

**HOUSE . . . . . No. 4065**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

**Robert M. Koczera**

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*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 Casinos in Massachusetts.**

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Robert M. Koczera	11th Bristol
Stephen R. Canessa	12th Bristol
Stephen L. DiNatale	3rd Worcester
Rosemary Sandlin	3rd Hampden

# The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

## AN ACT ESTABLISHING CASINOS IN MASSACHUSETTS.

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

1           The General Laws are hereby further amended by Inserting after chapter  
2   128C the following chapter: Chapter 128D. Establishing Casinos in  
3   Massachusetts.

4   SECTION 1. General Provisions.

5   (a) This chapter shall be known and may be cited as “Casinos in Massachusetts  
6   Act”

7   (b) No applicant for a gaming license, or a manufacturer's or distributor's license  
8   or other affirmative commission approval has any right to a license or the granting  
9   of the approval sought. Any license issued or other commission approval granted  
10   pursuant to the provisions of this act is a revocable privilege, and no holder  
11   acquire any vested right therein or there under.

12 (c) Nothing in this chapter shall preclude any city or town in the commonwealth  
13 from prohibiting gaming.

14 (d) In the event of any conflict between the provisions of this chapter and any  
15 other provision of the General Laws, the provisions of this chapter shall prevail.

16 SECTION 2. Definitions.

17 The following words as used in this chapter shall, unless the context clearly  
18 requires otherwise, have the following meanings:

19 (a) "Affiliate", means any person which a licensee or applicant directly or  
20 indirectly controls or in which an applicant or licensee possesses an interest. For  
21 the purposes of this section "controls" means either (i) directly or indirectly  
22 holding more than ten percent of voting membership rights or voting stock or  
23 partnership interests, or (ii) that a majority of the directors, general partners,  
24 trustees, or members of an entity's governing body or representatives of, or are  
25 directly or indirectly controlled by, the licensee or applicant. For the purposes of  
26 this subsection, "possesses an interest in" means either (i) directly or indirectly  
27 holding more than five percent of voting membership rights or voting stock, or (ii)  
28 that at least twenty-five percent of the directors, general partners, trustees, or  
29 members of an entity's governing body or representatives of, or are directly or  
30 indirectly controlled by, the licensee or applicant;

31 (b) "Applicant", means any person who on his own behalf or on behalf of another  
32 has applied for permission to engage in any act or activity which is regulated by  
33 the provisions of this act or regulations promulgated there under.

34 (c) "Application", means a written request for permission to engage in any act or  
35 activity which is regulated under the provisions of this act.

36 (d) "Bidder", means an individual, corporation, partnership, organization or  
37 association of two or more persons, or other legal entity, that proposes to apply  
38 for a state gaming license and has been found suitable by the Commission.

39 (e) "Authority", means the state gaming control authority as established by this  
40 act"

41 (f) "Chairman", means the chairman of the state gaming commission.

42 (g) "Commission", means the Massachusetts state gaming commission;

43 (h) "Commissioner", means a member of the state gaming commission.

44 (i)"Committee", means the state gaming policy committee. (j)

45 "Competitive bidding process", means a process whereby the commission seeks  
46 potential bidders who desire to obtain a state gaming license, the winner which  
47 shall be chosen by competitive standards which are determined and established by  
48 the commission.

49 (k) "Controlled game" or "controlled gaming", any game of chance played for  
50 currency, check, credit, or any other thing of value that is not prohibited and made

51 unlawful by chapter two hundred and seventy-one of the General Laws, or any  
52 other general or special laws, or by local ordinance except:

53 (1) The game of bingo conducted pursuant to section seven A of chapter  
54 two hundred and seventy-one and 961 C.M.R. 3.00.

55 (2) Parimutuel wagering on horse and dog races, whether live or  
56 simulcast, regulated by the state racing commission.

57 (3) Any lottery game conducted by the state lottery commission, in  
58 accordance with section twenty-four of chapter 10 of the General Laws.

59 (4) Games played with cards in private homes or residences in which no  
60 person makes money for operating the game, except as a player.

61 (l) "Electronic Gaming Device", means any mechanical, electrical or other device,  
62 contrivance or machine, including any so-called video wagering terminal, video  
63 lottery terminal or video poker machine, which, upon insertion of a coin, token or  
64 similar object, or upon payment of any consideration, is available to play or  
65 operate, the play or operation of which, whether by reason of the skill of the  
66 operator in playing a gambling game which is presented for play by the machine  
67 or application of the chance, or both, may deliver or entitle the person playing or  
68 operating the machine to receive cash, premiums, merchandise, tokens or any  
69 thing of value, whether the payoff is made automatically from the machine or in  
70 any other manner.

71 (m) "Establishment", means any building, room, place or other indoor or outdoor  
72 premises where any controlled gaming occurs, including all public and non-public  
73 areas of any such establishment;

74 (n) "Executive Director", the executive director of the state gaming control  
75 bureau;

76 (o) "Game" and "gambling game", means any game approved by the commission  
77 and played with cards, dice, equipment or any mechanical, electromechanical or  
78 electronic device or machine, including slot machine as defined by this act, for  
79 money, property, checks, credit or any representative of value, but does not  
80 include games played with cards in private homes or residences in which no  
81 person makes money for operating the game, except as a player, or games defined  
82 within chapter ten or chapter two-hundred seventy-one of the General Laws.

83 (p) "Gaming", "gambling", and "gaming operations", means to deal, operate, carry  
84 on, conduct, maintain or expose for play any game as defined in this section.

85 (q) "Gaming device", means any equipment or mechanical, electromechanical or  
86 electronic contrivance, component or machine used remotely or directly in  
87 connection with gaming or any game which affects the result of a wager by  
88 determining "Win or loss".

89 (r) "Gaming employee", means any person employed in a properly licensed  
90 gaming facility including, without limitation, boxmen; dealers or croupiers;  
91 floormen; machine mechanics; security employees; count room personnel; cage  
92 personnel; slot machine and slot booth personnel; collection personnel;

93 surveillance personnel; and data processing personnel; or any other person whose  
94 employment duties predominantly involves the maintenance or operation of  
95 gaming activity or equipment and assets associated therewith or who, in the  
96 judgment of the commission, is so regularly required to work in a restricted area  
97 that licensure as a gaming employee is appropriate.

98 (s) "Gaming establishment", means any establishment licensed to conduct gaming  
99 operations in the commonwealth under this chapter.

100 (t) "Gaming license" or "license", means any license or work permit issued by the  
101 commission under this chapter that authorizes the person named therein to engage  
102 or participate in controlled gaming, including, work permits and licenses issued to  
103 gaming establishments, to gaming suppliers, to parties in interest, to gaming  
104 schools, and to officers and directors of licensed persons or entities;

105 (u) "Gaming establishment", any establishment licensed to conduct gaming  
106 operations in the commonwealth under this chapter;

107 (v) "Gaming service industry", means any form of enterprise which provides more  
108 than one hundred thousand dollars per annum in goods or services regarding the  
109 realty, construction, maintenance, or business of a proposed or existing gaming  
110 facility on a regular or continuing basis which directly relate to gaming activities  
111 or indirectly relate to gaming operations including, without limitation, junket  
112 enterprises, security businesses, manufacturers, suppliers, distributors and  
113 servicers of gaming devices or equipment; waste disposal companies;  
114 maintenance companies; schools teaching gaming and either playing or dealing

115 techniques; suppliers of alcoholic beverages, food and nonalcoholic beverages;  
116 vending machine providers; linen suppliers; shopkeepers located within the  
117 approved hotels; limousine services; and construction companies contracting with  
118 gaming applicants or licensees or their employees or agents, or any other  
119 enterprise which purchases more than fifty thousand dollars per annum in goods  
120 or services from or which does more than fifty thousand dollars worth of business  
121 per annum with licensed gaming facilities, provided that professional services  
122 such as accountants, auditors, attorneys, and broker dealers, or other professions  
123 which are regulated by a public agency, are exempt from the provisions of this  
124 subsection.

125 (w) "Holding company", means any corporation, firm, partnership, trust, or other  
126 form of business organization not a natural person that, directly or indirectly,  
127 owns, has the power or right to control, or holds with power to vote, all or any  
128 part of the limited partnership interests or outstanding voting securities of a  
129 corporation or any other business entity that holds or applies for a state gambling  
130 license. In addition, a holding company indirectly has, holds, or owns any power,  
131 right, or security mentioned herein if it does so through any interest in a  
132 subsidiary or successive subsidiaries, however many of these subsidiaries may  
133 intervene between the holding company and the corporate licensee or applicant.

134 (x) "Intermediary company", means any corporation, firm partnership trust or  
135 other form of business organization other than a natural person that is both of the  
136 following: (1) a holding company with respect to a corporation or limited



137 partnership that holds or applies for a gaming license and (2) a subsidiary with  
138 respect to a holding company.

139 (y) "Land-based licensed gaming facility" means any licensed gaming facility that  
140 is principally located on land.

141 (z) "License" means a gaming license" or a manufacturer's or distributor's license.

142 (aa) "License fees" means any money required by law to be paid to obtain or  
143 renew a gaming license manufacturer's or distributor's license.

144 (bb) "Licensed gaming facility" means any facility wherein all gaming is  
145 sanctioned and regulated by the Commission and fully taxed by the  
146 commonwealth.

147 (cc) "Licensee" means any person to whom a valid gaming license manufacturer's  
148 or distributor's license has been issued.

149 (dd) "Manufacturer" means a person who: (1) manufactures, assembles, programs  
150 or makes modifications to a gaming device or cashless wagering system; or (2)  
151 designs, controls the design or assembly or maintains a copyright over the design  
152 of a mechanism, electronic circuit or computer program which cannot be  
153 reasonably demonstrated to have any application other than in a gaming device or  
154 in a cashless wagering system, for use or play in this state or for distribution  
155 outside of this state

156 (ee) "Manufacturer's, seller's or distributor's license", means a license issued  
157 pursuant to this act.

158 (ff) "Party in interest", means any corporation, firm, partnership, trust, or other  
159 entity or person with any direct or indirect pecuniary interest in a licensed gaming  
160 establishment, or a person who owns any interest in the premises of a licensed  
161 gaming establishment, or land upon which such premises is licensed, whether he  
162 leases the property directly or through an affiliate.

163 (gg) "Person" or "party" means a natural person, corporation, partnership, limited  
164 partnership, trustee, holding company, joint venture, association, or any business  
165 entity.

166 (hh) "Request for proposals" means a written document issued by the  
167 commission to potential bidders which invites bidders to submit proposals  
168 outlining their qualifications and desire to obtain a gaming license from the  
169 commission.

170 (ii) "Skimming", means the intentional excluding of or the taking of any monies,  
171 chips, or any other items in an attempt to exclude any monies, chips, or any other  
172 items or their value from the deposit, counting, collection, or computation of  
173 gross revenues from gaming operations or activities, net gaming proceeds, or  
174 amounts due the commonwealth pursuant to this act.

175 (jj) "Slot machine", means any mechanical, electrical or other device, contrivance  
176 or machine, including any so-called video wagering terminal, video lottery  
177 terminal or video poker machine, which, upon insertion of a coin, token or similar  
178 object, or upon payment of any consideration, is available to play or operate, the  
179 play or operation of which, whether by reason of the skill of the operator in

180 playing a gambling game which is presented for play by the machine or  
181 application of the element of chance, or both, may deliver or entitle the person  
182 playing or operating the machine to receive cash, premiums, merchandise, tokens  
183 or any thing of value, whether the payoff is made automatically from the machine  
184 or in any other manner.

185 (kk) "Substantial party in interest", means any person holding a greater than five  
186 percent direct or indirect pecuniary interest, whether as owner, mortgagor or  
187 otherwise, in an operating entity, premises, or any other licensee or applicant.

188 (ll) "Water-based licensed gaming facility", means any licensed gaming facility  
189 that is principally located on the water.

190 (mm) "Work permit", means any card, certificate, or permit issued by the  
191 commission authorizing the holder to be employed in a licensed gaming facility.

192 (nn) "Gross gaming revenue", the total, prior to the deduction of any operating,  
193 capital or other expenses whatsoever, less only the total of all sums paid out as  
194 winnings, of all gaming establishment revenue generated by the gaming  
195 establishment of any casino licensed under this chapter derived from the conduct  
196 of any game conducted at a licensed casino.

### 197 SECTION 3. Gaming Control Commission: Composition, Powers and Duties.

198 (a) There shall be established a Massachusetts Gaming Control Commission  
199 consisting of five members. Each member shall be a citizen of the United States  
200 and a resident of the commonwealth. No person holding any elective office in

201 state, county, or local government; nor any officer or official of any political  
202 party, nor any person who was formerly a licensee or an unlicensed employee of a  
203 gaming licensee within the five years prior to any appointment shall be eligible  
204 for appointment to the commission. The commission shall be composed of the  
205 most qualified persons available; but no person actively engaged or having a  
206 direct pecuniary interest in gaming activities shall be a member of the  
207 commission. The governor shall appoint three members of the commission and  
208 designate one member to serve as chairman of the commission. The attorney  
209 general of the commonwealth shall appoint one member of the commission. The  
210 attorney general's appointee shall have experience in legal issues with respect to  
211 gaming establishments and be a member in good standing with the Massachusetts  
212 Bar Association. The auditor of the commonwealth shall appoint one member of  
213 the commission. The auditor' appointee shall have experience in accounting and  
214 possess a Massachusetts license as a Certified Public Accountant.

215 (b) Members of the commission shall serve a term coterminous with that of the  
216 elected Governor and serve until a successor is appointed. Any member shall be  
217 eligible for reappointment but no member shall serve more than 2 terms of 4 years  
218 each. Any person appointed to fill a vacancy in the office of a member of the  
219 commission shall be appointed in a like manner and shall serve for only the  
220 unexpired term of such member. Any commissioner may be removed by the  
221 governor for just cause, and shall be removed immediately upon conviction of any  
222 felony.

223 (c) Four of the members shall constitute a quorum and the affirmative vote of a  
224 majority of members present at a duly called meeting where a quorum is present  
225 shall be necessary for any action to be taken by the commission. The commission  
226 annually may elect 1 of its members as vice-chairperson, shall elect a secretary  
227 and a treasurer, and may elect or appoint other officers as it may deem necessary,  
228 none of whom, other the vice-chairperson, are required to be members of the  
229 commission. The secretary shall keep a record of the proceedings of the  
230 commission and shall be custodian of all books, documents, and papers filed by  
231 the commission and of its minute book and seal. The secretary shall cause copies  
232 to be made of all minutes and other records and documents of the commission and  
233 shall certify that such copies are true copies, and all persons dealing with the  
234 commission may rely upon such certification. The treasurer shall be the chief  
235 financial and accounting officer of the commission and shall be in charge of its  
236 funds, books of account and accounting records. The officers of the commission  
237 shall be subject to the same requirements as the members of the commission.

238 (d) Meetings of the commission shall be subject to Sections 11A and 11A1/2 of  
239 Chapter 30A, provided, however, that any discussion or consideration of law  
240 enforcement or investigatory information, trade secrets or commercial or financial  
241 information may be held by the commission in executive session closed to the  
242 public notwithstanding the provisions of Section 11A1/2 of Chapter 30A, but the  
243 purpose of any such executive session shall be set forth in the official minutes of  
244 the commission and no business which is not directly related to such purpose shall  
245 be transacted nor shall any vote be taken during such executive session. A public

246 record of every vote shall be maintained at the commission. The commission may  
247 maintain any other files and records as it deems appropriate. Regular and special  
248 meetings of the commission may be held, at the discretion of the commission, at  
249 such times and places as it may deem convenient.

250 (e) The commission members shall devote that time to the business of the  
251 commission as may be necessary to the discharge of their duties. The members of  
252 the commission shall be compensated for work performed for the commission at  
253 fifty thousand dollars per annum, with the chairman receiving ten thousand  
254 dollars per annum in addition to his compensation. Before entering upon the  
255 duties of his or her office each member shall swear that he or she is not pecuniary  
256 interested in any business or organization holding a gaming license under this act,  
257 or doing business with any gaming service industry, as defined by this act and  
258 shall submit to the governor, attorney general and state auditor, a statement of  
259 financial interest required by chapter two-hundred sixty-eight B of the General  
260 Laws listing all assets and liabilities, property and business interests, and sources  
261 of income of said commissioner and his spouse. Such statement shall be under  
262 oath and shall be filed at the time of employment and annually thereafter. No  
263 commission member shall have any interest, direct or indirect, in any applicant or  
264 in any person licensed by or registered with the commission during his term of  
265 office. Regular and special meetings of the commission may be held, at the  
266 discretion of the commission, at such times and places as it may deem convenient.

267 (f) The commission shall make an annual report of its activities to the general  
268 court by March thirty-one, for the prior calendar year.

269 (g) The commission shall have general responsibility for the implementation of  
270 this act, as hereinafter provided, including, the right to hear and decide promptly  
271 and in reasonable order all license, registration, certificate, and permit  
272 applications and causes affecting the granting, suspension, revocation, or renewal  
273 thereof; to conduct all hearings pertaining to civil violations of this act or  
274 regulations promulgated hereunder; the method and form of application which  
275 any applicant for a gaming license or for a manufacturer's, sellers or distributor's  
276 license must follow and complete before consideration of his application by the  
277 commission; the information to be furnished by any applicant or licensee  
278 concerning his antecedents, habits, character, associates, criminal history or  
279 record, business activities and financial affairs, past or present; the information to  
280 be furnished by a licensee relating to his gaming employees; the fingerprinting of  
281 an applicant or licensee or employee of a licensee or other methods of  
282 identification; the manner and procedure of all hearings conducted by the State  
283 Gaming Control Authority, as defined by this act, or commission or any hearing  
284 examiner of the authority or commission, including special rules of evidence  
285 applicable thereto and notices thereof; the issuance and revocation of work  
286 permits for employment of persons in licensed gambling facilities; the manner in  
287 which winnings, compensation from games and gaming devices, and gross  
288 revenue must be computed and reported by the licensee; the minimum procedures  
289 for adoption by each licensee to exercise effective control over its internal fiscal  
290 affairs; the payment by any applicant of all or any part of the fees and cost of  
291 investigation of such applicant as may be determined by the bureau or the

292 commission; governing the manufacture, sale and distribution of gambling  
293 devices and equipment; licensee bonding requirements; monitoring of licensee  
294 requirements; investigations both civil and criminal; the method and operation of  
295 gambling operations including the type and manner of gambling, record keeping,  
296 accounting, audit requirements and safeguarding of assets; the testing and  
297 inspection of gambling equipment; the licensing of corporations, limited  
298 partnerships, holding companies and intermediary companies; the limitations of  
299 security contracts and agreements; the sale of securities of affiliated companies;  
300 emergency proceedings; setting forth those persons to be excluded or ejected from  
301 gambling establishments including the type of conduct prohibited thereat; to  
302 collect all license and registration fees, taxes and penalties imposed by this act  
303 and the regulation issued pursuant thereto; to be present through its inspectors and  
304 agents at all times during the operation of any licensed gaming facility for the  
305 purpose of certifying the revenue thereof and receiving complaints from the  
306 public; and to review and rule upon any complaint by a licensed gaming facility  
307 licensee regarding any investigative procedures of the bureau which are  
308 unnecessarily disruptive of licensed gaming facility operations; and a code of  
309 conduct for employees of the bureau. The need to inspect and or investigate a  
310 licensed gaming facility shall be presumed at all times. The commission shall  
311 adopt an official seal and alter same at pleasure.

312 (h) The commission shall conduct hearings in accordance with the provisions of  
313 Chapter 30A. The commission may, by a majority vote, issue subpoenas for the  
314 attendance of witnesses or the production of any records, books, memoranda,



315 documents, or other papers, or things, at or prior to any hearing as is necessary to  
316 enable the commission to effectually discharge its duties, and may administer  
317 oaths or affirmations as necessary in connection therewith. The commission may  
318 petition a superior court for an order requiring compliance with a subpoena. The  
319 commission and the bureau shall have the authority to propound written  
320 interrogatories and may administer oaths, issue subpoenas, propound written  
321 interrogatories, require testimony under oath, report same, and fashion  
322 recommended decisions upon the recommendation of said commission.

323 (i) The commission may require any person to apply for a license as provided in  
324 this act and approve or disapprove, transactions, events, and processes as provided  
325 in this act. The commission may grant or deny any application for a license or  
326 approval; may limit, condition, restrict, suspend, or revoke any license or  
327 approval for any cause deemed reasonable by the commission, consistent with this  
328 act or any general or special. The commission may also impose a civil fine of not  
329 more than fifteen thousand dollars upon any person licensed, registered or  
330 otherwise approved under this act, for any violation of this act or of any general or  
331 special law related to gambling. The commission may, as further provided in  
332 regulations approve or disapprove transactions, events, and processes as provided  
333 in this act, take actions reasonably designed to ensure that no unsuitable persons  
334 are associated with controlled gambling activities. The commission may expend  
335 for legal, investigative, clerical and other assistance such as may be appropriated  
336 therefore. Investigators employed by the commission shall have access to all  
337 records maintained by the all licensees and registrants hereunder, whether

338 maintained at the licensed gambling establishment or other location as may be  
339 pertinent to the investigatory powers of the commission.

340 (j)The commission shall assure, to the extent required by this act, that licenses,  
341 approvals, certificates, or permits shall not be issued to nor held by, nor shall  
342 there be any material involvement, directly or indirectly, with the licensed gaming  
343 facility operation or the ownership thereof by, unqualified or disqualified persons  
344 or persons whose operations are conducted in a manner not conforming with the  
345 provisions of this act. In enforcing the provisions of this act, the commission shall  
346 have the power and authority to deny any application; limit or restrict any license,  
347 registration, certificate, permit or approval; suspend or revoke any license,  
348 registration, certificate, permit or approval; and, impose a penalty on any person  
349 licensed, registered, or previously approved for any cause deemed reasonable by  
350 the commission pursuant to rules and regulations promulgated thereby.

351 (k) No commission member or person employed by the commission shall  
352 represent any person or party other than the commonwealth before or against the  
353 commission for a period of two years from the termination of his office or  
354 employment with the commission.

355 (l) The commission shall initiate proceedings or actions appropriate to enforce  
356 statutory and regulatory requirements mandated of license-holders.

357 (m) The commission shall have the power to acquire, lease, use, hold and  
358 mortgage real, personal or mixed property or any interest, easements or rights  
359 therein, as may be necessary or appropriate to carry out the provisions of this act;

360 to enter into agreements or other transactions with the commonwealth or any  
361 political subdivision or public instrumentalities thereof, the United States  
362 government or any federal, state or other governmental agency; to formulate plans  
363 for the projects involving the acquisition and operation of facilities pursuant to the  
364 provisions of this act, and to construct or reconstruct, expand, remodel, to fix and  
365 revise from time to time, and to charge and collect rates, fees, rentals and other  
366 charges for the use of any building, structure, other property or portion thereof  
367 under its control; and to acquire in the name of the commission by purchase or  
368 otherwise,

369 (n) The commission may investigate, civilly or criminally, fraud, deceit,  
370 misrepresentation or violations of law by any person licensed or registered under  
371 this act, or the occurrence of any such activity within or involving any licensed  
372 gambling establishment or gambling operation. If the commission has reasonable  
373 basis to believe that any person licensed or registered under this act is engaged in  
374 criminal behavior or that criminal activity is occurring within or involving any  
375 licensed gaming facility or licensed gambling operation said commission shall  
376 report same to the attorney general of the commonwealth and the district attorney  
377 of the county within which the gaming facility is located and make available to  
378 the attorney general and said district attorney all relevant information on such  
379 activity. The commission, as it deems appropriate, may ask the attorney general  
380 and/ or said district attorney to restrain a violation of this act or enforce any  
381 provision thereof. An action brought against a person pursuant to this act does  
382 not preclude any other criminal or civil proceeding as may be authorized by law.

383 (o) No person shall transfer a direct or indirect pecuniary interest in a licensed  
384 operating entity or premises, or enter into an option contract or other agreement  
385 providing for such transfer in the future, without having notified the commission.  
386 No person shall transfer a greater than five percent direct or indirect pecuniary  
387 interest in a licensed operating entity or premises without the issuance by the  
388 commission to the transferee of an operating license or an affirmative statement  
389 that the transferee has met the operating license standards, as the commission may  
390 require.

391 SECTION 4. State Gaming Control Authority: Composition, Powers and Duties.

392 (a) There shall be established a State Gaming Control Authority. The authority  
393 may acquire such furnishings, equipment, supplies, stationery, books, motor  
394 vehicles and other things as it may deem necessary or desirable in carrying out its  
395 functions; incur such other expenses, within the limit of money available to it, as  
396 it may deem necessary. The authority shall furnish to the commission such  
397 administrative and clerical services and such furnishings, equipment, supplies,  
398 stationery, books, motor vehicles and all other things as the commission may  
399 deem necessary or desirable in carrying out its functions. Except as otherwise  
400 provided in this act, all costs of administration incurred by the authority must be  
401 paid out on claims from the state general fund in the same manner as other claims  
402 against the state are paid.

403 (b) The position of Executive Director of the state gaming control authority is  
404 hereby created. The Gaming Control Commission shall appoint the executive

405 director for a term of five years. The executive director shall not serve more than  
406 two consecutive terms. The executive director may be removed by the governor  
407 for cause. The executive director shall be responsible for the conduct of the  
408 commission's administrative matters. The executive director shall be the executive  
409 secretary of the commission and shall carry out and execute the duties as specified  
410 by law and the commission. The executive director shall employ such  
411 professional, technical, and clerical assistants and employees as necessary, subject  
412 to appropriation; provided, however, that such assistants and employees shall not  
413 be subject to chapter thirty-one or section nine A of chapter thirty of the General  
414 Laws. The executive director shall devote his entire time and attention to the  
415 business of his office and shall not pursue any other business or occupation or  
416 hold any other office of profit.

417 (c) The authority shall, within the limits of legislative appropriations or  
418 authorizations, employ and fix the salaries of or contract for the services of such  
419 professional, technical and operational personnel and consultants as the execution  
420 of its duties and the operation of the authority and commission may require. The  
421 authority and the commission shall, by suitable regulations, establish a  
422 comprehensive plan governing employment, job classifications and performance  
423 standards, and retention or discharge of employees to assure that termination or  
424 other adverse action is not taken against such employees except for cause. The  
425 authority may employ the services of such persons as it considers necessary for  
426 the purposes of consultation or investigation. (d) Each

427 employee of the authority shall file with the state ethics commission a statement

428 of financial interest as defined in chapter two-hundred sixty-eight B of the  
429 General Laws listing all assets and liabilities, property and business interests, and  
430 sources of income of said employee and his spouse. Such statement shall be  
431 under oath and shall be filed at the time of employment and annually thereafter.

432 (e) No employee of the authority shall be permitted to gamble in any  
433 establishment licensed by the Commission except in the course of his duties. Each  
434 employee or agent of the bureau shall devote his entire time and attention to his  
435 duties and shall not pursue any other business or occupation or other gainful  
436 employment; provided, however, that secretarial and clerical personnel may  
437 engage in such other gainful employment as shall not interfere with their duties to  
438 the commission or bureau, unless otherwise directed; and provided further,  
439 however, that other employee and agents of the authority may engage in such  
440 other gainful employment as shall not interfere or be in conflict with their duties  
441 to the authority, upon approval by the commission and the director of the  
442 authority.

443 (f) No person employed by the authority shall represent any person or party other  
444 than the commonwealth before or against the authority or the commission for a  
445 period of one year from the termination of his office or employment with the  
446 authority.

447 (g) Before the beginning of each legislative year, the authority shall submit to the  
448 house and senate committees on ways and means and the joint committee on state  
449 administration and oversight a report defining, for the preceding twelve month

450 period, the gross revenue, net revenue, and average depreciation of each licensee;  
451 the number of persons employed by each licensee, and related payroll  
452 information; and the assessed valuation of each Massachusetts licensed gaming  
453 facility as listed on the assessment rolls.

454 (h) Employees of the authority and their agents may inspect and examine all  
455 premises wherein gaming is conducted or gambling devices or equipment are  
456 manufactured, sold or distributed; inspect all equipment and supplies in, upon or  
457 about such premises; summarily seize and remove from such premises and  
458 impound any equipment, supplies, documents or records for the purpose of  
459 examination and inspection; demand access to and inspect, examine, photocopy  
460 and audit all papers, books and records of any applicant or licensee, on his  
461 premises, or elsewhere as practicable, and in the presence of the applicant or  
462 licensee, or his agent, respecting the gross income produced by any gaming  
463 business, and require verification of income, and all other matters affecting the  
464 enforcement of the policy or any of the provisions of this act; demand access to  
465 and inspect, examine, photocopy and audit all papers, books and records of any  
466 affiliate of a licensee whom the authority or commission knows or reasonably  
467 suspects is involved in the financing, operation or management of the licensee.  
468 Licensees must retain all books, papers, and records necessary for audits for three  
469 years after the date of the surrender or revocation of his gaming license.

470 (i) The authority may place expert accountants, technicians, and any other  
471 persons, as it may deem necessary, in the office, gambling area, or other place of  
472 business of any person licensed or registered under this act for the purpose of

473 determining compliance with the rules and regulations adopted pursuant to this  
474 act.

475 (j) The authority may investigate, for purposes of prosecutions any suspected  
476 criminal violation of this act; provided, however, that nothing in this section shall  
477 be deemed to limit the investigatory and prosecutorial powers of other state and  
478 local officials and agencies, including district attorneys and police departments.

479 (k) The authority may recommend to the commission the denial of any  
480 application, the limitation, conditioning, restriction, suspension, or revocation of  
481 any license, permit, registration or approval, or the imposition of any fine upon  
482 any person licensed or approved by the commission.

483 (l) The executive director of the authority and employees of the authority so  
484 designated by the director shall have and exercise throughout the commonwealth,  
485 subject to the rules and regulations as the director, with the approval of the  
486 commission, may from time to time adopt, all the authority of police officers and  
487 constables, except the service of civil process, to effectuate the purposes of this  
488 act.

489 (m) No official, member, employee, or agent of the commission or authority,  
490 having obtained access to confidential records or information in the performance  
491 of duties pursuant to this act, unless otherwise provided by law, shall knowingly  
492 disclose or furnish the records or information, or any part thereof, to any person  
493 who is not authorized by law to receive it. Violation of this provision shall be  
494 punishable by a fine of not more than ten thousand dollars or by imprisonment in



495 a house of correction for not more than one year, or by both such fine or  
496 imprisonment.

497 (n) The authority shall make a continuous study and investigation of gaming  
498 throughout the commonwealth in order to ascertain defects in state gaming law, or  
499 in rules and regulations issued thereunder; to formulate recommendations for  
500 changes in said law and the rules and recommendations promulgated thereunder.

501 The authority shall make a continuous study and investigation of the operation  
502 and administration of similar laws in other states or countries; of any literature or  
503 reports on the subject which from time to time may be published or available to  
504 licensed gaming facilities; of any federal laws which may affect the operation of  
505 gaming in the commonwealth; and of the reaction of citizens of the  
506 commonwealth to existing and potential features of gaming with a view to  
507 recommending or effecting changes that will tend to better serve and implement  
508 the purposes of state gaming law. The authority shall make a continuous study of  
509 state gaming policy, including gaming, as defined by this act; the state lottery, as  
510 defined by chapter ten; and pari-mutual racing, as defined by chapter one-hundred  
511 twenty-eight; and the impact of said policy on the Commonwealth.

512 (o) The executive director of the authority shall petition the commission to initiate  
513 proceedings or actions appropriate to enforce statutory and regulatory  
514 requirements mandated of license-holders, and the commission shall grant or deny  
515 such petitions expeditiously.

516 SECTION 5. Records of Commission and Authority Proceedings.

517 (a) The commission shall cause to be made and kept a record of all proceedings at  
518 regular and special meetings of the commission. These records shall be open to  
519 public inspection.

520 (b) Notwithstanding any other general or special law to the contrary all files,  
521 records, reports, and other information in possession of any state or local  
522 governmental agency including tax filings and related information that are  
523 relevant to an investigation by the bureau conducted pursuant to this act shall be  
524 made available to the authority as requested. However, any tax or financial  
525 information received from a governmental agency shall be used solely for  
526 effectuating the purposes of this act. To the extent that these files, records,  
527 reports, or information are confidential or otherwise privileged from disclosure  
528 under any law they shall not lose that confidential or privileged status for having  
529 been disclosed to the authority.

530 (c) No statement, and no publication of any document, described in this section  
531 shall impose liability for defamation or constitute a ground for recovery in any  
532 civil action. If any document or communication described above contains any  
533 information that is privileged or exempt from public disclosure that privilege or  
534 exemption is not waived or lost because the document or communication is  
535 disclosed to the authority or the commission or any of their agents or employees.

536 (d) The attorney general, every district attorney, and every state and local law  
537 enforcement agency shall notify the authority of any investigation or prosecution

538 of any person if it appears that a violation of any law related to gambling had  
539 occurred.

540

541 SECTION 6. Finding of Suitability. License Approval.

542 (a) The commission and the authority shall investigate the qualifications of each  
543 applicant under this act before any license is issued or any registration, finding of  
544 suitability or approval of acts or transactions for which commission approval is  
545 required or permission is granted, and shall continue to monitor the conduct of all  
546 licensees and registrants and other persons having a material involvement,  
547 directly or indirectly with a licensed gaming facility or holding company to ensure  
548 that licenses are not issued or held by, nor is there any material involvement  
549 directly or indirectly with a licensed gaming facility or holding company by  
550 unqualified, disqualified or unsuitable persons, or persons whose operations are  
551 conducted in an unsuitable manner or in unsuitable or prohibited places or  
552 locations, as provided in commission regulations. All expenses associated with  
553 the licensing of any applicant shall be borne by the applicant. Pursuant to its  
554 regulations, the commission shall require each applicant for a gambling license to  
555 deposit with the commission, together with the application therefore, an  
556 application fee. Such fee shall constitute the anticipated costs and charges  
557 incurred in the investigation and processing of the application, and any additional  
558 sums as are required by the commission to pay final costs and charges.

559 (b) The commission and the authority may require a finding of suitability or the  
560 licensing of any person who owns any interest in the premises of a licensed  
561 establishment; owns any interest in real property used by a licensed establishment  
562 whether he leases the property directly to the licensee or through an intermediary;  
563 repairs, rebuilds or modifies any gaming device; manufactures or distributes chips  
564 or gaming tokens for use in this state.

565 (c) The commission and the authority may require a finding of suitability or the  
566 licensing of any person who furnishes services or property to a state gaming  
567 licensee under any arrangement pursuant to which the person receives payments  
568 based on earnings, profits or receipts from gaming.

569 d) No person shall operate a gaming establishment without having obtained all  
570 necessary operating licenses from the commission. There shall be a single  
571 licensed operator for each gaming establishment. The licensing standards must be  
572 met at all times by each officer, director, partner, and trustee of the operating  
573 entity, by each substantial party in interest of the operating entity or of the  
574 premises on which such establishment is located, and by such other party in  
575 interest of the operating entity, the premises, or any holding company or  
576 intermediary company of the operating entity or the premises as the commission  
577 may require. In no event shall the commission permit person or entity previously  
578 convicted of a felony to be a party in interest of the operating entity or of the  
579 premises or of any holding or intermediary company of the operating entity or the  
580 premises. A separate license shall be required for any person described above,  
581 unless the commission specifically determines otherwise.

582 (e) The commission is authorized to award no more the 3 casino licenses in the  
583 Commonwealth, with no more than 1 license awarded per region, as follows: -

584         Region 1 – Suffolk, Middlesex and Essex counties;

585         Region 2 – Norfolk, Bristol, Plymouth, Nantucket, Dukes and

586         Barnstable counties; and

587         Region 3 – Worcester, Hampshire, Hampden, Franklin, and Berkshire

588         counties.

589 (f) Each license approved by the Commission pursuant to Section 6(e) shall be  
590 awarded as the result of a competitive bidding process to be designed and  
591 established by said commission in which the successful applicant shall bid not  
592 less than \$100 million.

593 (g) No casino license shall issue to an applicant who is a federally recognized  
594 Native American tribe located in the Commonwealth or an applicant who is  
595 partnered with a federally recognized Native American tribe located in the  
596 Commonwealth unless the Native American tribe has entered into a contractual  
597 agreement with the Commonwealth in which the Native American tribe agrees to  
598 waive any and all of its rights under the Indian Gaming Regulatory Act, 25 U.S.C.  
599 Sections 2701 et seq., and be subject to the civil and criminal laws, statutes,  
600 ordinances, and jurisdiction of the Commonwealth with respect to all activities  
601 relating to the development and operation of the resort casino and the applicable  
602 rules and regulations prescribed by the commission.

603 (h) No application for any gaming license established under this act shall be  
604 granted without a majority vote of those voting in a local referendum of the host  
605 community in accordance with the procedures established under the general laws.

606 (i) A person may apply to be a licensed operator by filing an application with the  
607 commission, in the form and with such accompanying application fees as the  
608 commission may establish. Information on the application will be used as the  
609 basis for a thorough background investigation which the bureau shall conduct  
610 with respect to each applicant. Each application shall disclose the identity of each  
611 party in interest, each holding company and intermediary company, and each  
612 affiliate of the operating entity. The application shall disclose, in the case of a  
613 privately held corporation, the names and addresses of all directors, officers, and  
614 stockholders; in the case of a publicly traded corporation, the names and  
615 addresses of all directors, officers, and persons holding at least one percent of the  
616 total capital stock issued and outstanding; in the case of a partnership, the names  
617 and addresses of all partners, both general and limited; and in the case of a trust,  
618 the names and addresses of all trustees and beneficiaries.

619 (j) Each operating entity shall identify, in its application, the premises containing  
620 the establishment where it proposes to conduct its gaming operations. The  
621 application shall contain such information regarding the physical location and  
622 condition of the premises and the potential impact of the proposed gaming  
623 operations upon adjacent properties and the municipality and region within which  
624 the premises are located, as the commission may require. The application shall  
625 disclose the identity of all parties in interest regarding the premises; and provided,

626 further, except as otherwise permitted herein, no person other than a licensee  
627 hereunder shall have any right to or interest in net gaming revenue or adjusted net  
628 gaming revenue in the form of a percentage of any sums payable hereunder.

629 (k) No licensed operator shall obtain any gaming equipment from a person who  
630 does not hold a license. No licensed operator shall enter into any agreement for  
631 the receipt of goods or services, of any form and in any amount, from a person  
632 who does not hold a license, when a license is required for such agreement under  
633 this act or under regulations promulgated by the commission or authority.

634 (l) No licensed operator shall employ any person in a gaming establishment who  
635 does not hold a work permit, when a work permit is required for such position  
636 under regulations promulgated by the commission or authority.

637 (m) Licensed operators shall provide all full time employees and part time  
638 employees working a minimum of twenty hours a week with health insurance  
639 coverage.

640 (n) Any person who the commission determines is qualified to receive a license or  
641 be found suitable under the provisions of this act, may be issued a state gaming  
642 license or found suitable, as appropriate. The burden of proving his qualification  
643 to receive any license or be found suitable is on the applicant. A license to operate  
644 a gaming establishment must not be granted unless the applicant has satisfied the  
645 commission that he or she has adequate business probity, competence and  
646 experience, in gaming; and the proposed financing of the entire operation is  
647 adequate for the nature of the proposed operation; and, from a suitable source.

648 All applications to receive a license or be found suitable constitutes a request for a  
649 determination of the applicant's general character, integrity, and ability to  
650 participate or engage in, or be associated with gaming, as appropriate. The  
651 commission may limit the license or place such conditions thereon as it may deem  
652 necessary in the public interest. The commission may, if it considers necessary,  
653 issue a probationary license. No state gaming license may be assigned either in  
654 whole or in part. The commission may limit or place such conditions as it may  
655 deem necessary in the public interest upon any registration, finding of suitability  
656 or approval for which application has been made. A licensee may be granted a  
657 temporary gaming license to operate a gaming facility during the construction  
658 phase of any licensed gaming facility, provided that no more than one temporary  
659 license be awarded for any licensed gaming facility, and provided further that no  
660 temporary license remain in force for a period in excess of twenty-four months.

661 (o) Any state license in force is renewable every 10 years, from the date of first  
662 issuance. The commission shall adopt regulations to establish standards and the  
663 process concerning the renewability of licenses.

664 (p) If satisfied that an applicant is eligible to receive a state gaming,  
665 manufacturing, selling, or distributing license, and upon tender of all license fees  
666 and taxes as required by law and regulation of the commission; and a bond  
667 executed by the applicant as principal, and by a corporation qualified under the  
668 laws of the commonwealth as surety, payable to the commonwealth, and  
669 conditioned upon the payment of license fees and taxes and the faithful  
670 performance of all requirements imposed by law or regulation or the conditions of



671 the license, the commission shall issue and deliver to the applicant a license  
672 entitling him to engage in the gaming, manufacturing, selling, or distributing  
673 operation for which he is licensed, together with an enumeration of the specific  
674 terms and conditions of the license.

675 (q) A license issued pursuant to the provisions of this act must be posted by the  
676 licensee and kept posted at all times in a conspicuous place in the area where  
677 gaming is conducted in the establishment for which the license is issued until it is  
678 replaced by a succeeding license.

679 (r) If the commission is not satisfied that an applicant is qualified to be licensed  
680 under this act, the commission may cause to be made such investigation into and  
681 conduct such hearings concerning the qualifications of the applicant in accordance  
682 with its regulations as it may deem necessary.

683 (s) The commission has full and absolute power and authority to deny any  
684 application for any cause it deems reasonable. If an application is denied, the  
685 commission shall prepare and file its written decision upon which its order  
686 denying the application is based.

687 (t) A person who has had his application for a license denied or who has been  
688 found unsuitable by the commission shall not retain his interest in a corporation,  
689 partnership, limited partnership, limited-liability company or joint venture beyond  
690 that period prescribed by the commission; and shall not accept more for his  
691 interest in a corporation, partnership, limited partnership, limited-liability

692 company or joint venture than he paid for it or the market value on the date of the  
693 denial of the license or the finding of unsuitability.

694 (u) The voluntary surrender of a license by a licensee does not become effective  
695 until accepted in the manner provided in the regulations of the commission. The  
696 surrender of a license does not relieve the former licensee of any penalties, fines,  
697 fees, taxes or interest due.

698 (v) The authority shall promptly and in reasonable order investigate all  
699 applications, enforce the provisions of this act and any regulations promulgated  
700 hereunder. The authority shall provide the commission with all information  
701 necessary for all actions requested of it under this act and for all proceedings  
702 involving enforcement of the provisions of this act or any regulations  
703 promulgated hereunder.

704 (w) The authority shall investigate the qualifications of each applicant before any  
705 license, certificate, or permit is issued pursuant to the provisions of this act;  
706 investigate the circumstances surrounding any act or transaction for which  
707 commission approval is required; investigate violations of this act and regulations  
708 promulgated hereunder; initiate, prosecute and defend such proceedings before  
709 the commission, or appeals there from, as the authority may deem appropriate;  
710 provide assistance upon request by the commission in the consideration and  
711 promulgation of rules and regulations; conduct continuing reviews of licensed  
712 gaming facility operations through on-site observation and other reasonable  
713 means to assure compliance with this act and regulations promulgated hereunder;

714 conduct audits of licensed gaming facility operations at such times, under such  
715 circumstances, and to such extent as the director shall determine, including  
716 reviews of accounting, administrative and financial records and management  
717 control systems, procedures and records utilized by a licensed gaming facility  
718 licensee; and be entitled to request information, materials and any other data from  
719 any licensee or registrant, or applicant for a license or registration under this act.

720 (x) Each licensee or registrant, or applicant for a license or registration under this  
721 act shall cooperate with the commission and the authority in the performance of  
722 their duties.

723 (y) The authority and its employees and agents, upon approval of the director,  
724 shall have the authority, without notice and without warrant to inspect and  
725 examine all premises wherein gaming is conducted; or gaming devices or  
726 equipment are manufactured, sold, distributed, or serviced, or wherein any records  
727 of such activities are prepared or maintained; to inspect all equipment and  
728 supplies in, about, upon or around such premises; to seize summarily and remove  
729 from such premises and impound any such equipment or supplies for the purposes  
730 of examination and inspection; to inspect, examine and audit all books, records,  
731 and documents pertaining to a gaming licensee's operation; to seize, impound or  
732 assume physical control of any book, record, ledger, game, device, cash box and  
733 its contents, counting room or its equipment, or licensed gaming facility  
734 operations; and to inspect the person, and personal effects present in a licensed  
735 gaming facility licensed under this act, of any holder of a license or registration

736 issued pursuant to this act while that person is present in a licensed gaming  
737 facility.

738 (z) Every licensed gaming facility must, upon receipt of criminal or civil process  
739 compelling testimony or production of documents in connection any criminal  
740 investigation, immediately disclose such information to the authority.

#### 741 SECTION 7. Right to Hearing.

742 Any person aggrieved by a determination by the commission to issue, deny,  
743 modify, revoke or suspend any license or approval, or to issue an order, under the  
744 provisions of this act, may request an adjudicatory hearing before the commission  
745 under the provisions of chapter thirty A of the General Laws. Any such  
746 determination shall contain a notice of this right to request a hearing and may  
747 specify a time limit, not to exceed twenty-one days, within which said person  
748 shall request said hearing. If no such request is timely made, the determination  
749 shall be deemed assented to. If a timely request is received, the commission shall  
750 within a reasonable time act upon a request in accordance with the provisions of  
751 said Chapter 30 A. A person aggrieved by a final decision in an adjudicatory  
752 hearing held under the provisions of this section may obtain judicial review  
753 thereof pursuant to the provisions of chapter thirty A.

754

#### 755 SECTION 8. Criminal Acts and Penalties; Age Restrictions.

756 (a) Except as otherwise provided in this act or in chapter ten or in Section 7A of  
757 Chapter 271 of the General Laws, it is unlawful for any person to deal, operate,  
758 carry on, conduct, maintain or expose for play in the commonwealth of  
759 Massachusetts any gambling game, gaming device, or slot machine as defined by  
760 this act; to receive, directly or indirectly, any compensation or reward or any  
761 percentage or share of the money or property played, for keeping, running or  
762 carrying on any gambling game, gaming device, or slot machine; to permit any  
763 gambling game, gaming device, or slot machine to be conducted, operated, dealt  
764 or carried on in any house or building or other premises owned by him, in whole  
765 or in part; to lend, let, lease or otherwise deliver or furnish any equipment of any  
766 gambling game, including any slot machine, for any interest, percentage or share  
767 of the money or property played, under guise of any agreement whatever; to lend,  
768 let, lease or otherwise deliver or furnish, except by a bona fide sale or capital  
769 lease, any slot machine under guise of any agreement whereby any consideration  
770 is paid or is payable for the right to possess or use that slot machine, whether the  
771 consideration is measured by a percentage of the revenue derived from the  
772 machine or by a fixed fee or otherwise; to furnish services or property, real or  
773 personal, on the basis of a contract, lease or license, pursuant to which that person  
774 receives payments based on earnings or profits from any gambling game,  
775 including any slot machine, without having first procured a state gaming license  
776 from the commission.

777 (b) Any person included on the list of persons to be excluded or ejected from a  
778 gambling establishment pursuant to regulations promulgated pursuant to this act

779 who knowingly enters or remains on the premises of a licensed gambling  
780 establishment shall be punished by a fine to be determined by the commission, in  
781 addition to any other penalties prescribed by law.

782 (c) Any person under the age of twenty-one years who plays, places wagers at, or  
783 collects winnings from, whether personally or through an agent, any controlled  
784 game, or who is employed as an employee in a licensed gaming establishment  
785 shall be punished by imprisonment in the house of correction for not more than  
786 one year, or by a fine of not more than one thousand dollars, or by both such  
787 imprisonment and fine any licensee, or other person, who knowingly allows a  
788 person under the age of twenty-one to play, place wagers at or collect winnings,  
789 whether personally or through an agent, shall be punished by imprisonment in the  
790 house of correction for a term of not more than one year or pay a fine of not more  
791 than ten thousand dollars, or by both such imprisonment and fine. A subsequent  
792 violation of this section shall subject the licensee to imprisonment in the house of  
793 correction for not more than two years or pay a fine of not more than twenty-five  
794 thousand dollars or by both such imprisonment and fine. In any prosecution or  
795 other proceeding for the violation of this subsection, it shall not be a defense for  
796 the licensee or his agent to plead that he believed the person to be twenty-one  
797 years of age or older.

798 (d) Any person who willfully fails to report, pay, or truthfully account for and pay  
799 over any license registration fee, penalty, fine, or interest thereon imposed by this  
800 act, or willfully attempts in any manner to evade or defeat the license fee, penalty,

801 fine, or interest thereon or payment thereof shall be punished by a fine to be  
802 determined by the commission.

803 (e) Any person who willfully resists, prevents, impedes, or interferes with the  
804 commission or the authority or any of their agents or employees in the  
805 performance of duties pursuant to this act shall be punished by a fine to be  
806 determined by the commission, in addition to any other penalties prescribed by  
807 law.

808 (f) Any person who willfully violates, attempts to violate, or conspires to violate  
809 any provision of a regulation adopted pursuant to this chapter shall be punished  
810 by a fine to be determined by the commission, in addition to any other penalties  
811 prescribed by law.

812 (g) Any person, as owner, lessee, or employee, whether for hire or not, either  
813 solely or in conjunction with others, who shall do any of the following without  
814 having first procured and thereafter maintained in effect all licenses required by  
815 law:

816 (1) to deal, operate, carry on, conduct, maintain, or expose for play in this  
817 state any controlled game or gaming equipment used in connection with any  
818 controlled game;

819 (2) to receive, directly or indirectly, any compensation or reward or any  
820 percentage or share of the revenue, for keeping, running, or carrying on any  
821 controlled game, or owning the real property or location in which any controlled  
822 game occurs;

823 (3) to manufacture or distribute within the territorial boundaries of the  
824 commonwealth any gaming equipment to be used in connection with controlled  
825 gaming shall be punished by imprisonment in the state prison for not more than  
826 five years, or by imprisonment in a house of correction for not more than two and  
827 one-half years, or by a fine of not more than ten thousand dollars, or by both such  
828 imprisonment and fine.

829 (h) Any person who knowingly permits any controlled game to be conducted,  
830 operated, dealt, or carried on in any house or building or other premises that he or  
831 she owns or leases, in whole or in part, if that activity is undertaken by a person  
832 who is not licensed as required by state law shall be punished by imprisonment in  
833 a state prison for not more than five years, or by imprisonment in a house of  
834 correction for not more than one year, or by a fine of not less than ten thousand  
835 dollars, or by both such imprisonment and fine.

836 (i) Any former commission member who, within three years after his employment  
837 on said commission has ceased, solicits or accepts employment with or provides  
838 consultant services to any licensee or at any licensed gaming facility shall be  
839 deemed to have violated chapter two hundred sixty-eight B of the General Laws.  
840 Any licensed gaming facility which employs a former commission member in  
841 violation of this subsection shall be punishable by a fine to be determined by the  
842 commission.

843 (j) It is unlawful for any person:



844 (1) to alter or misrepresent the outcome of a game or other event on which  
845 wagers have been made after the outcome is determined but before it is revealed  
846 to the players;

847 (2) knowingly to entice or induce another to go to any place where gaming  
848 is being conducted or operated in violation of the provisions of this chapter, with  
849 the intent that the other person play or participate in that gaming;

850 (3) to manipulate, with the intent to cheat, any component of a gaming  
851 device in a manner contrary to the designed and normal operational purpose for  
852 the component, including but not limited to, varying the pull of the handle of a  
853 slot machine, with knowledge that the manipulation affects or reasonably may  
854 tend to affect the outcome of the game or with knowledge of any event that  
855 affects the outcome of the game. As used in this section, "cheat" means to alter  
856 the selection of criteria which determine: (a) the results of a game; or (b) the  
857 amount or frequency of payment in a game.

858 (4) to have on his person or in his possession on or off the premises of any  
859 licensed gaming establishment any key or device known to have been designed  
860 for the purpose of and suitable for opening, entering or affecting the operation of  
861 any gaming or equipment, or for removing money or other contents there from,  
862 except where such person is a duly authorized employee of a licensee acting in  
863 furtherance of his employment within a licensed gaming establishment.

864 (k) A violation of this section shall be punishable by imprisonment in a house of  
865 correction for not more than two years or by a fine of not more than one thousand  
866 dollars, or by both such imprisonment and fine.

867 (l) Any individual who commits, attempts, or conspires to commit skimming, as  
868 defined by this act, for a total value of less than one thousand dollars against a  
869 gaming licensee or upon the premises of a licensed gaming facility shall be  
870 punished by imprisonment in a house of correction for not more than five years  
871 and by a fine of not more than five thousand dollars, or by imprisonment in a  
872 house of correction for not more than ten years and by a fine of not more than ten  
873 thousand dollars if the total value is more than one thousand dollars.

874 (m) In addition to any other penalty imposed under this section, a violation of this  
875 section by a licensed gaming establishment shall subject to forfeiture to the  
876 commonwealth any or all of the gaming equipment related to the violation. A  
877 district attorney may petition the superior court in the name of the commonwealth  
878 in the nature of a proceeding in rem to order forfeiture of any such gaming  
879 equipment subject to forfeiture under the provisions of this paragraph. Such  
880 petition shall be filed in the court having jurisdiction over said gaming equipment  
881 or having final jurisdiction over any related criminal proceedings brought under  
882 any provision of this chapter. In all such suits where the property is claimed by  
883 any person, other than the commonwealth, the commonwealth shall have the  
884 burden of proving to the court the existence of probable cause to institute the  
885 action, and any such claimant shall then have the burden of proving that the  
886 gaming equipment is not forfeitable. The court shall order the commonwealth to

887 give notice by certified or registered mail to the owner of said gaming equipment  
888 and to such other persons as appear to have an interest therein, and the court shall  
889 promptly, but not less than two weeks after notice, hold a hearing on the petition.  
890 Upon the motion of the owner of said gaming equipment the court may continue  
891 the hearing on the petition pending the outcome of any criminal trial related to the  
892 violation of this chapter. At such hearing the court shall hear evidence and make  
893 conclusions of law, and shall thereupon issue a final order, from which the parties  
894 shall have a right of appeal. In all such suits where a final order results in a  
895 forfeiture, said final order shall provide for disposition of said gaming equipment,  
896 by the commonwealth in any manner not prohibited by law, including official use  
897 by an authorized law enforcement or in other public agency, or sale at public  
898 auction or by competitive bidding. The proceeds of any such sale shall be used to  
899 pay the reasonable expenses of the forfeiture proceedings, seizure, storage,  
900 maintenance of custody, advertising, and notice, and the balance thereof shall be  
901 deposited in the gaming regulatory account established by this chapter.

902 SECTION 9. Revenues. License Fees. Penalties.

903 (a) Each gaming establishment shall pay to the commission a minimum sum equal  
904 to 27% of gross gaming revenues, post payout and pre-expenses, from all table  
905 games, slot machines or video gaming devices.

906 (b) There is hereby established a gaming investigative account. Any and all  
907 expenses associated with the licensing of any applicant and monitoring of any  
908 licensee shall be borne by the applicant or licensee. Pursuant to its regulations, the

909 commission shall require each applicant to deposit with the commission, together  
910 with the application therefore, an application fee which shall be deposited in the  
911 gaming investigative account. Such fee shall constitute the anticipated costs and  
912 charges incurred in the investigation and processing of the application, and any  
913 additional sums as required by the commission and the authority to pay final costs  
914 and charges. Expenses may be advanced from the gaming investigative account  
915 by the commission to the authority. Any money received from an applicant in  
916 excess of the costs and charges incurred in the investigation or the processing of  
917 the application shall be refunded pursuant to regulations adopted by the  
918 commission. At the conclusion of the investigation the bureau shall provide the  
919 applicant a written accounting of the costs and charges so incurred.

920 (c) Two-thirds all fees, revenue, and penalties collected pursuant to this act, with  
921 the exception of those revenues collected as stated in Section 9 (a) of this act,  
922 shall be deposited in the general fund. Funds deposited in the general fund,  
923 pursuant to this act, shall, subject to appropriation, be expended for the support of  
924 the commission and the bureau in carrying out their duties and responsibilities  
925 under this act. One-third of all fees, revenue, and penalties collected pursuant to  
926 this act, with the exception of those revenues collected as stated in section nine (a)  
927 of this act, shall go directly to cities and towns in the form of local aid toward  
928 general operations using the lottery formula.

929 (d) All revenue received from any game or gaming device which is leased for  
930 operation on the premises of the licensee-owner to a person other than the owner  
931 thereof, or located in an area or space on the premises which is leased by the

932 licensee-owner to any such person, must be attributed to the owner for the  
933 purposes of this section and be counted as part of the gross revenue of the owner.

934 The lessee is liable to the owner for his proportionate share of the license fees.

935 (e) In addition to any other tax or fee imposed by this act, there is also hereby  
936 imposed an annual fee of 5 million dollars for gaming license holders, and an  
937 annual license fee of \$1,000 upon every slot machine maintained for use or in use  
938 in any licensed gaming facility in the commonwealth.

939 (f) All gaming license fees and penalties imposed by the provisions of this act  
940 must be paid to the state treasurer, two-thirds to be deposited into the general fund  
941 and the remaining third directly to a special account to be distributed to the cities  
942 and towns of the Commonwealth. Fees shall be paid annually on or before June  
943 twentieth. Penalties imposed under this act shall be paid within thirty days of the  
944 final determination of the commission of the violation.

945 (g) There is hereby imposed upon each slot machine operated in this state an  
946 annual excise tax of five hundred dollars. If a slot machine is replaced by  
947 another, the replacement is not considered a different slot machine for the purpose  
948 of imposing this tax. The commission shall collect the tax annually on or before  
949 June twentieth, as a condition precedent to the issuance of a state gaming license  
950 to operate any slot machine for the ensuing fiscal year beginning July first, from a  
951 licensee whose operation is continuing; collect the tax in advance from a licensee  
952 who begins operation or puts additional slot machines into play during the fiscal  
953 year prorated monthly after July thirty-first; include the proceeds of the tax in its

954 reports of state gaming taxes collected. The commission shall pay over not less  
955 than one half of the tax as collected to the treasurer of the municipality within  
956 which the gaming facility is located to be deposited to the general fund of said  
957 municipality. Not more than one half of the tax as collected shall go to  
958 communities surrounding the host community for the purposes of traffic and  
959 public safety concerns resulting from the operation of the gaming facility as  
960 prescribed according to the commission.

961 (h) If the growth in lottery receipts is less than the average of the prior five years,  
962 the difference in revenues will be provided to the lottery from the fees, revenue  
963 and penalties collected pursuant to this act, for the purpose of local aid to the  
964 municipalities in the Commonwealth, provided the lottery payout percentages do  
965 not change and the number of games remains the same or greater. This provision  
966 will be applicable for the first 5 years for each gaming facility licensed by the  
967 commission.

#### 968 SECTION 10. Reporting Violations of Act.

969 All licensees, all registrants, all persons required to be qualified under this act,  
970 and all persons employed by a gaming service industry licensed pursuant to this  
971 act, shall have a duty to inform the commission or authority of any action which  
972 they believe would constitute a violation of this act. No person who so informs  
973 the commission or the authority shall be discriminated against by an applicant  
974 licensee or registrant because of the supplying of such information.

#### 975 SECTION 11. Licensing of Gaming Service Industries.

976 (a) All gaming service industries as defined in this act offering goods or services  
977 which directly relate to gaming activities or indirectly relate to gaming operations  
978 shall be licensed in accordance with rules of the commission and prior to  
979 conducting any business whatsoever with a gaming applicant or licensee, its  
980 employees or agents, and in the case of a school prior to enrollment of any  
981 students or offering of any courses to the public whether for compensation or not.  
982 Gaming service industries that directly relate to gaming activities shall include  
983 gaming and wagering equipment manufacturers, suppliers and repairers, schools  
984 teaching gaming and either playing or dealing techniques, and gaming security  
985 services. Gaming service industries that indirectly relate to gaming operations  
986 shall include junket enterprises; suppliers of alcoholic beverages, food and  
987 nonalcoholic beverages; garbage handlers; vending machine providers; linen  
988 suppliers; maintenance companies; shopkeepers located within the approved  
989 hotels; limousine services and construction companies contracting with gaming  
990 applicants or licensees or their employees or agents.

991 (b) Each gaming service industry, as well as its owners, management and  
992 supervisory personnel and other principal employees must qualify under standards  
993 promulgated by the commission.

994 (c) The commission may exempt any person or field of commerce from the  
995 licensing requirements of this subsection if the person or field of commerce  
996 demonstrates that it is regulated by a public agency or that it will provide goods or  
997 services in insubstantial or insignificant amounts or quantities, or provides  
998 professional services such as accountants, auditors, attorneys, or broker dealers,

999 and that licensing is not deemed necessary in order to protect the public interest or  
1000 to accomplish the policies established by this act. Upon granting an exemption or  
1001 at any time thereafter, the commission may limit or place such restrictions  
1002 thereupon as it may deem necessary in the public interest, and shall require the  
1003 exempted person to cooperate with the commission and the authority and, upon  
1004 request, to provide information in the same manner as required of a gaming  
1005 service industry licensed pursuant to this section.

1006 (d) Licensure pursuant to this section of any gaming service industry may be  
1007 denied to any applicant disqualified in accordance with the criteria contained in  
1008 section six of this act.

1009 SECTION 12. Problem Gambling. Education and Treatment.

1010 The department of public health is hereby authorized and directed to conduct a  
1011 comprehensive study to measure the prevalence of compulsive, obsessive  
1012 behaviors in Massachusetts; to measure the prevalence of problem gambling in  
1013 Massachusetts; to measure the prevalence of underage problem gambling in  
1014 Massachusetts; and, to measure the social cost of problem gambling in  
1015 Massachusetts; and to develop appropriate treatment modalities and public  
1016 education strategies that address the findings of said study.

1017 SECTION 13. Disclosure Requirements.

1018 Every licensed gaming establishment shall disclose clearly and conspicuously on  
1019 each electronic gaming device the numerical odds of winning or if the odds  
1020 cannot be calculated, the manner by which a person may be notified of all



1021 previous winnings on each electronic gaming device, and the number of previous  
1022 winners.

1023 SECTION 14. Recovery of Gaming Debts by Patrons.

1024 (a) Whenever a licensee refuses payment of alleged winnings to a patron, the  
1025 licensee and the patron are unable to resolve the dispute to the satisfaction of the  
1026 patron and the dispute involves:

1027           1) at least five hundred dollars, the licensee shall immediately notify the  
1028 authority;

1029           2) less than five hundred dollars, the licensee shall inform the patron of his  
1030 right to request that the authority conduct an investigation.

1031 The authority shall conduct whatever investigation it deems necessary and shall  
1032 determine, in its sole discretion and without need for a hearing whether payment  
1033 should be done. In the event the authority determines that payment should be  
1034 made, all costs of the investigation shall be borne by the licensee. Failure of the  
1035 licensee to notify the authority or inform the patron as provided herein shall  
1036 subject the licensee to disciplinary action.

1037 (b) Any party aggrieved by the determination of the authority may file a petition  
1038 for reconsideration with the commission setting forth the basis of the request for  
1039 reconsideration. Any hearing for reconsideration shall be conducted pursuant to  
1040 regulations adopted by the commission.

1041 SECTION 15. Severability.

1042 The invalidity of any section, sections or subsections or parts of this act shall not affect the  
1043 validity of the remainder of this act.