

SENATE No. 175

The Commonwealth of Massachusetts

PRESENTED BY:

Joseph A. Boncore

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 relative to horse racing and wagering.

PETITION OF:

NAME:

Joseph A. Boncore

DISTRICT/ADDRESS:

First Suffolk and Middlesex

SENATE No. 175

By Mr. Boncore, a petition (accompanied by bill, Senate, No. 175) of Joseph A. Boncore for legislation relative to horse racing and wagering. Economic Development and Emerging Technologies.

The Commonwealth of Massachusetts

**In the One Hundred and Ninetieth General Court
(2017-2018)**

An Act relative to horse racing and 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 SECTION 1. Chapter 128A of the General Laws is hereby repealed.

2 SECTION 2. Said chapter 128C is hereby repealed.

3 SECTION 3. Section 60 of chapter 23K of the General laws is hereby repealed. All
4 monies presently in the fund shall be transferred to the Race Horse Development Fund
5 established pursuant to this Act.

6 SECTION 4. Notwithstanding any general or special law or rule or regulation to the
7 contrary, all existing general and special laws, licenses, authorizations, or approvals relative to
8 horse racing or wagering thereon other than those contained in chapter 23K or St. 2011, c. 194
9 are sunset on July 31, 2017.

10 SECTION 5. The General Laws are hereby amended by inserting after chapter 128C the
11 following chapter:-

12 CHAPTER 128D.

13 HORSE RACING AND WAGERING.

14 Section 1. Preamble. It is the intent of this chapter to grant the Massachusetts Gaming
15 Commission all necessary authority to oversee and regulate all aspects of horse racing in the
16 Commonwealth with the object of promoting its efficient operation, and the honesty and integrity
17 of the wagering process related to it. It is the further intent of this chapter that the Commission
18 utilize best efforts to ensure that the horse racing industry be preserved and sustained for,
19 amongst other reasons, the preservation of open space, the agricultural benefits associated with
20 horse racing, and the creation and preservation of jobs and businesses associated with horse
21 racing.

22 Section 2. Terms used in this chapter shall, unless the context otherwise requires, be
23 construed as follows:

24 “Advance Deposit Wagering”, a form of pari-mutuel wagering in which an individual
25 may deposit money to an account established through an agreement with a holder of a racing
26 license or simulcasting license and use the account balance to make and pay for wagers by the
27 holder of the account which wagers may be made in person, by direct telephone call or by
28 communication through other electronic media by the holder of the account to the licensee.

29 “Breaks”, in the case of live horse racing conducted in the commonwealth by a racing
30 licensee, the odd cents over any multiple of 10 cents of winnings per \$1 wagered. In the case of
31 live horse racing conducted at a race track outside the commonwealth, the amount of the breaks
32 shall be determined in accordance with the laws of the state in which the race track is located.

33 "Commission", the Massachusetts gaming commission established in chapter 23K.

34 "Exotic wager", is a bet on the speed or ability of a combination of more than 1 horse in a
35 single race.

36 "Premium", is the amount paid to a racing licensee in addition to the host track fee for
37 purposes of providing a simulcast signal.

38 "Racing license", is an authorization awarded to a person by the commission, under
39 specified conditions, to accept wagers on live horse racing conducted on licensed premises in the
40 Commonwealth.

41 "Racing licensee", is a person who holds a racing license.

42 "Race track" shall, as determined by the commission, include the track, grounds,
43 auditorium, amphitheater and/or bleachers, if any, and adjacent places used in connection
44 therewith, where live horse racing may be held.

45 "Rebate", mean a portion of pari-mutuel wagers, otherwise payable to a racing licensee,
46 that is paid to a holder of a pari-mutuel wagering ticket and that reduces the amount otherwise
47 payable to such licensee, including, but not limited to, refunds to holders of pari-mutuel
48 wagering tickets of any portion or percentage of the full face value of a pari-mutuel wager,
49 paying a bonus on a winning pari-mutuel ticket, awards of merchandise, services such as meals,
50 parking, admission, seating and programs, free or reduced cost pari-mutuel wagers, monetary
51 awards, or any other benefit that the commission deems appropriate to reward horse racing
52 patrons for their patronage.

53 "Simulcast", the broadcast, transmission, receipt or exhibition, by any medium or manner,
54 of a live race conducted live at a race track other than the one at which it is being exhibited at,
55 whether inside or outside the Commonwealth, including but not limited to, a system, network, or
56 programmer which transmits, or receives, television or radio signals by wire, satellite, or
57 otherwise.

58 "Simulcasting license", is an authorization awarded to a person by the commission
59 pursuant to section 7 of chapter 23K, under specified conditions, to accept simulcast wagers.

60 "Simulcast licensee", is a person who holds a simulcasting license.

61 "Simulcast wager", a wager taken by a simulcast licensee on a race that is simulcast.

62 "Takeout", monies deducted from a pari-mutuel pool at the direction or approval of the
63 commission prior to payment of winnings.

64 Section 2. The commission shall have all powers necessary or convenient to effectively
65 regulate horse racing and related wagering including, but not limited to, the power to adopt,
66 amend or repeal regulations for the implementation, administration and enforcement of this
67 chapter including all requisite powers afforded in accordance with section 4 of chapter 23K of
68 the General Laws. The power and authority granted to the commission shall be construed as
69 broadly as necessary for the implementation, administration and enforcement of this chapter.

70 Section 3. (a) The commission shall promulgate regulations for the implementation,
71 administration and enforcement of this chapter including, without limitation, regulations that:

72 (1) prescribe the application process and criteria for evaluation of the application and
73 renewal for a racing license; in determining whether to award a racing license the commission

74 shall take into consideration the physical locations of the licensed race tracks as they relate to
75 each other and how they maximize benefits to the commonwealth, the support or opposition to
76 each applicant from the public, and any other considerations deemed relevant by the
77 commission;

78 (2) prescribe the process and criteria for evaluation of the application and renewal of a
79 simulcasting license to a racing licensee licensed under this chapter, a gaming licensee licensed
80 pursuant to chapter 23K at a gaming establishment, or an entity previously licensed pursuant to
81 chapter 128A or chapter 128C; in granting a simulcasting license to a gaming licensee, the
82 commission shall take into consideration the impact on preexisting facilities previously licensed
83 pursuant to said chapters 128A and 128C;

84 (3) prescribe the minimum number of live racing days required to be held by a racing
85 licensee other than a gaming licensee who holds live racing on the premises of the gaming
86 establishment;

87 (4) prescribe requirements necessary to the proper governance of the conduct of live
88 horse racing, simulcasting, and wagering thereon;

89 (5) establish procedures governing the operation of the Racehorse Development Fund
90 established pursuant to section 8 of this chapter;

91 (6) prescribe grounds and procedures for the revocation, suspension, and discipline of all
92 licenses and registrations;

93 (7) prescribe the allocation of funds from racing licensees and simulcast licensees for the
94 purpose of funding the activities of the commission relative to racing, which funding, with

95 associated expenditures, shall be reported to the Legislature's House and Senate Committees on
96 Ways and Means and the Joint Committee on Economic Development and Emerging
97 Technologies and made public annually within 60 days of the end of each fiscal year;

98 (8)prescribe any other issues related to the honest conduct of horse racing and wagering
99 related to it.

100 (b)The commission may, pursuant to section 2 of chapter 30A, promulgate, amend or
101 repeal any regulation promulgated under this chapter as an emergency regulation if such
102 regulation is necessary to protect the interests of the commonwealth in regulating horse racing.

103 Section 4. The commission may inspect and shall have access to the entire race track and
104 premises associated therewith upon which activity is conducted pursuant to a racing license or a
105 simulcasting license issued in accordance with this chapter or chapter 23K including all records,
106 documents, systems, equipment, and supplies on the premises.

107 Section 5. The commission may audit as often as the commission determines necessary
108 the accounts, programs, activities, and functions of all racing licensees and simulcasting
109 licensees. To conduct the audit, authorized officers and employees of the commission shall have
110 access to such accounts at reasonable times, and the commission may require the production of
111 books, documents, vouchers and other records relating to any matter within the scope of the
112 audit. Further, the commission shall make an annual report of horse racing activity in the
113 Commonwealth to the Legislature's House and Senate Committees on Ways and Means and the
114 Joint Committee on Economic Development and Emerging Technologies which shall include a
115 full and complete statement of racing revenues.

116 Section 6. Each racing licensee and simulcasting licensee shall make readily available to
117 the commission all documents, materials, equipment, personnel and any other items requested
118 during an investigation; provided, however, that material that a racing licensee or simulcasting
119 licensee considers a trade secret or detrimental to the licensee if it were made public may, with
120 the commission's approval, be protected from public disclosure and the licensee may require
121 nondisclosure agreements with the commission before disclosing such material.

122 Section 7. The commission shall establish application fees for all licenses, approvals, and
123 renewals awarded under this chapter which shall include costs incurred for conducting a
124 background investigation into an applicant. The commission may seek reimbursement from an
125 applicant for any costs of investigation in excess of the initial application or renewal fee.

126 Section 8. (a) There shall be established and set up on the books of the Commonwealth a
127 separate fund known as the Race Horse Development Fund to be administered by the
128 commission at its sole discretion. The fund shall consist of monies deposited under subsection
129 (c) of section 55 of chapter 23K and any monies credited to or transferred to the fund from any
130 other fund or source. The commission may make any distribution from the Fund it determines to
131 be in the best interest of horse racing in the Commonwealth including, but not limited to, the
132 health, safety, and welfare of its participants, and may include provision for capital
133 improvements of race tracks. Not less than 50 per cent of the funds deposited in the Fund shall
134 be used to fund purses for live horse races in the Commonwealth.

135 (b) The commission shall establish a program, including eligibility requirements, to be
136 funded out of the Fund in which the commission may provide to owners, trainers, breeders,

137 jockeys, drivers, and others associated with horse racing, health, pension, life insurance, and
138 other benefits deemed appropriate.

139 (c) In the sole discretion of the commission if the purpose of the Fund is no longer being
140 substantially served, the Commission shall transfer all remaining monies in the Fund to a fund to
141 be determined by the Commission.

142 Section 9. (a) Every racing licensee conducting pari-mutuel betting on horse races run on
143 a licensed race track, shall distribute all sums deposited in any pari-mutuel pool to the holders of
144 winning tickets therein, provided such tickets be presented for payment before April first of the
145 year following the year of their purchase, less any takeouts as determined by the commission.
146 The commission shall require the following takeouts: (i) to Tufts University School of
147 Veterinary Medicine a sum not less than 0.5 per cent of the total amount deposited by the
148 patrons, less the breaks, from the amount withheld from exotic wagers, to be used for equine
149 research scholarships and loans; (ii) a sum to be determined by the commission, but not less than
150 \$35,000 annually per racing licensee to the department of public health for assistance with
151 problem gambling research, prevention, and treatment programs; and (iii) a sum to provide and
152 pay local aid to the racing licensees' and simulcasting licensees' respective host communities of
153 not less than 0.35 per cent of the total amount deposited by patrons, less the breaks, from all
154 amounts wagered on live horse races conducted at the race track in the host community.

155 (b) Every simulcasting licensee acting as a guest track shall return to the winning patrons
156 wagering on such simulcast races all sums so deposited as an award or dividend, less any
157 takeouts as determined by the commission. The commission shall require the following
158 takeouts: (1) not less than 10 per cent of the wagering received on simulcasting of in-state and

159 out-of-state horse races shall be allocated to the Race Horse Development Fund established in
160 section 8 of this chapter; and (ii) a sum not less than .25 per cent of the total amount deposited on
161 the exotic wagering pool shall be payable to the department of agricultural resources.

162 Section 10. Notwithstanding the provisions of this chapter or any general or special law
163 to the contrary, no live dog racing or live racing meeting where any form of betting or wagering
164 on the speed or ability of dogs occurs shall be conducted or permitted in this commonwealth and
165 the commission is hereby prohibited from accepting or approving any application or request for
166 racing dates for dog racing.

167 Any person violating any provision of this section relative to dog racing shall be subject
168 to a civil penalty of not less than twenty thousand dollars which shall be payable to the
169 commission and used for administrative purposes of the commission.

170 Section 11. Any person who accepts or pays out a wager or bet on the results of any
171 horse race or dog race, or aids or abets any of the foregoing types of wagering or betting, except
172 as permitted by this chapter, shall for a first offence be punished by a fine of not more than two
173 thousand dollars and imprisonment for not more than one year, and for a subsequent offence by a
174 fine of not more than ten thousand dollars and imprisonment for not more than two years.

175 SECTION 6. Section 7 of chapter 4 of the General Laws, as appearing in the 2010
176 Official Edition, is hereby amended by striking out clause Tenth and inserting in place thereof
177 the following clause:-

178 Tenth, "Illegal gaming," a banking or percentage game played with cards, dice, tiles or
179 dominoes, or an electronic, electrical or mechanical device or machine for money, property,
180 checks, credit or any representative of value, but excluding: (i) a lottery game conducted by the

181 state lottery commission, under sections 24, 24A and 27 of chapter 10; (ii) a game conducted
182 under chapter 23K; (iii) pari-mutuel wagering on horse races and greyhound races under chapter
183 128D; (iv) a game of bingo conducted under chapter 271; and (v) charitable gaming conducted
184 under said chapter 271.”