publicly traded

789 corporation, provides in its corporate charter that any securities of such corporation are held
790 subject to the condition that if a holder thereof is found to be disqualified by the authority
791 pursuant to the provisions of this chapter, such holder shall dispose of his interest in the
792 corporation; provided, however, that nothing herein shall be deemed to require that any security
793 of such corporation bear any legend to this effect; and (viii) in the case of a non-publicly traded
794 corporation, establishes that appropriate charter provisions create the absolute right of such non-
795 publicly traded corporations and companies to repurchase at the market price or the purchase
796 price, whichever is the lesser, any security, share or other interest in the corporation in the event
797 that the commission disapproves a transfer in accordance with the provisions of this chapter.

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

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

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

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

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

823 (c) The governing body of a host community which has adopted the provisions of chapter 43D
824 shall file a proposal with the interagency permitting board to designate the site proposed for a
825 category 1 facility as priority development site. In a community which has not adopted the
826 provisions of chapter 43D, the planning board shall designate a local permitting ombudsman,
827 who shall be a planning board member or a member of the planning board's professional staff, to
828 help coordinate and expedite local permitting of the category 1 facility. In a community where no
829 professional planning staff exists, the local permitting ombudsman shall be a panel consisting of
830 1 representative from the planning board, 1 member from the zoning board of appeals, 1 member
831 from the conservation commission, 1 member from the police department, 1 member from the
832 fire department and 1 member from the department of public works to coordinate and expedite

833 local permitting of the category 1 facility. In either case, the ombudsman shall not assume the
834 permitting authority of the individual boards, commissions, or departments referred to herein.

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

837 (i) the name of the applicant;

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

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

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

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

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

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

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

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

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

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

866 (xii) an agreement that the applicant shall mitigate the potential negative public health
867 consequences associated with gambling and the operation of a gaming establishment including:
868 (1) maintaining a smoke-free environment within the gaming facility pursuant to the provisions
869 of section 22 of chapter 270; (2) providing complimentary on-site space for an independent
870 substance abuse and mental health counseling service to be selected by the commission; (3)
871 prominently displaying information on the signs of problem gambling and how to access
872 assistance; (4) describing a process for individuals to exclude their names and contact
873 information from the licensee's database or any other list held by the licensee for use in

874 marketing or promotional communications; and (5) instituting other public health strategies as
875 determined by the commission;

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

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

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

884 (xvi) completed studies and reports as required by the commission, including reports on the
885 economic benefits of the proposed gaming establishment, the environmental, traffic and local
886 infrastructure impacts, the impact of the proposed gaming establishment to the local and regional
887 economy, the cost to the municipality and the commonwealth for the proposed gaming
888 establishment to be at its proposed location, and the total amount of municipal and state tax
889 revenue to be generated by the applicant; including ancillary revenues generated by employees
890 and vendors;

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

893 (i) the location of the proposed category 1 establishment, which shall include the address, maps,
894 book and page numbers from the appropriate registry of deeds, assessed value of the land at the

895 time of application, and ownership interests over the past 20 years including all interests,
896 options, agreements in property, and demographic, geographic, and environmental information,
897 and any other information requested by the authority;

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

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

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

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

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

911 (d) Applications for licenses shall be public records for the purposes of section 10 of chapter 66;
912 provided, however, that information required by the commission that pertains to: (i) confidential
913 finances, earnings, revenue or trade secrets of any applicant; (ii) an applicant's criminal record or
914 background information; (iii) the suitability of an applicant for a particular endeavor and (iv)
915 information personal in nature submitted by an applicant pursuant to this section shall be deemed

916 confidential, are not public records and shall not be disclosed. Personal information shall include
917 any information concerning: (i) a minor child of an applicant; (ii) the social security number of
918 an applicant or the spouse of an applicant; (iii) the home telephone number or address of an
919 applicant or the spouse or children of an applicant; (iv) the birth certificate of the applicant or
920 information relating to the date or place of birth of an applicant's spouse; (v) the driver's license
921 number of an applicant or an applicant's spouse; (vi) the name or address of a previous spouse of
922 the applicant; (vii) the personal financial information and records of an applicant or the spouse or
923 minor child of an applicant, including tax returns and any and all records of criminal
924 proceedings; (viii) any information concerning a victim of domestic violence, sexual assault or
925 stalking; (ix) the personal electronic mail address of an applicant or spouse or family member of
926 the applicant; (x) and any other information deemed necessary by the commission to protect the
927 privacy of an applicant or the applicant's family. Any information concerning an applicant
928 collected by the commission may be released by the commission to an authorized agent of the
929 state or federal government.

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

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

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

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

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

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

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

944 (vii) whether the applicant is disqualified from receiving a license pursuant to section 13;
945 provided, however, that in considering the rehabilitation of an applicant for a gaming license, the
946 commission shall not automatically disqualify any applicant if the applicant affirmatively
947 demonstrates, by clear and convincing evidence, that the applicant has financial responsibility,
948 character, reputation, integrity and general fitness as such to warrant belief by the commission
949 that the applicant will act honestly, fairly, soundly and efficiently as a gaming licensee.

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

957 (c) If the commission has determined an applicant is suitable to receive a gaming license, the
958 commission shall commence a review of the applicant's entire application. After a review of the
959 entire application and any independent evaluations, the commission shall conduct a public

960 hearing on the application pursuant to section 11 ½ of chapter 30A. An applicant for a gaming
961 license shall be given at least 30 days notice of the public hearing.

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

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

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

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

978 Section 19. In determining whether an applicant should receive a gaming license, the
979 commission shall [A] evaluate and issue a statement of findings of how each applicant proposes
980 to advance the following objectives: (1) protecting the lottery from any adverse impacts due to
981 expanded gaming, including, but not limited to, developing cross-marketing strategies with the

982 lottery and increasing ticket sales to out-of-state residents; (2) promoting local businesses in host
983 and surrounding communities, including developing cross-marketing strategies with local
984 restaurants, hotels, retail outlets and performing arts organizations; (3) implementing a
985 workforce development plan to utilize the existing labor force in the commonwealth, including
986 the estimated number of construction jobs a proposed gaming establishment will generate, the
987 development of workforce training programs that serve the unemployed, and methods for
988 accessing employment at the gaming establishment; (4) building a gaming establishment of high
989 caliber with a variety of quality amenities to be included as part of the gaming establishment and
990 operated in partnership with any local hotels, dining, retail and entertainment facilities so that
991 patrons experience the diversified regional tourism industry; (5) taking additional measures to
992 address problem gambling, including, but not limited to, training of gaming employee to identify
993 patrons exhibiting problems with gambling and prevention programs targeted toward vulnerable
994 populations; (6) providing a market analysis detailing the benefits of the site location of the
995 gaming establishment and the estimated recapture rate of gaming-related spending by residents
996 travelling to out-of-state gaming establishments; (7) utilizing sustainable development principles,
997 including, but not limited to: (i) being certified or capable of being certified as gold or higher
998 pursuant to the U.S. Green Building Council Neighborhood Development Rating System, the
999 green building rating system established by the Leadership in Environmental and Energy Design,
1000 gold or higher pursuant to the National Green Building Standard, a Three Globe rating or higher
1001 pursuant to the Green Globes rating system, or an alternative rating system approved by the
1002 executive office of energy and environmental affairs; (ii) meeting United States Environmental
1003 Protection Agency efficiency standards for the electrical equipment and appliances used by the
1004 resort casino; and (iii) procuring 10 per cent of its annual electricity consumption from

1005 renewable sources identified by the division of energy resources pursuant to section 11F of
1006 chapter 25A; (8) establishing, funding, and maintaining human resource hiring and training
1007 practices that promote the development of a skilled and diverse workforce and access to
1008 promotion opportunities through a workforce training program that: (i) establishes transparent
1009 career paths with measurable criteria within the gaming establishment that lead to increased
1010 responsibility and higher pay grades that are designed to allow employees to pursue career
1011 advancement and promotion; (ii) provides employee access to additional resources, such as
1012 tuition reimbursement or stipend policies, to enable employees to acquire the education or job
1013 training needed to advance career paths based on increased responsibility and pay grades; and
1014 (iii) establishes an on-site child day care program; and (9) contracting with local business owners
1015 for the provision of services and goods to the gaming establishment, including developing plans
1016 designed to assist businesses in the commonwealth in identifying the needs for goods and
1017 services to the establishment; (10) purchasing, whenever possible, domestically manufactured
1018 slot machines for installation in the gaming establishment.

1019 Section 20. (a) The commission may issue 2 category 1 licenses; provided, however, that the
1020 category 1 licenses shall only be issued to applicants who are qualified under the criteria set forth
1021 in this chapter as determined by the commission. In evaluating the location of the category 1
1022 facilities, the commission shall take into consideration their proximity to each other and how that
1023 may impact the policy goals established pursuant to section 1.

1024 (b) No other gaming license, or authorization to increase the gaming positions in a category 2 or
1025 category 3 license, shall be issued by the commonwealth for a period of 15 years; provided,
1026 however, that such exclusivity shall not include the interests of the commonwealth in compacting
1027 with any federally recognized Native American tribe for gaming rights in the commonwealth.

1028 (c) No category 1 licensee shall transfer a license or any direct or indirect interest in the license
1029 or licensed premises without the majority approval of the commission. Any person seeking to
1030 acquire a license through a transfer shall satisfy the requirement for licensure pursuant to this
1031 chapter. The commission shall reject any license transfer or transfer of interest to an unsuitable
1032 person and may reject a proposed transfer that, in the opinion of the commission, would be
1033 disadvantageous to the interests of the commonwealth in the gaming establishment.

1034 (d) The commission may issue 2 category 2 licenses; provided, however, that the commission
1035 shall issue 1 category 2 license to a qualified harness horse racing facility and 1 category 2
1036 license to a qualified thoroughbred horse racing facility. A category 2 license issued shall be
1037 contingent upon the licensee's completion of the annual live racing season pursuant to chapter
1038 128A. An applicant who is eligible for a category 2 license pursuant to this section may apply for
1039 a category 1 license; provided, however, that upon receipt of a category 1 license said applicant
1040 shall continue to conduct live racing and abide by all the live racing terms pursuant to section 23
1041 and shall continue to pay the applicable live racing tax required of category 2 licensees.

1042 (e) The commission may issue 2 category 3 licenses; provided, however, that the commission
1043 shall issue each category 3 license to a qualified greyhound racing facility. Any category 3
1044 license issued shall be contingent upon the licensee's simulcasting of live thoroughbred, harness
1045 or greyhound races pursuant to chapter 128A. An applicant who is eligible for a category 3
1046 license pursuant to this section may apply for a category 1 license.

1047 A category 3 licensee shall maintain a simulcasting license pursuant to chapter 128C. Upon
1048 failure to conduct simulcast wagering the commission shall suspend the category 3 license.

1049 (f) A category 2 license and a category 3 license issued pursuant to this chapter shall not be
1050 transferrable or assignable without the approval of the commission; provided, however, that for 5
1051 years after the initial issuance of a category 2 or category 3 license the commission shall only
1052 approve such a transfer if: (i) the licensee experiences a change in ownership; or (ii) the licensee
1053 fails to maintain suitability or other circumstances which the commission may consider, which,
1054 in the opinion of a majority of members of the commission, impact a licensee's ability to
1055 successfully operate a gaming establishment.(g) Notwithstanding the foregoing, and upon
1056 approval by the commission, a category 3 licensee may merge its license with a category 2
1057 licensee and locate the total number of slot machines allotted to each licensee at a thoroughbred
1058 or harness racing track. A category 2 licensee may not merge with more than 1 category 3
1059 licensee.

1060 An applicant for a category 2 license shall apply for a merged license with an eligible applicant
1061 for a category 3 license in their initial application to the commission. The commission shall
1062 approve any merger agreement and shall require parties to the merger to be qualified for
1063 licensure pursuant to the criteria set forth in sections 13 and 19.

1064 (h) A category 1 license issued pursuant to this chapter shall be for a period of 15 years from the
1065 date of first issuance; provided, however, that 5 years after issuance, and every 5 years thereafter,
1066 the commission shall perform a thorough review of the business strategy of the resort casino
1067 which shall include plans for expansion and marketing submitted by the licensee. The
1068 commission shall establish procedures for renewal and set the renewal fee based on the cost of
1069 fees associated with the evaluation of a licensee requesting a renewed category 1 license.

1070 A category 2 and category 3 license issued pursuant to this chapter shall be for a period of 5
1071 years. The commission shall establish procedures for renewal and set the renewal fee based on
1072 the cost of fees associated with the evaluation of a licensee; provided, however, that the cost of
1073 renewal shall not be less than \$100,000. A category 1, category 2, or category 3 licensee shall
1074 issue an annual report to the commission explicitly stating its progress on meeting each of the
1075 stated goals and stipulations put forth in the licensee's original application. Inability to meet
1076 stated goals within a reasonable time frame, as determined by the commission, shall result in
1077 additional fees as deemed fair and reasonable by the commission. Failure to meet stated goals
1078 may also result in revocation of the license at any time by the commission.

1079 Nothing in this section shall preclude the commission at any time from reviewing the business
1080 operations of any gaming licensee to ensure that the conditions of licensure are being met,
1081 including, but not limited to, the suitability of the licensee and any affiliates and the fiscal
1082 stability of the gaming establishment.

1083 (i) The commission shall have the power to condition, suspend or revoke any gaming license
1084 upon a finding that a licensee: (i) has committed a criminal or civil offense under this chapter or
1085 any other laws of the commonwealth; (ii) is not in compliance with gaming regulations or is
1086 under criminal investigation in another jurisdiction; (iii) has breached a condition of licensure;
1087 (iv) has affiliates, close associates or employees that are not qualified or licensed pursuant to this
1088 chapter with whom the gaming licensee continues to conduct business or employ; (v) is no
1089 longer capable of maintaining operations at a gaming establishment; or (vi) whose business
1090 practice, upon a determination by the commission, is injurious to the policy objectives of this
1091 chapter.

1092 (j) Whenever any person contracts to transfer any property relating to an ongoing gaming
1093 operation, including a security holding in a gaming licensee or holding or intermediary company,
1094 under circumstances which require that the transferee obtain licensure under this chapter, the
1095 contract shall not specify a closing or settlement date which is earlier than the 121st day after the
1096 submission of a completed application for licensure or qualification, which application shall
1097 include a fully executed and approved trust agreement.

1098 The commission shall hold a hearing and render a decision on the interim authorization of the
1099 applicant. If the commission grants interim authorization, then the closing or settlement may
1100 occur without interruption of casino operations. If the commission denies interim authorization,
1101 there shall be no closing or settlement until the commission makes a determination on the
1102 qualification of the applicant, and if the commission then denies qualification the contract shall
1103 thereby be terminated for all purposes without liability on the part of the transferor.

1104 The commission shall promulgate further regulations for interim authorization of a gaming
1105 establishment.

1106 (k) No person or affiliate shall be awarded, purchase or otherwise hold or have a financial
1107 interest in more than 1 license issued by the commission.

1108 (l) The commission shall take into consideration the physical distance in selecting the two resort
1109 casinos as they relate to each other and how they maximize benefits to the commonwealth.

1110 Section 21. (a) Applicants for a category 1 license shall invest not less than \$500,000,000 into
1111 the resort casino which shall include the gaming facility, at least 1 hotel, and other amenities as
1112 proposed in the application for a category 1 license. Upon award of a category 1 license by the
1113 commission, the applicant shall be required to deposit 10 per cent of the total investment

1114 proposed in the application into an interest-bearing account. Monies received from the applicant
1115 shall be held in escrow until the final stage of construction, as approved by the commission, at
1116 which time the deposit shall be returned to the applicant to be applied for such final stage.
1117 Should the applicant be unable to complete the resort casino, the deposit shall be forfeited to the
1118 commonwealth. In place of a cash deposit, the commission may allow for an applicant to secure
1119 a deposit bond insuring that 10 per cent of the proposed capital investment shall be forfeited to
1120 the commonwealth.

1121 (b) Applicants for a category 1 license shall submit their proposed capital investment with their
1122 application to the commission which shall include stages of construction of the resort casino and
1123 the deadline by which construction and any infrastructure improvements will be completed. In
1124 awarding a category 1 license, the commission shall determine at what stage of construction a
1125 licensee shall be approved to open for business; provided, however, that a licensee shall not be
1126 permitted to open for business until the commission has determined that at least the gaming
1127 facility and hotel have been built and are of a superior quality as set forth in the conditions of
1128 licensure; provided, further, that total infrastructure improvements onsite and around the vicinity
1129 of the resort casino, including projects to account for traffic mitigation, shall be completed before
1130 the resort casino shall be approved for opening by the commission.

1131 (c) A category 1 licensee shall pay to the commission a fee of \$100,000,000 within 30 days of
1132 the final award of the license which sets forth the conditions to be satisfied by the licensee before
1133 the gaming facility may be opened to the public. The commission shall set any renewal fee for
1134 such license based on the cost of fees associated with the evaluation of a category 1 licensee
1135 pursuant to section 20 of this chapter, and such renewal fee will be exclusive of any subsequent
1136 license fees under this section.(d) The commission shall determine the sources and total amount

1137 of an applicant's proposed capitalization to develop, construct, maintain and operate a proposed
1138 gaming establishment under this chapter. Upon award of a gaming license, the commission shall
1139 continue to assess the capitalization of a licensee for the duration of construction of the proposed
1140 gaming establishment and the term of the license.

1141 Section 22. (a) Applicants for a category 2 or category 3 license shall invest not less than
1142 \$75,000,000 into the gaming facility and racecourse, if applicable.

1143 The investment required under this section shall be made within 2 years of receiving a gaming
1144 license; provided, however, that any infrastructure improvements necessary to increase visitor
1145 capacity and account for traffic mitigation, as determined by the commission, shall be completed
1146 before the category 2 or category 3 licensee shall be authorized to operate any slot machine at the
1147 gaming facility.

1148 (b) The required licensing fee for a category 2 or category 3 license shall be not less than
1149 \$15,000,000. The commission shall raise the license fee if an applicant for a category 2 or
1150 category 3 license cannot demonstrate to the satisfaction of the commission that the applicant
1151 will advance any of the objectives set forth in section 19.

1152 (c) If the commission approves the merger of a category 2 and category 3 licensee pursuant to
1153 section 20 and grants a merged license, the applicants shall pay \$30,000,000 and shall agree to
1154 invest \$150,000,000 into the gaming facility and racecourse.

1155 (d) The commission shall determine the sources and total amount of an applicant's proposed
1156 capitalization to develop, construct, maintain and operate a proposed gaming establishment
1157 under this chapter. Upon award of a gaming license, the commission shall continue to assess the

1158 capitalization of a licensee for the duration of construction of the proposed gaming establishment
1159 and the term of the license.

1160 Section 23. (a) An applicant for a category 2 licensee shall maintain any racing facility on the
1161 premises; provided, however, that said licensee shall increase the number of live racing days to a
1162 minimum of 125 days according to the following schedule:

1163 (i) in the first calendar year of operation a licensee shall hold 105 racing days;

1164 (ii) in the second calendar year of operation a licensee shall hold 115 racing days; and

1165 (iii) in the third calendar year of operation a licensee shall hold 125 racing days.

1166 (b) A category 2 licensee may increase the number of live racing days if said licensee is holding
1167 a minimum of 125 racing days within 3 years of receiving a category 2 license. If a category 2
1168 licensee does not conduct live racing for the minimum number of days set forth in subsection (a),
1169 the commission shall suspend the category 2 license.

1170 (c) After 3 years of operation, and in consultation with the parties to the purse agreement, the
1171 commission may adjust the amount of required racing days at a category 2 facility based on
1172 fields, demand and racing performance.

1173 (d) A category 2 licensee shall have an annual purse agreement in effect by December thirty-first
1174 of each year for the following year's racing; provided, however, that if the parties to a purse
1175 agreement at a category 2 facility cannot in good faith negotiate an agreement by December
1176 thirty-first, the purse agreement shall be arbitrated by the commission.

1177 Section 24. (a) No person shall be employed by a gaming licensee unless such person has been
1178 licensed by or registered with the commission.

1179 (b) Any person seeking a valid key gaming employee license or a gaming employee license shall
1180 file an application with the commission. Such application shall be on a form prescribed by the
1181 commission and shall include, but shall not be limited to, the following: (1) the name of the
1182 applicant; (2) the address of the applicant; (3) a detailed employment history of the applicant; (4)
1183 fingerprints; (5) a criminal and arrest record; and (6) any civil judgments obtained against the
1184 person pertaining to antitrust or security regulation. Each applicant shall be a resident of the
1185 commonwealth prior to the issuance of a gaming employee license, provided, however, that the
1186 commission may waive this requirement upon certification from the gaming licensee that an
1187 applicant's particular position will require the applicant to be reside outside of the
1188 commonwealth. The commission may require such other information as it deems appropriate
1189 including, without limitation, information related to the financial integrity of the applicant and
1190 may require the applicant to submit other documentation it deems appropriate including, without
1191 limitation, bank accounts and records, bank references, business and personal income and
1192 disbursement schedules, tax returns and other reports filed by government agencies, and business
1193 and personal accounting check records and ledgers.

1194 (c) All other employees in a gaming establishment who are not considered to be gaming
1195 employees, key gaming employees, or who have restricted access to an area of the gaming
1196 establishment or knowledge of security procedures, shall be required to register with the
1197 commission as a gaming service employee and shall produce such information as the
1198 commission may require to become registered under this chapter.

1199 (d) Upon receipt of an application for a key gaming employee license and a gaming employee
1200 license the commission shall conduct an investigation of each applicant which shall include
1201 obtaining criminal offender record information from the criminal history systems board as well

1202 as exchanging fingerprint data and criminal history with the state police and the federal bureau of
1203 investigation.

1204 (e) Upon petition by a gaming licensee, the commission may issue a temporary license to an
1205 applicant for a gaming key employee license or a gaming employee license provided that: (i) the
1206 applicant for a gaming key employee license or gaming employee license has filed a complete
1207 application with the commission; and (ii) the gaming licensee certifies, and the commission
1208 finds, that the issuance of a temporary license is necessary for the operation of the gaming
1209 facility and is not designed to circumvent the normal licensing procedures.

1210 Unless otherwise stated by the commission, a temporary license issued pursuant to this section
1211 shall expire 6 months from the date of its issuance and may be renewed, at the discretion of the
1212 commission, for an additional 6 month period.

1213 (f) The commission may deny any application for a key gaming employee or gaming employee
1214 license or the registration of any other employee of a gaming establishment if the commission
1215 finds that any applicant or registrant is disqualified pursuant to section 14 or may be unsuitable
1216 for licensure under any of the criteria set forth in section 19; provided, however, that the
1217 commission, in its discretion, may issue a license to an applicant for a gaming employee license
1218 or register a gaming service employee who has a prior conviction if said applicant or registrant
1219 can affirmatively demonstrate his rehabilitation. In considering the rehabilitation of an applicant
1220 for a license under this section, the commission shall consider the following: (i) the nature and
1221 duties of the position of the applicant; (ii) the nature and seriousness of the offense or conduct;
1222 (iii) the circumstances under which the offense or conduct occurred; (iv) the date of the offense
1223 or conduct; (v) the age of the applicant when the offense or conduct was committed; (vi) whether

1224 the offense or conduct was an isolated or repeated incident; (vii) any social conditions which
1225 may have contributed to the offense or conduct; and (viii) any evidence of rehabilitation,
1226 including recommendations and references of persons supervising the applicant since the offense
1227 or conduct was committed.

1228 Any orders denying an application under this section shall be accompanied with an explanation
1229 of why an applicant did not meet the qualifications for licensure under this chapter.

1230 (g) The commission shall be authorized to condition, suspend or revoke any license or
1231 registration under this section if the commission finds that a licensee or registrant has: (i) been
1232 arrested or convicted of a crime while employed by a gaming establishment and failed to report
1233 charges or the conviction to the commission; (ii) failed to comply with the provisions of section
1234 12; or (iii) failed to comply with any of the provisions of this chapter pertaining to licensees.

1235 (h) A license or registration issued pursuant to this section shall be issued for a term of 3 years. It
1236 shall be the responsibility of the employee to ensure that their license is current.

1237 (i) The commission shall establish fees for a key gaming employee and a gaming employee
1238 license which shall include costs incurred for conducting a background investigation into an
1239 applicant said license.

1240 Section 25. (a) No person or business shall conduct any business with a gaming licensee unless
1241 such person has been licensed by or registered with the commission.

1242 (b) Any person seeking a gaming vendor license shall file an application with the commission.
1243 Such application shall be on a form prescribed by the commission and shall include, but shall not
1244 be limited to, the following: (i) the name of the applicant; (ii) the post office address and if a

1245 corporation, the name of the state under the laws of which it is incorporated, the location of its
1246 principal place of business and the names and addresses of its directors and stockholders; (iii) a
1247 criminal and arrest record; (iv) any civil judgments obtained against the person pertaining to
1248 antitrust or security regulation; (v) the identity of every person having a direct or indirect interest
1249 in the business, and the nature of such interest; provided further, that if the disclosed entity is a
1250 trust, the application shall disclose the names and addresses of all beneficiaries; provided further,
1251 that if the disclosed entity is a partnership, the names and addresses of all partners, both general
1252 and limited; and provided further, that if the disclosed entity is a limited liability company, the
1253 names and addresses of all members; (vi) an independent audit report of all financial activities
1254 and interests including, but not limited to, the disclosure of all contributions, donations, loans or
1255 any other financial transactions to or from any gaming entity or operator in the past 5 years; and
1256 (vii) clear and convincing evidence of financial stability including, but not limited to, bank
1257 references, business and personal income and disbursement schedules, tax returns and other
1258 reports filed by government agencies, and business and personal accounting check records and
1259 ledgers. The commission may require such other information as it deems appropriate including,
1260 without limitation, information related to the financial integrity of the applicant and may require
1261 the applicant to submit other documentation it deems appropriate including, without limitation,
1262 bank accounts and records, bank references, business and personal income and disbursement
1263 schedules, tax returns and other reports filed by government agencies, and business and personal
1264 accounting check records and ledgers.

1265 (c) No person shall manufacture, sell, distribute, test or repair slot machines, other than antique
1266 slot machines as defined in section 5A of chapter 271, without a valid gaming vendor license
1267 issued by the commission

1268 (d) All other suppliers or vendors who are not considered to be gaming vendors including, but
1269 not limited to, construction companies, vending machine providers, linen suppliers, garbage
1270 handlers, maintenance companies, limousine services, food purveyors or suppliers of alcoholic
1271 beverages, shall be considered non-gaming vendors and shall be required to register with the
1272 commission and shall produce such information as the commission may require; provided,
1273 however, that the commission may require any vendor regularly conducting over \$250,000 of
1274 business with a gaming licensee within a 12 month period, or \$100,000 of business within a 3
1275 year period, to be licensed as a gaming vendor.

1276 (e) Any person owning more than 5 per cent of the common stock of a company required to be
1277 licensed as a gaming vendor, or a holding, intermediary or subsidiary of such company, shall be
1278 required to file for licensure. The commission may waive the licensing requirements for
1279 institutional investors holding up to 15 per cent of the stock of the company, or holding,
1280 intermediary or subsidiary company of the such company, upon a showing by the person
1281 seeking the waiver that the applicant purchased the securities for investment purposes only and
1282 does not have any intention to influence or affect the affairs or operations of the company or a
1283 holding, intermediary or subsidiary of the such company. Any institutional investor granted a
1284 waiver which subsequently determines to influence or affect the affairs or operations of the
1285 gaming vendor, or a holding, intermediary or subsidiary of the gaming vendor, shall provide not
1286 less than 30 days notice to the commission of such intent and shall file an application and be
1287 subject to the licensing requirements of this chapter before taking any action that may influence
1288 or affect the affairs of the applicant company or a holding, intermediary or subsidiary of the
1289 applicant company. Any company holding over 15 per cent of a gaming vendor, or a holding,
1290 intermediary or subsidiary of a gaming vendor, shall be deemed to be a qualifier and shall file an

1291 application form with the commission and be subject to the licensing requirements of this
1292 chapter.

1293 (f) If an applicant for a gaming vendor license or vendor or supplier registration is licensed or
1294 registered in another jurisdiction within the United States and is in good standing in all the
1295 jurisdictions in which it holds a license or registration, the commission may enter into a
1296 reciprocal agreement with the applicant and to allow for an abbreviated licensing or registration
1297 process and issue a gaming vendor license or registration pursuant to this section, provided,
1298 however, that the commission shall reserve its rights to investigate the qualifications of an
1299 applicant at any time and may require the applicant to submit to a full application for a gaming
1300 vendor license or provide further information for registration.

1301 (g) The commission shall deny any application for a gaming vendor license or the registration of
1302 any other vendor or supplier if the commission finds that any applicant or registrant is
1303 disqualified pursuant to section 14 or may be unsuitable for licensure under any of the criteria set
1304 forth in section 19.

1305 (h) The commission shall be authorized to condition, suspend or revoke any license or
1306 registration under this section if the commission finds that a licensee or registrant has: (i) been
1307 arrested or convicted of a crime; (ii) failed to comply with the provisions of section 12; or (iii)
1308 failed to comply with any of the provisions of this chapter pertaining to licensees.

1309 (i) The commission shall establish a master vendor list to monitor all vendor contracts with a
1310 gaming establishment. Any vendor doing business with a gaming establishment who has failed
1311 to submit an application for licensure or registration shall be prohibited from engaging in any
1312 future business with any gaming establishment; provided further that the commission shall be

1313 authorized to terminate any contracts that have been entered into with an unlicensed or
1314 unregistered vendor.

1315 (j) Gaming licensees shall have a continuing duty to inform the commission of all vendor
1316 contracts.

1317 (k) A license or registration issued pursuant to this section shall be issued for a term of 3 years.
1318 It shall be the responsibility of the employee to ensure that their license is current.

1319 (l) The commission shall establish fees for gaming vendor licenses which shall include costs
1320 incurred for conducting a background investigation into an applicant for said license.

1321 Section 26. (a) Each labor organization, union or affiliate seeking to represent employees who
1322 are employed at a gaming establishment, including any related facilities, shall register with the
1323 commission.

1324 (b) Neither a labor organization, nor its officers who are not otherwise licensed or registered
1325 under this chapter, may hold any financial interest in a gaming establishment whose employees
1326 they represent.

1327 Section 27. (a) No category 1, category 2 or category 3 licensee shall conduct gaming without an
1328 operations certificate issued by the commission. An operations certificate shall only be issued
1329 upon compliance with the requirements of this chapter including; (1) implementation of all
1330 management controls required by the commission including, without limitation, controls on
1331 accounting, wagering and auditing; (2) implementation of all security precautions required by the
1332 commission; (3) an up to date listing of all gaming employees; (4) licensing of all gaming
1333 employees; (5) the provision of office space at the facility for use by the commission employees;

1334 (6) the hours of operation of the facility; and that its personnel and procedures are efficient and
1335 prepared to entertain the public.

1336 The operations certificate shall be conspicuously posted and shall state the number of slot
1337 machines, table games or other authorized games, if applicable.

1338 (b) A category 1, category 2, or category 3 licensee may operate a gaming establishment from
1339 6:00 am to 5:59 am; provided, however, that said licensee registers their hours of operation with
1340 the commission.

1341 (c) Each gaming licensee shall arrange its gaming facility in such a manner as to promote
1342 optimum security for the gaming facility operations , including but not limited to: (1) a closed
1343 circuit television system according to specifications approved by the commission, with access on
1344 the licensed premises to the system or its signal provided to the commission; (2) one or more
1345 rooms or locations approved by the commission for use by commission employees; and (3)
1346 design specifications that insure that visibility in a facility is not obstructed in any way that might
1347 interfere with the ability of the commission or the division to supervise facility operations.

1348 (d) Each applicant for a gaming license shall submit to the commission a description of its
1349 minimum system of internal procedures and administrative and accounting controls for gaming
1350 and any simulcast wagering operations accompanied by a certification by its chief legal officer
1351 that the submitted procedures conform to the provisions of this chapter and any regulations
1352 promulgated thereunder as well as a certification by its chief financial officer that the submitted
1353 procedures provide adequate and effective controls, establish a consistent overall system of
1354 internal procedures and administrative and accounting controls and conform to generally
1355 accepted accounting principles and any additional standards required by the commission. Each

1356 applicant shall make its submission at least 30 business days before such operations are to
1357 commence unless otherwise directed by the commission; provided, however, that no gaming
1358 licensee shall commence gaming operations or alter its minimum internal controls until such
1359 system of minimum controls is approved by the commission. The commission shall establish
1360 regulations for the information required in said internal control submission.

1361 Any proposed changes to a gaming licensee's system of internal procedures and controls shall be
1362 submitted to the commission along with 2 new certifications from its chief legal and financial
1363 officers. Pending no objections from the commission, the gaming licensee may make said
1364 changes 15 business days after submitting a description of the changes to the commission.

1365 (e) Gaming equipment shall not be possessed, maintained or exhibited by any person on the
1366 premises of a gaming establishment except in a gaming area approved by the commission or in a
1367 restricted area used for the inspection, repair or storage of such equipment and specifically
1368 designated for that purpose.

1369 (f) Each gaming facility shall contain a count room and such other secure facilities as may be
1370 required by the commission for the counting and storage of cash, coins, tokens, checks, plaques,
1371 gaming vouchers, coupons and other devices or items of value used in wagering and approved by
1372 the commission that are received in the conduct of gaming and for the inspection, counting and
1373 storage of dice, cards, chips and other representatives of value.

1374 (g) A dealer may accept tips or gratuities from a patron at the table game where such dealer is
1375 conducting play; provided, however, that such tips or gratuities shall be placed in a pool for
1376 distribution among other dealers. The commission shall determine how tips and gratuities shall
1377 be set aside for the dealer pool as well as the manner of distribution among dealers.

1378 (h) No person under the age of 21 shall be permitted to wager or be in an area of a facility where
1379 gaming is conducted; provided, however, that a person 18 years or over of age who is a licensed
1380 employee of the gaming operation may be in an area of a facility where gaming is conducted if in
1381 the performance of the duties he is licensed to undertake.

1382 (i) No category 1, category 2 or category 3 licensee shall operate unless the facility manager or
1383 his designee is on the premises and representatives of the commission are present at the facility;
1384 provided, further that the commission may allow a gaming licensee to conduct gaming
1385 operations for a period not to exceed 48 hours pursuant to a duly filed emergency operations plan
1386 previously filed with, and approved by, the commission that addresses the internal procedures to
1387 be followed during such an emergency to ensure that the gaming licensee and its employees
1388 comply with all pertinent statutes and regulations.

1389 (j) Each gaming establishment shall file an emergency response plan with the fire department
1390 and police department of the host community which shall include without limitation: (1) a layout
1391 identifying all areas within the facility and grounds including support systems and the internal
1392 and external access routes; (2) the location and inventory of emergency response equipment and
1393 the contact information of the emergency response coordinator for the facility; (3) the location of
1394 any hazardous substances as well as a description of any public health or safety hazards present
1395 on site; (4) a description of any special equipment needed to respond to an emergency at the
1396 facility; (5) an evacuation plan; and (6) any other information relating to emergency response as
1397 requested by the fire department or the police department of the host community.

1398 Section 28. (a) Notwithstanding any general or special law, rule or regulation to the contrary, an
1399 applicant for a category 1 license may request with their gaming license application, and the

1400 commission may grant, a resort casino beverage license for the sale and distribution of alcoholic
1401 beverages to be drunk on the premises of a resort casino including any associated hotel and
1402 individual rooms and mini-bars at such hotels. No alcoholic beverages shall be sold or
1403 distributed on the premises of a gaming establishment without such a license. The authority to
1404 enforce, regulate and control the distribution of alcoholic beverages in the resort casino shall be
1405 exclusively vested in the commission.

1406 (b) Except as otherwise provided in this section, or by regulations promulgated by the
1407 commission, the provisions of chapter 138 and the rules and regulations promulgated by the
1408 alcoholic beverages control commission shall apply to a resort casino and a resort casino
1409 beverage license.

1410 (c) Issuance fees for the casino beverage license shall be included with the gaming application
1411 fee. If a category 1 licensee does not apply for a casino beverage license at the time of
1412 application, said licensee shall be subject to an additional licensing fee determined by the
1413 commission.

1414 (d) A licensee under this section shall be permitted to distribute alcohol free of charge and for
1415 on-premise consumption to patrons on the casino floor or as a complimentary service or item in
1416 the gaming establishment; provided, however, that the commission shall promulgate regulations
1417 on such distribution as well as the forms of identification that may be presented to the licensee to
1418 demonstrate proof that a person has attained the age of 21.

1419 (e) A licensee under this section shall be permitted to sell alcohol daily after 8 antemeridian and
1420 before 2 antemeridian.

1421 (f) The request submitted to the commission for a resort casino beverage license by an applicant
1422 or licensee for a category 1 license shall detail all areas where alcoholic beverages will be served
1423 within the resort casino. In issuing said license, the commission shall describe the scope of the
1424 particular license and any restrictions and limitations.

1425 (g) A category 1 licensee shall be responsible for any violations of their casino beverages license
1426 in the gaming establishment. The commission may revoke, suspend, refuse to renew or refuse to
1427 transfer any resort casino beverage license for violations of any provision of chapter 138,
1428 regulations promulgated by the alcoholic beverages control commission and the regulations
1429 promulgated by the commission. If, at any time, a licensee elects temporary suspension of their
1430 category 1 license due to violations of this section, said licensee shall owe the commonwealth the
1431 average tax on gross gaming revenue based on an appropriate period of time as determined by
1432 the commission for the number of days operation was suspended.

1433 (h) A resort casino beverage license shall be nontransferable without prior approval from the
1434 commission. If the license granted under this act is cancelled, revoked or no longer in use, it
1435 shall be returned physically, with all the legal rights, privileges and restrictions pertaining
1436 thereto, to the commission and the commission may then grant the license to a new gaming
1437 licensee under the same conditions as specified in this section.

1438 (i) A license granted under this section shall not decrease the number of such licenses authorized
1439 to be granted to the host community under the provisions of chapter 138.

1440 Section 29. (a) A gaming licensee shall be permitted to issue credit to a patron of a gaming
1441 establishment in accordance with regulations promulgated by the commission. Such regulations
1442 shall include, but not be limited to: (i) procedures for confirming that a patron has an established

1443 credit history and is in good standing; (ii) whether the patron has a good credit history with the
1444 gaming establishment; (iii) authorization of any credit instrument; (iv) methods for
1445 acknowledging a credit instrument and payment of debt; and (v) information to be provided by
1446 the patron to the gaming establishment to be shared with the commission for auditing purposes.

1447 (b) Except as otherwise authorized by the commission through regulations pursuant to this
1448 chapter, no facility , nor any person acting on behalf of said facility shall: (1) cash any check,
1449 make any loan, or otherwise provide or allow to any person any credit or advance of anything of
1450 value, or which represents value, to enable any person to place a wager; or (2) release or
1451 discharge any debt, either in whole or in part, or make any loan which represents any losses
1452 incurred by any player in gaming or simulcast wagering activity, without maintaining a written
1453 record thereof in accordance with the rules of the commission. Nothing in this section shall
1454 prohibit a facility from accepting credit cards for non-gaming related purchases or services.

1455 (c) Checks cashed in conformity with the requirements of this chapter shall be valid instruments
1456 enforceable under the laws of the commonwealth. Any check cashed, transferred, conveyed or
1457 given in violation of this chapter or regulations promulgated thereunder shall be invalid and
1458 unenforceable.

1459 (d) The commission shall establish, by regulation, procedures and standards for approving
1460 promotional gaming credits, provided that no such credit shall be reported as a promotional
1461 gaming credit by an operator of a licensed gaming establishment unless the operator can
1462 establish that the credit was issued by the gaming establishment and received from a patron as a
1463 wager at a slot machine in the gaming establishment, provided further that such promotional
1464 gaming credit shall not be taxable for the purposes of determining gross revenue.

1465 (e) No other person or entity, other than a gaming licensee licensed pursuant to this chapter, shall
1466 issue credit to a patron of a gaming establishment.

1467 (f) A person may petition the commission to place his name on a list of persons to whom the
1468 extension of credit by a gaming establishment shall be prohibited. Any person filing such
1469 petition shall submit to the commission the person's name, address, and date of birth. The person
1470 shall not be required to provide a reason for said request. The commission shall provide this list
1471 to the credit department of each gaming establishment; provided, however, that neither the
1472 commission nor the credit department of a gaming establishment shall divulge the names on this
1473 list to any person or entity other than those provided for in this subsection. If such a person
1474 wishes to have their name removed from the list, the person shall petition the commission in
1475 accordance with procedures for removal set forth by the commission. If the commission
1476 approves the request, the commission shall so inform the credit department of the gaming
1477 establishments no later than 7 days after approving the request.

1478 (g) Debt collections pursuant to this section and regulations promulgated thereunder shall be
1479 limited to gaming key employees or attorneys acting directly on behalf of gaming licensees;
1480 provided further that a gaming key employee shall be prohibited from making any such
1481 collections if they serve as a junket representative for the gaming licensee.

1482 Section 30. (a) No junkets may be organized or permitted and no person may act as a junket
1483 representative or junket enterprise except as authorized by the commission pursuant to this
1484 chapter.

1485 (b) A junket representative employed by a gaming licensee or affiliate of said licensee shall be
1486 licensed as a gaming employee in accordance with the provisions set forth in section 25,

1487 including provisions for the issuance of a temporary license; provided, however that said licensee
1488 need not be a resident of the commonwealth. Any person who holds a valid gaming employee
1489 license may act as a junket representative while employed by a gaming license or an affiliate.
1490 No gaming licensee shall employ or otherwise engage a junket representative who is not licensed
1491 pursuant to this chapter.

1492 (c) The commission shall deny an application for a license under this section if the commission
1493 finds that an applicant is disqualified pursuant to section 14 or may be unsuitable for licensure
1494 under any of the criteria set forth in section 19.

1495 (d) Each gaming licensee, junket representative or junket enterprise shall file a report with the
1496 bureau with respect to each list of junket patrons or potential junket patrons purchased directly or
1497 indirectly by the gaming licensee, junket representative or enterprise.

1498 (e) No junket enterprise or junket representative or person acting as a junket representative shall:

1499 (i) engage in efforts to collect upon checks that have been returned by banks without full and
1500 final payment; (ii) exercise approval authority with regard to the authorization or issuance of
1501 credit pursuant to this chapter; (iii) act on behalf of or under any arrangement with a gaming
1502 licensee or a gaming patron with regard to the redemption, consolidation, or substitution of the
1503 gaming patron's checks awaiting deposit; (iv) individually receive or retain any fee from a patron
1504 for the privilege of participating in a junket; or (v) pay for any services, including transportation,
1505 or other items of value provided to, or for the benefit of, any patron participating in a junket.

1506 (f) The commission shall promulgate further regulations concerning the conduct of junkets and
1507 conditions of junket agreements between gaming licensees and junket representatives.

1508 Section 31. (a) No gaming licensee shall offer to provide any complimentary services, gifts, cash
1509 or other items of value to any person unless the complimentary consists of room, food, beverage,
1510 transportation, or entertainment expenses provided directly to the patron and his guests by the
1511 licensee or indirectly to the patron and his guests on behalf of a third party, or the complimentary
1512 consists of coins, tokens, cash or other complimentary items or services provided through a
1513 complimentary distribution program which shall be filed and approved by the commission upon
1514 the implementation of the program or maintained pursuant to regulation.

1515 (b) A gaming licensee may offer and provide complimentary cash or noncash gifts which are not
1516 otherwise included in subsection (a) to any person, provided that any such gifts in excess of
1517 \$2,000 are documented by the licensee and detail the reasons why such gifts were provided to
1518 the patron.

1519 (c) Each gaming licensee shall maintain a regulated complimentary service account for those
1520 complimentaries which are permitted under this section, and shall submit a quarterly report to the
1521 commission based upon such account and covering all complimentary services offered or
1522 engaged in by the licensee during the immediately preceding quarter. Such reports shall include
1523 identification of the regulated complimentary service and their respective costs, the number of
1524 persons by category of service who received the same and such other information as the
1525 commission may require.

1526 (d) The furnishing of a complimentary service or item by a casino licensee shall be deemed
1527 to constitute the indirect payment for the service or item by the casino licensee, and shall be
1528 valued in an amount based upon the retail price normally charged by the casino licensee for the
1529 service or item. The value of a complimentary service or item not normally offered for sale by a

1530 casino licensee or provided by a third party on behalf of a casino licensee shall be the cost to the
1531 casino licensee of providing the service or item, as determined in accordance with the rules of
1532 the commission.

1533 Section 32. (a) Upon revocation or suspension of a gaming license pursuant to section 20, or
1534 upon the failure or refusal to renew a gaming license the commission may appoint a conservator
1535 to temporarily manage and operate the business of the licensee relating to the gaming
1536 establishment. Such conservator shall be a person of similar experience in the field of gaming
1537 management and, in the case of replacing a gaming licensee, shall have experience operating a
1538 gaming facility of similar caliber in another jurisdiction, and shall be in good standing in all
1539 jurisdictions in which they operate any gaming facility.

1540 Upon appointment, a conservator shall agree to all licensing provisions of the former licensee.

1541 (b) A conservator shall, before assuming his duties, execute and file a bond for the faithful
1542 performance of his duties payable to the commission with such surety and in such form and
1543 amount as the commission shall approve.

1544 (c) The commission shall require that the former or suspended licensee purchase liability
1545 insurance, in an amount determined by the commission, to protect a conservator from liability for
1546 any acts or omissions of the conservator during his appointment which are reasonably related to,
1547 and within the scope of the conservator's duties.

1548 (d) During the period of temporary management of the resort casino, the commission shall
1549 initiate proceedings pursuant to this chapter to award a new gaming license to a qualified
1550 applicant whose gaming facility shall be located at the site of the preexisting gaming facility.

1551 (e) Applicants for a new gaming license shall be qualified for licensure pursuant to this chapter;
1552 provided, however, that the commission shall determine an appropriate level of investment by an
1553 applicant into the preexisting gaming facility.

1554 (f) Upon award of a gaming license, applicants shall pay the licensing fee for a category 1,
1555 category 2 or category 3 license.

1556 Section 33. (a) There shall be within the commission an investigations and enforcement bureau,
1557 which shall be the primary enforcement agent for regulatory matters under this chapter and shall
1558 perform such functions as the executive director may determine in relation to such enforcement
1559 including the investigations of all licensees under this chapter..The bureau shall be under the
1560 supervision and control of the deputy director. The deputy director shall be the executive and
1561 administrative head of the bureau and shall be responsible for administering and enforcing the
1562 provisions of law relative to the bureau and to each administrative unit thereof. The duties given
1563 to the deputy director in this chapter and in any other general or special law shall be exercised
1564 and discharged subject to the direction, control and supervision of the executive director.

1565 (b) The bureau shall be a law enforcement agency and its employees shall have such law
1566 enforcement powers as to effectuate the purposes of this chapter, including the power to receive
1567 intelligence on any applicant or licensee under this chapter and to investigate any suspected
1568 violation of the provisions of this chapter.

1569 (c) Officers and employees of the gaming enforcement unit of the state police assigned to the
1570 commission pursuant to section 70 of chapter 22C shall work with employees of the bureau,
1571 under the direction of the deputy director, to investigate violations of this chapter by any
1572 licensee under this chapter or any activity taking place on the premises of a gaming

1573 establishment. Officers assigned to work with the commission shall record their time and submit
1574 total hours to the commission. The commission shall reimburse the state police through monies
1575 appropriated from the gaming control fund pursuant to section 8.

1576 (d) The bureau shall notify the division of gaming enforcement in the office of the attorney
1577 general of any criminal violations by a gaming licensee. The bureau and the division shall
1578 cooperate on the regulatory and criminal enforcement of this chapter and may determine whether
1579 to proceed with civil or criminal sanctions, or both against said licensee.

1580 (e) To further effectuate the purposes of this chapter with respect to the investigation and
1581 enforcement of licensed gaming establishments and licensees, the bureau may obtain or provide
1582 pertinent information regarding applicants or licensees from or to law enforcement entities or
1583 gaming authorities and other domestic, federal or foreign jurisdictions, including the federal
1584 bureau of investigation, and may transmit such information to each other electronically.

1585 (f) The bureau, the division and the gaming enforcement unit of the department of state police
1586 shall have exclusive enforcement of any criminal violation that occurs inside a licensed gaming
1587 facility under this chapter; provided, however, that the state police shall execute a memorandum
1588 of understanding with the law enforcement agency of the host community that shall include, but
1589 not be limited to, procedures involving: (i) first responder calls from the gaming establishment;
1590 (ii) emergencies occurring within the gaming establishment, including the gaming facility; and
1591 (iii) criminal investigations involving employees or patrons of the gaming establishment;
1592 provided further that the bureau of investigations and enforcement shall have the authority to
1593 restrict areas in the gaming establishment with direct access to the gaming facility.

1594 Section 34. (a) The bureau shall have the authority to issue orders requiring persons to cease any
1595 activity which is in violation of the provisions of this chapter, any regulation adopted hereunder,
1596 or any law related to gaming in the commonwealth. The commission or bureau may, in its order,
1597 require compliance with such terms and conditions as are reasonably necessary to effect the
1598 purposes of this chapter.

1599 (b) If the bureau finds, in accordance with the procedures established in section 35 and the
1600 regulations adopted thereunder, that any person is not in compliance with any order issued
1601 pursuant to this section, it shall assess a civil administrative penalty on such person as provided
1602 in said section 35 and the regulations adopted thereunder. The penalty may be assessed whether
1603 or not the violation was willful. In determining the amount of the civil penalty, the bureau shall
1604 consider: (i) the nature of the violation; (ii) the length of time the violation occurred; (iii) the risk
1605 to the public and to the integrity of gaming operations created by the conduct of the licensee or
1606 registrant; (iv) the seriousness of the conduct of the licensee or registrant; (v) any justification or
1607 excuse for such conduct by the licensee or registrant; (vi) the prior history of the particular
1608 license or registrant involved with respect to gaming activity; (vii) any corrective action taken by
1609 the licensee or registrant to prevent future misconduct; (viii) and other relevant factors.

1610 (c) In addition to collecting any civil penalties recoverable under this chapter or any other
1611 general or special law, the bureau may bring an action in the superior court to restrain, prevent or
1612 enjoin any conduct prohibited by this chapter or to compel action to comply immediately and
1613 fully with any order issued by the bureau. Except in cases of emergency where, in the opinion of
1614 the court, immediate abatement of the unlawful conduct is required to protect the public interest,
1615 the court may in its decree fix a reasonable time during which the person responsible for the

1616 unlawful conduct may abate and correct the violation. The expense of the proceeding shall be
1617 recoverable from the licensee and deposited into the gaming revenue fund pursuant to section 52.

1618 (d) Upon a recommendation from the bureau, the commission shall issue orders to condition,
1619 suspend or revoke a license or permit issued under this chapter.

1620 (e) Notwithstanding the foregoing, the bureau shall be authorized to issue an order to cease and
1621 desist any activity if the bureau finds that a licensee has engaged in or is about to engage in an
1622 act or practice which constitutes a violation of this chapter or laws of the commonwealth and
1623 may take such affirmative action to effect the order. If the bureau finds that the licensee is
1624 engaged in an act or practice that would cause irreparable harm to the security and integrity of
1625 the gaming establishment or the interests of the commonwealth in ensuring the security and
1626 integrity of gaming under this chapter, the bureau may issue a temporary suspension of the
1627 license.

1628 (f) Any licensee who has been issued a temporary order of suspension by the bureau shall be
1629 entitled to a hearing before the commission on such suspension within 7 days that the order was
1630 issued. At the conclusion of the hearing, the commission may issue a final order to condition,
1631 suspend or revoke the license in question.

1632 (g) Any licensee shall have the right to an adjudicatory hearing on an order issued by the bureau
1633 or commission pursuant to chapter 30A.

1634 Section 35. (a) The bureau may assess a civil administrative penalty on a licensee or registrant
1635 who fails to comply with any provision of this chapter or any regulation or order adopted by the
1636 commission; provided, however, that such noncompliance occurred after the bureau had given
1637 such person written notice of such noncompliance and the time stated in said notice for coming

1638 into compliance had elapsed; provided, however, that the bureau may assess such penalty
1639 without providing such written notice if such failure to comply: (i) was part of a pattern of
1640 noncompliance and not an isolated instance; (ii) was willful or neglectful and not the result of
1641 error; (iii) resulted in a significant breach to the integrity of the gaming establishment or gaming
1642 laws of the commonwealth; and (iv) consisted of failure to promptly report any knowledge of a
1643 potential violation of this chapter to the commission. Any such penalty shall be in addition to any
1644 other civil penalty that may be prescribed by law.

1645 (b) For the purpose of determining whether such noncompliance was part of a pattern of
1646 noncompliance and not an isolated instance, the bureau shall consider without limitation the
1647 following: (i) whether the bureau had previously notified the person of such noncompliance on
1648 more than one occasion during the previous month or of any noncompliance with the same
1649 provision of a law, regulation, order, license or approval as the current noncompliance during the
1650 previous 6 month period; or (ii) whether the current and previous noncompliances, considered
1651 together, indicate a potential threat to the integrity of the gaming establishment and gaming in
1652 the commonwealth or an interference with the commission's ability to efficiently and effectively
1653 regulate gaming in the commonwealth and enforce any regulation, license or order. If a licensee
1654 or registrant who has received a notice of noncompliance fails to come into compliance within
1655 the time period stated in such notice, the civil administrative penalty may be assessed by the
1656 bureau upon such licensee or registrant from the date of receipt of such notice.

1657 (c) Whenever the bureau seeks to assess a civil administrative penalty on any licensee or
1658 registrant, the bureau shall cause to be served upon such licensee or registrant, either by service,
1659 in hand, or by certified mail, return receipt requested, a written notice of its intent to assess a
1660 civil administrative penalty which shall include a concise statement of the alleged act or

1661 omission for which such civil administrative penalty is sought to be assessed, each law,
1662 regulation, order, license or approval which has not been complied with as a result of such
1663 alleged act or omission, the amount which the bureau seeks to assess as a civil administrative
1664 penalty for each such alleged act or omission, a statement of such licensee's or registrant's right
1665 to an adjudicatory hearing on the proposed assessment, the requirements such licensee or
1666 registrant must comply with to avoid being deemed to have waived the right to an adjudicatory
1667 hearing and the manner of payment thereof if such person elects to pay the penalty and waive an
1668 adjudicatory hearing. After written notice of noncompliance or intent to assess a civil
1669 administrative penalty has been given, each such day thereafter during which such
1670 noncompliance occurs or continues shall constitute a separate offense and shall be subject to a
1671 separate civil administrative penalty if reasonable efforts have not been made to promptly come
1672 into compliance.

1673 (d) Whenever the bureau seeks to assess a civil administrative penalty on any licensee or
1674 registrant, such licensee or registrant shall have the right to an adjudicatory hearing under
1675 chapter 30A whose provisions shall apply except when they are inconsistent with the provisions
1676 of this chapter.

1677 (e) Such licensee or registrant shall be deemed to have waived such right to an adjudicatory
1678 hearing unless, within 21 days of the date of the bureau's notice that it seeks to assess a civil
1679 administrative penalty, such licensee or registrant files with the bureau a written statement
1680 denying the occurrence of any of the acts or omissions alleged by the bureau in such notice, or
1681 asserting that the money amount of the proposed civil administrative penalty is excessive. In any
1682 adjudicatory hearing authorized pursuant to chapter 30A, the bureau shall, by a preponderance of
1683 the evidence, prove the occurrence of each act or omission alleged by the bureau.

1684 (f) If a licensee or registrant waives his right to an adjudicatory hearing, the proposed civil
1685 administrative penalty shall be final immediately upon such waiver. If a civil administrative
1686 penalty is assessed at the conclusion of an adjudicatory hearing, said civil administrative penalty
1687 shall be final upon the expiration of 30 days if no action for judicial review of such decision is
1688 commenced pursuant to chapter 30A.

1689 (g) Any licensee or registrant who institutes proceedings for judicial review of the final
1690 assessment of a civil administrative penalty shall place the full amount of the final assessment in
1691 an interest-bearing escrow account in the custody of the clerk or magistrate of the reviewing
1692 court. The establishment of such an interest-bearing escrow account shall be a condition
1693 precedent to the jurisdiction of the reviewing court unless the party seeking judicial review
1694 demonstrates in a preliminary hearing held within 20 days of the filing of the complaint either
1695 the presence of a substantial question for review by the court or an inability to pay. Upon such a
1696 demonstration, the court may grant an extension or waiver of the interest-bearing escrow account
1697 or may require, in lieu of such interest-bearing escrow account, the posting of a bond payable
1698 directly to the commonwealth in the amount of 125 per cent of the assessed penalty. If, after
1699 judicial review, in a case where the requirement for an escrow account has been waived, and in
1700 cases where a bond has been posted in lieu of such requirement, the court affirms, in whole or in
1701 part, the assessment of a civil administrative penalty the commission shall be paid the amount
1702 thereof together with interest at the rate set forth in section 6C of chapter 231. If, after such
1703 review in a case where an interest-bearing escrow account has been established, the court affirms
1704 the assessment of such penalty, in whole or in part, the commission shall be paid the amount
1705 thereof together with the accumulated interest thereon in such interest-bearing escrow account. If
1706 the court sets aside the assessment of a civil administrative penalty in a case where the amount of

1707 such penalty has been deposited in an interest-bearing escrow account, the licensee or registrant
1708 on whom the civil administrative penalty was assessed shall be repaid the amount so set aside,
1709 together with the accumulated interest thereon.

1710 (h) Each licensee or registrant who fails to pay a civil administrative penalty on time, and each
1711 person who issues a bond pursuant to this section and who fails to pay to the commission on time
1712 the amount required hereunder, shall be liable to the commonwealth for up to 3 times the amount
1713 of the civil administrative penalty, together with costs, plus interest from the time the civil
1714 administrative penalty became final and attorneys' fees, including all costs and attorneys' fees
1715 incurred directly in the collection thereof. The rate of interest shall be the rate set forth in section
1716 6C of chapter 231. The bureau shall be authorized to require that the amount of a civil
1717 administrative penalty imposed pursuant to this section exceed any economic benefit realized by
1718 a person for noncompliance.

1719 Section 36. (a) Any person who willfully fails to report, pay, or truthfully account for and pay
1720 over any license fee or tax imposed by the provisions of this chapter or by the regulations
1721 promulgated hereunder, or willfully attempts in any manner to evade or defeat any such license
1722 fee, tax or payment thereof shall be punished by imprisonment in the state prison for not more
1723 than 5 years or in a jail or house of correction for not more than 2 and one-half years, or a fine of
1724 not more than \$100,000, or both such fine and imprisonment, and in the case of a person other
1725 than a natural person, the amount of a fine up to \$5,000,000.

1726 (b) Any person who willfully resists, prevents, impedes, interferes with, or makes any false,
1727 fictitious, or fraudulent statement or representation to the authority or to the division or to their
1728 agents or employees in the performance of their duties pursuant to this chapter shall be punished

1729 by imprisonment in the state prison for not more than 5 years or in a jail or house of correction
1730 for not more than 2 and one-half years, or a fine of not more than \$25,000, or both such fine or
1731 imprisonment.

1732 (c) Any person who conducts or operates, or permits to be conducted or operated, any game,
1733 electronic gaming equipment in violation of the licensing provisions of this chapter or the
1734 regulations adopted hereunder shall be punished by imprisonment in the state prison for not more
1735 than 5 years or imprisonment in a jail or house of correction for not more than 2 and one-half
1736 years, or a fine of not more than \$25,000, or both such fine or imprisonment, and in the case of a
1737 person other than a natural person, the amount of a fine up to \$100,000.

1738 (d) Any licensee who, without the permission of the authority, (1) places controlled games or
1739 electronic gaming equipment into play or displays such controlled games or electronic gaming
1740 equipment in gaming establishment or (2) receives, directly or indirectly, any compensation or
1741 reward or any percentage or share of the revenue, for keeping, running, or carrying on any
1742 controlled game, or owning the real property or location in which any controlled game occurs,
1743 shall be punished by imprisonment in a jail or house of correction for not more than 2 and one-
1744 half years, or by a fine of not more than \$25,000, or both, and in the case of a person other than a
1745 natural person, the amount of a fine up to \$100,000.

1746 (e) Any person who conducts or operates any controlled game or electronic gaming equipment
1747 after his license has expired and prior to the actual renewal thereof shall be punished by
1748 imprisonment in a jail or house of correction for not more than 1 and one-half years, or a fine of
1749 not more than \$25,000, or both such fine or imprisonment, and in the case of a person other than
1750 a natural person, the amount of a fine up to \$100,000.

1751 (f) In addition to the provisions of section 75 of chapter 266, a person is guilty of swindling and
1752 cheating if the person purposely or knowingly by any trick or sleight of hand performance or by
1753 a fraud or fraudulent scheme, cards, dice, or other gaming equipment, for himself or for another
1754 or a representative of either, wins or attempts to win money or property, , or reduces a losing
1755 wager or attempts to reduce a losing wager in connection to controlled gaming.

1756 (g) The penalties for swindling and cheating offenses shall be as follows:

1757 Any person who swindles or cheats where the amount involved is \$75,000 or more shall be
1758 punished by imprisonment in the state prison for not more than 10 years, or in a jail or house of
1759 correction for not more than 2 and one-half years or by a fine of not more than \$1,000,000, or
1760 both such fine or imprisonment.

1761 Any person who swindles or cheats where the amount involved is \$10,000 or more and less than
1762 \$75,000 shall be punished by imprisonment in the state prison for not more than 5 years, or in a
1763 jail or house of correction for not more than 2 and one-half years or by a fine of not more than
1764 \$500,000, or both.

1765 Any person who swindles or cheats where the amount involved is \$1,000 or more and less than
1766 \$10,000 shall be punished by imprisonment in the state prison for not more than 3 years or
1767 imprisonment in a jail or house of correction for not more than 2 and one-half years, or by a fine
1768 of not more than \$100,000, or both such fine and imprisonment.

1769 Any person who swindles or cheats where the amount involved is less than \$1,000 shall be
1770 punished by imprisonment in a jail or house of correction for not more than 2 and one-half years,
1771 or by a fine of not more than \$10,000, or both such fine or imprisonment.

1772 (h) Each episode or transaction of swindling or cheating may be the subject of a separate
1773 prosecution and conviction. In the discretion of the prosecutor, multiple episodes or transactions
1774 of swindling and cheating committed as part of a single scheme or course of conduct may be
1775 treated as a single offense, and the amounts involved in acts of swindling and cheating
1776 committed according to a scheme or course of conduct, whether by the same person or several
1777 persons, may be aggregated in determining the amount involved in the offense.

1778 (i) Any person, who in playing, conducting or operating a game in a licensed gaming
1779 establishment, uses or assists another in the use of (1) a computerized, electronic, electrical, or
1780 mechanical device, which is designed, constructed, or programmed specifically for use in
1781 obtaining an advantage in any game in a licensed casino or gaming establishment or (2) any
1782 other swindling or cheating device, including, but not limited to, bogus or counterfeit chips,
1783 coins or dice; coins or tokens attached to strings or wires; marked cards; electronic or magnetic
1784 devices; or tools, drills, wires, keys, or devices designed for the purpose of and suitable for
1785 opening, entering, or affecting the operation of any gaming equipment, or for removing money
1786 or other contents there from, shall be punished by imprisonment in the state prison for not more
1787 than 5 years or imprisonment in a jail or house of correction for not more than 2 and one-half
1788 years, or by a fine of not more than \$25,000, or both such fine and imprisonment.

1789 (j) Any person who possesses any computerized, electronic, electrical, or mechanical device or
1790 other swindling or cheating device described in clause (1) of subsection (i) with the intent to
1791 defraud, cheat, or swindle shall be punished by imprisonment in a jail or house of correction for
1792 not more than 2 and one-half years, or a fine of not more than \$10,000, or both such fine or
1793 imprisonment.

1794 (k) Possession of any computerized, electronic, electrical, or mechanical device or other
1795 swindling or cheating device described in clause (1) of subsection (i) within a casino or gaming
1796 establishment shall constitute prima facie evidence of an intent to defraud, cheat or swindle,
1797 except that possession by any licensee, or employee of a licensee, acting in furtherance of his
1798 employment within a licensed casino or gaming establishment shall not constitute such prima
1799 facie evidence.

1800 (l) Any swindling or cheating device used or possessed in violation of this section shall be
1801 subject to seizure and forfeiture by the bureau.

1802 (m) It shall be unlawful for any licensee or employee to: knowingly conduct or operate, or allow
1803 to be conducted or operated, any swindling or cheating game or device; or knowingly conduct or
1804 operate or expose for play any game or games played with cards, dice, or any electronic or
1805 mechanical device, or any combination of games or devices, which have in any manner been
1806 marked or tampered with, or placed in a condition, or operated in a manner, the result of which
1807 tends to deceive the public or tends to alter the normal random selection of characteristics or the
1808 normal chance of the game or to alter the result of the game.

1809 (n) Any person who violates this section shall be punished by imprisonment in the state prison
1810 for not more than 5 years or imprisonment in a jail or house of correction for not more than 2 and
1811 one-half years, or by a fine of not more than \$25,000, or both such fine and imprisonment, and in
1812 the case of a person other than a natural person, the amount of a fine up to \$100,000.

1813 (o) Any swindling or cheating game or device used in violation of this section shall be subject to
1814 seizure and forfeiture by the division.

1815 (p) Any person who manufactures, distributes, sells, or services any gaming equipment in
1816 violation of the provisions of this chapter or the regulations promulgated by the authority for the
1817 purposes of defrauding, cheating, or swindling any person playing, operating, or conducting a
1818 controlled game at a casino or gaming establishment shall be punished by imprisonment in the
1819 state prison for not more than 5 years or imprisonment in a jail or house of correction for not
1820 more than 2 and one-half years, or a fine of not more than \$25,000, or both such fine and
1821 imprisonment.

1822 (q) Any such unlawfully manufactured, distributed, sold, or serviced gaming equipment shall be
1823 subject to seizure and forfeiture by the division.

1824 (r) Any person who, without obtaining the requisite license or registration as provided in this
1825 chapter, works or is employed in a position whose duties would require licensing or registration
1826 under the provisions of this chapter shall be punished by imprisonment in a house of correction
1827 for not more than 6 months, or a fine of not more than \$10,000, or both.

1828 (s) Any person who employs or continues to employ an individual not duly licensed or registered
1829 under the provisions of this chapter in a position the duties of which require a license or
1830 registration under the provisions of this chapter shall be punished by imprisonment in a jail or
1831 house of correction for not more than 6 months, or by a fine of not more than \$10,000, or both
1832 such fine or imprisonment, and in the case of a person other than a natural person, the amount of
1833 a fine up to \$100,000.

1834 (t) Any person under the age of 21 who plays, places wagers at, or collects winnings from,
1835 whether personally or through an agent, any controlled game shall be punished by imprisonment

1836 in a jail or house of correction for not more than 6 months, or a fine of not more than \$1,000, or
1837 both such fine or imprisonment.

1838 (u) Any licensee or employee who knowingly allows a person under the age of 21 to play, place
1839 wagers at, or collect winnings from any controlled game, whether personally or through an
1840 agent, shall be punished by imprisonment in a jail or house of correction for not more than 1
1841 year, or a fine of not more than \$10,000, or both such fine or imprisonment, and in the case of a
1842 person other than a natural person, the amount of a fine may be up to \$500,000. A subsequent
1843 violation of this section shall subject the licensee or employee to imprisonment in a house of
1844 correction for not more than 2 years, or a fine of not more than \$50,000, or both such fine or
1845 imprisonment, and in the case of a person other than a natural person, the amount of a fine up to
1846 \$1,000,000.

1847 (w) This section shall apply to any person who, from within the commonwealth, transmits a
1848 wager to, or receives a wager from, another person or gaming establishment within or outside of
1849 the commonwealth (x) This section shall not apply to the use of a local area network as a means
1850 to place authorized wagers in a licensed gaming establishment, or use of said devices or
1851 equipment by the authority in its duties in regulating, enforcing or auditing a licensed gaming
1852 operator.

1853 (y) A licensee of a gaming establishment who knowingly fails to exclude from the premises of
1854 their licensed gaming establishment any person placed by the commission on the list of excluded
1855 persons shall be punished by a fine of not more than \$5,000 or by imprisonment in a jail or house
1856 of correction for not more than one year, or by both such fine and imprisonment.

1857 Section 37. All penalties collected pursuant to this chapter and any renewal fees for a gaming
1858 establishment shall be deposited into the gaming revenue fund established by section 52.

1859 Section 38. (a) The commission shall, by regulation, provide for the establishment of a list of
1860 excluded persons who are to be excluded or ejected from a gaming establishment. Such
1861 provisions shall include standards relating to persons: (1) who are repeat offenders as defined by
1862 the commission;(2) who are convicted of a criminal offense under the laws of any state or the
1863 United States, punishable by more than 6 months in prison or is a crime of moral turpitude; or (3)
1864 whose presence in a licensed gaming establishment would, in the opinion of the commission,
1865 pose an injurious threat to the interests of the commonwealth in the gaming establishment.

1866 (b) The commission shall further define categories of persons who shall be excluded pursuant to
1867 this section, including cheats and persons whose privileges for licensure or registration have been
1868 revoked. No person shall be placed on the list of excluded persons due to race, color, religion,
1869 national origin, ancestry, sexual orientation, disability or sex.

1870 (c) The commission shall impose sanctions upon a licensed gaming establishment if such
1871 establishment knowingly fails to exclude or eject from its premises any person placed by the
1872 commission on the list of excluded persons.

1873 (d) The list compiled by the commission of persons to be excluded shall not be deemed an all-
1874 inclusive list, and licensed gaming establishments shall have a duty to keep from their premises
1875 persons known to them to be within the classifications in subsection (a) or who whose presence
1876 in their establishment would be injurious to the interests of the gaming establishment itself or to
1877 the commonwealth, or both, as defined by standards set forth by the commission.

1878 (e) Upon petition by any unit under the commission or the division that the name of a person be
1879 placed on the list , the commission shall serve written notice upon such person by personal
1880 service, registered or certified mail return receipt requested to the last ascertainable address, or
1881 by publication in a daily newspaper of general circulation for 1 week.

1882 (f) Within 30 days of receipt of service by mail or 60 days after the last publication pursuant to
1883 subsection (c), a person placed on the list may request an adjudicatory hearing before the
1884 commission pursuant to chapter 30A and show cause as to why the name of said person should
1885 be removed from the list. If the commission determines that the regulation should not apply to
1886 the person, the commission shall remove them from the list and notify all gaming licensees under
1887 the chapter. Any such person aggrieved by a final decision of the commission in any
1888 adjudicatory proceeding under this section may petition for judicial review in accordance with
1889 the provisions of section 14 of chapter 30A.

1890 (g) The commission shall establish a list of self-excluded persons from gaming activity at
1891 gaming establishments. A person may request his name to be placed on the list of self-excluded
1892 persons by filing a statement with the commission acknowledging that said person is a problem
1893 gambler and by agreeing that, during any period of voluntary exclusion, said person may not
1894 collect any winnings or recover any losses resulting from any gaming activity at a gaming
1895 establishment. The commission shall promulgate further regulations for the list of self-excluded
1896 persons including procedures for placement, removal and transmittal of such self-exclusion to
1897 gaming establishments.

1898 (g ½) Gaming establishments shall not market to persons on the excluded persons list.

1899 (h) A person who is prohibited from gaming in a gaming establishment pursuant to this section
1900 shall not collect any winnings or recover any losses arising as a result of any prohibited activity.
1901 Any winnings obtained by a prohibited persons shall be forfeited to the commission and
1902 deposited into the gaming revenue fund established by section 52.

1903 Section 39. (a) No applicant for a gaming license, nor any holding, intermediary or subsidiary
1904 company thereof, nor any officer, director, gaming key employee or principal employee of an
1905 applicant for or holder of a gaming license or of any holding, intermediary or subsidiary
1906 company thereof nor any person or agent on behalf of any such applicant, holder, company or
1907 person, shall directly or indirectly, pay or contribute any money or thing of value to any
1908 candidate for nomination or election to any public office in the commonwealth or to any group,
1909 political party, committee or association organized in support of any such candidate or political
1910 party; except that the provisions of this section shall not be construed to prohibit any individual
1911 who is a candidate for public office from contributing to the candidate's own campaign.

1912 (b) No political contributions or contributions in kind shall be made to the governing body of a
1913 host community of any gaming establishment by a gaming licensee under this act outside of the
1914 host community agreement approved by the Massachusetts gaming commission. Any such
1915 contributions made to a host community by an applicant prior to issuance of a gaming license by
1916 the commission shall be disclosed by the applicant. This provision shall not preclude charitable
1917 contributions to a host community which shall be disclosed by a licensee to the commission.

1918 Section 40. (a) A category 1 licensee shall pay a daily tax of 25 per cent on gross gaming
1919 revenues.

1920 (b) Category 2 and category 3 licensees shall pay a daily tax of 40 per cent on gross gaming
1921 revenue.

1922 (c) In addition to the tax imposed under subsection (b), category 2 licensees shall pay a daily
1923 assessment of 8 per cent and category 3 licensees shall pay a daily assessment of 10 per cent of
1924 their gross gaming revenue to the Massachusetts race horse development fund established by
1925 section 53.

1926 (d) If a category 2 and a category 3 license merger is approved by the commission pursuant to
1927 section 20, the new category 2 licensee shall pay a daily assessment of 9 per cent of their gross
1928 gaming revenue to the Massachusetts race Horse Development Fund established by section 53.

1929 (e) Taxes imposed under this section shall be remitted to the commission by a gaming licensee
1930 the day following each day of wagering.

1931 Section 41. A category 1 licensee, a category 2 licensee and a category 3 licensee shall be subject
1932 to chapters 62 through 62E, inclusive, and chapters 63 through 63B, inclusive.

1933 Section 42 Any liability to the commonwealth under this chapter shall constitute a debt to the
1934 commonwealth. Any such debt shall constitute a lien on all commercial property owned by a
1935 gaming licensee in the commonwealth, once a statement naming such licensee is recorded,
1936 registered or filed, and shall have priority over any encumbrance theretofore recorded, registered
1937 or filed with respect to any site.

1938 Section 43. Prior to disbursement of a prize in excess of \$600, a licensee shall review
1939 information furnished by the IV-D agency and by the department of revenue, as set forth in
1940 chapter 119A and in this section to ascertain whether the holder of a winning ticket owes past

1941 due child support to the commonwealth or to an individual to whom the IV-D agency is
1942 providing services, and to ascertain whether the holder of a winning ticket owes any past-due tax
1943 liability to the commonwealth. If the holder owes past-due child support or a past-due tax
1944 liability, the licensee shall notify the IV-D agency or the commonwealth, respectively, of the
1945 holder's name, address and social security number. Subsequent to statutory state and federal tax
1946 withholding, the licensee shall first disburse to the IV-D agency the full amount of the prize or
1947 such portion of the prize that satisfies the holder's past-due child support obligation and, if funds
1948 remain available after that disbursement, the licensee shall disburse to the department of revenue
1949 the full amount of the prize or such portion of the prize that satisfies the holder's past-due tax
1950 liability. The licensee shall disburse to the holder only that portion of the prize, if any, remaining
1951 after the holder's past-due child support obligation and the holder's past-due tax liability have
1952 been satisfied.

1953 Section 44. The division shall, on a monthly basis, transmit to the department of transitional
1954 assistance and to the IV-D agency, as set forth in chapter 119A, a list of all persons who were the
1955 holders of any winning ticket in excess of \$600.00 in the prior month. The information shall be
1956 provided in a format which is compatible with the automated data processing systems of said
1957 departments, to ensure the immediate identification of persons who may be receiving public
1958 assistance benefits. The information provided shall include the name, address and social security
1959 number of the holder of the winning ticket.

1960 Section 45. Unclaimed prize money shall be retained by the licensee for the person entitled
1961 thereto for 1 year after the drawing in which the prize was won. If no claim is made for said
1962 money within such year, the prize money shall be deposited in the gaming revenue fund
1963 established by section 52.

1964 Section 46. If the person entitled to a prize or any winning ticket is under the age of 21 years said
1965 prize shall be remitted to the commission and deposited into the gaming revenue fund established
1966 by section 52.

1967 Section 47. A gaming establishment, including any business located within such establishment,
1968 shall not be a certified project within the meaning of section 3F of chapter 23A. Gaming
1969 establishments shall not be designated an economic opportunity area within the meaning of
1970 section 3E of chapter 23A. Gaming establishments are not eligible for tax increment financing as
1971 set forth in section 59 of chapter 40 or special tax assessments set forth in section 3E of chapter
1972 23A. Gaming establishments may not be classified and taxed as recreational land under the
1973 provisions of chapter 61B. Gaming establishments may not be designated as a development
1974 district within the meaning of chapter 40Q. Unless otherwise provided, a gaming establishment
1975 or any business located or to be located within a resort casino is not eligible for the following
1976 credits or deductions listed in chapter 62 or chapter 63: the investment tax credit under section
1977 31A of chapter 63, the employment credit under section 31C of chapter 63, the van pool credit
1978 under section 31E of chapter 63, the deduction for expenditures for industrial waste treatment or
1979 air pollution control under section 38D of chapter 63, the deduction for compensation paid to an
1980 eligible business facility's employees domiciled in a section of substantial poverty under section
1981 38F of chapter 63, the alternative energy sources deduction under section 38H of chapter 63, the
1982 research expense credit under section 38M of chapter 63, the economic opportunity area credit
1983 under section 6(g) of chapter 62, and section 38N of chapter 63, the abandoned building
1984 deduction under section 3B(a)(10) of chapter 62, and section 38O of chapter 63, the harbor
1985 maintenance tax credit under section 38P of chapter 63, the brownfields credit under section 6(j)
1986 of chapter 62, and section 38Q of chapter 63, the historic rehabilitation tax credit under section

1987 6J of chapter 62 and section 38R of chapter 63, the automatic sprinkler system depreciation
1988 deduction under section 38S of chapter 63, and the credit for a solar water heating system under
1989 section 38T of chapter 63.

1990 Section 48 The sale, assignment, transfer, pledge or other disposition of any security issued by a
1991 corporation, which holds a gaming license is conditional and shall be ineffective if disapproved
1992 by the commission. If at any time the commission finds that an individual owner or holder of any
1993 security of a corporate licensee or of a holding or intermediary company with respect thereto is
1994 not qualified under this chapter, and if as a result the corporate licensee is no longer qualified to
1995 continue as a gaming licensee in the commonwealth, the commission shall take any action
1996 necessary to protect the interests of the commonwealth including, but not limited to, suspension
1997 or revocation of the gaming license of the corporation.

1998 Each corporation which has been issued a gaming license pursuant to the provisions of this
1999 chapter shall file a report of any change of its corporate officers or members of its board of
2000 directors with the commission. No officer or director shall be entitled to exercise any powers of
2001 office until qualified by the commission.

2002 Section 49. The commission shall audit as often as the commission determines necessary, but
2003 not less than annually, the accounts, programs, activities, and functions of all licensees, and for
2004 said purpose the authorized officers and employees of the commission shall have access to such
2005 accounts at reasonable times and the commission may require the production of books,
2006 documents, vouchers and other records relating to any matter within the scope of such audit,
2007 except tax returns. The superior court shall have jurisdiction to enforce the production of records
2008 that the commission requires to be produced pursuant to this section, and the court shall order the

2009 production of all such records within the scope of any such audit. All such audits shall be
2010 conducted in accordance with generally accepted auditing standards established by the American
2011 Institute of Certified Public Accountants. In any audit report of the accounts, funds, programs,
2012 activities, and functions of a licensee issued by the commission, containing adverse or critical
2013 audit results, the commission may require a response, in writing, to such audit results. Such
2014 response shall be forwarded to the commission within 15 days of notification by the commission.

2015 On or before April 1 of each year, the commission shall submit a report to the clerks of the house
2016 of representatives and the senate who shall forward the same to the house and senate committees
2017 on ways and means which shall include, but not be limited to: (i) the number of audits performed
2018 under this section; (ii) a summary of findings under said audits; and (iii) the cost of each audit.

2019 Section 50. Unless the commission otherwise determines it to be in the best fiscal interests of the
2020 commonwealth, the commission shall utilize the services of a private testing laboratory that has
2021 obtained a license as a gaming vendor pursuant to section 26 to perform the testing of slot
2022 machines and other gaming equipment, and may also utilize applicable data from any such
2023 private testing laboratory, or from a governmental agency of a state other than the Massachusetts,
2024 authorized to regulate slot machines and other gaming equipment.

2025 Section 51. There is hereby established and placed upon the books of the commonwealth a
2026 Gaming Licensing Fund which shall receive all licensing fees collected from applicants in
2027 receipt of a category 1, 2 or 3 gaming license. The fund shall expire on December 31, 2015. The
2028 commission shall be the trustee of the fund and shall transfer monies in the fund in order of the
2029 following provisions:-

2030 (1) \$15,000,000 to the community mitigation fund established by section 54;

2031 (2) \$5,000,000 to the General Fund to reimburse the General Fund for the initial regulatory
2032 costs of the commission;

2033 (3) \$40,000,000 to the local capital projects fund established by section 58;

2034 (4) \$50,000,000 shall be transferred to the Manufacturing Fund established by section 56;

2035 (5) \$25,000,000 shall be transferred to the Community College Fund established by section
2036 57;

2037 (6) \$3,000,000 to the Massachusetts tourism fund established pursuant to section 35J of
2038 chapter 10;

2039 (7) Any remaining monies in the fund after disbursement to sections 1 through 6 shall be
2040 transferred to the commonwealth stabilization fund established by section 2H of chapter 29;

2041 Section 52. There is hereby established and placed upon the books of the commonwealth a
2042 Gaming Revenue Fund which shall receive revenues collected from the tax on gross gaming
2043 revenue received from gaming licensees. The commission shall be the trustee of the fund and
2044 shall transfer monies in the fund in accordance with the following provisions:-

2045 (1) Until a category 1 facility is operational, one hundred per cent of the revenue received from
2046 category 2 and category 3 licensees shall be transferred to the gaming local aid fund established
2047 by section 55.

2048 (2) Upon the opening of a category 1 facility, all monies received into the fund shall be
2049 transferred as follows:

2050 (a) One per cent of revenues shall be transferred to the Massachusetts cultural council of which
2051 one half of revenues received shall be dedicated to the organization support program of the
2052 Massachusetts cultural council and of which not less than one half of revenues shall be dedicated
2053 to support not-for-profit or municipally-owned performing arts centers impacted as a result of the
2054 licensure of gaming facilities in the commonwealth of Massachusetts. Funds dedicated to such
2055 performing arts centers shall be for the purpose of subsidizing fees paid to touring shows or
2056 artists; provided, however that funding shall be appropriated through a competitive grant process
2057 to be developed and administered by the Massachusetts cultural council.

2058 (b) one percent shall be transferred to the Massachusetts tourism fund established pursuant to
2059 section 35J of chapter 10 which shall fund tourist promotion agencies as defined in subsection
2060 (c).

2061 (c) Two per cent shall be transferred to the community mitigation fund established by section 54;
2062 provided, however, that said fund balance shall not exceed \$15,000,000. Funds in excess of
2063 \$15,000,000 shall be transferred to the local capital projects fund established by section 58;

2064 (d) Six per cent shall be transferred to the local capital projects fund established by section 58;

2065 (e) Thirty per cent shall be transferred to the gaming local aid fund established by section 55;

2066 (f) Thirty per cent shall be transferred to the commonwealth stabilization fund established by
2067 section 2H of chapter 29; provided, however, that in any fiscal year in which the amount
2068 appropriated in item 7061-0008 of the general appropriation act, paid from the General Fund, or
2069 the amount of unrestricted general government aid paid from the general fund, including lottery
2070 aid distribution to cities and towns as paid from the General Fund in accordance with clause (c)
2071 of the second paragraph of section 35 of chapter 10 of the General Laws and the amount of

2072 additional funds distributed to cities and towns as additional assistance paid from the General
2073 Fund, is less than that of the previous fiscal year, up to one-half of the funds otherwise directed
2074 to the Commonwealth Stabilization Fund pursuant to this section, up to an amount equal to the
2075 deficiency between said appropriations for the current and previous fiscal years, shall be
2076 transferred to the gaming local aid fund in addition to the thirty percent provided for in
2077 subsection (e);

2078 (g) Thirty per cent shall be transferred to the Education Fund established by section 59.

2079 Section 53 (a) There is hereby established and placed upon the books of the commonwealth a
2080 Race Horse Development Fund to be administered by the commission. The commission shall
2081 make distributions from the race horse fund to each of the active and operating category 2
2082 licensees conducting live racing.

2083 (b) Funds from the race horse development fund shall be distributed in proportion to the gross
2084 gaming revenue of each category 2 licensee; provided that the funds received by each licensee
2085 shall be allocated in accordance with the following provisions:

2086 (i) eighty per cent shall be deposited weekly into a separate, interest-bearing purse account to be
2087 established by and for the benefit of the horsemen. The earned interest on the account shall be
2088 credited to the purse account. Licensees shall combine these funds with revenues from existing
2089 purse agreements to fund purses for live races consistent with those agreements with the advice
2090 and consent of the horsemen;

2091 (ii) for a thoroughbred track, 16 per cent shall be deposited on a monthly basis into the
2092 Massachusetts thoroughbred breeding program authorized by the commission pursuant to section
2093 2 of chapter 128;

2094 (iii) for a harness track, 8 per cent shall be deposited on a monthly basis into the Massachusetts
2095 standardbred breeding program authorized by the commission pursuant to section 2 of chapter
2096 128 and an additional 8 per cent shall be deposited on a monthly basis into a standardbred
2097 breeder development program authorized by the commission;

2098 (iv) four per cent shall be used to fund health and pension benefits for the members of the
2099 horsemen's organizations representing the owners and trainers at the racetrack at which the
2100 category 2 licensee operates for the benefit of the organization's members, their families,
2101 employees and others in accordance with the rule and eligibility requirements of the
2102 organization, as approved by the commission. This amount shall be deposited within 5 business
2103 days of the end of each month into a separate account to be established by each respective
2104 horsemen's organization at a banking institution of its choice. Of this amount, the commission
2105 shall determine how much should be paid annually by the horsemen's organization to the
2106 thoroughbred jockeys or standardbred drivers organization at the racetrack at which the licensed
2107 racing entity operates for health insurance, life insurance or other benefits to active and disabled
2108 thoroughbred jockeys or standardbred drivers in accordance with the rules and eligibility
2109 requirements of that organization.

2110 Section 54 (a) There shall be established and set up on the books of the commonwealth a
2111 separate fund to be known as the Community Mitigation Fund. The community fund shall
2112 consist of monies transferred under section 52 and all other monies credited or transferred to the
2113 fund from any other fund or source pursuant to law; provided, however, that the balance of the
2114 fund shall not exceed \$15,000,000.

2115 (b) The commission shall administer the fund and, without further appropriation, shall expend
2116 monies in the fund to assist contiguous communities in offsetting costs related to the construction
2117 and operation of a gaming facility including, but not limited to, communities and water and
2118 sewer districts in the vicinity of a gaming facility and public safety, including the office of the
2119 county district attorney.

2120 (c) Parties requesting appropriations from the community fund shall submit a written request for
2121 funding to the commission before February 1 of each year. The commission may hold a public
2122 hearing in the region of a gaming facility to provide parties with the opportunity to provide
2123 further information about their request for funds and shall distribute funds to requesting parties
2124 based on demonstrated need.

2125 Section 55 There shall be established and set up on the books of the commonwealth a fund to be
2126 known as the Gaming Local Aid Fund. The gaming local aid fund shall consist of monies
2127 transferred under section 52 and all monies credited or transferred to the fund from any other
2128 fund or source pursuant to law.

2129 Notwithstanding any general or special law, rule or regulation to the contrary, monies from the
2130 gaming local aid fund shall be used in addition to the balance of the state lottery fund for
2131 distribution to cities and towns in accordance with the provisions of clause (c) of section 35 of
2132 chapter 10 and any monies so distributed shall be considered part of “General revenue sharing
2133 aid” for purposes of annual aid and contribution requirements established pursuant to chapter 70
2134 or section 3 of the annual general appropriation act. Notwithstanding any law or regulation to the
2135 contrary, beginning the first year that Gaming Local Aid funding is available for distribution to
2136 cities and towns, no city or town shall receive as a combination of “General Revenue Sharing

2137 Aid” and “Gaming Local Aid”, in any year, an amount that is less than 25 percent of the total
2138 lottery sales made within that community. Notwithstanding any special or general law to the
2139 contrary, the provisions of this paragraph shall not take effect until such time as the executive
2140 office of administration and finance and the department of revenue has furnished a study of its
2141 impact on the state’s economy and revenue cost to the commonwealth and its cities and towns,
2142 including, but not limited to, a distributional analysis showing the impact on taxpayers of varying
2143 income levels, the current practice of other states, any anticipated change in employment and
2144 ancillary economic activity to the joint committee on revenue and until legislation has been filed
2145 and passed pursuant to Part 2, Chap. 1, Sec. 1, Art. II of the Constitution.

2146 Section 56 There is hereby established and set up on the books of the commonwealth a fund to
2147 be known as the Manufacturing Fund. The manufacturing fund shall be credited any monies
2148 transferred under section 51 and all monies credited to or transferred to the fund from any other
2149 fund or source pursuant to law.

2150 Section 57 There is hereby established and set up on the books of the commonwealth a fund to
2151 be known as the Community College Fund. The community college fund shall be credited any
2152 monies transferred under section 51 and all monies credited to or transferred to the fund from
2153 any other fund or source pursuant to law.

2154 Section 58 There is hereby established and set up on the books of the commonwealth a fund to
2155 be known as the Local Capital Projects Fund. The local capital projects fund shall be credited
2156 any monies transferred under sections 51 or 52 and all monies credited to or transferred to the
2157 fund from any other fund or source pursuant to law.

2158 Section 59 There is hereby established and set up on the books of the commonwealth a fund to
2159 be known as the Education Fund. The education fund shall be credited any monies transferred
2160 under section 52 and all monies credited to or transferred to the fund from any other fund or
2161 source pursuant to law. Expenditures from said fund for the purposes of K-12 education shall be
2162 used to supplement, and not offset, any reduction in line item 7061-0008 of the general
2163 appropriations act.

2164 Section 60 The commission shall continue to evaluate the progress of federally recognized tribes
2165 in the commonwealth as they proceed with any applications to place land into trust for the
2166 purposes of tribal economic development. The commission shall determine whether it would be
2167 in the best interest of the commonwealth to enter into any negotiations with said tribes for the
2168 purposes of establishing Class III gaming on tribal land and shall submit reports as it deems
2169 necessary, but not less than once a year, to the governor and the clerks of the senate and house of
2170 representatives detailing any land in trust issues as well as the financing capabilities of a
2171 proposed tribal casino.

2172 Section 61. There shall be a gaming policy advisory council consisting of 14 members: 1 of
2173 whom shall be the state treasurer, or his designee; 1 of whom shall be the attorney general, or his
2174 designee; 1 of whom shall be the chair of the commission; 1 of whom shall be the secretary of
2175 administration and finance, or his designee; 1 of whom shall be appointed by the senate
2176 president; 1 of whom shall be appointed by the speaker of the house of representatives; 1 of
2177 whom shall be appointed by the minority leader of the senate; 1 of whom shall be appointed by
2178 the minority leader of the house of representatives; and 6 of whom shall be appointed by the
2179 governor, 1 of whom shall have an expertise in the treatment of gambling addiction, 1 of whom
2180 shall be a representative from the tourism industry, 1 of whom shall be a member of organized

2181 labor, 1 of whom shall be a representative from a licensed gaming establishment; and 2 of whom
2182 shall be appointed from the vicinity of each resort casino upon determination of the licensee and
2183 site location by the commission. The council shall establish a tourism subcommittee whose
2184 purpose is to develop policies that facilitate the integration of gaming establishments into local
2185 tourism regions. The subcommittee shall submit any proposed recommendations to the
2186 commission within 4 months of the deadline for receipt of applications for a gaming license
2187 pursuant to section 10. Members of the council shall serve for a term of two years. The council
2188 shall convene after all members have been appointed to the commission and annually thereafter
2189 unless otherwise convened by the governor for the purpose of discussing matters of gaming
2190 policy. The recommendations concerning gaming policy made by the council pursuant to this
2191 section shall not be binding on the commission.

2192 Section 62. The commission shall annually submit a complete and detailed report of the
2193 commission's activities within 90 days after the end of the fiscal year to the clerk of the house of
2194 representatives, the clerk of the senate, the chairs of the joint committee on economic
2195 development and emerging technologies and the chairs of the house and senate committees on
2196 ways and means.

2197 SECTION 13 Section 1 of chapter 32 of the General Laws, as appearing in the 2008 Official
2198 Edition, is hereby amended by inserting after the word "connector", in line 211, the following
2199 words:- , the Massachusetts Gaming Commission,.

2200 SECTION 14. Section 2 of chapter 32A of the General Laws, as so appearing, is hereby
2201 amended by inserting after the word "authority", in line 12, the following words:- , the
2202 Massachusetts gaming commission.

2203 SECTION 15. Section 94 of chapter 41 of the General Laws, as so appearing, is hereby
2204 amended by inserting after the word “and”, in line 7, the first time it appears, the following word:
2205 illegal.

2206 SECTION 16. Section 18D of chapter 58 of the General Laws is hereby repealed

2207 SECTION 17. Subsection (d)(1) of section 2 of chapter 62 of the General Laws, as so appearing,
2208 is hereby amended by inserting after paragraph (P) the following paragraph:-

2209 (Q) Losses from wagering transactions shall be allowed only to the extent of the gains from such
2210 transactions pursuant to section 165 of the Code..

2211 SECTION 18. Section 2 of chapter 62B of the General Laws, as so appearing, is hereby
2212 amended by striking out the seventh paragraph and inserting in place thereof the following
2213 paragraph:-

2214 Every person, including the United States, the commonwealth or any other state, or any political
2215 subdivision or instrumentality of the foregoing, making any payment of lottery or wagering
2216 winnings, which are subject to tax under chapter 62 and which are subject to withholding under
2217 section 3402(q) without the exception for slot machines, and keno, and bingo played at licensed
2218 casinos in the commonwealth in subsection (q)(5) and (r) of the Internal Revenue Code shall
2219 deduct and withhold from such payment an amount equal to 5 percent of such payment, except
2220 that such withholding for purposes of this chapter shall apply to payments of winnings of \$600 or
2221 greater notwithstanding any contrary provisions of the Internal Revenue Code, as amended from
2222 time to time. For purposes of this chapter and chapter 62C, such payment of winnings shall be
2223 treated as if it were wages paid by an employer to an employee. Every person who is to receive a
2224 payment of winnings which is subject to withholding under this section shall furnish to the

2225 person making such payment a statement, made under penalties of perjury, containing the name,
2226 address and taxpayer identification number of the person receiving the payment and of each
2227 person entitled to any portion of such payment.

2228 SECTION 19. Said chapter 62Bis hereby further amended by striking out section 5, as so
2229 appearing, and inserting in place thereof the following section:-

2230 Section 5. Every employer required to deduct and withhold from an employee or payee a tax
2231 under section 2, or who would have been required under said section in the case of an employee
2232 to deduct and withhold a tax if the employee had not claimed any personal exemption or
2233 dependency exemptions, shall furnish to each such employee or payee in respect of the wages or
2234 other payments paid by such employer to such employee or payee during the calendar year, on or
2235 before January 31 of the succeeding year, or, if an employee's employment is terminated before
2236 the close of such calendar year, within 30 days from the day on which the last payment of wages
2237 is made, a written statement in duplicate showing the name of the employer, the name of the
2238 employee or payee and his social security account number, if any, the total amount of wages or
2239 other amounts subject to taxation under chapter 62, and the total amount deducted and withheld
2240 as tax. This statement may contain such other information as the commissioner may prescribe.
2241 The commissioner may grant reasonable extensions of time, not exceeding 60 days, for the
2242 furnishing of the statement.

2243 Every employer who fails to withhold or pay to the commissioner any sums required by this
2244 chapter to be withheld or paid shall be personally and individually liable therefore to the
2245 commonwealth. The term "employer," as used in this section and in section 11, includes any
2246 person or entity required to withhold tax from any payee, and includes an officer or employee of

2247 a corporation, or a member or employee of a partnership or limited liability company, who as
2248 such officer, employee or member is under a duty to withhold and pay over taxes in accordance
2249 with this section and section 2. Any sum withheld in accordance with section 2 shall be
2250 considered to be held in trust for the commonwealth.

2251 If an employer in violation of the provisions of this chapter fails to withhold the tax in
2252 accordance with section 2, and thereafter the tax against which such tax may be credited,
2253 pursuant to section 9, is paid, the tax so required to be withheld shall not be collected from the
2254 employer; but this paragraph shall in no case relieve the employer from liability for any penalties
2255 or addition to the tax otherwise applicable in respect of such failure to withhold.

2256 SECTION 20. The first paragraph of section 8 of chapter 62C of the General Laws, as so
2257 appearing, is hereby amended by striking out the last sentence and inserting in place thereof the
2258 following sentence:-The same basis of reporting shall be utilized for income that is subject to
2259 taxation or withholding under chapter 62 or 62B but is not subject to taxation or withholding
2260 under the Code.

2261 SECTION 21. Subsection (f) of section 38 of chapter 63 of the General Laws, as so appearing,
2262 is hereby amended by striking out the third paragraph and inserting in place thereof the following
2263 paragraph:- “,

2264 For the purposes of this subsection: (1) in the case of the licensing of intangible property, the
2265 income-producing activity shall be considered to be performed in the commonwealth to the
2266 extent that the intangible property is used in the commonwealth; (2) the corporation shall be
2267 considered to be taxable in the state of the purchaser if the tangible personal property is delivered
2268 or shipped to a purchaser in a foreign country; (3) sales of tangible personal property to the

2269 United States government or any agency or instrumentality thereof for purposes of resale to a
2270 foreign government or any agency or instrumentality thereof are not sales made in the
2271 commonwealth; (4) in the case of the sale, exchange or other disposition of a capital asset, as
2272 defined in paragraph (m) of section 1 of chapter 62, used in a taxpayer's trade or business,
2273 including a deemed sale or exchange of such asset, "sales" are measured by the gain from the
2274 transaction; (5) "security" means any interest or instrument commonly treated as a security as
2275 well as other instruments which are customarily sold in the open market or on a recognized
2276 exchange, including, but not limited to, transferable shares of a beneficial interest in any
2277 corporation or other entity, bonds, debentures, notes, and other evidences of indebtedness,
2278 accounts receivable and notes receivable, cash and cash equivalents including foreign currencies,
2279 and repurchase and futures contracts; (6) in the case of a sale or deemed sale of a business, the
2280 term "sales" does not include receipts from the sale of the business "good will" or similar
2281 intangible value, including, without limitation, "going concern value" and "workforce in place.";
2282 (7) to the extent authorized pursuant to the life sciences tax incentive program established by
2283 section 5 of chapter 23I, a certified life sciences company may be deemed a research and
2284 development corporation for purposes of exemptions under chapters 64H and 64I; and (8) in the
2285 case of a business deriving receipts from operating a gaming facility or otherwise deriving
2286 receipts from conducting a wagering business or activity, income-producing activity shall be
2287 considered to be performed in this commonwealth to the extent that the location of wagering
2288 transactions or activity that generated the receipts is in this commonwealth.

2289 SECTION 22. Section 2 of chapter 128 of the General Laws, as so appearing, is hereby
2290 amended by striking out, in line 99, the words "or dog".

2291 SECTION 23. Said section 2 of said chapter 128, as so appearing, is hereby further amended by
2292 striking out subsection (i).

2293 SECTION 24. Section 1 of chapter 128A of the General Laws, as so appearing, is hereby
2294 amended by striking out, in line 6, the words “state racing commission” and inserting in place
2295 thereof the following words:- Massachusetts gaming commission established pursuant to chapter
2296 23K.

2297 SECTION 25. Chapter 128A of the General Laws is hereby repealed. .

2298 SECTION 26. Section 1 of chapter 128C of the General Laws, as appearing in the 2008 Official
2299 Edition, is hereby amended by striking out, in line 12, the words “state racing commission” and
2300 inserting in place thereof the following words:- Massachusetts gaming commission established
2301 pursuant to chapter 23K.

2302 SECTION 27. Said chapter 128C of the General Laws is hereby repealed.

2303 SECTION 28. Section 1 of chapter 137 of the General Laws, as appearing in the 2008 Official
2304 Edition, is hereby amended by inserting after the words “gaming,” in line 2, the following
2305 words:- ,except for gaming conducted in licensed gaming establishments pursuant to chapter
2306 23K.

2307 SECTION 29. Section 2 of said chapter 137, as so appearing, is hereby amended by striking out,
2308 in line 2, the word “where” and inserting in place thereof the following words:- , except for an
2309 owner or operator of a licensed gaming establishment pursuant to chapter 23K, where.

2310 SECTION 30. Section 3 of said chapter 137, as so appearing, is hereby amended by inserting
2311 after the words “betting,” in line 5, the following words:- ,except for legalized gaming
2312 conducted pursuant to chapter 23K.

2313 SECTION 31. Section 18 of chapter 139 of the General Laws, as so appearing, is hereby
2314 amended by inserting after the word “of”, in line 6, the word:- illegal.

2315 SECTION 32. Section 177A of chapter 140 of the General Laws, as so appearing, is hereby
2316 amended by inserting after the word “machines”, in line 12, the following words:- , and
2317 excluding slot machines as defined by chapter 23K.

2318 SECTION 33. Section 26A of chapter 180 of the General Laws, as so appearing, is hereby
2319 amended by striking out, in lines 4 and 16, the following words “ or dog”.

2320 SECTION 34. The General Laws are hereby amended by inserting after chapter 267 the
2321 following chapter:-

2322 Chapter 267A

2323 Money Laundering

2324 Section 1. As used in this chapter, the following words shall, unless the context clearly requires
2325 otherwise, have the following meanings:-

2326 “Conducts”, initiates, concludes or participates in initiating or concluding a transaction.

2327 “Criminal activity”, a criminal offense punishable under the laws of the commonwealth by
2328 imprisonment in a state prison or a criminal offense committed in another jurisdiction punishable
2329 under the laws of that jurisdiction as a felony.

2330 “Financial institution”, any: (1) bank as defined in section 1 of chapter 167; (2) national banking
2331 association, bank, savings and loan, savings bank, cooperative bank, building and loan, or credit
2332 union organized under the laws of the United States; (3) banking association, bank, savings and
2333 loan, savings bank, cooperative bank, building and loan or credit union organized under the laws
2334 of any state; (4) any agency, agent, or branch of a foreign bank; (5) currency dealer or exchange;
2335 (6) any person or business engaged primarily in the cashing of checks; (7) person or business
2336 regularly engaged in the issuing, selling, or redeeming of traveler's checks, money orders or
2337 similar instruments; (8) broker or dealer in securities or commodities; (9) licensed transmitter of
2338 funds or other person or business regularly engaged in the transmission of funds to a foreign
2339 nation for others; (10) investment banker or investment company; (11) insurer; (12) dealer in
2340 precious metals, stones or jewels; (13) pawnbroker or scrap metal dealer; (14) telegraph or other
2341 communications company; (15) personal property or real estate broker; (16) dealer in vehicles,
2342 including, but not limited to, automobiles, aircraft and vessels; (17) operator of a betting or
2343 gambling facility; (18) travel agent; any thrift institution; any operator of a credit card system; or
2344 (19) any loan or finance company.

2345 “Monetary instrument”, the currency and coin of the United States or any foreign country; any
2346 bank check, money order, stock, investment security, or negotiable instrument in bearer form or
2347 otherwise in such form that title passes upon delivery; gold, silver or platinum bullion or coins;
2348 diamonds, emeralds, rubies, or sapphires; any negotiable instrument including: bank checks,
2349 cashier's checks, traveler's checks, or monetary orders made payable to the order of a named
2350 party that have not been endorsed or which bear restrictive endorsements; poker chips, vouchers
2351 or other tokens exchangeable for cash by gaming entities; and credit cards, debit cards, gift cards,
2352 gift certificates, calling cards, or scrips.

2353 “Transaction”, a purchase, sale, loan, pledge, gift, transfer, delivery, or other disposition, and
2354 with respect to a financial institution includes a deposit, withdrawal, bailment, transfer between
2355 accounts, exchange of currency, loan, extension of credit, purchase or sale of any stock, bond,
2356 certificate of deposit, or other monetary instrument, use of a safe deposit box, or any other
2357 payment, transfer, or delivery by, through, or to a financial institution, by whatever means
2358 effected.

2359 Section 2. Whoever knowingly: (1) engages in a transaction involving a monetary instrument or
2360 other property known to be derived from criminal activity with the intent to promote, carry on or
2361 facilitate criminal activity, or knowing that the transaction is designed in whole or in part either
2362 to conceal or disguise the nature, location, source, ownership or control of the property derived
2363 from criminal activity or to avoid a transaction reporting requirement of this chapter, of the
2364 United States, or of any other state; (2) transports or possesses a monetary instrument or other
2365 property that was derived from criminal activity; or (3) directs, organizes, finances, plans,
2366 manages, supervises, or controls the transportation of or transactions in monetary instruments or
2367 other property known to be derived from criminal activity or which a reasonable person would
2368 believe to be derived from criminal activity; is guilty of the crime of money laundering and shall
2369 be punished by imprisonment in the state prison for not more than 6 years or by a fine of not
2370 more than \$250,000 or twice the value of the property transacted, whichever is greater, or by
2371 both such imprisonment and fine; and for any subsequent offense shall be punished by
2372 imprisonment in the state prison for not less than 2 years, but not more than 8 years or by a fine
2373 of not more than \$500,000 or 3 times the value of the property transacted, whichever is greater,
2374 or by both such imprisonment and fine.

2375 Section 3. (a) A financial institution shall file with the attorney general a copy of any and all
2376 reports required by the Currency and Foreign Transactions Act, set forth in 31 U.S.C., sections
2377 5311 through 5315, 31 C.F.R. 103.

2378 (b) A financial institution, or any officer, employee, or agent thereof that maintains and files a
2379 record in reliance of this section shall not be liable to its customer, to a state or local agency, or
2380 to any person for any loss or damage caused in whole or in part by the making, filing, or
2381 governmental use of the report, or any information contained therein. Nothing in this chapter
2382 shall be construed to give rise to a private cause of action for relief or damages. This paragraph
2383 does not preclude a financial institution, in its discretion, from instituting contact with, and
2384 thereafter communicating with and disclosing customer financial records to appropriate federal,
2385 state, or local law enforcement agencies when the financial institution has reason to suspect that
2386 the records or information demonstrate that the customer has violated any provisions of this
2387 chapter.

2388 (c) Any report, record, or information obtained by the attorney general pursuant to this section is
2389 not a public record and is not subject to disclosure, except to other state and federal law
2390 enforcement agencies.

2391 (d) Any violation of this section, which is not a violation of section 2, shall be punished by a fine
2392 of \$100 for each report not filed.

2393 (e) The timely filing of complete and accurate reports required under subsection (a) with the
2394 appropriate federal agency is compliance with the requirements of subsection (a).

2395 Section 4. All monetary instruments or other property, real or personal, obtained directly as a
2396 result of a violation of section 2 of this chapter, shall be subject to forfeiture to the
2397 commonwealth.

2398 SECTION 35. Section 1 of chapter 271 of the General Laws, as appearing in the 2008 Official
2399 Edition, is hereby amended by inserting after the word “gaming”, in lines 3 and 4, the following
2400 words:- ,except as permitted under chapter 23K.

2401 SECTION 36. Section 2 of said chapter 271, as so appearing, is hereby amended by inserting
2402 after the words “playing”, in line 4, the following words:- ,except as permitted under chapter
2403 23K.

2404 SECTION 37. Section 3 of said chapter 271, as so appearing, is hereby amended by inserting
2405 after the words “gaming”, in line 3, the following words:- ,except as permitted under chapter
2406 23K.

2407 SECTION 38. Section 5 of said chapter 271, as so appearing, is hereby amended by inserting
2408 after the words “thing,”, in line 7, the following words:- except as permitted under chapter 23K.

2409 SECTION 39. The second paragraph of section 5A of chapter 271, as so appearing, is hereby
2410 amended by adding the following sentence:-

2411 This section shall not apply to persons who manufacture, transport, sell, offer for sale, store,
2412 display, repair, recondition, possess or use any gambling device or parts for use therein for
2413 controlled gaming conducted under chapter 23K.

2414 SECTION 40. Section 6 of said chapter 271, as so appearing, is hereby amended by striking out,
2415 in lines 3 and 4, the words “gambling or unlawful game and inserting in place thereof the
2416 words:- illegal gaming.

2417 SECTION 41. Section 7 of said chapter 271, as so appearing, is hereby amended by inserting
2418 after the word “device”, in line 7, the first time it appears, the following words:- that is taking
2419 place in a legalized gaming establishment pursuant to chapter 23K,.

2420 SECTION 42. Said chapter 271 is hereby further amended by striking out section 8, as so
2421 appearing, and inserting in place thereof the following section:

2422 Section 8. Whoever owns, occupies, or is in control of a house, shop or building and knowingly
2423 permits the establishing, managing or drawing of such lottery, or such disposal or attempt to
2424 dispose of property, or the sale of a lottery ticket or share of a ticket, or any other writing,
2425 certificate, bill, token or other device purporting or intended to entitle the holder, bearer or any
2426 other person to a prize or to a share of or interest in a prize to be drawn in a lottery, or in such
2427 disposal or property, and whoever knowingly suffers money or other property to be raffled for or
2428 won by throwing or using dice or by any other game of chance that is not being conducted in a
2429 legalized gaming facility pursuant to chapter 23K, shall be punished by a fine of not more than
2430 \$2000 or by imprisonment in a jail or house of correction for not more than 1 year.

2431 SECTION 43. Section 14 of said chapter 271, as so appearing, is hereby further amended by
2432 inserting after the word “by”, in line 3, the first time it appears, the following words:- illegal
2433 games of.

2434 SECTION 44. Section 16A of said chapter 271, as so appearing, is hereby amended by inserting
2435 after the word “wagerers”, in line 14, the following words:- or to persons who organize,

2436 supervise, manage or finance persons for the purpose of controlled gaming conducted under
2437 chapter 23K.

2438 SECTION 45. Section 17 of said chapter 271, as so appearing, is hereby amended by adding the
2439 following sentence:-

2440 This section shall not apply to persons who organize, supervise, manage or finance persons for
2441 the purpose of controlled gaming conducted under chapter 23K.

2442 SECTION 46. Section 19 of said chapter 271, as so appearing, is hereby amended by inserting
2443 after the word “hazard”, in line 16, the following words:- ; provided, however, that this section
2444 shall not apply to advertising of legalized gaming conducted pursuant to chapter 23K.

2445 SECTION 47. Section 20 of said chapter 271, as so appearing, is hereby amended by inserting
2446 after the word “used”, in line 17, the following words:- ; provided, however that this section shall
2447 not apply to advertising of legalized gaming conducted pursuant to chapter 23K.

2448 SECTION 48. Section 22 of said chapter 271, as so appearing, is hereby amended by inserting
2449 after the word “ of”, in line 6, the third time it appears, the following word:- illegal.

2450 SECTION 49. Section 23 of said chapter 271, as so appearing, is hereby amended by inserting
2451 after the word “for”, in line 28, the following words:-; provided, however, that such provision
2452 shall not apply to legalized gaming conducted pursuant chapter 23K.

2453 SECTION 50. Section 28 of said chapter 271, as so appearing, is hereby amended by inserting
2454 after the word “of”, in line 3, the third time it appears, the following word:- illegal.

2455 SECTION 51. Section 31 of said chapter 271, as so appearing, is hereby amended by inserting
2456 after the word “both”, in line 8, the following words:- ;provided, however, that this section shall
2457 not apply to legalized racing conducted pursuant to chapter 23K.

2458 SECTION 52. The General Laws are hereby amended by inserting after chapter 271 the
2459 following new chapter:-

2460

2461 Chapter 271A

2462 Enterprise Crime

2463

2464 Section 1. As used in this chapter, the following words shall, unless the context clearly requires
2465 otherwise, have the following meanings:-

2466 “Criminal enterprise activity”, to commit ,attempt to commit, conspire to commit, or solicit,
2467 coerce, aid, abet, or intimidate another to commit any of the following criminal activity under the
2468 laws of the commonwealth or equivalent crimes under the laws of any other jurisdiction: murder;
2469 rape; manslaughter; assault; assault and battery; mayhem; robbery; extortion; stalking; criminal
2470 harassment; kidnapping; arson; burglary; malicious destruction of property; commission of a
2471 felony for hire; breaking and entering; child exploitation; poison; human trafficking; violation of
2472 constitutional rights; usury; uttering; misuse or fraudulent use of credit cards; identity fraud;
2473 misappropriation of funds; gross fraud; insurance fraud; prize fighting; boxing matches;
2474 counterfeiting; perjury; subornation of perjury; obstruction of justice; money laundering; witness
2475 intimidation; bribery; electronic eavesdropping; prostitution; receiving stolen property; larceny

2476 over \$250.00; larceny by false pretenses or/embezzlement; forgery; prohibited financial interest;
2477 procurement fraud; false claims; tax evasion; filing false tax return; crimes involving violations
2478 of laws relating to gambling and lottery; gift; liquor; tobacco s; firearms; securities; lobbying;
2479 ethics; conflict of interest child and elder abuse; or any conduct defined as a racketeering activity
2480 under Title 18, U.S.C. s. 1961(1)(A)(B) and (D).

2481 “Enterprise”, any individual, sole proprietorship, partnership, corporation, trust or other legal
2482 entity, or any unchartered union, association or group of persons associated in fact although not a
2483 legally recognized entity, and including unlawful and lawful enterprises and governmental and
2484 other entities.

2485

2486 “Pattern of criminal enterprise activity”, engaging in at least two incidents of criminal enterprise
2487 activity that have the same or similar pattern, intents, results, accomplices, victims or methods of
2488 commission, or are otherwise interrelated by distinguishing characteristics and are not isolated
2489 incidents; provided Y at least 1 of the acts occurred after the effective date of this act and the
2490 last of the incidents occurred within 5 years after a prior commission of criminal enterprise
2491 activity.

2492

2493 “Unlawful debt”, a debt incurred or contracted in an illegal gambling activity or business or
2494 which is unenforceable under state or federal law in whole or part as to principal or interest
2495 because of the law relating to usury.

2496

2497 Section 2. Whoever knowingly: (1) through a pattern of criminal enterprise activity or through
2498 the collection of an unlawful debt, receives anything of value or acquires or maintains, directly
2499 or indirectly, any interest in or control of any enterprise; (2) has received any proceeds derived,
2500 directly or indirectly, from a pattern of criminal enterprise activity or through the collection of an
2501 unlawful debt, to use or invest, directly or indirectly, any part of the proceeds including proceeds
2502 derived from the investment, in the acquisition of any interest in real property, or in the
2503 establishment or operation of, any enterprise; (3) is employed by or associated with any
2504 enterprise to conduct or participate, directly or indirectly, in the conduct of the enterprise's affairs
2505 by engaging in a pattern of criminal enterprise activity or through the collection of an unlawful
2506 debt; or (4) conspires or attempts to violate subsections (a), (b), or (c) of this section; is guilty of
2507 enterprise crime and shall be punished by imprisonment in the state prison for not less than 3
2508 years and not more than 15 years or by a fine of not more than \$25,000, or by both such
2509 imprisonment and fine.

2510 A purchase of securities on the open market for purposes of investment, and without the
2511 intention of controlling or participating in the control of the issuer, or of assisting another to do
2512 so, shall not be unlawful under this section if the securities of the issuer held by the purchaser,
2513 the members of his immediate family, and his or their accomplices in any pattern of criminal
2514 activity or the collection of an unlawful debt after such purchase do not amount in the aggregate
2515 to one percent of the outstanding securities of any one class and do not confer, either in law or in
2516 fact, the power to elect one or more directors of the issuer.

2517 Section 3. All monetary proceeds or other property, real or personal, obtained directly as a result
2518 of a violation of this chapter, shall be subject to seizure and forfeiture to the commonwealth.

2519 SECTION 53. Section 39 of chapter 272 of the General Laws, as appearing in the 2008 Official
2520 Edition, is hereby amended by inserting after the word “in”, in line 7, the following word:-
2521 illegal.

2522 SECTION 54. Section 99 of said chapter 272, as so appearing, is hereby amended by inserting
2523 after the word “forgery,”, in line 68, the word:- illegal.

2524 SECTION 55 . Said section 13 of said chapter 494, as most recently amended by section 2 of
2525 chapter 114 of the acts of 1991, is hereby further amended by striking out clause (c).

2526 SECTION 56. Clause (d) of said section 13 of said chapter 494, as appearing in said section 2 of
2527 said chapter 114, is hereby amended by striking out, in line 21, the words “(b) or (c)” and
2528 inserting in place thereof the following words:- and (b).

2529 SECTION 57. Said section 13 of said chapter 494, as most recently amended by said section 2
2530 of said chapter 114, is hereby further amended by striking out subsection (f)

2531 SECTION 58. The first paragraph of section 12A of chapter 494 of the acts of 1978 is hereby
2532 amended by striking out the words “and until July 31, 2010”, inserted by section 1 of chapter 167
2533 of the acts of 2009, and inserting in place thereof the following words:- December 31, 2014.

2534 SECTION 59. The last paragraph of said section 12A of said chapter 494 is hereby amended by
2535 striking out the words “July 31, 2010”, inserted by section 2 of said chapter 167, and inserting in
2536 place thereof the following words:- December 31, 2014.

2537 SECTION 60. The introductory paragraph of section 13 of said chapter 494 is hereby amended
2538 by striking out the words “and until July 31, 2010”, inserted by section 3 of said chapter 167, and
2539 inserting in place thereof the following words:- and until December 31, 2014.

2540 SECTION 61. Section 15 of said chapter 494 is hereby amended by striking out the words “and
2541 until July 31, 2010”, inserted by section 4 of said chapter 167, and inserting in place thereof the
2542 following words:- and until December 31, 2014.

2543 SECTION 62. The first paragraph of section 9 of chapter 277 of the acts of 1986 is hereby
2544 amended by striking out the words “and until July 31, 2010”, inserted by section 5 of said
2545 chapter 167, and inserting in place thereof the following words:- and until December 31, 2014.

2546 SECTION 63. The first sentence of the first paragraph of section 3 of chapter 114 of the acts of
2547 1991 is hereby amended by striking out the words “and until July 31, 2010”, inserted by section
2548 6 of said chapter 167, and inserting in place thereof the following words:- and until December
2549 31, 2014.

2550 SECTION 64. The last paragraph of said section 3 of said chapter 114 is hereby amended by
2551 striking out the words “July 31, 2010”, inserted by section 7 of said chapter 167, and inserting in
2552 place thereof the following words:- December 31, 2014.

2553 SECTION 65. The first paragraph of section 4 of said chapter 114 is hereby amended by striking
2554 out the words “and until July 31, 2010”, inserted by section 8 of said chapter 167, and inserting
2555 in place thereof the following words:- and until December 31, 2014.

2556 SECTION 66. The last paragraph of said section 4 of said chapter 114 is hereby amended by
2557 striking out the words “July 31, 2010”, inserted by section 9 of said chapter 167, and inserting in
2558 place thereof the following words:- December 31, 2014.

2559 SECTION 67. The first paragraph of section 5 of said chapter 114 is hereby amended by striking
2560 out the words “and until July 31, 2010”, inserted by section 10 of said chapter 167, and inserting
2561 in place thereof the following words:- and until December 31, 2014.

2562 SECTION 68. Section 13 of chapter 101 of the acts of 1992 is hereby amended by striking out
2563 the words “July 31, 2010”, inserted by section 11 of said chapter 167, and inserting in place
2564 thereof the following words:- December 31, 2014.

2565 SECTION 69. Section 45 of chapter 139 of the acts of 2001 is hereby amended by striking out
2566 the words “July 31, 2010”, inserted by section 12 of said chapter 167, and inserting in place
2567 thereof the following words:- December 31, 2014.

2568 SECTION 70. Section 20 of chapter 449 of the acts of 2006 is hereby amended by striking out
2569 the words “July 31, 2010”, inserted by section 13 of said chapter 167, and inserting in place
2570 thereof the following words:- December 31, 2014.

2571 SECTION 71. Notwithstanding any general or special law to the contrary, in making initial
2572 appointments to the board of directors of the Massachusetts gaming commission established
2573 pursuant to section 3 of chapter 23K of the General Laws, the governor, the attorney general and
2574 the treasurer and receiver general, by majority agreement, shall appoint 1 commissioner to serve
2575 for a term of 3 years, 1 commissioner to serve for a term of 4 years, 1 commissioner to serve for
2576 a term of 5 years, 1 commissioner to serve for a term of 6 years, and 1 commissioner to serve for
2577 a term of 7 years.

2578 SECTION 72. Notwithstanding any general or special law to the contrary, the vote of a
2579 municipality required pursuant to section 16 of chapter 23K of the General Laws shall occur
2580 after the effective date of this act.

2581 SECTION 73. Pursuant to section 2 of chapter 1194, 64 Stat. 1134, 15 U.S.C. 1171-1177,
2582 approved January 2, 1951, the commonwealth, acting by and through duly elected and qualified
2583 members of the general court, does declare and proclaim that the commonwealth shall be exempt
2584 from the provisions of chapter 1194, 64 Stat. 1134, 15 U.S.C. 1171 to 1178 for any gambling
2585 device authorized for use and transport under chapter 23K of the General Laws and any
2586 regulations promulgated thereunder.

2587 SECTION 74. All shipments of gambling devices into the commonwealth, including slot
2588 machines, the registering, recording and labeling of which has been duly had by the
2589 manufacturer or dealer thereof in accordance with sections 3 and 4 of an Act of Congress of the
2590 United States entitled "An act to prohibit transportation of gambling devices in interstate and
2591 foreign commerce," approved January 2, 1951, being chapter 1194, 64 Stat. 1134, and also
2592 designated as 15 USC §§ 1171-1177, shall be deemed legal shipments thereof into this
2593 commonwealth.

2594 SECTION 75. Notwithstanding any general or special law to the contrary, the Massachusetts
2595 gaming commission shall analyze the pari-mutuel and simulcasting statutes in effect as of the
2596 effective date of this act. Said analysis shall include a review of the efficacy of said statutes and
2597 the need to replace said statutes pursuant to the sunset of chapters 128A and 128C of the General
2598 Laws established under this act. Said review shall not include a review of whether to increase the
2599 number of running horse, harness horse or greyhound racing meeting licensees. Said commission
2600 shall report its finding together with legislation, if any, to the clerks of the house of
2601 representatives and senate and to the chairs of the joint committee on economic development and
2602 emerging technologies no later than January 1, 2013.

2603 SECTION 76. Section 25 and 27 of this act shall take effect on July 31, 2014.