

SENATE No. 264

The Commonwealth of Massachusetts

PRESENTED BY:

Adam Gomez

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:	
<i>Adam Gomez</i>	<i>Hampden</i>	
<i>John C. Velis</i>	<i>Second Hampden and Hampshire</i>	<i>2/25/2021</i>

SENATE No. 264

By Mr. Gomez, a petition (accompanied by bill, Senate, No. 264) of Adam Gomez and John C. Velis for legislation to authorize and regulate 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. AUTHORIZATION AND REGULATION OF SPORTS WAGERING

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

57 “Qualified gaming entity”, an entity that: (i) holds a gaming license as defined in section
58 2 of chapter 23K; (ii) is a qualified vendor to the Massachusetts state lottery; or (iii) has offered
59 fantasy sports contests in the commonwealth pursuant to 940 C.M.R. 34.00 for at least 1 year at
60 the time of enactment of this act and has been permitted to offer sports wagering in at least 2
61 other jurisdictions in the United States by the relevant regulatory body in those jurisdictions.

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

66 “Sports governing body”, an organization that is headquartered in the United States and
67 prescribes final rules and enforces codes of conduct with respect to a sporting event and
68 participants therein, excluding any other governing bodies that prescribe final rules and enforce
69 codes of conduct with respect to a sporting event involving animals including, but not limited to,
70 the National Horseracing Authority, the National Thoroughbred Racing Association, the
71 American Greyhound Association, and the American Greyhound Council.

72 “Sports wagering”, the business of accepting wagers on sporting events or portions of
73 sporting events, other events, the individual performance statistics of athletes in a sporting event

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

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

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

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

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

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

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

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

105 (d) The commission may promulgate rules and regulations including, but not limited to,
106 those governing the acceptance of wagers on a sports event, other event or a series of sports
107 events; types of wagering receipts which may be used; methods of issuing receipts; methods of
108 accounting to be used by operators; types of records to be kept; types of systems for wagering;
109 protections for patrons placing wagers; promotion of diversity, equity and inclusion; and
110 promotion of social responsibility and responsible gambling; provided, that such regulations
111 shall include a requirement that all mobile applications, digital platforms, and in-person locations
112 authorized for sports wagering include prominently upon each entry into the application,
113 platform, or via signage displayed at in-person locations, the following statement: “If you or
114 someone you know has a gambling problem and wants help, call the Massachusetts Council on
115 Compulsive Gambling hotline at 1-800-426-1234.”

116 (e) The commission shall determine the eligibility of a person to hold or continue to hold
117 a license, shall issue all licenses and shall maintain a record of all licenses issued under this

118 chapter. The commission may accept applications, evaluate qualifications of applicants,
119 undertake initial review of licenses and issue temporary licenses upon the effective date of this
120 chapter.

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

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

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

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

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

136 (b) The commission shall not grant an operator license, other than a temporary license
137 pursuant to subsection (c) of section 6, until it determines that each person who has control of the

138 applicant meets all qualifications for licensure. The following persons are considered to have
139 control of an applicant:

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

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

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

150 (c) Each controlling person pursuant to subsection (b) shall submit to the commission an
151 application in a form determined by the commission, and each such controlling person who is a
152 natural person shall submit to the commission: (i) fingerprints for a national criminal records
153 check by the department of the state police and the Federal Bureau of Investigation; and (ii) a
154 signed authorization for the release of information by the department of the state police and the
155 Federal Bureau of Investigation. Any applicant convicted of any disqualifying offense shall not
156 be licensed.

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

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

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

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

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

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

174 (2) Upon receiving a request for a temporary license, the executive director of the
175 commission shall review the request. If the executive director determines that the entity
176 requesting the temporary license is a qualified gaming entity and has paid the sports wagering
177 initial license fee, the commission shall authorize the qualified gaming entity to conduct sports
178 wagering for a period of 2 years under a temporary license or until a final determination on its
179 operator license application is made.

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

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

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

196 Section 7. (a) All persons employed by an operator to perform duties directly related to
197 the operation of sports wagering in Massachusetts in a supervisory role shall maintain a valid
198 occupational license issued by the commission. The commission shall issue such occupational
199 license to a person who meets the requirements of this section.

200 (b) An occupational license authorizes the licensee to be employed in the capacity
201 designated by the commission while the license is active. The commission may establish, by rule

202 or regulation, job classifications with different requirements based on the extent to which a
203 particular job impacts, or has the potential to impact, the lawful operation of sports wagering.

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

207 (d) Each occupational license holder shall annually pay to the commission a license fee of
208 \$100 by March 1 and submit a renewal application on the form required by the commission. An
209 employer may pay an application fee on behalf of the licensed employee.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

301 (2) shall maintain the confidentiality of such information, unless disclosure is required by
302 this chapter, the commission, other law or court order or unless the sports wagering operator
303 consents to disclosure; provided, that the sports governing body may make disclosures necessary
304 to conduct and resolve integrity-related investigations and may publicly disclose such

305 information if required by its integrity policies or if deemed by the sports governing body in its
306 reasonable judgment to be necessary to maintain the actual or perceived integrity of its sporting
307 events, and subject in all cases to the sports governing body's compliance with federal, state and
308 local laws and regulations, including but not limited to, laws and regulations relating to privacy
309 and personally identifiable information. Prior to any such public disclosure that would identify
310 the sports wagering operator by name, the sports governing body shall provide such sports
311 wagering operator with notice of such disclosure and an opportunity to object to such disclosure.

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

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

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

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

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

345 (1) employ a monitoring system utilizing software to identify irregularities in volume or
346 changes in odds that could signal suspicious activities and promptly report such information to
347 the commission for further investigation. System requirements and specifications shall be

348 developed according to industry standards and implemented by the commission as part of the
349 minimum internal control standards;

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

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

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

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

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

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

362 and

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

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

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

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

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

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

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

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

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

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

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

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

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

405 (f) Notwithstanding anything to the contrary set forth herein, including but not limited to,
406 subsection (d), during the pendency of the determination of the commission as to whether a
407 sports governing body or its designee may provide official league data on commercially
408 reasonable terms, a sports wagering operator may use any data source to determine the results of
409 tier 2 sports wagers. The determination shall be made within 120 days of the sports wagering

410 operator notifying the commission that it requests to demonstrate that the sports governing body
411 or its designee will not provide a feed of official league data to the sports wagering operator on
412 commercially reasonable terms.

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

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

420 (b) Holders of category 1 and category 2 licenses may accept wagers on sports events and
421 other events authorized under this chapter from individuals physically located within the
422 commonwealth using mobile applications or digital platforms approved by the commission,
423 through the patron's sports wagering account. The branding for each mobile application or
424 digital platform shall be determined by the operator. All bets authorized under this section must
425 be initiated, received and otherwise made within the commonwealth. Consistent with the intent
426 of the federal Unlawful Internet Gambling Enforcement Act of 2006, 31 U.S.C. section 5361 to
427 5367, inclusive, the intermediate routing of electronic data related to a lawful intrastate wager
428 authorized under this chapter shall not determine the location or locations in which the wager is
429 initiated, received or otherwise made.

430 (c) An operator may accept wagers placed by other operators, and may place wagers with
431 other operators; provided, that any operator that places a wager with another operator shall

432 inform the operator accepting the wager that the wager is being placed by an operator and shall
433 disclose its identity.

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

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

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

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

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

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

458 Section 13. (a)(1) For the privilege of holding a category 1 or category 2 license to
459 operate sports wagering under this chapter, the commonwealth shall impose and collect an excise
460 equal to 25 percent of the operator's gross gaming revenue from the operation of sports
461 wagering, hereinafter "privilege tax". The accrual method of accounting shall be used for
462 purposes of calculating the amount of the tax owed by the licensee.

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

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

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

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

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

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

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

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

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

495 Section 14. (a)(1) For the privilege of holding a category 2 license to operate sports
496 wagering under this chapter, the commonwealth shall impose and collect an excise equal to 35

497 percent of the operator’s gross gaming revenue from the operation of sports wagering,
498 hereinafter “privilege tax”. The accrual method of accounting shall be used for purposes of
499 calculating the amount of the tax owed by the licensee.

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

510 (3) Annually not later than October 15, each sports wagering category 2 operator shall
511 submit to the commission the amount of money wagered by each retailer under contract. The
512 commission shall impose and collect an excise equal to 7 percent of each contracted retailer’s
513 gross game revenue. Annually, no later than December 31, the commission shall proportionately
514 distribute the amounts received to each retailer based on the amount collected at each such
515 retailer during the previous calendar year.

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

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

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

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

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

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

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

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

538 Section 15. There shall be established and set up on the books of the commonwealth a
539 Sports Wagering Fund which shall receive revenues collected pursuant to sections 6, 13 and 14.

540 The commission shall be the trustee of the fund and shall transfer monies in the fund as follows:

541 35 percent of the special tax collected shall be distributed to the General Fund.

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

543 20 percent to Direct Impact Fund established in section 16;

544 10 percent to the Transformative Development Fund for Gateway Cities established in
545 section 46 of chapter 23G;

546 12 percent to the Public Health Trust Fund established in section 58 of chapter 23K; and

547 5 percent to the Distressed Restaurant Trust Fund established in section 17;

548 5 percent to the Youth Development and Achievement Fund established in section 18;

549 5 percent to the Municipal Police Diversity Training Fund established in section 19;

550 5 percent to the Gaming Local Aid Fund established in section 63 of chapter 23K; and

551 3 percent to the Players' Benevolence Fund established in section 2JJJJJ of chapter 29.

552 Section 16. There shall be established and set up on the books of the commonwealth a
553 fund to be known as the Direct Impact Fund. The fund shall be credited any monies transferred
554 under section 14 and all monies credited to or transferred to the fund from any other fund or
555 source. Expenditures from the fund shall be subject to appropriation and shall be expended
556 equally for the following purposes:

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

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

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

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

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

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

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

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

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

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

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

597 (c) Any person convicted of a third or subsequent violation of subsection (a) is guilty of a
598 felony, and upon conviction thereof, shall be fined not less than \$25,000 nor more than \$100,000

599 or imprisoned in a state correctional facility for not less than 1 year nor more than 5 years, or
600 both fined and confined.

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