

HOUSE No. 36

So much of the recommendations of the Department of the State Treasurer (House, No. 25) as relates to establishing an online lottery. Consumer Protection and Professional Licensure.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Second General Court
(2021-2022)**

An Act establishing an online lottery.

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

1 SECTION 1. Chapter 10 of the General Laws is hereby amended by striking out section
2 24, as appearing in the 2018 Official Edition, and inserting in place thereof the
3 following section:-

4 Section 24. The commission is hereby authorized to conduct a state lottery and shall
5 determine: (i) the types of lottery or lotteries, to be conducted; (ii) the price, or prices, of tickets
6 or shares in the lottery; (iii) the numbers and sizes of the prizes on the winning tickets or shares;
7 (iv) the manner of selecting the winning tickets or shares; (v) the manner of payment of prizes to
8 the holders of winning tickets or shares; (vi) the frequency of the drawings or selections of
9 winning tickets or shares; (vii) the type or types of locations at which tickets or shares may be
10 sold; (viii) the method to be used in selling tickets or shares; (ix) the licensing of agents to sell
11 tickets or shares; provided, however, that no person under the age of eighteen shall be licensed as
12 an agent; (x) the manner and amount of compensation, if any, to be paid licensed sales agents;
13 provided, however, that the amount of compensation, if any, to be paid to licensed sales agents as
14 a commission pursuant to this section shall be calculated on the total face value of each ticket or
15 share sold and not on any discounted price of any such ticket or share sold; and (xi) such other
16 matters necessary or desirable for the efficient and economical operation and administration of
17 the lottery and for the convenience of the purchasers of tickets or shares and the holders of
18 winning tickets or shares. The commission is authorized to operate the daily numbers game
19 seven days a week. Each physical state lottery ticket or share shall have imprinted thereon the
20 state seal and a serial number. The commission may establish, and from time to time revise, such
21 rules and regulations as it deems necessary or desirable and shall file the same with the office of
22 the state secretary.

23 The commission shall establish rules and regulations for lotteries conducted online, over
24 the internet, through the use of a mobile application or through any other means that shall, at a
25 minimum:

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

29 (ii) limit sales of lottery tickets, games or shares online, over the internet, through the use
30 of a mobile application or through any other means to transactions initiated and received, or
31 otherwise made, within the commonwealth;

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

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

39 (v) clarify that money in a lottery account belongs solely to the owner of the account and
40 may be withdrawn by the owner at any time; and

41 (vi) require the commission to implement promotional activities to encourage the
42 purchase of lottery tickets, games or shares through licenses sales agents including, but not
43 limited to, the sale of prepaid gift cards for lottery sales through licensed sales agents.

44 Notwithstanding any general or special law to the contrary

45 Notwithstanding any general or special law to the contrary, the name, address,
46 transaction history, account balance or other personal or identifying information of an individual
47 who purchases lottery tickets, games or shares online, over the internet, through the use of a
48 mobile application or through any other means shall not be deemed public records of the
49 commission for the purposes of section 10 of chapter 66; provided, however, that this section
50 shall not prohibit the commission from maintaining, using or sharing such information in the
51 course of an investigation by law enforcement or in compliance with sections 28A or 28B of this
52 chapter.

53 The commission shall advise and make recommendations to the director regarding the
54 operation and administration of the lottery. The commission shall report monthly to the
55 governor, the attorney general and the general court, the total lottery revenues, prize
56 disbursements and other expenses for the preceding month, and shall make an annual

57 independently audited financial report to the same which shall include a full and complete
58 statement of lottery revenues, prize disbursements and other expenses, including such
59 recommendations as it may deem necessary or advisable, which shall be made available
60 electronically to the general public not later than the earliest date established for reports in
61 section 12 of chapter 7A. The commission shall report immediately to the governor and the
62 general court any matters which require immediate changes in the laws of the commonwealth in
63 order to prevent abuses and evasions of the lottery law or rules and regulations promulgated
64 thereunder or to rectify undesirable conditions in connection with the administration or operation
65 of the state lottery.

66 The commission is authorized to carry on a continuous study and investigation of said
67 lottery throughout the commonwealth in order (1) to ascertain any defects in the state lottery law
68 or in the rules and regulations issued thereunder whereby any abuse in the administration and
69 operation of the lottery or any evasion of said law or said rules and regulations may arise or be
70 practiced, (2) to formulate recommendations for changes in said law and the rules and
71 regulations promulgated thereunder to prevent such abuses and evasions, and (3) to guard against
72 the use of said law and rules and regulations issued thereunder as a cloak for the carrying on of
73 organized gambling and crime.

74 The commission shall make a continuous study and investigation of the operation and
75 administration of similar laws in other states or countries, of any literature on the subject which
76 from time to time may be published or available, of any federal laws which may affect the
77 operation of the lottery, and of the reaction of citizens of the commonwealth to existing and
78 potential features of the lottery with a view to recommending or effecting changes that will tend
79 to better serve and implement the purposes of the state lottery law.

80 The concurrence of the chairman and of not less than two other members of the
81 commission shall be required for all official actions of the commission. A copy of the minutes of
82 each meeting of the commission, including any rules and regulations adopted by the commission
83 or any amendments thereof, shall be forthwith transmitted, by and under the certification of the
84 secretary thereof, to the governor.

85 The commission shall have the power to issue subpoenas to compel the attendance of
86 witnesses and the production of documents, papers, books, records and other evidence before it
87 in any matter over which it has jurisdiction, control or supervision. The commission shall have
88 the power to administer oaths and affirmations to persons whose testimony is required.

89 SECTION 2. Section 24A of said chapter 10, as so appearing, is hereby amended by
90 striking out subsection (a) and inserting in place thereof the following subsection:-

91 (a) For the purposes of this section, "group agreement" shall mean any lottery activity in
92 which the commission participates pursuant to a written agreement between the commission, on

93 behalf of the commonwealth, and any state, territory, country or other sovereignty. The
94 commission is hereby authorized to enter into agreements with one or more states or other
95 jurisdictions, hereinafter referred to as a group, for the purpose of creating and maintaining
96 multi-jurisdictional lottery games, including multi-jurisdictional lottery games to be conducted
97 online, over the internet, through the use of a mobile application or through any other means;
98 provided, however, that any such lottery game to be conducted online, over the internet, through
99 the use of a mobile application or through any other means has been properly authorized by each
100 state or other jurisdiction that is part of the group; provided, further, that a group agreement shall
101 not include the state lottery games created pursuant to section 24; provided further, that nothing
102 in this section and nothing in a group agreement shall authorize the commission to make
103 expenditures that are not consistent with restrictions on expenditures by the commission
104 provided in any other general or special law. The group shall determine the types of lotteries to
105 be conducted, the prices of tickets or shares, the manner of selecting the winning tickets or
106 shares, the manner of payment of prizes to the holders of winning tickets or shares and the
107 frequency of the drawings or selection of winning tickets or shares. The commission may
108 establish, and from time to time revise, such rules and regulations as it deems necessary or
109 desirable to carry out the group agreement and shall file the same with the office of the state
110 secretary.

111 SECTION 3. Said chapter, as so appearing, is hereby amended by striking out section 25
112 and inserting in place thereof the following section:-

113 Section 25. The apportionment of the total revenues accruing from the sale of lottery
114 tickets or shares and from all other sources at the point of sale shall be as follows:--(a) the
115 payment of prizes to the holders of winning tickets or shares which in any case shall be no less
116 than forty-five per cent of the total revenues accruing from the sale of lottery tickets; (b) the
117 payment of costs incurred in the operation and administration of the lottery, including the
118 expenses of the commission and the costs resulting from any contract or contracts entered into
119 for promotional, advertising or operational services or for the purchase or lease of lottery
120 equipment and materials which in no case shall exceed fifteen per cent of the total revenues
121 accruing from the sale of lottery tickets, subject to appropriation; and (c) the balance shall be
122 used to fund budgeted aid to cities and towns as provided in section 18C of chapter 58, subject to
123 appropriation.

124 The apportionment of the total revenues accruing from the sale of lotteries conducted
125 online, over the internet, through the use of a mobile application or through any other means as
126 authorized by section 24 of this chapter shall be as follows:-- (a) the payment of prizes to the
127 holders of winning tickets or shares; (b) the payment of costs incurred in the operation and
128 administration of such lotteries, including the expenses of the commission and the costs resulting
129 from any contract or contracts entered into for promotional, advertising or operational services or
130 for the purchase or lease of lottery equipment and materials which in no case shall exceed fifteen

131 per cent of the total revenues accruing from the sale of lottery tickets, subject to appropriation;
132 and (c) the balance shall be used to fund budgeted aid to cities and towns as provided in section
133 18C of chapter 58, subject to appropriation; provided that, in any fiscal year where the balance
134 used to fund such budgeted aid exceeds one-hundred-three per cent of budgeted aid apportioned
135 in the previous fiscal year, the portion of the balance exceeding one-hundred-three per cent shall
136 be apportioned as follows:-- (i) twenty five per cent to the Massachusetts School Building
137 Authority established in section 1A of chapter 70B; (ii) twenty five per cent to special education
138 programs as set forth in chapter 71B; and (ii) fifty per cent to fund budgeted aid to cities and
139 towns as provided in section 18C of chapter 58, subject to appropriation.

140 SECTION 4. Section 3 of chapter 137 of the General Laws, as appearing in the 2018
141 Official Edition, is hereby amended by inserting after the word “to”, in line 6, the
142 following words:- “chapter 10 or”.