HOUSE DOCKET, NO. 1707 FILED ON: 1/20/2011

HOUSE . . . . . No. 1039

The Commonwealth of Massachusetts

PRESENTED BY:

Robert M. Koczera

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying:

An Act establishing casinos in Massachusetts..

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Robert M. Koczera	*11th Bristol*
Marc R. Pacheco	
	☐ *[District]*
	☐

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By Mr. Koczera of New Bedford, a petition (accompanied by bill, House, No. 1039) of Robert M. Koczera and Marc R. Pacheco relative to authorizing the legalization of casinos and establishing a casino gaming commission. Economic Development and Emerging Technologies.

The Commonwealth of Massachusetts

An Act establishing casinos in Massachusetts..

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

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

SECTION 1. General Provisions.

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

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

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

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

SECTION 2. Definitions.

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

(a) "Affiliate", means any person which a licensee or applicant directly or indirectly controls or in which an applicant or licensee possesses an interest. For the purposes of this section "controls" means either (i) directly or indirectly holding more than ten percent of voting membership rights or voting stock or partnership interests, or (ii) that a majority of the directors, general partners, trustees, or members of an entity's governing body or representatives of, or are

21 directly or indirectly controlled by, the licensee or applicant. For the purposes of this subsection,
22 "possesses an interest in" means either (i) directly or indirectly holding more than five percent of
23 voting membership rights or voting stock, or (ii) that at least twenty-five percent of the directors,
24 general partners, trustees, or members of an entity's governing body or representatives of, or are
25 directly or indirectly controlled by, the licensee or applicant;

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

29 (c) “Application”, means a written request for permission to engage in any act or activity
30 which is regulated under the provisions of this act.

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

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

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

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

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

38 (i)"Committee", means the state gaming policy committee. (j)
39 "Competitive bidding process", means a process whereby the commission seeks potential bidders
40 who desire to obtain a state gaming license, the winner which shall be chosen by competitive
41 standards which are determined and established by the commission.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

145 (hh) “Request for proposals” means a written document issued by the commission to
146 potential bidders which invites bidders to submit proposals outlining their qualifications and
147 desire to obtain a gaming license from the commission.

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

152 (jj) "Slot machine", means any mechanical, electrical or other device, contrivance or
153 machine, including any so-called video wagering terminal, video lottery terminal or video poker
154 machine, which, upon insertion of a coin, token or similar object, or upon payment of any
155 consideration, is available to play or operate, the play or operation of which, whether by reason

156 of the skill of the operator in playing a gambling game which is presented for play by the
157 machine or application of the element of chance, or both, may deliver or entitle the person
158 playing or operating the machine to receive cash, premiums, merchandise, tokens or any thing of
159 value, whether the payoff is made automatically from the machine or in any other manner.

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

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

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

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

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

172 (a) There shall be established a Massachusetts Gaming Control Commission consisting of
173 five members. Each member shall be a citizen of the United States and a resident of the
174 commonwealth. No person holding any elective office in state, county, or local government; nor
175 any officer or official of any political party, nor any person who was formerly a licensee or an
176 unlicensed employee of a gaming licensee within the five years prior to any appointment shall be
177 eligible for appointment to the commission. The commission shall be composed of the most
178 qualified persons available; but no person actively engaged or having a direct pecuniary interest
179 in gaming activities shall be a member of the commission. The governor shall appoint three
180 members of the commission and designate one member to serve as chairman of the commission.
181 The attorney general of the commonwealth shall appoint one member of the commission. The
182 attorney general's appointee shall have experience in legal issues with respect to gaming
183 establishments and be a member in good standing with the Massachusetts Bar Association. The
184 auditor of the commonwealth shall appoint one member of the commission. The auditor'
185 appointee shall have experience in accounting and possess a Massachusetts license as a Certified
186 Public Accountant.

187 (b) Members of the commission shall serve a term coterminous with that of the elected
188 Governor and serve until a successor is appointed. Any member shall be eligible for
189 reappointment but no member shall serve more than 2 terms of 4 years each. Any person
190 appointed to fill a vacancy in the office of a member of the commission shall be appointed in a
191 like manner and shall serve for only the unexpired term of such member. Any commissioner

192 may be removed by the governor for just cause, and shall be removed immediately upon
193 conviction of any felony.

194 (c) Four of the members shall constitute a quorum and the affirmative vote of a majority
195 of members present at a duly called meeting where a quorum is present shall be necessary for
196 any action to be taken by the commission. The commission annually may elect 1 of its members
197 as vice-chairperson, shall elect a secretary and a treasurer, and may elect or appoint other officers
198 as it may deem necessary, none of whom, other the vice-chairperson, are required to be members
199 of the commission. The secretary shall keep a record of the proceedings of the commission and
200 shall be custodian of all books, documents, and papers filed by the commission and of its minute
201 book and seal. The secretary shall cause copies to be made of all minutes and other records and
202 documents of the commission and shall certify that such copies are true copies, and all persons
203 dealing with the commission may rely upon such certification. The treasurer shall be the chief
204 financial and accounting officer of the commission and shall be in charge of its funds, books of
205 account and accounting records. The officers of the commission shall be subject to the same
206 requirements as the members of the commission.

207 (d) Meetings of the commission shall be subject to Sections 11A and 11A1/2 of Chapter
208 30A, provided, however, that any discussion or consideration of law enforcement or
209 investigatory information, trade secrets or commercial or financial information may be held by
210 the commission in executive session closed to the public notwithstanding the provisions of
211 Section 11A1/2 of Chapter 30A, but the purpose of any such executive session shall be set forth
212 in the official minutes of the commission and no business which is not directly related to such
213 purpose shall be transacted nor shall any vote be taken during such executive session. A public
214 record of every vote shall be maintained at the commission. The commission may maintain any
215 other files and records as it deems appropriate. Regular and special meetings of the commission
216 may be held, at the discretion of the commission, at such times and places as it may deem
217 convenient.

218 (e) The commission members shall devote that time to the business of the commission as
219 may be necessary to the discharge of their duties. The members of the commission shall be
220 compensated for work performed for the commission at fifty thousand dollars per annum, with
221 the chairman receiving ten thousand dollars per annum in addition to his compensation. Before
222 entering upon the duties of his or her office each member shall swear that he or she is not
223 pecuniary interested in any business or organization holding a gaming license under this act, or
224 doing business with any gaming service industry, as defined by this act and shall submit to the
225 governor, attorney general and state auditor, a statement of financial interest required by chapter
226 two-hundred sixty-eight B of the General Laws listing all assets and liabilities, property and
227 business interests, and sources of income of said commissioner and his spouse. Such statement
228 shall be under oath and shall be filed at the time of employment and annually thereafter. No
229 commission member shall have any interest, direct or indirect, in any applicant or in any person
230 licensed by or registered with the commission during his term of office. Regular and special

231 meetings of the commission may be held, at the discretion of the commission, at such times and
232 places as it may deem convenient.

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

235 (g) The commission shall have general responsibility for the implementation of this act,
236 as hereinafter provided, including, the right to hear and decide promptly and in reasonable order
237 all license, registration, certificate, and permit applications and causes affecting the granting,
238 suspension, revocation, or renewal thereof; to conduct all hearings pertaining to civil violations
239 of this act or regulations promulgated hereunder; the method and form of application which any
240 applicant for a gaming license or for a manufacturer's, sellers or distributor's license must follow
241 and complete before consideration of his application by the commission; the information to be
242 furnished by any applicant or licensee concerning his antecedents, habits, character, associates,
243 criminal history or record, business activities and financial affairs, past or present; the
244 information to be furnished by a licensee relating to his gaming employees; the fingerprinting of
245 an applicant or licensee or employee of a licensee or other methods of identification; the manner
246 and procedure of all hearings conducted by the State Gaming Control Authority, as defined by
247 this act, or commission or any hearing examiner of the authority or commission, including
248 special rules of evidence applicable thereto and notices thereof; the issuance and revocation of
249 work permits for employment of persons in licensed gambling facilities; the manner in which
250 winnings, compensation from games and gaming devices, and gross revenue must be computed
251 and reported by the licensee; the minimum procedures for adoption by each licensee to exercise
252 effective control over its internal fiscal affairs; the payment by any applicant of all or any part of
253 the fees and cost of investigation of such applicant as may be determined by the bureau or the
254 commission; governing the manufacture, sale and distribution of gambling devices and
255 equipment; licensee bonding requirements; monitoring of licensee requirements; investigations
256 both civil and criminal; the method and operation of gambling operations including the type and
257 manner of gambling, record keeping, accounting, audit requirements and safeguarding of assets;
258 the testing and inspection of gambling equipment; the licensing of corporations, limited
259 partnerships, holding companies and intermediary companies; the limitations of security
260 contracts and agreements; the sale of securities of affiliated companies; emergency proceedings;
261 setting forth those persons to be excluded or ejected from gambling establishments including the
262 type of conduct prohibited thereat; to collect all license and registration fees, taxes and penalties
263 imposed by this act and the regulation issued pursuant thereto; to be present through its
264 inspectors and agents at all times during the operation of any licensed gaming facility for the
265 purpose of certifying the revenue thereof and receiving complaints from the public; and to
266 review and rule upon any complaint by a licensed gaming facility licensee regarding any
267 investigative procedures of the bureau which are unnecessarily disruptive of licensed gaming
268 facility operations; and a code of conduct for employees of the bureau. The need to inspect and

269 or investigate a licensed gaming facility shall be presumed at all times. The commission shall
270 adopt an official seal and alter same at pleasure.

271 (h) The commission shall conduct hearings in accordance with the provisions of Chapter
272 30A. The commission may, by a majority vote, issue subpoenas for the attendance of witnesses
273 or the production of any records, books, memoranda, documents, or other papers, or things, at or
274 prior to any hearing as is necessary to enable the commission to effectually discharge its duties,
275 and may administer oaths or affirmations as necessary in connection therewith. The commission
276 may petition a superior court for an order requiring compliance with a subpoena. The
277 commission and the bureau shall have the authority to propound written interrogatories and may
278 administer oaths, issue subpoenas, propound written interrogatories, require testimony under
279 oath, report same, and fashion recommended decisions upon the recommendation of said
280 commission.

281 (i) The commission may require any person to apply for a license as provided in this act
282 and approve or disapprove, transactions, events, and processes as provided in this act. The
283 commission may grant or deny any application for a license or approval; may limit, condition,
284 restrict, suspend, or revoke any license or approval for any cause deemed reasonable by the
285 commission, consistent with this act or any general or special. The commission may also impose
286 a civil fine of not more than fifteen thousand dollars upon any person licensed, registered or
287 otherwise approved under this act, for any violation of this act or of any general or special law
288 related to gambling. The commission may, as further provided in regulations approve or
289 disapprove transactions, events, and processes as provided in this act, take actions reasonably
290 designed to ensure that no unsuitable persons are associated with controlled gambling activities.
291 The commission may expend for legal, investigative, clerical and other assistance such as may be
292 appropriated therefore. Investigators employed by the commission shall have access to all
293 records maintained by the all licensees and registrants hereunder, whether maintained at the
294 licensed gambling establishment or other location as may be pertinent to the investigatory
295 powers of the commission.

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

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

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

311 (m) The commission shall have the power to acquire, lease, use, hold and mortgage real,
312 personal or mixed property or any interest, easements or rights therein, as may be necessary or
313 appropriate to carry out the provisions of this act; to enter into agreements or other transactions
314 with the commonwealth or any political subdivision or public instrumentalities thereof, the
315 United States government or any federal, state or other governmental agency; to formulate plans
316 for the projects involving the acquisition and operation of facilities pursuant to the provisions of
317 this act, and to construct or reconstruct, expand, remodel, to fix and revise from time to time, and
318 to charge and collect rates, fees, rentals and other charges for the use of any building, structure,
319 other property or portion thereof under its control; and to acquire in the name of the commission
320 by purchase or otherwise,

321 (n) The commission may investigate, civilly or criminally, fraud, deceit,
322 misrepresentation or violations of law by any person licensed or registered under this act, or the
323 occurrence of any such activity within or involving any licensed gambling establishment or
324 gambling operation. If the commission has reasonable basis to believe that any person licensed
325 or registered under this act is engaged in criminal behavior or that criminal activity is occurring
326 within or involving any licensed gaming facility or licensed gambling operation said commission
327 shall report same to the attorney general of the commonwealth and the district attorney of the
328 county within which the gaming facility is located and make available to the attorney general and
329 said district attorney all relevant information on such activity. The commission, as it deems
330 appropriate, may ask the attorney general and/ or said district attorney to restrain a violation of
331 this act or enforce any provision thereof. An action brought against a person pursuant to this
332 act does not preclude any other criminal or civil proceeding as may be authorized by law.

333 (o) No person shall transfer a direct or indirect pecuniary interest in a licensed operating
334 entity or premises, or enter into an option contract or other agreement providing for such transfer
335 in the future, without having notified the commission. No person shall transfer a greater than five
336 percent direct or indirect pecuniary interest in a licensed operating entity or premises without the
337 issuance by the commission to the transferee of an operating license or an affirmative statement
338 that the transferee has met the operating license standards, as the commission may require.

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

340 (a) There shall be established a State Gaming Control Authority. The authority may
341 acquire such furnishings, equipment, supplies, stationery, books, motor vehicles and other things
342 as it may deem necessary or desirable in carrying out its functions; incur such other expenses,

343 within the limit of money available to it, as it may deem necessary. The authority shall furnish to
344 the commission such administrative and clerical services and such furnishings, equipment,
345 supplies, stationery, books, motor vehicles and all other things as the commission may deem
346 necessary or desirable in carrying out its functions. Except as otherwise provided in this act, all
347 costs of administration incurred by the authority must be paid out on claims from the state
348 general fund in the same manner as other claims against the state are paid.
349

350 (b) The position of Executive Director of the state gaming control authority is hereby
351 created. The Gaming Control Commission shall appoint the executive director for a term of five
352 years. The executive director shall not serve more than two consecutive terms. The executive
353 director may be removed by the governor for cause. The executive director shall be responsible
354 for the conduct of the commission's administrative matters. The executive director shall be the
355 executive secretary of the commission and shall carry out and execute the duties as specified by
356 law and the commission. The executive director shall employ such professional, technical, and
357 clerical assistants and employees as necessary, subject to appropriation; provided, however, that
358 such assistants and employees shall not be subject to chapter thirty-one or section nine A of
359 chapter thirty of the General Laws. The executive director shall devote his entire time and
360 attention to the business of his office and shall not pursue any other business or occupation or
361 hold any other office of profit.

362 (c) The authority shall, within the limits of legislative appropriations or authorizations,
363 employ and fix the salaries of or contract for the services of such professional, technical and
364 operational personnel and consultants as the execution of its duties and the operation of the
365 authority and commission may require. The authority and the commission shall, by suitable
366 regulations, establish a comprehensive plan governing employment, job classifications and
367 performance standards, and retention or discharge of employees to assure that termination or
368 other adverse action is not taken against such employees except for cause. The authority may
369 employ the services of such persons as it considers necessary for the purposes of consultation or
370 investigation. (d) Each employee of the authority shall file with the
371 state ethics commission a statement of financial interest as defined in chapter two-hundred sixty-
372 eight B of the General Laws listing all assets and liabilities, property and business interests, and
373 sources of income of said employee and his spouse. Such statement shall be under oath and shall
374 be filed at the time of employment and annually thereafter.

375 (e) No employee of the authority shall be permitted to gamble in any establishment
376 licensed by the Commission except in the course of his duties. Each employee or agent of the
377 bureau shall devote his entire time and attention to his duties and shall not pursue any other
378 business or occupation or other gainful employment; provided, however, that secretarial and
379 clerical personnel may engage in such other gainful employment as shall not interfere with their
380 duties to the commission or bureau, unless otherwise directed; and provided further, however,
381 that other employee and agents of the authority may engage in such other gainful employment as

382 shall not interfere or be in conflict with their duties to the authority, upon approval by the
383 commission and the director of the authority.

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

387 (g) Before the beginning of each legislative year, the authority shall submit to the house
388 and senate committees on ways and means and the joint committee on state administration and
389 oversight a report defining, for the preceding twelve month period, the gross revenue, net
390 revenue, and average depreciation of each licensee; the number of persons employed by each
391 licensee, and related payroll information; and the assessed valuation of each Massachusetts
392 licensed gaming facility as listed on the assessment rolls.

393 (h) Employees of the authority and their agents may inspect and examine all premises
394 wherein gaming is conducted or gambling devices or equipment are manufactured, sold or
395 distributed; inspect all equipment and supplies in, upon or about such premises; summarily seize
396 and remove from such premises and impound any equipment, supplies, documents or records for
397 the purpose of examination and inspection; demand access to and inspect, examine, photocopy
398 and audit all papers, books and records of any applicant or licensee, on his premises, or
399 elsewhere as practicable, and in the presence of the applicant or licensee, or his agent, respecting
400 the gross income produced by any gaming business, and require verification of income, and all
401 other matters affecting the enforcement of the policy or any of the provisions of this act; demand
402 access to and inspect, examine, photocopy and audit all papers, books and records of any affiliate
403 of a licensee whom the authority or commission knows or reasonably suspects is involved in the
404 financing, operation or management of the licensee. Licensees must retain all books, papers, and
405 records necessary for audits for three years after the date of the surrender or revocation of his
406 gaming license.

407 (i) The authority may place expert accountants, technicians, and any other persons, as it
408 may deem necessary, in the office, gambling area, or other place of business of any person
409 licensed or registered under this act for the purpose of determining compliance with the rules and
410 regulations adopted pursuant to this act.

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

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

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

424 (m) No official, member, employee, or agent of the commission or authority, having
425 obtained access to confidential records or information in the performance of duties pursuant to
426 this act, unless otherwise provided by law, shall knowingly disclose or furnish the records or
427 information, or any part thereof, to any person who is not authorized by law to receive it.
428 Violation of this provision shall be punishable by a fine of not more than ten thousand dollars or
429 by imprisonment in a house of correction for not more then one year, or by both such fine or
430 imprisonment.

431 (n) The authority shall make a continuous study and investigation of gaming throughout
432 the commonwealth in order to ascertain defects in state gaming law, or in rules and regulations
433 issued thereunder; to formulate recommendations for changes in said law and the rules and
434 recommendations promulgated thereunder. The authority shall make a continuous study and
435 investigation of the operation and administration of similar laws in other states or countries; of
436 any literature or reports on the subject which from time to time may be published or available to
437 licensed gaming facilities; of any federal laws which may affect the operation of gaming in the
438 commonwealth; and of the reaction of citizens of the commonwealth to existing and potential
439 features of gaming with a view to recommending or effecting changes that will tend to better
440 serve and implement the purposes of state gaming law. The authority shall make a continuous
441 study of state gaming policy, including gaming, as defined by this act; the state lottery, as
442 defined by chapter ten; and pari-mutual racing, as defined by chapter one-hundred twenty-eight;
443 and the impact of said policy on the Commonwealth.

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

447 SECTION 5. Records of Commission and Authority Proceedings.

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

450 (b) Notwithstanding any other general or special law to the contrary all files, records,
451 reports, and other information in possession of any state or local governmental agency including
452 tax filings and related information that are relevant to an investigation by the bureau conducted
453 pursuant to this act shall be made available to the authority as requested. However, any tax or
454 financial information received from a governmental agency shall be used solely for effectuating
455 the purposes of this act. To the extent that these files, records, reports, or information are

456 confidential or otherwise privileged from disclosure under any law they shall not lose that
457 confidential or privileged status for having been disclosed to the authority.

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

464 (d) The attorney general, every district attorney, and every state and local law
465 enforcement agency shall notify the authority of any investigation or prosecution of any person if
466 it appears that a violation of any law related to gambling had occurred.

467 SECTION 6. Finding of Suitability. License Approval.

468 (a) The commission and the authority shall investigate the qualifications of each applicant
469 under this act before any license is issued or any registration, finding of suitability or approval of
470 acts or transactions for which commission approval is required or permission is granted, and
471 shall continue to monitor the conduct of all licensees and registrants and other persons having a
472 material involvement, directly or indirectly with a licensed gaming facility or holding company
473 to ensure that licenses are not issued or held by, nor is there any material involvement directly or
474 indirectly with a licensed gaming facility or holding company by unqualified, disqualified or
475 unsuitable persons, or persons whose operations are conducted in an unsuitable manner or in
476 unsuitable or prohibited places or locations, as provided in commission regulations. All expenses
477 associated with the licensing of any applicant shall be borne by the applicant. Pursuant to its
478 regulations, the commission shall require each applicant for a gambling license to deposit with
479 the commission, together with the application therefore, an application fee. Such fee shall
480 constitute the anticipated costs and charges incurred in the investigation and processing of the
481 application, and any additional sums as are required by the commission to pay final costs and
482 charges.

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

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

492 d) No person shall operate a gaming establishment without having obtained all necessary
493 operating licenses from the commission. There shall be a single licensed operator for each
494 gaming establishment. The licensing standards must be met at all times by each officer, director,
495 partner, and trustee of the operating entity, by each substantial party in interest of the operating
496 entity or of the premises on which such establishment is located, and by such other party in
497 interest of the operating entity, the premises, or any holding company or intermediary company
498 of the operating entity or the premises as the commission may require. In no event shall the
499 commission permit person or entity previously convicted of a felony to be a party in interest of
500 the operating entity or of the premises or of any holding or intermediary company of the
501 operating entity or the premises. A separate license shall be required for any person described
502 above, unless the commission specifically determines otherwise.

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

505 Region 1 –Norfolk, Suffolk, Middlesex and Essex counties; Region 2 –
506 Bristol, Plymouth, Nantucket, Dukes and Barnstable counties; and

507 Region 3 – Worcester, Hampshire, Hampden, Franklin, and Berkshire counties.

508 (f) Each license approved by the Commission pursuant to Section 6(e) shall be awarded
509 as the result of a competitive bidding process to be designed and established by said commission
510 in which the successful applicant shall bid not less than $100 million. Within each defined
511 region, the commission shall give first consideration to any application in which the proposed
512 casino is located on an environmentally impacted site and the costs of mitigation are assumed by
513 the casino applicant. The commission shall negatively consider any development on greenfield
514 space, so-called, including previously undeveloped land.

515 (g) No casino license shall issue to an applicant who is a federally recognized Native
516 American tribe located in the Commonwealth or an applicant who is partnered with a federally
517 recognized Native American tribe located in the Commonwealth unless the Native American
518 tribe has entered into a contractual agreement with the Commonwealth in which the Native
519 American tribe agrees to waive any and all of its rights under the Indian Gaming Regulatory Act,
520 25 U.S.C. Sections 2701 et seq., and be subject to the civil and criminal laws, statutes,
521 ordinances, and jurisdiction of the Commonwealth with respect to all activities relating to the
522 development and operation of the resort casino and the applicable rules and regulations
523 prescribed by the commission.

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

527 (i) A person may apply to be a licensed operator by filing an application with the
528 commission, in the form and with such accompanying application fees as the commission may
529 establish. Information on the application will be used as the basis for a thorough background
530 investigation which the bureau shall conduct with respect to each applicant. Each application
531 shall disclose the identity of each party in interest, each holding company and intermediary
532 company, and each affiliate of the operating entity. The application shall disclose, in the case of
533 a privately held corporation, the names and addresses of all directors, officers, and stockholders;
534 in the case of a publicly traded corporation, the names and addresses of all directors, officers,
535 and persons holding at least one percent of the total capital stock issued and outstanding; in the
536 case of a partnership, the names and addresses of all partners, both general and limited; and in
537 the case of a trust, the names and addresses of all trustees and beneficiaries.

538 (j) Each operating entity shall identify, in its application, the premises containing the
539 establishment where it proposes to conduct its gaming operations. The application shall contain
540 such information regarding the physical location and condition of the premises and the potential
541 impact of the proposed gaming operations upon adjacent properties and the municipality and
542 region within which the premises are located, as the commission may require. The application
543 shall disclose the identity of all parties in interest regarding the premises; and provided, further,
544 except as otherwise permitted herein, no person other than a licensee hereunder shall have any
545 right to or interest in net gaming revenue or adjusted net gaming revenue in the form of a
546 percentage of any sums payable hereunder.
547 (k) No licensed operator shall obtain any gaming equipment from a person who does not hold a
548 license. No licensed operator shall enter into any agreement for the receipt of goods or services,
549 of any form and in any amount, from a person who does not hold a license, when a license is
550 required for such agreement under this act or under regulations promulgated by the commission
551 or authority.

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

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

557 (n) Any person who the commission determines is qualified to receive a license or be
558 found suitable under the provisions of this act, may be issued a state gaming license or found
559 suitable, as appropriate. The burden of proving his qualification to receive any license or be
560 found suitable is on the applicant. A license to operate a gaming establishment must not be
561 granted unless the applicant has satisfied the commission that he or she has adequate business
562 probity, competence and experience, in gaming; and the proposed financing of the entire
563 operation is adequate for the nature of the proposed operation; and, from a suitable source. All
564 applications to receive a license or be found suitable constitutes a request for a determination of

565 the applicant's general character, integrity, and ability to participate or engage in, or be
566 associated with gaming, as appropriate. The commission may limit the license or place such
567 conditions thereon as it may deem necessary in the public interest. The commission may, if it
568 considers necessary, issue a probationary license. No state gaming license may be assigned either
569 in whole or in part. The commission may limit or place such conditions as it may deem necessary
570 in the public interest upon any registration, finding of suitability or approval for which
571 application has been made. A licensee may be granted a temporary gaming license to operate a
572 gaming facility during the construction phase of any licensed gaming facility, provided that no
573 more than one temporary license be awarded for any licensed gaming facility, and provided
574 further that no temporary license remain in force for a period in excess of twenty-four months.

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

578 (p) If satisfied that an applicant is eligible to receive a state gaming, manufacturing,
579 selling, or distributing license, and upon tender of all license fees and taxes as required by law
580 and regulation of the commission; and a bond executed by the applicant as principal, and by a
581 corporation qualified under the laws of the commonwealth as surety, payable to the
582 commonwealth, and conditioned upon the payment of license fees and taxes and the faithful
583 performance of all requirements imposed by law or regulation or the conditions of the license,
584 the commission shall issue and deliver to the applicant a license entitling him to engage in the
585 gaming, manufacturing, selling, or distributing operation for which he is licensed, together with
586 an enumeration of the specific terms and conditions of the license.

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

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

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

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

601 partnership, limited-liability company or joint venture than he paid for it or the market value on
602 the date of the denial of the license or the finding of unsuitability.

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

606 (v) The authority shall promptly and in reasonable order investigate all applications,
607 enforce the provisions of this act and any regulations promulgated hereunder. The authority shall
608 provide the commission with all information necessary for all actions requested of it under this
609 act and for all proceedings involving enforcement of the provisions of this act or any regulations
610 promulgated hereunder.

611 (w) The authority shall investigate the qualifications of each applicant before any license,
612 certificate, or permit is issued pursuant to the provisions of this act; investigate the circumstances
613 surrounding any act or transaction for which commission approval is required; investigate
614 violations of this act and regulations promulgated hereunder; initiate, prosecute and defend such
615 proceedings before the commission, or appeals there from, as the authority may deem
616 appropriate; provide assistance upon request by the commission in the consideration and
617 promulgation of rules and regulations; conduct continuing reviews of licensed gaming facility
618 operations through on-site observation and other reasonable means to assure compliance with
619 this act and regulations promulgated hereunder; conduct audits of licensed gaming facility
620 operations at such times, under such circumstances, and to such extent as the director shall
621 determine, including reviews of accounting, administrative and financial records and
622 management control systems, procedures and records utilized by a licensed gaming facility
623 licensee; and be entitled to request information, materials and any other data from any licensee or
624 registrant, or applicant for a license or registration under this act.

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

627 (y) The authority and its employees and agents, upon approval of the director, shall have
628 the authority, without notice and without warrant to inspect and examine all premises wherein
629 gaming is conducted; or gaming devices or equipment are manufactured, sold, distributed, or
630 serviced, or wherein any records of such activities are prepared or maintained; to inspect all
631 equipment and supplies in, about, upon or around such premises; to seize summarily and remove
632 from such premises and impound any such equipment or supplies for the purposes of
633 examination and inspection; to inspect, examine and audit all books, records, and documents
634 pertaining to a gaming licensee's operation; to seize, impound or assume physical control of any
635 book, record, ledger, game, device, cash box and its contents, counting room or its equipment, or
636 licensed gaming facility operations; and to inspect the person, and personal effects present in a

637 licensed gaming facility licensed under this act, of any holder of a license or registration issued
638 pursuant to this act while that person is present in a licensed gaming facility.

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

642 SECTION 7. Right to Hearing.

643 Any person aggrieved by a determination by the commission to issue, deny, modify,
644 revoke or suspend any license or approval, or to issue an order, under the provisions of this act,
645 may request an adjudicatory hearing before the commission under the provisions of chapter
646 thirty A of the General Laws. Any such determination shall contain a notice of this right to
647 request a hearing and may specify a time limit, not to exceed twenty-one days, within which said
648 person shall request said hearing. If no such request is timely made, the determination shall be
649 deemed assented to. If a timely request is received, the commission shall within a reasonable
650 time act upon a request in accordance with the provisions of said Chapter 30 A. A person
651 aggrieved by a final decision in an adjudicatory hearing held under the provisions of this section
652 may obtain judicial review thereof pursuant to the provisions of chapter thirty A.

653 SECTION 8. Criminal Acts and Penalties; Age Restrictions.

654 (a) Except as otherwise provided in this act or in chapter ten or in Section 7A of Chapter
655 271 of the General Laws, it is unlawful for any person to deal, operate, carry on, conduct,
656 maintain or expose for play in the commonwealth of Massachusetts any gambling game, gaming
657 device, or slot machine as defined by this act; to receive, directly or indirectly, any compensation
658 or reward or any percentage or share of the money or property played, for keeping, running or
659 carrying on any gambling game, gaming device, or slot machine; to permit any gambling game,
660 gaming device, or slot machine to be conducted, operated, dealt or carried on in any house or
661 building or other premises owned by him, in whole or in part; to lend, let, lease or otherwise
662 deliver or furnish any equipment of any gambling game, including any slot machine, for any
663 interest, percentage or share of the money or property played, under guise of any agreement
664 whatever; to lend, let, lease or otherwise deliver or furnish, except by a bona fide sale or capital
665 lease, any slot machine under guise of any agreement whereby any consideration is paid or is
666 payable for the right to possess or use that slot machine, whether the consideration is measured
667 by a percentage of the revenue derived from the machine or by a fixed fee or otherwise; to
668 furnish services or property, real or personal, on the basis of a contract, lease or license, pursuant
669 to which that person receives payments based on earnings or profits from any gambling game,
670 including any slot machine, without having first procured a state gaming license from the
671 commission.

672 (b) Any person included on the list of persons to be excluded or ejected from a gambling
673 establishment pursuant to regulations promulgated pursuant to this act who knowingly enters or

674 remains on the premises of a licensed gambling establishment shall be punished by a fine to be
675 determined by the commission, in addition to any other penalties prescribed by law.

676 (c) Any person under the age of twenty-one years who plays, places wagers at, or collects
677 winnings from, whether personally or through an agent, any controlled game, or who is
678 employed as an employee in a licensed gaming establishment shall be punished by imprisonment
679 in the house of correction for not more than one year, or by a fine of not more than one thousand
680 dollars, or by both such imprisonment and fine any licensee, or other person, who knowingly
681 allows a person under the age of twenty-one to play, place wagers at or collect winnings, whether
682 personally or through an agent, shall be punished by imprisonment in the house of correction for
683 a term of not more than one year or pay a fine of not more than ten thousand dollars, or by both
684 such imprisonment and fine. A subsequent violation of this section shall subject the licensee to
685 imprisonment in the house of correction for not more than two years or pay a fine of not more
686 than twenty-five thousand dollars or by both such imprisonment and fine. In any prosecution or
687 other proceeding for the violation of this subsection, it shall not be a defense for the licensee or
688 his agent to plead that he believed the person to be twenty-one years of age or older.

689 (d) Any person who willfully fails to report, pay, or truthfully account for and pay over
690 any license registration fee, penalty, fine, or interest thereon imposed by this act, or willfully
691 attempts in any manner to evade or defeat the license fee, penalty, fine, or interest thereon or
692 payment thereof shall be punished by a fine to be determined by the commission.

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

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

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

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

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

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

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

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

725 (j) It is unlawful for any person:

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

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

731 (3) to manipulate, with the intent to cheat, any component of a gaming device in a
732 manner contrary to the designed and normal operational purpose for the component, including
733 but not limited to, varying the pull of the handle of a slot machine, with knowledge that the
734 manipulation affects or reasonably may tend to affect the outcome of the game or with
735 knowledge of any event that affects the outcome of the game. As used in this section, "cheat"
736 means to alter the selection of criteria which determine: (a) the results of a game; or (b) the
737 amount or frequency of payment in a game. (4) to
738 have on his person or in his possession on or off the premises of any licensed gaming
739 establishment any key or device known to have been designed for the purpose of and suitable for
740 opening, entering or affecting the operation of any gaming or equipment, or for removing money
741 or other contents there from, except where such person is a duly authorized employee of a
742 licensee acting in furtherance of his employment within a licensed gaming establishment.

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

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

752 (m) In addition to any other penalty imposed under this section, a violation of this section
753 by a licensed gaming establishment shall subject to forfeiture to the commonwealth any or all of
754 the gaming equipment related to the violation. A district attorney may petition the superior court
755 in the name of the commonwealth in the nature of a proceeding in rem to order forfeiture of any
756 such gaming equipment subject to forfeiture under the provisions of this paragraph. Such petition
757 shall be filed in the court having jurisdiction over said gaming equipment or having final
758 jurisdiction over any related criminal proceedings brought under any provision of this chapter. In
759 all such suits where the property is claimed by any person, other than the commonwealth, the
760 commonwealth shall have the burden of proving to the court the existence of probable cause to
761 institute the action, and any such claimant shall then have the burden of proving that the gaming
762 equipment is not forfeitable. The court shall order the commonwealth to give notice by certified
763 or registered mail to the owner of said gaming equipment and to such other persons as appear to
764 have an interest therein, and the court shall promptly, but not less than two weeks after notice,
765 hold a hearing on the petition. Upon the motion of the owner of said gaming equipment the court
766 may continue the hearing on the petition pending the outcome of any criminal trial related to the
767 violation of this chapter. At such hearing the court shall hear evidence and make conclusions of
768 law, and shall thereupon issue a final order, from which the parties shall have a right of appeal.
769 In all such suits where a final order results in a forfeiture, said final order shall provide for
770 disposition of said gaming equipment, by the commonwealth in any manner not prohibited by
771 law, including official use by an authorized law enforcement or in other public agency, or sale at
772 public auction or by competitive bidding. The proceeds of any such sale shall be used to pay the
773 reasonable expenses of the forfeiture proceedings, seizure, storage, maintenance of custody,
774 advertising, and notice, and the balance thereof shall be deposited in the gaming regulatory
775 account established by this chapter.

776 SECTION 9. Revenues. License Fees. Penalties.

777 (a) Each gaming establishment shall pay to the commission a minimum sum equal to
778 27% of gross gaming revenues, post payout and pre-expenses, from all table games, slot
779 machines or video gaming devices.

780 (b) There is hereby established a gaming investigative account. Any and all expenses
781 associated with the licensing of any applicant and monitoring of any licensee shall be borne by
782 the applicant or licensee. Pursuant to its regulations, the commission shall require each applicant
783 to deposit with the commission, together with the application therefore, an application fee which
784 shall be deposited in the gaming investigative account. Such fee shall constitute the anticipated
785 costs and charges incurred in the investigation and processing of the application, and any
786 additional sums as required by the commission and the authority to pay final costs and charges.
787 Expenses may be advanced from the gaming investigative account by the commission to the
788 authority. Any money received from an applicant in excess of the costs and charges incurred in
789 the investigation or the processing of the application shall be refunded pursuant to regulations
790 adopted by the commission. At the conclusion of the investigation the bureau shall provide the
791 applicant a written accounting of the costs and charges so incurred.

792 (c) Two-thirds all fees, revenue, and penalties collected pursuant to this act, with the
793 exception of those revenues collected as stated in Section 9 (a) of this act, shall be deposited in
794 the general fund. Funds deposited in the general fund, pursuant to this act, shall, subject to
795 appropriation, be expended for the support of the commission and the bureau in carrying out
796 their duties and responsibilities under this act. One-third of all fees, revenue, and penalties
797 collected pursuant to this act, with the exception of those revenues collected as stated in section
798 nine (a) of this act, shall go directly to cities and towns in the form of local aid toward general
799 operations using the lottery formula.

800 (d) All revenue received from any game or gaming device which is leased for operation
801 on the premises of the licensee-owner to a person other than the owner thereof, or located in an
802 area or space on the premises which is leased by the licensee-owner to any such person, must be
803 attributed to the owner for the purposes of this section and be counted as part of the gross
804 revenue of the owner. The lessee is liable to the owner for his proportionate share of the license
805 fees.

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

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

815 (g) There is hereby imposed upon each slot machine operated in this state an annual
816 excise tax of five hundred dollars. If a slot machine is replaced by another, the replacement is

817 not considered a different slot machine for the purpose of imposing this tax. The commission
818 shall collect the tax annually on or before June twentieth, as a condition precedent to the issuance
819 of a state gaming license to operate any slot machine for the ensuing fiscal year beginning July
820 first, from a licensee whose operation is continuing; collect the tax in advance from a licensee
821 who begins operation or puts additional slot machines into play during the fiscal year prorated
822 monthly after July thirty-first; include the proceeds of the tax in its reports of state gaming taxes
823 collected. The commission shall pay over not less than one half of the tax as collected to the
824 treasurer of the municipality within which the gaming facility is located to be deposited to the
825 general fund of said municipality. Not more than one half of the tax as collected shall go to
826 communities surrounding the host community for the purposes of traffic and public safety
827 concerns resulting from the operation of the gaming facility as prescribed according to the
828 commission.

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

835 SECTION 10. Reporting Violations of Act.

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

841 SECTION 11. Licensing of Gaming Service Industries.

842 (a) All gaming service industries as defined in this act offering goods or services which
843 directly relate to gaming activities or indirectly relate to gaming operations shall be licensed in
844 accordance with rules of the commission and prior to conducting any business whatsoever with a
845 gaming applicant or licensee, its employees or agents, and in the case of a school prior to
846 enrollment of any students or offering of any courses to the public whether for compensation or
847 not. Gaming service industries that directly relate to gaming activities shall include gaming and
848 wagering equipment manufacturers, suppliers and repairers, schools teaching gaming and either
849 playing or dealing techniques, and gaming security services. Gaming service industries that
850 indirectly relate to gaming operations shall include junket enterprises; suppliers of alcoholic
851 beverages, food and nonalcoholic beverages; garbage handlers; vending machine providers; linen
852 suppliers; maintenance companies; shopkeepers located within the approved hotels; limousine

853 services and construction companies contracting with gaming applicants or licensees or their
854 employees or agents.

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

858 (c) The commission may exempt any person or field of commerce from the licensing
859 requirements of this subsection if the person or field of commerce demonstrates that it is
860 regulated by a public agency or that it will provide goods or services in insubstantial or
861 insignificant amounts or quantities, or provides professional services such as accountants,
862 auditors, attorneys, or broker dealers, and that licensing is not deemed necessary in order to
863 protect the public interest or to accomplish the policies established by this act. Upon granting an
864 exemption or at any time thereafter, the commission may limit or place such restrictions
865 thereupon as it may deem necessary in the public interest, and shall require the exempted person
866 to cooperate with the commission and the authority and, upon request, to provide information in
867 the same manner as required of a gaming service industry licensed pursuant to this section.

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

870 SECTION 12. Problem Gambling. Education and Treatment.

871 The department of public health is hereby authorized and directed to conduct a
872 comprehensive study to measure the prevalence of compulsive, obsessive behaviors in
873 Massachusetts; to measure the prevalence of problem gambling in Massachusetts; to measure the
874 prevalence of underage problem gambling in Massachusetts; and, to measure the social cost of
875 problem gambling in Massachusetts; and to develop appropriate treatment modalities and public
876 education strategies that address the findings of said study.

877 SECTION 13. Disclosure Requirements.

878 Every licensed gaming establishment shall disclose clearly and conspicuously on each
879 electronic gaming device the numerical odds of winning or if the odds cannot be calculated, the
880 manner by which a person may be notified of all previous winnings on each electronic gaming
881 device, and the number of previous winners.

882 SECTION 14. Recovery of Gaming Debts by Patrons.

883 (a) Whenever a licensee refuses payment of alleged winnings to a patron, the licensee and
884 the patron are unable to resolve the dispute to the satisfaction of the patron and the dispute
885 involves:

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

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

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

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

898 SECTION 15. Severability.

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