

HOUSE No. 531

The Commonwealth of Massachusetts

PRESENTED BY:

Orlando Ramos

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 adoption of the accompanying bill:

An Act authorizing and regulating sports wagering.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Orlando Ramos</i>	<i>9th Hampden</i>	<i>2/19/2021</i>
<i>David Allen Robertson</i>	<i>19th Middlesex</i>	<i>2/25/2021</i>
<i>Peter Capano</i>	<i>11th Essex</i>	<i>2/26/2021</i>
<i>Adam Gomez</i>	<i>Hampden</i>	<i>3/9/2021</i>
<i>Michael J. Finn</i>	<i>6th Hampden</i>	<i>3/10/2021</i>
<i>Bud L. Williams</i>	<i>11th Hampden</i>	<i>3/15/2021</i>
<i>Angelo J. Puppolo, Jr.</i>	<i>12th Hampden</i>	<i>3/23/2021</i>
<i>Carlos González</i>	<i>10th Hampden</i>	<i>3/25/2021</i>

HOUSE No. 531

By Mr. Ramos of Springfield, a petition (accompanied by bill, House, No. 531) of Orlando Ramos and others relative to authorizing and regulating sports wagering. Economic Development and Emerging Technologies.

The Commonwealth of Massachusetts

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

An Act authorizing and regulating sports wagering.

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

1 CHAPTER 23N.

2 AUTHORIZATION AND REGULATION OF SPORTS WAGERING

3 Section 1. This chapter shall be known and may be cited as the “Massachusetts Sports
4 Wagering Act”.

5 Section 2. Notwithstanding any provision of law to the contrary, the operation of sports
6 wagering and ancillary activities are lawful in the state of Massachusetts when conducted in
7 accordance with the provisions of this chapter and the rules and regulations of the commission.

8 Section 3. As used in this chapter the following words shall, unless the context clearly
9 requires otherwise, have the following meanings:

10 “Category 1 license”, a license issued by the commission that permits the operation of
11 sports wagering through a mobile application and other digital platforms approved by the
12 commission and in person at a gaming establishment as defined in section 2 of chapter 23K.

13 “Category 2 license”, a license issued by the commission that permits the operation of
14 sports wagering through in-person wagering, a mobile application and also other digital
15 platforms approved by the commission. These licensees must work with approved Massachusetts
16 retailers to ensure that all those registered are 21 and over.

17 “Collegiate sport or athletic event”, a sport or athletic event offered or sponsored by, or
18 played in connection with, a public or private institution that offers educational services beyond
19 the secondary level.

20 “Commission”, the Massachusetts gaming commission established in section 3 of chapter
21 23K.

22 “Gross Gaming Revenue”, is the total of all money paid to a Licensee as Bets minus the
23 total amount paid out to winning Bettors, this shall not exceed 90% over a specified period of
24 time not to exceed one year, which includes the cash equivalent of any merchandise or thing of
25 value awarded as a prize. Including for clarification, without limiting the foregoing, prizes,
26 premiums, drawings, benefits, or tickets that are redeemable for money or merchandise or other
27 promotional allowances including, Player incentives to deposit or Bet, must not be deducted as
28 losses from winnings. Additionally, cash or non-cash prizes awarded to Players in a contest or
29 tournament should not be deductible. Promotional consideration and discounts should not be
30 permitted in determining taxable gaming revenue.

31 “Governmental authority”, any governmental unit of a national, state or local body
32 exercising governmental functions, other than the federal United States government.

33 “In-person wagering”, the acceptance of wagers on sporting events or portions of
34 sporting events, other events, the individual performance statistics of athletes in a sporting event
35 or other events or a combination of any of the same by a licensed sports wagering operator.

36 “License”, any license, applied for or issued by the commission under this chapter,
37 including, : (i) an operator license; or (ii) an occupational license.

38 “National criminal history background check system”, the criminal history record system
39 maintained by the Federal Bureau of Investigation, based on fingerprint identification or any
40 other method of positive identification.

41 “Occupational license”, a license required by an employee of an operator when the
42 employee performs duties directly related to the operation of sports wagering in the
43 commonwealth in a supervisory role.

44

45 “Operator” or “sports wagering operator”, any entity permitted under this chapter to offer
46 sports wagering to persons in the commonwealth through a category 1 license, or category 2
47 license.

48 “Operator license”, a category 1 license, or category 2 license to operate sports
49 wagering.

50 “Official league data”, statistics, results, outcomes and other data relating to a sporting
51 event that is obtained pursuant to an agreement with the relevant sports governing body, or with

52 an entity expressly authorized by the relevant sports governing body to provide such data to
53 sports wagering operators, which authorizes the use of such data for determining the outcome of
54 tier 2 sports wagers on such sporting event.

55 “Professional sport or athletic event”, an event at which 2 or more persons participate in a
56 sports event and receive compensation in excess of actual expenses for their participation in such
57 event.

58 “Promotional gaming credit”, a sports wagering credit or other item issued by an operator
59 to a patron to enable the placement of a sports wager.

60 “Qualified gaming entity”, an entity that: (i) holds a gaming license as defined in section
61 2 of chapter 23K; (ii) is a qualified vendor to the Massachusetts state lottery; or (iii) has offered
62 fantasy sports contests in the commonwealth pursuant to 940 C.M.R. 34.00 for at least 1 year at
63 the time of enactment of this act and has been permitted to offer sports wagering in at least 2
64 other jurisdictions in the United States by the relevant regulatory body in those jurisdictions.

65 “Sports event” or “sporting event”, any professional sport or athletic event, collegiate
66 sport or athletic event, motor race event, electronic sports event, competitive video game event
67 or any other event authorized by the commission under this chapter, excluding sports involving
68 an animal.

69 “Sports governing body”, an organization that is headquartered in the United States and
70 prescribes final rules and enforces codes of conduct with respect to a sporting event and
71 participants therein, excluding any other governing bodies that prescribe final rules and enforce
72 codes of conduct with respect to a sporting event involving animals including, but not limited to,

73 the National Horseracing Authority, the National Thoroughbred Racing Association, the
74 American Greyhound Association, and the American Greyhound Council.

75 “Sports wagering”, the business of accepting wagers on sporting events or portions of
76 sporting events, other events, the individual performance statistics of athletes in a sporting event
77 or other events or a combination of any of the same by any system or method of wagering
78 approved by the commission including, but not limited to, mobile applications and other digital
79 platforms; provided, that sports wagering shall not include the acceptance of any wager with an
80 outcome dependent on the performance of an individual athlete in any collegiate sport or athletic
81 event, including but not limited, to in-game or in-play wagers; provided, further that sports
82 wagering shall not include any acceptance of wagers on a high school or youth sporting event;
83 provided further, that sports wagering shall not include fantasy contests as defined in section 135
84 of chapter 219 of the acts of 2016; provided further, that sports wagering shall not include the
85 acceptance of any wager involving horse or dog racing or any other sporting event in which the
86 athletes are animals. Sports wagering shall include, but is not limited to, single-game bets, teaser
87 bets, parlays, over-under, moneyline, pools, exchange wagering, in-game wagering, in-play bets,
88 proposition bets and straight bets.

89 “Sports wagering account”, a financial record established by an operator for an individual
90 patron in which the patron may deposit by any method approved by the commission and
91 withdraw funds for sports wagering and other authorized purchases, and to which the operator
92 may credit winnings or other amounts due to or authorized by that patron. Such an account may
93 be established and funded by the patron electronically through an approved mobile application or
94 digital platform.

95 “Tier 1 sports wager”, a sports wager that is determined solely by the final score or
96 outcome of a sporting event and is placed before the sporting event has begun.

97 “Tier 2 sports wager”, a sports wager that is not a tier 1 sports wager.

98 “Wager”, a sum of money or thing of value risked on an uncertain occurrence.

99 Section 4. (a) The commission shall have the authority to regulate the conduct of sports
100 wagering under this chapter.

101 (b) The commission shall examine the rules and regulations implemented in other states
102 where sports wagering is authorized and shall, as far as practicable, adopt a similar regulatory
103 framework through promulgation of rules and regulations.

104 (c) The commission shall have the authority to promulgate rules and regulations
105 necessary for the implementation, administration and enforcement of this chapter. The
106 commission may promulgate emergency rules and regulations in accordance with applicable
107 procedures for the promulgation of emergency rules and regulations.

108 (d) The commission may promulgate rules and regulations including, but not limited to,
109 those governing the acceptance of wagers on a sports event, other event or a series of sports
110 events; types of wagering receipts which may be used; methods of issuing receipts; methods of
111 accounting to be used by operators; types of records to be kept; types of systems for wagering;
112 protections for patrons placing wagers; promotion of diversity, equity and inclusion; and
113 promotion of social responsibility and responsible gambling; provided, that such regulations
114 shall include a requirement that all mobile applications, digital platforms, and in-person locations
115 authorized for sports wagering include prominently upon each entry into the application,

116 platform, or via signage displayed at in-person locations, the following statement: “If you or
117 someone you know has a gambling problem and wants help, call the Massachusetts Council on
118 Compulsive Gambling hotline at 1-800-426-1234.”

119 (e) The commission shall determine the eligibility of a person to hold or continue to hold
120 a license, shall issue all licenses and shall maintain a record of all licenses issued under this
121 chapter. The commission may accept applications, evaluate qualifications of applicants,
122 undertake initial review of licenses and issue temporary licenses upon the effective date of this
123 chapter.

124 (f) The commission shall levy and collect all fees, surcharges, civil penalties and taxes on
125 adjusted gross sports wagering receipts imposed by this chapter, except as otherwise provided
126 under this chapter.

127 (g) The commission shall have the authority to enforce this chapter and any rule or
128 regulation of the commission and may request that the attorney general bring an action to enforce
129 this chapter or any rule or regulation of the commission by civil action or petition for injunctive
130 relief.

131 (h) The commission may hold hearings, administer oaths and issue subpoenas or
132 subpoenas duces tecum in order to enforce this chapter and the rules and regulations of the
133 commission.

134 (i) The commission may exercise any other powers necessary to effectuate this chapter
135 and the rules and regulations of the commission.

136 Section 5. (a) No person shall engage in any activity in connection with sports wagering
137 in the commonwealth unless all necessary licenses or temporary licenses have been obtained in
138 accordance with this chapter and rules and regulations of the commission.

139 (b) The commission shall not grant an operator license, other than a temporary license
140 pursuant to subsection (c) of section 6, until it determines that each person who has control of the
141 applicant meets all qualifications for licensure. The following persons are considered to have
142 control of an applicant:

143 (1) Each person who owns 10 per cent or more of a corporate applicant and who has the
144 ability to control the activities of the corporate applicant; provided, however, that a bank or other
145 licensed lending institution which holds a mortgage or other lien acquired in the ordinary course
146 of business shall not be considered to have control of an applicant;

147 (2) Each person who holds a beneficial or proprietary interest of 10 percent or more of a
148 non-corporate applicant's business operation and who has the ability to control the activities of
149 the non-corporate applicant; and

150 (3) At the commission's discretion, any executive, employee or agent having the power
151 to exercise significant influence over decisions concerning the applicant's sports wagering
152 operations in the commonwealth.

153 (c) Each controlling person pursuant to subsection (b) shall submit to the commission an
154 application in a form determined by the commission, and each such controlling person who is a
155 natural person shall submit to the commission: (i) fingerprints for a national criminal records
156 check by the department of the state police and the Federal Bureau of Investigation; and (ii) a
157 signed authorization for the release of information by the department of the state police and the

158 Federal Bureau of Investigation. Any applicant convicted of any disqualifying offense shall not
159 be licensed.

160 (d) Each person licensed under this chapter shall give the commission written notice
161 within 30 days of any change to any material information provided in the application for a
162 license or renewal.

163 (e) No commission employee shall be an applicant for any license issued under this
164 chapter.

165 Section 6. (a) A licensed qualified gaming entity may operate sports wagering upon the
166 approval of the commission.

167 (b)(1) The commission shall issue a category 1 license to any holder of a gaming license,
168 as defined in section 2 of chapter 23K, that meets the requirements of this chapter and the rules
169 and regulations of the commission.

170 (2) The commission shall issue a category 2 license to any entity that provides sports
171 wagering in at least 2 other jurisdictions in the United States by the relevant regulatory body in
172 those jurisdictions and meets the requirements of this chapter and the rule and regulations of the
173 commission.

174 (c)(1) A qualified gaming entity may submit to the commission a request for a temporary
175 license for the immediate commencement of sports wagering operations. Such request shall
176 include an initial license fee of \$50,000 payable to the commission.

177 (2) Upon receiving a request for a temporary license, the executive director of the
178 commission shall review the request. If the executive director determines that the entity

179 requesting the temporary license is a qualified gaming entity and has paid the sports wagering
180 initial license fee, the commission shall authorize the qualified gaming entity to conduct sports
181 wagering for a period of 2 years under a temporary license or until a final determination on its
182 operator license application is made.

183 (3) All sports wagering conducted under authority of a temporary license shall comply
184 with the house rules adopted under section 9.

185 (d) Upon application by a qualified gaming entity and payment of a \$10,000,000
186 application fee for category 1, and \$250,000 for category 2, the commission shall grant an
187 operator license to a qualified gaming entity that provides for the right to conduct sports
188 wagering; provided, that the qualified gaming entity meets the requirements for licensure under
189 this chapter and the rules and regulations of the commission. Such license shall be issued for a 5-
190 year period, and may be renewed for 5-year periods upon payment of a \$100,000 renewal fee;
191 provided that an operator continues to meet all requirements under this chapter and the rules and
192 regulations of the commission.

193 (e) An operator shall submit to the commission such documentation or information as the
194 commission may require demonstrating that the operator continues to meet the requirements of
195 this chapter and the rules and regulations of the commission. An operator shall submit required
196 documentation or information no later than 5 years after issuance of its operator license and
197 every 5 years thereafter, or within lesser periods based on circumstances specified by the
198 commission.

199 Section 7. (a) All persons employed by an operator to perform duties directly related to
200 the operation of sports wagering in Massachusetts in a supervisory role shall maintain a valid

201 occupational license issued by the commission. The commission shall issue such occupational
202 license to a person who meets the requirements of this section.

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204 (b) An occupational license authorizes the licensee to be employed in the capacity
205 designated by the commission while the license is active. The commission may establish, by rule
206 or regulation, job classifications with different requirements based on the extent to which a
207 particular job impacts, or has the potential to impact, the lawful operation of sports wagering.

208 (c) An applicant for an occupational license shall submit any required application forms
209 established by the commission and shall pay a nonrefundable application fee of \$100. An
210 employer may pay an application fee on behalf of an applicant.

211 (d) Each occupational license holder shall annually pay to the commission a license fee of
212 \$100 by March 1 and submit a renewal application on the form required by the commission. An
213 employer may pay an application fee on behalf of the licensed employee.

214 Section 8. (a) The commission may deny a license to any applicant, reprimand any
215 licensee or suspend or revoke a license, if the applicant or licensee:

216 (1) has knowingly made a false statement of a material fact to the commission;

217 (2) has had a license revoked by any governmental authority responsible for regulation of
218 gaming activities;

219 (3) has been convicted of a crime of moral turpitude, a gambling-related offense or a theft
220 or fraud offense;

221 (4) has not demonstrated to the satisfaction of the commission financial responsibility
222 sufficient to adequately meet the requirements of the proposed enterprise; or

223 (5) is not the true owner of the business or is not the sole owner and has not disclosed the
224 existence or identity of other persons who have an ownership interest in the business.

225 (b) The commission may deny, suspend or revoke an operator license or reprimand any
226 licensee if the applicant or licensee has not met the requirements of this chapter.

227 Section 9. (a) Each operator shall adopt comprehensive house rules for game play
228 governing sports wagering transactions with its patrons. The house rules shall specify the
229 amounts to be paid on winning wagers and the effect of sports event schedule changes. The
230 commission shall approve house rules prior to implementation.

231 (b) The house rules, together with any other information the commission deems
232 appropriate, shall be accessible to any patrons of the sports wagering system. The operator shall
233 make copies readily available to patrons.

234 Section 10. (a) Sports wagering operators shall employ commercially reasonable methods
235 to:

236 (1) prohibit the operator, directors, officers, owners and employees of the operator, and
237 any relative living in the same household as such persons, from placing bets with the operator;

238 (2) prohibit athletes, coaches, referees, team owners, employees of a sports governing
239 body or its member teams and player and referee union personnel from wagering on any sporting
240 event of their sport's governing body; provided, that in determining which persons are excluded

241 from placing wagers under this subsection, operators shall use lists of such persons that the
242 sports governing body may provide to the commission;

243 (3) prohibit any individual with access to non-public confidential information held by the
244 operator from placing wagers with the operator;

245 (4) prohibit persons from placing wagers as agents or proxies for others; and

246 (5) maintain the security of wagering data, customer data and other confidential
247 information from unauthorized access and dissemination; provided, however, that nothing in this
248 chapter shall preclude the use of internet or cloud-based hosting of such data and information or
249 disclosure as required by court order, other law or this chapter.

250 (b) A sports governing body may submit to the commission in writing, by providing
251 notice in such form and manner as the commission may require, a request to restrict, limit or
252 exclude a certain type, form or category of sports wagering with respect to sporting events of
253 such body, if the sports governing body believes that such type, form or category of sports
254 wagering with respect to sporting events of such body is contrary to public policy, unfair to
255 consumers, may undermine the perceived integrity of such body or sporting events of such body
256 or affects the integrity of such body or sporting events of such body. The commission shall
257 request comment from sports wagering operators on all such requests. After giving due
258 consideration to all comments received, the commission shall, upon a demonstration of good
259 cause from the requestor, grant the request. The commission shall respond to a request
260 concerning a particular event before the start of the event, or if it is not feasible to respond before
261 the start of the event, no later than 7 days after the request is made; provided, that if the
262 commission determines that the requestor is more likely than not to prevail in successfully

263 demonstrating good cause for its request, the commission may provisionally grant the request of
264 the sports governing body until the commission makes a final determination as to whether the
265 requestor has demonstrated good cause. Absent such a provisional grant by the commission,
266 sports wagering operators may continue to offer sports wagering on sporting events that are the
267 subject of such a request during the pendency of the consideration of the applicable request.

268 (c) The commission shall designate a state law enforcement entity to have primary
269 responsibility for conducting, or assisting the commission in conducting, investigations into
270 abnormal betting activity, match fixing and other conduct that corrupts a betting outcome of a
271 sporting event or events for purposes of financial gain.

272 (d) The commission and sports wagering operators shall use commercially reasonable
273 efforts to cooperate with investigations conducted by sports governing bodies or law
274 enforcement agencies, including but not limited to, using commercially reasonable efforts to
275 provide or facilitate the provision of anonymized account-level betting information and audio or
276 video files relating to persons placing wagers. All disclosures under this section are subject to the
277 obligation of a sports wagering operator to comply with all federal, state and local laws and
278 regulations, including but not limited to, laws and regulations relating to privacy and personally
279 identifiable information.

280 (e) Sports wagering operators shall immediately report to the commission any
281 information relating to:

282 (1) criminal or disciplinary proceedings commenced against the sports wagering operator
283 in connection with its operations;

284 (2) abnormal betting activity or patterns that may indicate a concern with the integrity of
285 a sporting event or events;

286 (3) any potential breach of the internal rules and codes of conduct pertaining to sports
287 wagering of a relevant sports governing body;

288 (4) any other conduct that corrupts a betting outcome of a sporting event or events for
289 purposes of financial gain, including match fixing; and

290 (5) suspicious or illegal wagering activities, including use of funds derived from illegal
291 activity, wagers to conceal or launder funds derived from illegal activity, using agents to place
292 wagers and using false identification.

293 Sports wagering operators shall immediately report information relating to conduct
294 described in paragraphs (2), (3) and (4) of this subsection to the relevant sports governing body.

295 (f) The commission and sports wagering operators shall maintain the confidentiality of
296 information provided by a sports governing body for purposes of investigating or preventing the
297 conduct described in paragraphs (2), (3) and (4) of subsection (e), unless disclosure is required
298 by this chapter, the commission, other law or court order or unless the sports governing body
299 consents to disclosure.

300 (g) With respect to any information provided by a sports wagering operator to a sports
301 governing body relating to conduct described in paragraphs (2), (3) and (4) of subsection (e), a
302 sports governing body:

303 (1) shall only use such information for integrity purposes and shall not use the
304 information for any commercial or other purpose; and

305 (2) shall maintain the confidentiality of such information, unless disclosure is required by
306 this chapter, the commission, other law or court order or unless the sports wagering operator
307 consents to disclosure; provided, that the sports governing body may make disclosures necessary
308 to conduct and resolve integrity-related investigations and may publicly disclose such
309 information if required by its integrity policies or if deemed by the sports governing body in its
310 reasonable judgment to be necessary to maintain the actual or perceived integrity of its sporting
311 events, and subject in all cases to the sports governing body's compliance with federal, state and
312 local laws and regulations, including but not limited to, laws and regulations relating to privacy
313 and personally identifiable information. Prior to any such public disclosure that would identify
314 the sports wagering operator by name, the sports governing body shall provide such sports
315 wagering operator with notice of such disclosure and an opportunity to object to such disclosure.

316 (h) Sports wagering operators shall maintain records of all wagers placed by its patrons,
317 including personally identifiable information of the patron, amount and type of the bet, the time
318 the bet was placed, the location of the bet, including the IP address if applicable, the outcome of
319 the bet and records of abnormal betting activity for 3 years after a sporting event occurs and
320 video camera recordings in the case of in-person wagers for at least 1 year after a sporting event
321 occurs, and shall make such data available for inspection upon request of the commission or as
322 required by court order.

323 (i) A sports wagering operator shall use commercially reasonable efforts to maintain in
324 real time and at the account level, anonymized information for each patron, including the amount
325 and type of bet, the time the bet was placed, the location of the bet, including the IP address if
326 applicable, the outcome of the bet and records of abnormal betting activity. The commission may
327 request such information in the form and manner as it requires. Nothing in this section shall

328 require a sports wagering operator to provide any information prohibited by federal, state or local
329 laws or regulations, including but not limited to, laws and regulations relating to privacy and
330 personally identifiable information.

331 (j) If a sports governing body has notified the commission and demonstrated a need for
332 access to the information described in subsection (i) for wagers placed on sporting events of such
333 sports governing body for integrity monitoring purposes, and demonstrated the capability to use
334 such data for the purpose of effectively monitoring the integrity of sporting events of such sports
335 governing body, a sports wagering operator shall share, in a commercially reasonable frequency,
336 form and manner, with the sports governing body or its designee the same information the sports
337 wagering operator is required to maintain under subsection (i) with respect to sports wagers on
338 sporting events of such sports governing body. A sports governing body and its designee shall
339 only use information received under this section for integrity-monitoring purposes and shall not
340 use information received under this section for any commercial or other purpose. Nothing in this
341 section shall require a sports wagering operator to provide any information that is prohibited by
342 federal, state or local laws or regulations, including but not limited to, laws and regulations
343 relating to privacy and personally identifiable information.

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345 (k) A sports wagering operator shall conduct a background check on each newly hired
346 employee, and a single background check on any employee hired prior to the effective date of
347 this act. Background checks shall search for criminal history, charges or convictions involving
348 corruption or manipulation of sporting events and association with organized crime.

349 Section 11. (a) All operators licensed under this chapter to conduct sports wagering shall:

350 (1) employ a monitoring system utilizing software to identify irregularities in volume or
351 changes in odds that could signal suspicious activities and promptly report such information to
352 the commission for further investigation. System requirements and specifications shall be
353 developed according to industry standards and implemented by the commission as part of the
354 minimum internal control standards;

355 (2) promptly report to the commission any facts or circumstances related to the operation
356 of a sports wagering licensee which constitute a violation of state or federal law and promptly
357 report to the appropriate state or federal authorities any suspicious betting over a threshold set by
358 the operator that has been approved by the commission;

359 (3) conduct all sports wagering activities and functions in a manner that does not pose a
360 threat to the public health, safety or welfare of the residents of the commonwealth;

361 (4) keep current in all payments and obligations to the commission;

362 (5) prevent any person from tampering with or interfering with the operation of any
363 sports wagering;

364 (6) ensure that mobile sports wagering occurs only using a commission-approved mobile
365 application or other digital platform to accept wagers initiated within the commonwealth;

366 (7) maintain sufficient cash and other supplies to conduct sports wagering at all times;

367 and

368 (8) maintain daily records showing the gross sports wagering receipts and adjusted gross
369 sports wagering receipts of the licensee from sports wagering and shall timely file with the
370 commission any additional reports required by rule, regulation or this chapter.

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(b) Sports wagering operators may use any data source for determining:

(1) the results of any and all tier 1 sports wagers on any and all sporting events; and

(2) the results of any and all tier 2 sports wagers on sporting events of an organization that is not headquartered in the United States.

(c) A sports governing body may notify the commission that it desires sports wagering operators to use official league data to settle tier 2 sports wagers on sporting events of such sports governing body. Such notification shall be made in the form and manner as the commission may require. Within 5 days of receipt of such notification, the commission shall notify each sports wagering operator of the requirement to use official league data to settle tier 2 sports wagers. If a sports governing body notifies the commission of its desire to supply official league data, a sports wagering operator may use any data source for determining the results of tier 2 sports wagers on sporting events of such sports governing body.

(d) Within 60 days of the commission notifying a sport wagering operator of the requirement to use official league data to settle tier 2 sports wagers pursuant to subsection (c), or such longer period as may be agreed between the sports governing body and the applicable sports wagering operator, a sports wagering operator shall use only official league data to determine the results of tier 2 sports wagers on sporting events of that sports governing body, unless:

(1) the sports governing body or its designee cannot provide a feed of official league data to determine the results of a particular type of tier 2 sports wager, in which case a sports wagering operator may use any data source for determining the results of the applicable tier 2

392 sports wager until such time a data feed becomes available from the sports governing body on
393 commercially reasonable terms and conditions; or

394 (2) a sports wagering operator can demonstrate to the commission that the sports
395 governing body or its designee will not provide a feed of official league data to the sports
396 wagering operator on commercially reasonable terms and conditions.

397 (e) In evaluating whether official league data is offered on commercially reasonable
398 terms and conditions for purposes of paragraphs (1) and (2) of subsection (d), the commission
399 may consider factors, including but not limited to:

400 (1) the availability of official league data to a sports wagering operator from more than 1
401 authorized source;

402 (2) market information, including but not limited to, price and other terms and conditions
403 regarding the purchase by sports wagering operators of comparable data for the purpose of
404 settling sports wagers in the commonwealth and other jurisdictions;

405 (3) the nature and quantity of data, including the quality and complexity of the process
406 used for collecting such data; and

407 (4) the extent to which a sports governing body or its designee has made data used to
408 settle tier 2 wagers available to sports wagering operators and any terms and conditions relating
409 to the use of that data.

410

411 (f) Notwithstanding anything to the contrary set forth herein, including but not limited to,
412 subsection (d), during the pendency of the determination of the commission as to whether a

413 sports governing body or its designee may provide official league data on commercially
414 reasonable terms, a sports wagering operator may use any data source to determine the results of
415 tier 2 sports wagers. The determination shall be made within 120 days of the sports wagering
416 operator notifying the commission that it requests to demonstrate that the sports governing body
417 or its designee will not provide a feed of official league data to the sports wagering operator on
418 commercially reasonable terms.

419 (g) A sports governing body may enter into commercial agreements with a sports
420 wagering operator or other entity in which such sports governing body may share in the amount
421 bet or revenues derived from sports wagering on sporting events of such sports governing body.
422 A sports governing body shall not be required to obtain a license or any other approval from the
423 commission to lawfully accept such amounts or revenues.

424 Section 12. (a) Holders of category 1 licenses may accept wagers on sports events and
425 other events authorized under this chapter in person at authorized facilities.

426 (b) Holders of category 1 and category 2 licenses may accept wagers on sports events and
427 other events authorized under this chapter from individuals physically located within the
428 commonwealth using mobile applications or digital platforms approved by the commission,
429 through the patron's sports wagering account. The branding for each mobile application or
430 digital platform shall be determined by the operator. All bets authorized under this section must
431 be initiated, received and otherwise made within the commonwealth. Consistent with the intent
432 of the federal Unlawful Internet Gambling Enforcement Act of 2006, 31 U.S.C. section 5361 to
433 5367, inclusive, the intermediate routing of electronic data related to a lawful intrastate wager

434 authorized under this chapter shall not determine the location or locations in which the wager is
435 initiated, received or otherwise made.

436 (c) An operator may accept wagers placed by other operators, and may place wagers with
437 other operators; provided, that any operator that places a wager with another operator shall
438 inform the operator accepting the wager that the wager is being placed by an operator and shall
439 disclose its identity.

440 (d) A person placing a wager shall be at least 21 years of age.

441 (e)(1) The commission or operator may ban any person from participating in the play or
442 operation of any sports wagering consistent with rules and regulations promulgated by the
443 commission. A list of all excluded patrons shall be kept by the commission and provided to each
444 licensee, and no patron on the exclusion list shall be permitted to conduct sports wagering under
445 this chapter.

446 (2) The commission shall establish a list of self-excluded persons from sports wagering.
447 A person may request such person's name to be placed on the list of self-excluded persons by
448 filing a statement with the commission acknowledging that the person is a problem gambler and
449 by agreeing that, during any period of voluntary exclusion, the person shall not collect any
450 winnings or recover any losses resulting from any sports wagering. The commission shall also
451 provide the self-excluded persons with a list of resources including but not limited to local and
452 state mental health services and treatments available for problem and pathological gambling. The
453 commission shall adopt further regulations for the self-excluded persons list including
454 procedures for placement, removal and transmittal of such list to sports wagering operators. The
455 commission may revoke, limit, condition, suspend or fine a sports wagering operator if the

456 operator knowingly or recklessly fails to exclude or eject from its premises any person placed on
457 the list of self-excluded persons.

458 (f) No licensed employee may place a sports wager through any mobile application or
459 digital platform owned or operated by their employer.

460 (g) No licensed employee may place a sports wager at any facility owned or operated by
461 their employer.

462 (h) Sections 24, 24A and 27 of chapter 10 of the General Laws shall not apply to an
463 operator conducting sports wagering in accordance with this chapter.

464 Section 13. (a)(1) For the privilege of holding a category 1 license to operate sports
465 wagering under this chapter, the commonwealth shall impose and collect an excise equal to 25
466 percent of the operator's gross gaming revenue from the operation of sports wagering,
467 hereinafter "privilege tax". The accrual method of accounting shall be used for purposes of
468 calculating the amount of the tax owed by the licensee.

469 (2) Annually not later than October 15, each sports wagering operator shall submit to the
470 commission the number of sports events or other events that took place at sports stadiums or
471 other sports facilities physically located in the commonwealth and the gross gaming revenue
472 collected from each such event. The commission shall impose and collect an excise equal to 1
473 per cent of the operator's gross gaming revenue from such events. Annually, no later than
474 December 31, the commission shall proportionately distribute the amounts received to each
475 sports facility based on the amount collected at each such facility during the previous calendar
476 year. A sports facility shall use such funds only for the purpose of sports wagering security and

477 integrity and shall report annually to the commission the amounts spent and purposes of such
478 spending in a form prescribed by the commission.

479 (b)(1) The tax levied and collected pursuant to paragraph (1) of subsection (a) shall be
480 due and payable to the commission in monthly installments on or before the 15th calendar day
481 following the calendar month in which the gross gaming revenue was received.

482 (2) The operator shall complete and submit the return for the preceding month by
483 electronic communication to the commission, on or before the 15th of each month, in the form
484 prescribed by the commission that provides:

485 (i) the total gross gaming revenue from operation of sports wagering during that month;

486 (ii) the tax amount for which the sports wagering licensee is liable; and

487 (iii) any additional information necessary in the computation and collection of the tax on
488 gross gaming revenue required by the commission.

489 (3) The tax amount shown to be due shall be remitted by electronic funds transfer
490 simultaneously with the filing of the return.

491 (4) When gross gaming revenue for a month is a negative number because the winnings
492 paid to patrons wagering on the operator's sports wagering exceed the operator's total gross
493 receipts from sports wagering by patrons, the commission shall allow the operator to carry over
494 the negative amount to returns filed for subsequent months. The negative amount of gross
495 gaming revenue shall not be carried back to an earlier month and taxes previously received by
496 the commission will not be refunded, except if the operator surrenders its license and the
497 operator's last return reported negative gross gaming revenue.

498 (c) The tax on gross gaming revenue imposed by this section shall be in lieu of all other
499 state and local taxes and fees imposed on the operation of, or the proceeds from operation of
500 sports wagering.

501 Section 14. (a)(1) For the privilege of holding a category 2 license to operate sports
502 wagering under this chapter, the commonwealth shall impose and collect an excise equal to 35
503 percent of the operator's gross gaming revenue from the operation of sports wagering,
504 hereinafter "privilege tax". The accrual method of accounting shall be used for purposes of
505 calculating the amount of the tax owed by the licensee.

506 (2) Annually not later than October 15, each sports wagering operator shall submit to the
507 commission the number of sports events or other events that took place at sports stadiums or
508 other sports facilities physically located in the commonwealth and the gross gaming revenue
509 collected from each such event. The commission shall impose and collect an excise equal to 1
510 per cent of the operator's gross gaming revenue from such events. Annually, no later than
511 December 31, the commission shall proportionately distribute the amounts received to each
512 sports facility based on the amount collected at each such facility during the previous calendar
513 year. A sports facility shall use such funds only for the purpose of sports wagering security and
514 integrity and shall report annually to the commission the amounts spent and purposes of such
515 spending in a form prescribed by the commission.

516 (3) Annually not later than October 15, each sports wagering category 2 operator shall
517 submit to the commission the amount of money wagered by each retailer under contract. The
518 commission shall impose and collect an excise equal to 7 percent of each contracted retailer's
519 gross game revenue. Annually, no later than December 31, the commission shall proportionately

520 distribute the amounts received to each retailer based on the amount collected at each such
521 retailer during the previous calendar year.

522 (b)(1) The tax levied and collected pursuant to paragraph (1) of subsection (a) shall be
523 due and payable to the commission in monthly installments on or before the 15th calendar day
524 following the calendar month in which the gross gaming revenue was received.

525 (2) The operator shall complete and submit the return for the preceding month by
526 electronic communication to the commission, on or before the 15th of each month, in the form
527 prescribed by the commission that provides:

528 (i) the total gross gaming revenue from operation of sports wagering during that month;

529 (ii) the tax amount for which the sports wagering licensee is liable; and

530 (iii) any additional information necessary in the computation and collection of the tax on
531 gross gaming revenue required by the commission.

532 (4) The tax amount shown to be due shall be remitted by electronic funds transfer
533 simultaneously with the filing of the return.

534 (5) When gross gaming revenue for a month is a negative number because the winnings
535 paid to patrons wagering on the operator's sports wagering exceed the operator's total gross
536 receipts from sports wagering by patrons, the commission shall allow the operator to carry over
537 the negative amount to returns filed for subsequent months. The negative amount of gross
538 gaming revenue shall not be carried back to an earlier month and taxes previously received by
539 the commission will not be refunded, except if the operator surrenders its license and the
540 operator's last return reported negative gross gaming revenue.

541 (c) The tax on gross gaming revenue imposed by this section shall be in lieu of all other
542 state and local taxes and fees imposed on the operation of, or the proceeds from operation of
543 sports wagering.

544 Section 15. There shall be established and set up on the books of the commonwealth a
545 Sports Wagering Fund which shall receive revenues collected pursuant to sections 6, 13 and 14.
546 The commission shall be the trustee of the fund and shall transfer monies in the fund as follows:

547 35 percent of the special tax collected shall be distributed to the General Fund.

548 Of the remaining 65 percent of the special tax collected, it shall be distributed as follows:

549 20 percent to Direct Impact Fund established in section 16;

550 10 percent to the Transformative Development Fund for Gateway Cities established in
551 section 46 of chapter 23G;

552 12 percent to the Public Health Trust Fund established in section 58 of chapter 23K; and

553 5 percent to the Distressed Restaurant Trust Fund established in section 17;

554 5 percent to the Youth Development and Achievement Fund established in section 18;

555 5 percent to the Municipal Police Diversity Training Fund established in section 19;

556 5 percent to the Gaming Local Aid Fund established in section 63 of chapter 23K; and

557 3 percent to the Players' Benevolence Fund established in section 2JJJJ of chapter 29.

558 Section 16. There shall be established and set up on the books of the commonwealth a
559 fund to be known as the Direct Impact Fund. The fund shall be credited any monies transferred

560 under section 14 and all monies credited to or transferred to the fund from any other fund or
561 source. Expenditures from the fund shall be subject to appropriation and shall be expended
562 equally for the following purposes:

563 (1) For the purposes of providing unrestricted direct financial aid to municipalities based
564 directly on the amount of money wagered within each municipality.

565 Section 17. There shall be established and set up on the books of the commonwealth a
566 fund to be known as the Distressed Restaurant Fund. The fund shall be credited any monies
567 transferred under section 14 and all monies credited to or transferred to the fund from any other
568 fund or source. Expenditures from the fund shall be subject to appropriation and shall be
569 expended equally for the following purposes:

570 (1) For the purposes of providing financial assistance to restaurants in the commonwealth
571 impacted by the COVID-19 pandemic.

572 Section 18. There shall be established and set up on the books of the commonwealth a
573 fund to be known as the Youth Development and Achievement Fund. The fund shall be credited
574 any monies transferred under section 14 and all monies credited to or transferred to the fund
575 from any other fund or source. Expenditures from the fund shall be subject to appropriation and
576 shall be expended equally for the following purposes:

577 (1) For the purposes of providing financial assistance to students from the commonwealth
578 enrolled in and pursuing a program of higher education in any approved public or independent
579 college, university, school of nursing or any other approved institution furnishing a program of
580 higher education; and

581 (2) For the purposes after school and out of school activities including, but not limited to,
582 youth athletics and other activities that improve student health, literacy programs, academic
583 tutoring, art, theater and music programs and community service programs.

584 Section 19. There shall be established and set up on the books of the commonwealth a
585 fund to be known as the Municipal Police Reform Training Fund. The fund shall be credited any
586 monies transferred under section 14 and all monies credited to or transferred to the fund from
587 any other fund or source. Expenditures from the fund shall be subject to appropriation and shall
588 be expended equally for the following purposes:

589 (1) For the purposes of providing financial assistance to municipal police departments for
590 any approved training that include but not limited to diversity, anti-racism, implicit bias or de-
591 escalation techniques.

592 Section 20. The commission may impose on any person who violates this chapter a civil
593 penalty not to exceed \$2,000 for each violation or \$5,000 for violations arising from the same
594 series of events. Such penalty shall be imposed on all individuals and is not limited to individuals
595 licensed under this chapter.

596 Section 21 (a) Any person, other than an operator under this chapter, who engages in
597 accepting, facilitating or operating a sports wagering operation is guilty of a misdemeanor and,
598 upon conviction thereof, shall be fined not more than \$10,000 or confined in jail for not more
599 than 90 days, or both fined and confined.

600 (b) Any person convicted of a second violation of subsection (a) is guilty of a
601 misdemeanor and, upon conviction thereof, shall be fined not more than \$50,000, or confined in
602 jail for not more than 6 months, or both fined and confined.

603 (c) Any person convicted of a third or subsequent violation of subsection (a) is guilty of a
604 felony, and upon conviction thereof, shall be fined not less than \$25,000 nor more than \$100,000
605 or imprisoned in a state correctional facility for not less than 1 year nor more than 5 years, or
606 both fined and confined.

607 Section 22. A municipality may opt out of permitting retailers operating through a
608 category 2 vendor in their municipality by passing a bylaw or ordinance within a time
609 determined by the Commission.