

# SENATE . . . . . No. 2458

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Text of amendment (Senator Feeney) to the Senate Bill making appropriations for the fiscal year 2020 for the maintenance of the departments, boards, commissions, institutions and certain activities of the commonwealth, for interest, sinking fund and serial bond requirements and for certain permanent improvements (Senate, No. 3).

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## The Commonwealth of Massachusetts

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In the One Hundred and Ninety-Second General Court  
(2021-2022)  
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1 by inserting after section X the following section: -

2 "Section X. Section 7 of chapter 4 of the General Laws, appearing in the 2018 Official  
3 Edition, is hereby amended by striking out the Tenth clause and inserting in place thereof the  
4 following clause:-

5 Tenth, "Illegal gaming," a banking or percentage game played with cards, dice, tiles,  
6 dominoes, or an electronic, electrical or mechanical device or machine for money, property,  
7 checks, credit or any representative of value, but excluding: (i) a lottery game conducted by the  
8 state lottery commission, under sections 24, 24A and 27 of chapter 10; (ii) a game conducted  
9 under chapter 23K; (iii) sports wagering conducted under chapter 23N; (iv) pari-mutuel wagering  
10 on horse races under chapters 128A and 128C and greyhound races under said chapter 128C; (v)  
11 a game of bingo conducted under chapter 271; and (vi) charitable gaming conducted under said  
12 chapter 271.

13 SECTION 7. The General Laws are hereby amended by inserting after chapter 23M the  
14 following chapter:-

15 CHAPTER 23N.

16 AUTHORIZATION AND REGULATION OF SPORTS WAGERING

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

19 Section 2. Notwithstanding any provision of law to the contrary, the operation of sports  
20 wagering and ancillary activities are lawful when conducted in accordance with the provisions of  
21 this chapter and the rules and regulations of the commission.

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

24 “Adjusted gross sports wagering receipts”, an operator’s total gross receipts from sports  
25 wagering, excluding sports wagers made with promotional gaming credits, less the total of all  
26 winnings, not including voided wagers, paid to wagerers in such games, which shall include the  
27 cash equivalent of any merchandise or thing of value awarded as a prize, and all excise taxes  
28 paid pursuant to federal law.

29 “Category S1 - Master”, a license issued by the commission that permits the operation of  
30 sports wagering through a mobile application and other digital platforms approved by the  
31 commission and in person at a category 1 or category 2 gaming establishment as defined in  
32 section 2 of chapter 23K.

33 “Category S1 - Sub”, a license issued by the commission that permits the operation of  
34 sports wagering through a mobile application and other digital platforms approved by the  
35 commission by a category 1 or category 2 gaming establishment as defined in section 2 of

36 chapter 23k, that is separately and distinctly branded from the licensee’s “S1-Master” license and  
37 may be contracted by the license holder to a services provider approved by the commission.

38 “Category S2 - Track”, (i) a license issued by the commission that permits the operation  
39 of sports wagering in person or through a mobile application and other digital platforms  
40 approved by the commission at a race track as defined in section 1 of chapter 128A or at a  
41 facility owned or operated by a person who was a racing meeting licensee under said chapter  
42 128A during calendar year 2020 and conducts pari-mutuel wagering in accordance with  
43 applicable laws; or (ii) a license issued by the commission that permits the operation of sports  
44 wagering in person or through a mobile application and other digital platforms and in person at a  
45 live thoroughbred race track approved by the commission, provided that said licensee (A)  
46 operates a thoroughbred horse racing track with at least a 1 mile circumference; (B) has received  
47 approval from the New England Horsemen’s Benevolent and Protective Association to conduct  
48 sports wagering pursuant to this chapter; and (C) makes a capital investment of not less than  
49 \$25,000,000 within 3 years after receiving said license and conducts at least twenty race days in  
50 a year.

51 “Category S3 - Mobile” a license issued by the commission that permits the operation of  
52 sports wagering through a mobile application and other digital platforms approved by the  
53 commission to any entity that has offered fantasy sports contests in the commonwealth pursuant  
54 to 940 C.M.R. 34.00 for at least 1 year at the time of enactment of this act, has been permitted to  
55 offer sports wagering in at least 2 other jurisdictions in the United States by the relevant  
56 regulatory body in those jurisdictions and meets the requirements of this chapter and the rule and  
57 regulations of the commission.

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

61 “Commission”, the Massachusetts gaming commission established in section 3 of chapter  
62 23K.

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

65 “License”, any license, applied for or issued by the commission under this chapter,  
66 including, but not limited to: (i) an operator license; or (ii) an occupational license.

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

70 “Occupational license”, a license required by an employee of an operator when the  
71 employee performs duties directly related to the operation of sports wagering in the  
72 commonwealth in a supervisory role. This shall not include employees who do not accept wagers  
73 or have the ability to alter material aspects of sports wagering in the Commonwealth.

74 “Operator” or “sports wagering operator”, any entity permitted under this chapter to offer  
75 sports wagering to persons in the commonwealth through a category S1-Master license, category  
76 S1-Sub license, category S2-Track license or category S-3 Mobile license.

77 “Operator license”, a license issued by the commission that permits the operation of  
78 sports wagering in the following categories: category S1-Master license, category S1-Sub  
79 license, category S2-Track license or category S-3 Mobile license to operate sports wagering.

80 “Official league data”, statistics, results, outcomes and other data relating to a sporting  
81 event that is obtained pursuant to an agreement with the relevant sports governing body, or with  
82 an entity expressly authorized by the relevant sports governing body to provide such data to  
83 sports wagering operators, which authorizes the use of such data for determining the outcome of  
84 tier 2 sports wagers on such sporting event.

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

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

90 “Qualified gaming entity”, an entity that: (i) holds a gaming license as defined in section  
91 2 of chapter 23K; (ii) holds a license to conduct a racing meeting as defined in section 1 of  
92 chapter 128A or was licensed as a greyhound or horse racing meeting licensee pursuant to  
93 chapter 128A during calendar year 2020 and conducts pari-mutuel wagering in accordance with  
94 applicable laws; (iii) holds a license issued by the commission that permits the operation of  
95 sports wagering through a mobile application and other digital platforms and in person at a live  
96 thoroughbred race track approved by the commission, provided that said licensee (A) operates a  
97 thoroughbred horse racing track with at least a 1 mile circumference; (B) has received approval  
98 from the New England Horsemen’s Benevolent and Protective Association to conduct sports

99 wagering pursuant to this chapter; and (C) makes a capital investment of not less than  
100 \$25,000,000 within 3 years after receiving a said license. and conducts at least twenty race days  
101 in a year; or (iv) offers fantasy sports contests in the commonwealth pursuant to 940 C.M.R.  
102 34.00 for at least 1 year at the time of enactment of this act, has been permitted to offer sports  
103 wagering in at least 2 other jurisdictions in the United States by the relevant regulatory body in  
104 those jurisdictions and meets the requirements of this chapter and the rule and regulations of the  
105 commission.

106 “Sports wagering”, the business of accepting wagers on sporting events or portions of  
107 sporting events, other events, the individual performance statistics of athletes in a sporting event  
108 or other events or a combination of any of the same by any system or method of wagering  
109 approved by the commission including, but not limited to, mobile applications and other digital  
110 platforms; provided, that sports wagering shall not include the acceptance of any wager with an  
111 outcome dependent on the performance of an individual athlete in any athletic event, including  
112 but not limited, to in-game or in-play wagers; provided, further that sports wagering shall not  
113 include any acceptance of wagers on a high school or youth sporting event; provided further, that  
114 sports wagering shall not include fantasy contests as defined in section 135 of chapter 219 of the  
115 acts of 2016. Sports wagering shall include, but is not limited to, single-game bets, teaser bets,  
116 parlays, over-under, moneyline, pools, exchange wagering, in-game wagering, in-play bets,  
117 proposition bets and straight bets.

118 “Sports wagering account”, a financial record established by an operator for an individual  
119 patron in which the patron may deposit by any method approved by the commission and  
120 withdraw funds for sports wagering and other authorized purchases, and to which the operator  
121 may credit winnings or other amounts due to or authorized by that patron. Such account may be

122 established and funded by the patron electronically through an approved mobile application or  
123 digital platform.

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

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

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

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

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

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

137 (d) The commission may promulgate rules and regulations including, but not limited to,  
138 those governing the acceptance of wagers on a sports event, other event or a series of sports  
139 events; types of wagering receipts which may be used; methods of issuing receipts; methods of  
140 accounting to be used by operators; types of records to be kept; types of systems for wagering;  
141 protections for patrons placing wagers; and promotion of social responsibility and responsible  
142 gambling; provided, that such regulations shall include a requirement that all mobile applications

143 and digital platforms authorized for sports wagering include prominently upon each entry into  
144 the application or platform, the following statement: “If you or someone you know has a  
145 gambling problem and wants help, call the Massachusetts Council on Compulsive Gambling  
146 hotline at 1-800-426-1234.”

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

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

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

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

162 (i) The commission may exercise any other powers necessary to effectuate this chapter  
163 and the rules and regulations of the commission. ~~SEP:SEP~~ Section 5. (a) No person shall engage in  
164 any activity in connection with sports wagering in the commonwealth unless all necessary

165 licenses or temporary licenses have been obtained in accordance with this chapter and rules and  
166 regulations of the commission.

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

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

175 (2) Each person who holds a beneficial or proprietary interest of 10 per cent or more of a  
176 non-corporate applicant's business operation and who has the ability to control the activities of  
177 the non-corporate applicant; and

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

181 (c) Each controlling person pursuant to subsection (b) shall submit to the commission an  
182 application in a form determined by the commission, and each such controlling person who is a  
183 natural person shall submit to the commission: (i) fingerprints for a national criminal records  
184 check by the department of the state police and the Federal Bureau of Investigation; and (ii) a  
185 signed authorization for the release of information by the department of the state police and the  
186 Federal Bureau of Investigation; provided, however, that a controlling person who is a natural

187 person that has submitted to a national criminal records check in any jurisdiction within the  
188 previous year shall not be required to submit to another national criminal records check if such  
189 person submits to the commission the results of such previous national criminal records check.  
190 Any applicant convicted of any disqualifying offense shall not be licensed.

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

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

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

198 (b)(1) The commission shall issue a category S1-Master license to any holder of a gaming  
199 license, as defined in section 2 of chapter 23K, that meets the requirements of this chapter and  
200 the rules and regulations of the commission.

201 (2) The commission shall issue 2 category S1-Sub licenses to any and each holder of a  
202 gaming license, as defined in section 2 of chapter 23k, that meets the requirements of this chapter  
203 and the rules and regulations of the commission.

204 (3) The commission shall issue a category S2-Track license to: (i) any holder of a license  
205 to conduct a racing meeting, as defined in section 1 of chapter 128A or to any person who was  
206 licensed as a grey hound or horse racing meeting licensee pursuant to said chapter 128 during the  
207 calendar year 2020 and conducts pari-mutuel wagering in accordance with applicable laws; or

208 (ii) a live thoroughbred race track approved by the commission, provided that said licensee (A)  
209 operates a thoroughbred horse racing track with at least a 1 mile circumference; (B) has received  
210 approval from the New England Horsemen's Benevolent and Protective Association to conduct  
211 sports wagering pursuant to this chapter; and (C) makes a capital investment of not less than  
212 \$25,000,000 within 3 years after receiving a said license and conducts at least twenty race days  
213 per year; that meets the requirements of this chapter and the rules and regulations of the  
214 commission.

215 (3) The commission shall issue a category S3 - Mobile license to any entity that has  
216 offered fantasy sports contests in the commonwealth pursuant to 940 C.M.R. 34.00 for at least 1  
217 year at the time of enactment of this act, has been permitted to offer sports wagering in at least 2  
218 other jurisdictions in the United States by the relevant regulatory body in those jurisdictions and  
219 meets the requirements of this chapter and the rule and regulations of the commission. The  
220 commission shall issue no more than 1 license of this category type.

221 (4) All fees, surcharges, civil penalties and taxes collected by the Commission under this  
222 chapter shall revert to the General Fund unless otherwise specified.

223 (c) Upon application by a qualified gaming entity and payment of a \$5,000,000  
224 application fee, the commission shall grant an operator license to a qualified gaming entity that  
225 provides for the right to conduct sports wagering; provided, that the qualified gaming entity  
226 meets the requirements for licensure under this chapter and the rules and regulations of the  
227 commission. Such license shall be issued for a 3-year period, and may be renewed for 3-year  
228 periods upon payment of a \$1,000,000 renewal fee; provided, that an operator continues to meet  
229 all requirements under this chapter and the rules and regulations of the commission.

230 (d) An operator shall submit to the commission such documentation or information as the  
231 commission may require demonstrating that the operator continues to meet the requirements of  
232 this chapter and the rules and regulations of the commission. An operator shall submit required  
233 documentation or information no later than 3 years after issuance of its operator license and  
234 every 3 years thereafter, or within lesser periods based on circumstances specified by the  
235 commission.

236 Section 7. (a) All persons employed by an operator to perform duties directly related to  
237 the operation of sports wagering in Massachusetts in a supervisory role shall maintain a valid  
238 occupational license issued by the commission. This shall not include employees who do not  
239 accept wagers or have the ability to alter material aspects of sports wagering in the  
240 Commonwealth. The commission shall issue such occupational license to a person who meets  
241 the requirements of this section.

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

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

249 (d) Each occupational license holder shall annually pay to the commission a license fee of  
250 \$100 by March 1 and submit a renewal application on the form required by the commission. The  
251 employer shall pay the application fee on behalf of the applicant.

252 Section 8. (a) For both operator and occupational licenses, the commission shall deny a  
253 license to any applicant, reprimand any licensee or suspend or revoke a license, if the applicant  
254 or licensee:

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

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

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

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

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

264 (6) has been found by the Federal or State authority having jurisdiction to have violated  
265 Federal, State or Local labor and employment law.

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

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

272 (b) The house rules, together with any other information the commission deems  
273 appropriate, shall be accessible to any patrons of the sports wagering system. The operator shall  
274 make copies readily available to patrons and shall display and post the house rules in a  
275 conspicuous place easily visible by patrons.

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

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

280 (2) prohibit athletes, coaches, referees, team owners, employees of a sports governing  
281 body or its member teams and player and referee union personnel from wagering on any sporting  
282 event of their sport's governing body; provided, that in determining which persons are excluded  
283 from placing wagers under this subsection, operators shall use lists of such persons that the  
284 sports governing body may provide to the commission;

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

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

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

292 (b) A sports governing body may submit to the commission in writing, by providing  
293 notice in such form and manner as the commission may require, a request to restrict, limit or  
294 exclude a certain type, form or category of sports wagering with respect to sporting events of  
295 such body, if the sports governing body believes that such type, form or category of sports  
296 wagering with respect to sporting events of such body is contrary to public policy, unfair to  
297 consumers, may undermine the perceived integrity of such body or sporting events of such body  
298 or affects the integrity of such body or sporting events of such body. The commission shall  
299 request comment from sports wagering operators on all such requests. After giving due  
300 consideration to all comments received, the commission shall, upon a demonstration of good  
301 cause from the requestor, grant the request. The commission shall respond to a request  
302 concerning a particular event before the start of the event, or if it is not feasible to respond before  
303 the start of the event, no later than 7 days after the request is made; provided, that if the  
304 commission determines that the requestor is more likely than not to prevail in successfully  
305 demonstrating good cause for its request, the commission may provisionally grant the request of  
306 the sports governing body until the commission makes a final determination as to whether the  
307 requestor has demonstrated good cause. Absent such a provisional grant by the commission,  
308 sports wagering operators may continue to offer sports wagering on sporting events that are the  
309 subject of such a request during the pendency of the consideration of the applicable request.

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

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

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

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

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

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

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

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

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

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

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

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

347 (2) shall maintain the confidentiality of such information, unless disclosure is required by  
348 this chapter, the commission, other law or court order or unless the sports wagering operator  
349 consents to disclosure; provided, that the sports governing body may make disclosures necessary  
350 to conduct and resolve integrity-related investigations and may publicly disclose such  
351 information if required by its integrity policies or if deemed by the sports governing body in its  
352 reasonable judgment to be necessary to maintain the actual or perceived integrity of its sporting  
353 events, and subject in all cases to the sports governing body's compliance with federal, state and  
354 local laws and regulations, including but not limited to, laws and regulations relating to privacy  
355 and personally identifiable information. Prior to any such public disclosure that would identify

356 the sports wagering operator by name, the sports governing body shall provide such sports  
357 wagering operator with notice of such disclosure and an opportunity to object to such disclosure.

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

365 (i) A sports wagering operator shall use commercially reasonable efforts to maintain in  
366 real time and at the account level, anonymized information for each patron, including the amount  
367 and type of bet, the time the bet was placed, the location of the bet, including the IP address if  
368 applicable, the outcome of the bet and records of abnormal betting activity. The commission may  
369 request such information in the form and manner as it requires. Nothing in this section shall  
370 require a sports wagering operator to provide any information prohibited by federal, state or local  
371 laws or regulations, including but not limited to, laws and regulations relating to privacy and  
372 personally identifiable information.

373 (j) If a sports governing body has notified the commission and demonstrated a need for  
374 access to the information described in subsection (i) for wagers placed on sporting events of such  
375 sports governing body for integrity monitoring purposes, and demonstrated the capability to use  
376 such data for the purpose of effectively monitoring the integrity of sporting events of such sports  
377 governing body, a sports wagering operator shall share, in a commercially reasonable frequency,

378 form and manner, with the sports governing body or its designee the same information the sports  
379 wagering operator is required to maintain under subsection (i) with respect to sports wagers on  
380 sporting events of such sports governing body. A sports governing body and its designee shall  
381 only use information received under this section for integrity-monitoring purposes and shall not  
382 use information received under this section for any commercial or other purpose. Nothing in this  
383 section shall require a sports wagering operator to provide any information that is prohibited by  
384 federal, state or local laws or regulations, including but not limited to, laws and regulations  
385 relating to privacy and personally identifiable information.

386 (k) The commission shall promulgate through rules and regulations a framework of  
387 sufficient vetting and background checks on a sports wagering operator's certain existing  
388 employees and certain newly hired employees, such as officers, directors, executive level  
389 employees, and those in similarly situated roles that are consistent with industry standards and  
390 practices. Background checks if so required by the commission shall search for criminal history,  
391 charges or convictions involving corruption or manipulation of sporting events and association  
392 with organized crime.

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

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

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

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

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

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

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

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

411 and

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

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

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

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

419 (c) A sports governing body may notify the commission that it desires sports wagering  
420 operators to use official league data to settle tier 2 sports wagers on sporting events of such  
421 sports governing body. Such notification shall be made in the form and manner as the  
422 commission may require. Within 5 days of receipt of such notification, the commission shall  
423 notify each sports wagering operator of the requirement to use official league data to settle tier 2  
424 sports wagers. If a sports governing body does not notify the commission of its desire to supply  
425 official league data, a sports wagering operator may use any data source for determining the  
426 results of tier 2 sports wagers on sporting events of such sports governing body.

427 (d) Within 45 days of the commission notifying a sport wagering operator of the  
428 requirement to use official league data to settle tier 2 sports wagers pursuant to subsection (c), or  
429 such longer period as may be agreed between the sports governing body and the applicable  
430 sports wagering operator, a sports wagering operator shall use only official league data to  
431 determine the results of tier 2 sports wagers on sporting events of that sports governing body,  
432 unless:

433 (1) the sports governing body or its designee cannot provide a feed of official league data  
434 to determine the results of a particular type of tier 2 sports wager, in which case a sports  
435 wagering operator may use any data source for determining the results of the applicable tier 2  
436 sports wager until such time a data feed becomes available from the sports governing body on  
437 commercially reasonable terms and conditions; or

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

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

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

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

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

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

454 (f) Notwithstanding anything to the contrary set forth herein, including but not limited to,  
455 subsection (d), during the pendency of the determination of the commission as to whether a  
456 sports governing body or its designee may provide official league data on commercially  
457 reasonable terms, a sports wagering operator may use any data source to determine the results of  
458 tier 2 sports wagers. The determination shall be made within 120 days of the sports wagering  
459 operator notifying the commission that it requests to demonstrate that the sports governing body  
460 or its designee will not provide a feed of official league data to the sports wagering operator on  
461 commercially reasonable terms.

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

467 Section 12. (a) Holders of category S1-Master and category S2-Track licenses may  
468 accept wagers on sports events and other events authorized under this chapter in person at  
469 authorized gaming facilities.

470 (b) Holders of category S1-Master, category S1-Sub, category S2-Track, and category  
471 S3-Mobile licenses may accept wagers on sports events and other events authorized under this  
472 chapter from individuals physically located within the commonwealth using mobile applications  
473 or digital platforms approved by the commission, through the patron's sports wagering account.  
474 The branding for each mobile application or digital platform shall be determined by the operator.  
475 All bets authorized under this section must be initiated, received and otherwise made within the  
476 commonwealth. Consistent with the intent of the federal Unlawful Internet Gambling  
477 Enforcement Act of 2006, 31 U.S.C. section 5361 to 5367, inclusive, the intermediate routing of  
478 electronic data related to a lawful intrastate wager authorized under this chapter shall not  
479 determine the location or locations in which the wager is initiated, received or otherwise made.

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

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

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

490 (2) The commission shall establish a list of self-excluded persons from sports wagering.  
491 A person may request such person's name to be placed on the list of self-excluded persons by  
492 filing a statement with the commission acknowledging that the person is a problem gambler and  
493 by agreeing that, during any period of voluntary exclusion, the person shall not collect any  
494 winnings or recover any losses resulting from any sports wagering. The commission shall adopt  
495 further regulations for the self-excluded persons list including procedures for placement, removal  
496 and transmittal of such list to sports wagering operators. The commission may revoke, limit,  
497 condition, suspend or fine a sports wagering operator if the operator knowingly or recklessly  
498 fails to exclude or eject from its premises any person placed on the list of self-excluded persons.

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

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

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

505 (i) The commission may adopt rules to establish internet sports wagering accounts, but  
506 nothing in this bill shall prohibit account registration in person at a sports gaming facility, or  
507 over the internet without appearing in person. An operator shall adopt reasonable procedures to  
508 ensure that individuals have no more than one internet wagering account with the operator, or  
509 S1-Sub license holder offering internet wagering on the operator's behalf. ~~§§§§~~(j) The  
510 Commission shall adopt rules requiring that sports gaming may only be conducted with chips,  
511 tokens, electronic cards, or other means including:

512 (a) Cash;

513 (b) Cash equivalent;

514 (c) Debit or credit card;

515 (d) Reloadable prepaid card or online account;

516 (e) ACH

517 (f) PayPal

518 (g) Promotional Funds;

519 (h) Winnings; and

520 (i) Any other means approved by the commission. ~~§§§§~~ Section 13. (a)(1) For the privilege  
521 of holding a license to operate sports wagering under this chapter, the commonwealth shall  
522 impose and collect an excise equal to 14 percent of the operator's adjusted gross sports wagering  
523 receipts from the operation of sports wagering within a gaming establishment facility permitted  
524 under a category S1 - Master license; 18 percent of the operator's adjusted gross sports wagering

525 receipts from the operation of sports wagering using mobile and online platforms permitted  
526 under category S1-Master licenses, category S1-Sub licenses, category S2- Track licenses, and  
527 category S3-Mobile licenses, hereinafter “privilege tax”. The accrual method of accounting shall  
528 be used for purposes of calculating the amount of the tax owed by the licensee.

529 (b)(1) The tax levied and collected pursuant to paragraph (1) of subsection (a) shall be  
530 due and payable to the commission in monthly installments on or before the 15th calendar day  
531 following the calendar month in which the adjusted gross sports wagering receipts were received.

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

535 (i) the total gross sports wagering receipts and adjusted gross sports wagering receipts  
536 from operation of sports wagering during that month;

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

538 (iii) any additional information necessary in the computation and collection of the tax on  
539 adjusted gross sports wagering receipts required by the commission.

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

542 (4) When adjusted gross receipts for a month is a negative number because the winnings  
543 paid to patrons wagering on the operator’s sports wagering exceed the operator’s total gross  
544 receipts from sports wagering by patrons, the commission shall allow the operator to carry over  
545 the negative amount to returns filed for subsequent months. The negative amount of adjusted

546 gross receipts shall not be carried back to an earlier month and taxes previously received by the  
547 commission will not be refunded, except if the operator surrenders its license and the operator's  
548 last return reported negative adjusted gross receipts.

549 (c) The tax on adjusted gross sports wagering receipts imposed by this section shall be in  
550 lieu of all other state and local taxes and fees imposed on the operation of, or the proceeds from  
551 operation of sports wagering.

552 Section 14. The commission may impose on any person who violates this chapter a civil  
553 penalty not to exceed \$2,000 for each violation or \$5,000 for violations arising from the same  
554 series of events. Such penalty shall be imposed on all individuals and is not limited to individuals  
555 licensed under this chapter.

556 Section 15. (a) Any person, other than an operator under this chapter, who engages in  
557 accepting, facilitating or operating a sports wagering operation is guilty of a misdemeanor and,  
558 upon conviction thereof, shall be fined not more than \$10,000 or confined in jail for not more  
559 than 90 days, or both fined and confined.

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

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

567           Section 16. No person shall be permitted to place or receive a sports wager on a National  
568 Collegiate Athletic Association team from the Commonwealth of Massachusetts."