

**HOUSE . . . . . No. 37**

---

So much of the recommendations of the Department of the State Treasurer (House, No. 27) as relates to establishing an online lottery. Consumer Protection and Professional Licensure.

---

**The Commonwealth of Massachusetts**

\_\_\_\_\_  
**In the One Hundred and Ninety-First General Court  
(2019-2020)**  
\_\_\_\_\_

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 2016 Official Edition, and inserting in place thereof the following  
3   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, transaction  
46 history, account balance or other personal or identifying information of an individual who  
47 purchases lottery tickets, games or shares online, over the internet, through the use of a mobile  
48 application or through any other means shall not be deemed public records of the commission for  
49 the purposes of section 10 of chapter 66; provided, however, that this section shall not prohibit  
50 the commission from maintaining, using or sharing such information in the course of an  
51 investigation by law enforcement or in compliance with sections 28A or 28B of this chapter.

52 The commission shall advise and make recommendations to the director regarding the  
53 operation and administration of the lottery. The commission shall report monthly to the  
54 governor, the attorney general and the general court, the total lottery revenues, prize  
55 disbursements and other expenses for the preceding month, and shall make an annual  
56 independently audited financial report to the same which shall include a full and complete

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

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

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

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

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

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

90           (a) For the purposes of this section, "group agreement" shall mean any lottery activity in  
91 which the commission participates pursuant to a written agreement between the commission, on  
92 behalf of the commonwealth, and any state, territory, country or other sovereignty. The  
93 commission is hereby authorized to enter into agreements with one or more states or other  
94 jurisdictions, hereinafter referred to as a group, for the purpose of creating and maintaining  
95 multi-jurisdictional lottery games, including multi-jurisdictional lottery games to be conducted  
96 online, over the internet, through the use of a mobile application or through any other means;  
97 provided, however, that any such lottery game to be conducted online, over the internet, through  
98 the use of a mobile application or through any other means has been properly authorized by each  
99 state or other jurisdiction that is part of the group; provided, further, that a group agreement shall  
100 not include the state lottery games created pursuant to section 24; provided further, that nothing

101 in this section and nothing in a group agreement shall authorize the commission to make  
102 expenditures that are not consistent with restrictions on expenditures by the commission  
103 provided in any other general or special law. The group shall determine the types of lotteries to  
104 be conducted, the prices of tickets or shares, the manner of selecting the winning tickets or  
105 shares, the manner of payment of prizes to the holders of winning tickets or shares and the  
106 frequency of the drawings or selection of winning tickets or shares. The commission may  
107 establish, and from time to time revise, such rules and regulations as it deems necessary or  
108 desirable to carry out the group agreement and shall file the same with the office of the state  
109 secretary.

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

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

123           The apportionment of the total revenues accruing from the sale of lotteries conducted  
124 online, over the internet, through the use of a mobile application or through any other means as  
125 authorized by section 24 of this chapter shall be as follows:-- (a) the payment of prizes to the  
126 holders of winning tickets or shares; (b) the payment of costs incurred in the operation and  
127 administration of such lotteries, including the expenses of the commission and the costs resulting  
128 from any contract or contracts entered into for promotional, advertising or operational services or  
129 for the purchase or lease of lottery equipment and materials which in no case shall exceed fifteen  
130 per cent of the total revenues accruing from the sale of lottery tickets, subject to appropriation;  
131 and (c) the balance shall be used to fund budgeted aid to cities and towns as provided in section  
132 18C of chapter 58, subject to appropriation; provided that, in any fiscal year where the balance  
133 used to fund such budgeted aid exceeds one-hundred-three per cent of budgeted aid apportioned  
134 in the previous fiscal year, the portion of the balance exceeding one-hundred-three per cent shall  
135 be apportioned as follows:-- (i) twenty five per cent to the Massachusetts School Building  
136 Authority established in section 1A of chapter 70B; (ii) twenty five per cent to special education  
137 programs as set forth in chapter 71B; and (ii) fifty per cent to fund budgeted aid to cities and  
138 towns as provided in section 18C of chapter 58, subject to appropriation.

139           SECTION 4. Section 3 of chapter 137 of the General Laws, as appearing in the 2016  
140 Official Edition, is hereby amended by inserting after the word “to”, in line 6, the following  
141 words:- “chapter 10 or”.