

SENATE NO. 221

AN ACT ESTABLISHING THE MASSACHUSETTS PARI-MUTUEL ENHANCEMENT ACT

1 SECTION 1. General Provisions

2 (a) This chapter shall be known and may be cited as the “Massachusetts Pari-mutuel
3 Enhancement Act.”

4 (b) No applicant for a gaming license, or a manufacturer’s or distributors license or other
5 affirmative commission approval has any right to a license or the granting of the approval
6 sought. Any license issued or other commission approval granted pursuant to the provisions of
7 this act is a revocable privilege, and no holder acquires any vested right therein or thereunder.

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

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

12 Section 2. Definitions.

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

15 (a) “Adjusted net gaming revenues,” means the total of all net gaming revenues, less the total of
16 all sums paid out as winnings to patrons as required under regulations promulgated by the
17 commission and less all sums set aside as provided by this Act. In the case of slot machines,
18 adjusted net gaming revenues shall not exceed fifteen percent of gross gaming revenues.

19 (b) “Affiliate”, means any person which a licensee or applicant directly or indirectly controls or
20 in which an applicant or licensee possesses an interest. For the purposes of this section
21 “controls” means either (i) directly or indirectly holding more than ten percent of voting
22 membership rights or voting stock or partnership interests, or (ii) that a majority of the directors,
23 general partners, trustees, or members of an entity’s governing body or representatives of, or are
24 directly or indirectly controlled by, the licensee or applicant. For the purposes of this subsection,
25 “possesses an interest in” means either (i) directly or indirectly holding more than five percent
26 of voting membership rights or voting stock, or (ii) that at least twenty-five percent of the
27 directors, general partners, trustees, or members of an entity’s governing body or representatives
28 of, or are directly or indirectly controlled by, the licensee or applicant;

29 (c) “Applicant”, means any person who on his own behalf or on behalf of another has applied
30 for permission to engage in any act or activity which is regulated by the provisions of this act or
31 regulations promulgated thereunder;

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

34 (e) “Chairman”, means the chairman of the state gaming commission.

35 (f) “Commission”, means the Massachusetts state gaming commission;

36 (g) “Commissioner”, means a member of the state gaming commission.

37 (h) “Committee”, means the state gaming policy committee.

38 (i) “Controlled game” or “controlled gaming”, any game of chance played for currency, check,
39 credit, or any other thing of value that is not prohibited and made unlawful by chapter two
40 hundred and seventy-one of the General Laws, or any other general or special laws, or by local
41 ordinance except:

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

44 (2) Pari-mutuel wagering on horse and dog races, whether live or simulcast, regulated by the
45 state racing commission.

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

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

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

58 (k) “Establishment”, means any building, room, place or other indoor or outdoor premises
59 where any controlled gaming occurs, including all public and non-public areas of any such
60 establishment;

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

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

70 (n) "Gaming device", means any equipment or mechanical, electromechanical or electronic
71 contrivance, component or machine, including slot machine as defined in this section, used
72 remotely or directly in connection with gaming or any game which affects the result of a wager
73 by determining win or loss.

74 (p) "Gaming employee", means any person employed in a properly licensed gaming facility
75 including, without limitation, boxmen; floormen; machine mechanics; security employees;
76 count room personnel; cage personnel; slot machine and slot booth personnel; collection
77 personnel; surveillance personnel; and data processing personnel; or any other person whose
78 employment duties predominantly involves the maintenance or operation of gaming activity or
79 equipment and assets associated therewith or who, in the judgment of the commission, is so
80 regularly required to work in a restricted area that licensure as a gaming employee is
81 appropriate.

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

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

89 (t) "Gaming establishment", any establishment licensed to conduct gaming operations in the
90 commonwealth under this chapter;

91 (u) "Gaming service industry", means any form of enterprise which provides more than one
92 hundred thousand dollars per annum in goods or services regarding the realty, construction,
93 maintenance, or business of a proposed or existing gaming facility on a regular or continuing
94 basis which directly relate to gaming activities or indirectly relate to gaming operations
95 including, without limitation, junket enterprises; security businesses; manufacturers, suppliers,
96 distributors and servicers of gaming devices or equipment; waste disposal companies;
97 maintenance companies; schools teaching gaming and either playing or dealing techniques;
98 suppliers of alcoholic beverages, food and nonalcoholic beverages; vending machine providers;
99 linen suppliers; shopkeepers located within the approved hotels; limousine services; and
100 construction companies contracting with gaming applicants or licensees or their employees or
101 agents, or any other enterprise which purchases more than fifty thousand dollars per annum in
102 goods or services from or which does more than fifty thousand dollars worth of business per
103 annum with licensed gaming facilities provided that professional services such as accountants,
104 auditors, attorneys, and broker dealers, or other professions which are regulated by a public
105 agency, are exempt from the provisions of this subsection.

106 (v) "Holding company", means any corporation, firm, partnership, trust, or other form of

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

114 (w) “Intermediary company” means any corporation, firm, partnership, trust, or other form of
115 business organization other than natural person that is both of the following: (1) a holding
116 company with respect to a corporation or limited partnership that holds or applies for a gaming
117 license, and (2) a subsidiary with respect to a holding company.

118 (x) “Land-based licensed gaming facility” means any licensed gaming facility that is principally
119 located on land.

120 (aa) “License”, means a gaming license, or a manufacturer’s or distributor’s license.

121 (bb) “License fees”, means any money required by law to be paid to obtain or renew a gaming
122 license, manufacturer’s or distributor’s license.

123 (cc) “Licensed gaming facility”, means any facility wherein all gaming is sanctioned and
124 regulated by the Commission and fully taxed by the commonwealth.

125 (dd) “Licensee”, means any person to whom a valid gaming license, manufacturer’s or
126 distributor’s license has been issued.

127 (ee) “Manufacturer”, means a person who: (1) manufactures, assembles, programs or makes
128 modifications to a gaming device or cashless wagering system; or (2) designs, controls the
129 design or assembly or maintains a copyright over the design of a mechanism, electronic circuit

130 or computer program which cannot be reasonably demonstrated to have any application other
131 than in a gaming device or in a cashless wagering system, for use or play in this state or for
132 distribution outside of this state.

133 (ff) “Manufacturer’s, seller’s or distributor’s license”, means a license issued pursuant to this
134 act.

135 (gg) “Net gaming revenue”, means the total, prior to the deduction of any operating, capital or
136 other expenses whatsoever, of all gaming revenue derived from slot machines and retained by
137 any gaming establishment licensed under this chapter derived from the conduct of any
138 controlled game;

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

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

145 (mm)“Skimming”, means the intentional excluding of or the taking of any monies, chips, or any
146 other items in an attempt to exclude any monies, chips, or any other items or their value from
147 the deposit, counting, collection, or computation of gross revenues from gaming operations or
148 activities, net gaming proceeds, or amounts due the commonwealth pursuant to this act.

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

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

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

159 Section 3. Gaming Control Commission: Composition, powers & duties.

160 (a) There shall be established a Massachusetts gaming control commission consisting of five
161 members. Each member shall be a citizen of the United States and a resident of the
162 commonwealth. No person holding any elective office in state, county, or local government; nor
163 any officer or official of any political party, nor any person who was formerly a licensee or an
164 unlicensed employee of a gaming licensee within the five years prior to any appointment shall
165 be eligible for appointment to the commission. The commission shall be composed of the most
166 qualified persons available; but no person actively engaged or having a direct pecuniary interest
167 in gaming activities shall be a member of the commission. Not more than three members of the
168 commission shall be of the same major political affiliation. The governor shall appoint three
169 members of the commission and designate one member to serve as chairman of the commission.
170 The attorney general of the commonwealth shall appoint one member of the commission. The
171 auditor of the commonwealth shall appoint one member of the commission.

172 (b) The term of office of each member of the commission shall be five years except that, of the
173 members initially appointed, one shall be appointed by the governor for a term of two years, one
174 shall be appointed by the attorney general for a term of three years, one shall be appointed by
175 the governor for a term of four years, one shall be appointed by the auditor for a term of five

176 years, and one shall be appointed by the governor for a term of five years. After the initial term,
177 the term of office for each member of the commission is five years, provided that no member
178 serve more than two consecutive terms of five year periods. Any vacancies shall be filled by the
179 original appointing authority within sixty days of the occurrence of such vacancy. Any
180 appointee shall continue in office beyond the expiration date of his term until the appointment
181 of a successor but in no event longer than six months. Any commissioner may be removed by
182 the governor for just cause, and shall be removed immediately upon conviction of any felony.
183 Any person so suspended and later acquitted of any such felony shall be reinstated to the
184 commission upon such acquittal, with full back pay.

185 (c) The commission members shall devote that time to the business of the commission as may
186 be necessary to the discharge of their duties. The members of the commission shall be
187 compensated for work performed for the commission at fifty thousand dollars per annum, with
188 the chairman receiving ten thousand dollars per annum in addition to his compensation.
189 Commission members shall be reimbursed for traveling and other expenses necessarily incurred
190 in the performance of official duties. Before entering upon the duties of his or her office each
191 member shall swear that he or she is not pecuniary interested in any business or organization
192 holding a gaming license under this act, or doing business with any gaming service industry, as
193 defined by this act and shall submit to the governor, attorney general and state auditor, a
194 statement of financial interest required by chapter two hundred sixty-eight B of the General
195 Laws listing all assets and liabilities, property and business interests, and sources of income of
196 said commissioner and his spouse. Such statement shall be under oath and shall be filed at the
197 time of employment and annually thereafter. No commission member shall have any interest,
198 direct or indirect, in any applicant or in any person licensed by or registered with the

199 commission during his term of office. Regular and special meetings of the commission may be
200 held, at the discretion of the commission, at such times and places as it may deem convenient
201 but at least one regular meeting may be held each month on or after the fifteenth day of the
202 month.

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

205 (e) The commission shall establish and maintain its general place of business in Boston,
206 Massachusetts. The commission may hold meetings at any place within the state when the
207 interests of the public may be better served. Except as otherwise provided for herein, meetings
208 of the commission shall be subject to the provisions of section eleven A and eleven A and one-
209 half of chapter thirty of the General Laws. A majority of the membership of the commission is a
210 quorum of the commission. A public record of every vote shall be maintained at the
211 commission's general office. The commission may maintain any other files and records as it
212 deems appropriate.

213 (f) The commission shall have general responsibility for the implementation of this act, as
214 hereinafter provided, including, the right to hear and decide promptly and in reasonable order all
215 license, registration, certificate, and permit applications and causes affecting the granting,
216 suspension, revocation or renewal thereof; to conduct all hearings pertaining to civil violations
217 of this act or regulations promulgated hereunder; to promulgate and implement, pursuant to
218 sections two and three of chapter thirty A of the General Laws, rules and regulations for the
219 implementation of this act, including the method and form of application which any applicant
220 for a gaming license or for a manufacturer's, seller's or distributor's license must follow and
221 complete before consideration of his application by the commission; the information to be

222 furnished by any applicant or licensee concerning his antecedents, habits, character, associates,
223 criminal history or record, business activities and financial affairs, past or present; the
224 information to be furnished by a licensee relating to his gaming employees; the fingerprinting of
225 an applicant or licensee or employee of a licensee or other methods of identification; the manner
226 and procedure of all hearings conducted by commission, including special rules of evidence
227 applicable thereto and notices thereof; the issuance and revocation of work permits for
228 employment of persons in licensed gambling facilities; the manner in which winnings,
229 compensation from games and gaming devices, and gross revenue must be computed and
230 reported by the licensee; the minimum procedures for adoption by each licensee to exercise
231 effective control over its internal fiscal affairs; the payment by any applicant of all or any part of
232 the fees and cost of investigation of such applicant as may be determined the commission;
233 governing the manufacture, sale and distribution of gambling devices and equipment; licensee
234 bonding requirements; monitoring of licensee requirements; investigations both civil and
235 criminal; the method and operation of gambling operations including the type and manner of
236 gambling, record keeping, accounting, audit requirements and safeguarding of assets; the testing
237 and inspection of gambling equipment; the licensing of corporations, limited partnerships,
238 holding companies and intermediary companies; the limitations of security contracts and
239 agreements; the sale of securities of affiliated companies; emergency proceedings; setting forth
240 those persons to be excluded or ejected from gambling establishments including the type of
241 conduct prohibited thereat; to collect all license and registration fees, taxes, and penalties
242 imposed by this act and the regulations issued pursuant hereto; to be present through its
243 inspectors and agents at all times during the operation of any licensed gaming facility for the
244 purpose of certifying the revenue thereof and receiving complaints from the public; and to

245 review and rule upon any complaint by a licensed gaming facility licensee regarding any
246 investigative procedures of the bureau which are unnecessarily disruptive of licensed gaming
247 facility operations. The need to inspect and or investigate a licensed gaming facility shall be
248 presumed at all times. The commission shall adopt an official seal and alter same at pleasure.

249 (g) The commission shall conduct hearings in accordance with the provisions of chapter thirty
250 A. The commission may, by a majority vote, issue subpoenas for the attendance of witnesses or
251 the production of any records, books, memoranda, documents, or other papers, or things, at or
252 prior to any hearing as is necessary to enable the commission to effectually discharge its duties,
253 and may administer oaths or affirmations as necessary in connection therewith. The commission
254 may petition a superior court for an order requiring compliance with a subpoena. The
255 commission shall have the authority to propound written interrogatories and may appoint
256 hearing examiners, to whom may be delegated the power and authority to administer oaths,
257 issue subpoenas, propound written interrogatories, require testimony under oath, report same,
258 and fashion recommended decisions upon the recommendation of said commission.

259 (h) The commission may require any person to apply for a license as provided in this act and
260 approve or disapprove, transactions, events, and processes as provided in this act. The
261 commission may grant or deny any application for a license or approval may limit, condition,
262 restrict, suspend, or revoke any license or approval for any cause deemed reasonable by the
263 commission, consistent with this act or any general or special law. The commission may also
264 impose a civil fine of not more than five thousand dollars upon any person licensed, registered
265 or otherwise approved under this act, for any violation of this act or of any general or special
266 law related to gambling. The commission may, as further provided in regulations approve or
267 disapprove transactions, events, and processes as provided in this act, take actions reasonably

268 designed to ensure that no unsuitable persons are associated with controlled gambling activities.

269 The commission may expend for legal, investigative, clerical and other assistance such as may
270 be appropriated therefor. Investigators employed by the commission shall have access to all
271 records maintained by all the licensees and registrants hereunder, whether maintained at the
272 licensed gambling establishment or other location as may be pertinent to the investigative
273 powers of the commission.

274 (i) The commission shall assure, to the extent required by this act, that licenses, approvals,
275 certificates, or permits shall not be issued to nor held by, nor shall there be any material
276 involvement, directly or indirectly, with the licensed gaming facility operation or the ownership
277 thereof by, unqualified or disqualified persons or persons whose operations are conducted in a
278 manner not conforming with the provisions of this act. In enforcing the provisions of this act,
279 the commission shall have the power and authority to deny any application; limit or restrict any
280 license, registration, certificate, permit or approval; suspend or revoke any license, registration,
281 certificate, permit or approval; and, impose a penalty on any person licensed, registered, or
282 previously approved for any cause deemed reasonable by the commission pursuant to rules and
283 regulations promulgated thereby.

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

287 (k) The commission shall initiate proceedings or actions appropriate to enforce statutory and
288 regulatory requirements mandated of license-holders.

289 (l) The commission may refuse to reveal, in any court or administrative proceeding except a
290 proceeding brought by the commonwealth of Massachusetts or the United States government

291 the identity of an informant, or the information obtained from the informant, or both the identity
292 and the information.

293 (m) The commission shall have the power to acquire, lease, use, hold and mortgage real,
294 personal or mixed property or any interest, easements or rights therein, as may be necessary or
295 appropriate to carry out the provisions of this act; to enter into agreements or other transactions
296 with the commonwealth or any political subdivision or public instrumentalities thereof, the
297 United States government or any federal, state or other governmental agency; to formulate plans
298 for the projects involving the acquisition and operation of facilities pursuant to the provisions of
299 this act, and to construct or reconstruct, expand, remodel, to fix and revise from time to time,
300 and to charge and collect rates, fees, rentals and other charges for the use of any building,
301 structure, other property or portion thereof under its control; and to acquire in the name of the
302 commission by purchase or otherwise, in such terms and conditions and in such manner as it
303 may deem proper, or except with respect to the state, by exercise of the power of eminent
304 domain, pursuant to the provisions of chapter seventy-nine of the General Laws, any land and
305 other property and any and all rights, title and interest in such land and other property, and any
306 fee simple absolute in, easements upon or the benefit of restrictions upon abutting property, and
307 to preserve and protect any project.

308 (n) The commission may investigate, civilly or criminally, fraud, deceit, misrepresentation or
309 violations of law by any person licensed or registered under this act, or the occurrence of any
310 such activity within or involving any licensed gambling establishment or gambling operation. If
311 the commission has reasonable basis to believe that any person licensed or registered under this
312 act is engaged in criminal behavior or that criminal activity is occurring within or involving any
313 licensed gaming facility or licensed gambling operation said commission shall report same to

314 the attorney general of the commonwealth and the district attorney of the county within which
315 the gaming facility is located and make available to the attorney general and said district
316 attorney all relevant information on such activity. The commission, as it deems appropriate,
317 may ask the attorney general and/or said district attorney to restrain a violation of this act or
318 enforce any provision thereof. An action brought against a person pursuant to this act does not
319 preclude any other criminal or civil proceeding as may be authorized by law.

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

327 (p) Before the beginning of each legislative year, the commission shall submit to the house and
328 senate committees on ways and means and the joint committee on government regulations a
329 report defining, for the preceding twelve month period, the gross revenue, net revenue, and
330 average depreciation of each licensee; the number of persons employed by each licensee, and
331 related payroll information; and the assessed valuation of each Massachusetts licensed gaming
332 facility as listed on the assessment rolls.

333 Section 4. Records of Commission Proceedings.

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

336 (b) Notwithstanding any other general or special law to the contrary all files, records, reports,

337 and other information in possession of any state or local governmental agency including tax
338 filings and related information that are relevant to an investigation by the commission
339 conducted pursuant to this act shall be made available to the commission as requested.

340 However, any tax or financial information received from a governmental agency shall be used
341 solely for effectuating the purposes of this act. To the extent that these files, records, reports, or
342 information are confidential or otherwise privileged from disclosure under any law they shall
343 not lose that confidential or privileged status for having been disclosed to the commission.

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

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

352 Section 5. Finding of suitability. License approval.

353 (a) The commission shall investigate the qualifications of each applicant under this act before
354 any license is issued or any registration, finding of suitability or approval of acts or transactions
355 for which commission approval is required or permission is granted, and shall continue to
356 monitor the conduct of all licensees and registrants and other persons having a material
357 involvement, directly or indirectly with a licensed gaming facility or holding company to ensure
358 that licenses are not issued or held by, nor is there any material involvement directly or
359 indirectly with a licensed gaming facility or holding company by unqualified, disqualified or

360 unsuitable persons, or persons whose operations are conducted in an unsuitable manner or in
361 unsuitable or prohibited places or locations, as provided in commission regulations. All
362 expenses associated with the licensing of any applicant shall be borne by the applicant. Pursuant
363 to its regulations, the commission shall require each applicant for a gambling license to deposit
364 with the commission, together with the application therefor, an application fee. Such fee shall
365 constitute the anticipated costs and charges incurred in the investigation and processing of the
366 application, and any additional sums as are required by the commission to pay final costs and
367 charges.

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

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

376 (d) No person shall operate a gaming establishment without having obtained all necessary
377 operating licenses from the commission. There shall be a single licensed operator for each
378 gaming establishment. The licensing standards must be met at all times by each officer, director,
379 partner, and trustee of the operating entity, by each substantial party in interest of the operating
380 entity or of the premises on which such establishment is located, and by such other party in
381 interest of the operating entity, the premises, or any holding company or intermediary company
382 of the operating entity or the premises as the commission may require. In no event shall the

383 commission permit a person or entity previously convicted of a felony to be a party in interest of
384 the operating entity or of the premises or of any holding or intermediary company of the
385 operating entity or the premises. A separate license shall be required for any person described
386 above, unless the commission specifically determines otherwise. The commission may grant not
387 more than four licensed operator licenses to be issued to the following:

388 (1) Persons licensed to conduct running horse racing meetings in Suffolk and Norfolk County,
389 as of January 1, 2000, or their respective assigns and/or successors in interest, not including
390 running horse racing meetings held in connection with a state or county fair, who run a full
391 schedule of live races as defined in section two of chapter one hundred and twenty-eight C, shall
392 be authorized to operate up to one thousand five hundred electronic gaming devices or slot
393 machines to be operated only on the premises of said licensee, as approved by the commission.

394 (2) Persons licensed to conduct greyhound dog racing meetings in Suffolk and Bristol County,
395 as of January 1, 2000, or their respective assigns and/or successors in interest, not including
396 greyhound dog racing meetings held in connection with a state or county fair, who run a full
397 schedule of live races as defined in section two of chapter one hundred twenty-eight C, shall be
398 authorized to each operate one thousand five hundred electronic, gaming devices or slot
399 machines to be operated only, respectively, on the premises of a greyhound dog racing meeting
400 licensee in Suffolk and Bristol Counties, as approved by the commission; provided, however,
401 that where two or more greyhound dog racing meeting licensees in Bristol County use the same
402 track during a calendar year, said Bristol County licensees, for purposes of seeking a licensed
403 operator license, shall be considered one applicant.

404 (e) A person may apply to be a licensed operator by filing an application with the commission,
405 in the form and with such accompanying application fees as the commission may establish.

406 Information on the application will be used as the basis for a thorough background investigation
407 which the bureau shall conduct with respect to each applicant. Each application shall disclose
408 the identity of each party in interest, each holding company and intermediary company, and
409 each affiliate of the operating entity. The application shall disclose, in the case of a privately
410 held corporation, the names and addresses of all directors, officers, and stockholders; in the case
411 of a publicly traded corporation, the names and addresses of all directors, officers, and persons
412 holding at least one percent of the total capital stock issued and outstanding; in the case of a
413 partnership, the names and addresses of all partners, both general and limited; and in the case of
414 a trust, the names and addresses of all trustees and beneficiaries.

415 (f) Each operating entity shall identify, in its application, the premises containing the
416 establishment where it proposes to conduct its gaming operations. The application shall contain
417 such information regarding the physical location and condition of the premises and the potential
418 impact of the proposed gaming operations upon adjacent properties and the municipality and
419 region within which the premises are located, as the commission may require. The application
420 shall disclose the identity of all parties in interest regarding the premises; and provided, further,
421 except as otherwise permitted herein, no person other than a licensee hereunder shall have any
422 right to or interest in net gaming revenue or adjusted net gaming revenue in the form of a
423 percentage of any sums payable hereunder.

424 (g) No licensed operator shall obtain any gaming equipment from a person who does not hold a
425 license. No licensed operator shall enter into any agreement for the receipt of goods or services,
426 of any form and in any amount, from a person who does not hold a license, when a license is
427 required for such agreement under this act or under regulations promulgated by the commission.

428 (h) No licensed operator shall employ any person in a gaming establishment who does not hold

429 a work permit, when a work permit is required for such position under regulations promulgated
430 by the commission.

431 (i) Any person who the commission determines is qualified to receive a license or be found
432 suitable under the provisions of this act, may be issued a state gaming license or found suitable,
433 as appropriate. The burden of proving his qualification to receive any license or be found
434 suitable is on the applicant. A license to operate a gaming establishment must not be granted
435 unless the applicant has satisfied the commission that he or she has adequate business probity,
436 competence and experience, in gaming; and the proposed financing of the entire operation is
437 adequate for the nature of the proposed operation; and, from a suitable source.

438 An application to receive a license or be found suitable constitutes a request for a determination
439 of the applicant's general character, integrity, and ability to participate or engage in, or be
440 associated with gaming, as appropriate. The commission may limit the license or place such
441 conditions thereon as it may deem necessary in the public interest. The commission may, if it
442 considers necessary, issue a probationary license. No state gaming license may be assigned
443 either in whole or in part. The commission may limit or place such conditions as it may deem
444 necessary in the public interest upon any registration, finding of suitability or approval for
445 which application has been made

446 (j) Any state license in force may be renewed by the commission for the next succeeding license
447 period upon proper application for renewal and payment of state license fees and taxes as
448 required by law and the regulations of the commission. If any licensee or other person fails to
449 renew his license the commission may order the immediate closure of all his gaming activity
450 until the license is renewed by the payment of the necessary fees, taxes, interest and any
451 penalties.

452 (k) If satisfied that an applicant is eligible to receive a state gaming, manufacturing, selling, or
453 distributing license, and upon tender of all license fees and taxes as required by law and
454 regulation of the commission; and a bond executed by the applicant as principal, and by a
455 corporation qualified under the laws of the commonwealth as surety, payable to the
456 commonwealth, and conditioned upon the payment of license fees and taxes and the faithful
457 performance of all requirements imposed by law or regulation or the conditions of the license,
458 the commission shall issue and deliver to the applicant a license entitling him to engage in the
459 gaming, manufacturing, selling, or distributing operation for which he is licensed, together with
460 an enumeration of the specific terms and conditions of the license.

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

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

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

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

475 liability company or joint venture than he paid for it or the market value on the date of the
476 denial of the license or the finding of unsuitability.

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

480 (q) Each licensee or registrant, or applicant for a license or registration under this act shall
481 cooperate with the commission in the performance of their duties.

482 (r) Every licensed gaming facility must, upon receipt of criminal or civil process compelling
483 testimony or production of documents in connection any criminal investigation, immediately
484 disclose such information to the bureau.

485 Section 6. Right to Hearing.

486 Any person aggrieved by a determination by the commission to issue, deny, modify, revoke or
487 suspend any license or approval, or to issue an order, under the provisions of this act, may
488 request an adjudicatory hearing before the commission under the provisions of chapter thirty A
489 of the General Laws. Any such determination shall contain a notice of this right to request a
490 hearing and may specify a time limit, not to exceed twenty-one days, within which said person
491 shall request said hearing. If no such request is timely made, the determination shall be deemed
492 assented to. If a timely request is received, the commission shall within a reasonable time act
493 upon a request in accordance with the provisions of said chapter thirty A. A person aggrieved by
494 a final decision in an adjudicatory hearing held under the provisions of this section may obtain
495 judicial review thereof pursuant to the provisions of chapter thirty A.

496 Section 7. Criminal Acts and Penalties; Age Restrictions.

497 (a) Except as otherwise provided in this act or in chapter ten or in section seven A of chapter

498 two hundred seventy-one of the General Laws, it is unlawful for any person to deal, operate,
499 carry on, conduct, maintain or expose for play in the commonwealth of Massachusetts any
500 gambling game, gaming device, or slot machine as defined by this act; to receive, directly or
501 indirectly, any compensation or reward or any percentage or share of the money or property
502 played, for keeping, running or carrying on any gambling game, gaming device, or slot
503 machine; to permit any gambling game, gaming device, or slot machine to be conducted,
504 operated, dealt or carried on in any house or building or other premises owned by him, in whole
505 or in part; to lend, let, lease or otherwise deliver or furnish any equipment of any gambling
506 game, including any slot machine, for any interest, percentage or share of the money or property
507 played, under guise of any agreement whatever; to lend, let, lease or otherwise deliver or
508 furnish, except by a bona fide sale or capital lease, any slot machine under guise of any
509 agreement whereby any consideration is paid or is payable for the right to possess or use that
510 slot machine, whether the consideration is measured by a percentage of the revenue derived
511 from the machine or by a fixed fee or otherwise; to furnish services or property, real or personal,
512 on the basis of a contract, lease or license, pursuant to which that person receives payments
513 based on earnings or profits from any gambling game, including any slot machine, without
514 having first procured a state gaming license from the commission.

515 (b) Any person included on the list of persons to be excluded or ejected from a gambling
516 establishment pursuant to regulations promulgated pursuant to this act who knowingly enters or
517 remains on the premises of a licensed gambling establishment shall be punished by a fine to be
518 determined by the commission, in addition to any other penalties prescribed by law.

519 (c) Any person under the age of twenty-one years who plays, places wagers at, or collects
520 winnings from, whether personally or through an agent, any controlled game, or who is

521 employed as an employee in a licensed gaming establishment shall be punished by
522 imprisonment in the house of correction for not more than one year, or by a fine of not more
523 than one thousand dollars, or by both such imprisonment and fine. Any licensee, or other
524 person, who knowingly allows a person under the age of twenty-one to play, place wagers at or
525 collect winnings, whether personally or through an agent, shall be punished by imprisonment in
526 the house of correction for a term of not more than one year or pay a fine of not more than ten
527 thousand dollars, or by both such imprisonment and fine. A subsequent violation of this section
528 shall subject the licensee to imprisonment in the house of correction for not more than two years
529 or pay a fine of not more than twenty-five thousand dollars or by both such imprisonment and
530 fine. In any prosecution or other proceeding for the violation of this subsection, it shall not be a
531 defense for the licensee or his agent to plead that he believed the person to be twenty-one years
532 of age or older.

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

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

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

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

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

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

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

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

563 (i) Any former commission member who, within three years after his employment on said
564 commission has ceased, solicits or accepts employment with or provides consultant services to
565 any licensee or at any licensed gaming facility shall be deemed to have violated chapter two
566 hundred sixty-eight B of the General Laws. Any licensed gaming facility which employs a

567 former commission member in violation of this subsection shall be punishable by a fine to be
568 determined by the commission.

569 (j) It is unlawful for any person:

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

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

575 (3) to manipulate, with the intent to cheat, any component of a gaming device in a manner
576 contrary to the designed and normal operational purpose for the component, including but not
577 limited to, varying the pull of the handle of a slot machine, with knowledge that the
578 manipulation affects or reasonably may tend to affect the outcome of the game or with
579 knowledge of any event that affects the outcome of the game;

580 As used in this section, "cheat" means to alter the selection of criteria which determine: (a) the
581 results of a game; or (b) the amount or frequency of payment in a game.

582 (4) to have on his person or in his possession on or off the premises of any licensed gaming
583 establishment any key or device known to have been designed for the purpose of and suitable
584 for opening, entering or affecting the operation of any gaming or equipment, or for removing
585 money or other contents therefrom, except where such person is a duly authorized employee of
586 a licensee acting in furtherance of his employment within a licensed gaming establishment. A
587 violation of this section shall be punishable by imprisonment in a house of correction for not
588 more than two years or by a fine of not more than one thousand dollars, or by both such
589 imprisonment and fine.

590 (k) Any individual who commits, attempts, or conspires to commit skimming, as defined by this
591 act, for a total value of less than one thousand dollars against a gaming licensee or upon the
592 premises of a licensed gaming facility shall be punished by imprisonment in a house of
593 correction for not more than five years and by a fine of not more than five thousand dollars, or
594 by imprisonment in a house of correction for not more than ten years and by a fine of not more
595 than ten thousand dollars if the total value is more than one thousand dollars.

596 (1) In addition to any other penalty imposed under this section, a violation of this section by a
597 licensed gaming establishment shall subject to forfeiture to the commonwealth any or all of the
598 gaming equipment related to the violation. A district attorney may petition the superior court in
599 the name of the commonwealth in the nature of a proceeding in to order forfeiture of any such
600 gaming equipment subject to forfeiture under the provisions of this paragraph. Such petition
601 shall be filed in the court having jurisdiction over said gaming equipment or having final
602 jurisdiction over any related criminal proceedings brought under any provision of this chapter.

603 In all such suits where the property is claimed by any person, other than the commonwealth, the
604 commonwealth shall have the burden of proving to the court the existence of probable cause to
605 institute the action, and any such claimant shall then have the burden of proving that the gaming
606 equipment is not forfeitable. The court shall order the commonwealth to give notice by certified
607 or registered mail to the owner of said gaming equipment and to such other persons as appear to
608 have an interest therein, and the court shall promptly, but not less than two weeks after notice,
609 hold a hearing on the petition. Upon the motion of the owner of said gaming equipment the
610 court may continue the hearing on the petition pending the outcome of any criminal trial related
611 to the violation of this chapter. At such hearing the court shall hear evidence and make
612 conclusions of law, and shall thereupon issue a final order, from which the parties shall have a

613 right of appeal. In all such suits where a final order results in a forfeiture, said final order shall
614 provide for disposition of said gaming equipment, by the commonwealth in any manner not
615 prohibited by law, including official use by an authorized law enforcement or in other public
616 agency, or sale at public auction or by competitive bidding. The proceeds of any such sale shall
617 be used to pay the reasonable expenses of the forfeiture proceedings, seizure, storage,
618 maintenance of custody, advertising, and notice, and the balance thereof shall be deposited in
619 the gaming regulatory account established by this chapter.

620 Section 8. Revenues; License Fees; Penalties.

621 (a) There is hereby established a gaming investigative account. Any and all expenses associated
622 with the licensing of any applicant and monitoring of any licensee shall be borne by the
623 applicant or licensee. Pursuant to its regulations, the commission shall require each applicant to
624 deposit with the commission, together with the application therefor, an application fee which
625 shall be deposited in the gaming investigative account. Such fee shall constitute the anticipated
626 costs and charges incurred in the investigation and processing of the application, and any
627 additional sums as are required by the commission and the bureau to pay final costs and
628 charges. Any money received from an applicant in excess of the costs and charges incurred in
629 the investigation or the processing of the application shall be refunded pursuant to regulations
630 adopted by the commission.

631 (b) All fees, revenue, and penalties collected pursuant to this act, with the exception of those
632 revenues collected as stated in section nine (a) or section twelve (g) or section 12(f) of this act,
633 shall be deposited in the general fund. Funds deposited in the general fund, pursuant to this act,
634 shall, subject to appropriation, be expended for the support of the commission and the bureau in
635 carrying out their duties and responsibilities under this act.

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

642 (d) In addition to any other tax or fee imposed by this act, there is also hereby imposed an
643 annual license fee of one hundred thousand dollars for gaming license holders, and an annual
644 license fee of five hundred dollars upon every slot machine maintained for use or in use in any
645 licensed gaming facility in the commonwealth.

646 (e) All gaming license fees and penalties imposed by the provisions of this act must be paid to
647 the state treasurer to be deposited into the general fund. Fees shall be paid annually on or before
648 June twentieth. Penalties imposed under this act shall be paid within thirty days of the final
649 determination of the commission of the violation.

650 (f) There is hereby imposed upon each slot machine operated in this state an annual excise tax
651 of two hundred and fifty dollars. If a slot machine is replaced by another, the replacement is not
652 considered a different slot machine for the purpose of imposing this tax. The commission shall
653 collect the tax annually on or before June twentieth, as a condition precedent to the issuance of a
654 state gaming license to operate any slot machine for the ensuing fiscal year beginning July first,
655 from a licensee whose operation is continuing; collect the tax in advance from a licensee who
656 begins operation or puts additional slot machines into play during the fiscal year, prorated
657 monthly after July thirty-first; include the proceeds of the tax in its reports of state gaming taxes
658 collected. The commission shall pay over the tax as collected to the treasurer of the municipality

659 within which the gaming facility is located to be deposited to the general fund of said
660 municipality.

661 Section 9. Reporting Violations of Act.

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

667 Section 10. Licensing of Gaming Service Industries.

668 (a) All gaming service industries as defined in this act offering goods or services which directly
669 relate to gaming activities or indirectly relate to gaming operations shall be licensed in
670 accordance with rules of the commission and prior to conducting any business whatsoever with
671 a gaming applicant or licensee, its employees or agents, and in the case of a school, prior to
672 enrollment of any students or offering of any courses to the public whether for compensation or
673 not. Gaming service industries that directly relate to gaming activities shall include gaming and
674 wagering equipment manufacturers, suppliers and repairers, schools teaching gaming and either
675 playing or dealing techniques, and gaming security services. Gaming service industries that
676 indirectly relate to gaming operations shall include junket enterprises; suppliers of alcoholic
677 beverages, food and nonalcoholic beverages; garbage handlers; vending machine providers;
678 linen suppliers; maintenance companies; shopkeepers located within the approved hotels;
679 limousine services and construction companies contracting with gaming applicants or licensees
680 or their employees or agents.

681 (b) Each gaming service industry, as well as its owners, management and supervisory personnel

682 and other principal employees must qualify under standards promulgated by the commission.

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

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

695 Section 11. Gaming Revenue Payable to Commission.

696 (a) Each licensed operator within the commonwealth also licensed as a live running horse racing
697 meeting licensee within the commonwealth shall pay to the commission, as the commission
698 shall direct, from the adjusted net gaming revenues: a percentage on behalf of the
699 commonwealth; a percentage on behalf of the horse owners at the running horse racing meeting
700 licensee for purses in accordance with the rules and established customs of conducting running
701 horse racing meetings at that licensee's racing facility; and a percentage on behalf of the
702 breeders association at the licensee's facility for the purposes of promoting the breeding of
703 running horses in the commonwealth pursuant to law; provided that if the adjusted net gaming
704 revenues exceed, in any calendar year, thirty-five million dollars each such licensed operator

705 shall pay from the amount above that thirty-five million dollars, on behalf of the commonwealth
706 a sum on behalf of the horse owners at the racing meeting licensee for said purses.

707 (b) Each licensed operator within the commonwealth also licensed as a greyhound dog racing
708 meeting licensee within the commonwealth shall pay to the commission, as the commission
709 shall direct, from the adjusted net gaming revenues: a sum on behalf of the commonwealth; a
710 percentage on behalf of the dog owners at the greyhound dog racing meeting licensee for purses
711 in accordance with the rules and established customs of conducting greyhound dog racing
712 meetings at that licensee's racing facility; provided that if the adjusted net gaming revenues
713 exceed, in any calendar year, thirty-five million dollars each such licensed operator shall pay
714 from that amount above that thirty-five million dollars, on behalf of the commonwealth a sum
715 and on behalf of the dog owners at the racing meeting licensee for said purses.

716 (c) Notwithstanding the foregoing, if adjusted net gaming revenues of any licensed operator
717 under section twelve (a) and (b) exceed, in any calendar year, fifty million dollars, such licensed
718 operator(s) shall pay to the commission, on behalf of the commonwealth, as the commission
719 shall direct, from the adjusted net gaming revenue above said amount, a percentage on behalf of
720 the commonwealth.

721 (d) Provided, however, that each licensed operator shall receive as and offset from any amount
722 due under sections twelve (a), (b), (c), or (d) any amount assessed by the commission to cover
723 the licensed operator's pro rata share of the regulatory costs of the commission. Such regulatory
724 costs shall not include any license or application fee assessed by the commission.

725 (f) Revenue generated by each licensed operator including, a licensed running horse racing
726 facility, a licensed harness horse racing facility, a licensed greyhound dog racing facility, shall
727 be placed into a separate account, to be known as the "revenue gaming account". Twenty-five

728 percent (25%) of said revenue shall, subject to appropriation, be dedicated to the Department of
729 Education for the purpose of supporting the public school system in the Commonwealth. The
730 remaining revenue shall be returned to the General Fund.

731 (g) There is hereby established a debt service account. Each licensed operator within the
732 commonwealth operating a licensed running horse racing facility, a licensed harness horse
733 racing facility, a licensed greyhound dog racing facility, or a licensed gaming facility as
734 designated in section six (d)(1), (2), (3), (4), and (5) shall pay, on behalf of the commonwealth,
735 a percentage of their adjusted net gaming revenue, said percentage which shall be deposited in
736 the debt service account. Said account shall be used to fund payments toward the debt service of
737 the commonwealth.

738 Section 12. Problem Gambling Education and Treatment.

739 The department of public health is hereby authorized and directed to conduct a comprehensive
740 study to measure the prevalence of compulsive, obsessive behaviors in Massachusetts; to
741 measure the prevalence of problem gambling in Massachusetts; to measure the prevalence of
742 underage problem gambling in Massachusetts; and, to measure the social cost of problem
743 gambling in Massachusetts; and to develop appropriate treatment modalities and public
744 education strategies that address the findings of said study.

745 Section 13. Disclosure requirements.

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

751 Section 14. Recovery of Gaming Debts by Patrons.

752 (a) Whenever a licensee refuses payment of alleged winnings to a patron, the licensee and the
753 patron are unable to resolve the dispute to the satisfaction of the patron and the dispute involves,
754 1) at least five hundred dollars, the licensee shall immediately notify the commission; or
755 2) less than five hundred dollars, the licensee shall inform the patron of his right to request that
756 the commission conduct an investigation. The bureau shall conduct whatever investigation it
757 deems necessary and shall determine, in its sole discretion and without need for a hearing,
758 whether payment should be clone. In the event the commission determines that payment should
759 be made, all costs of the investigation shall be borne by the licensee. Failure of the licensee to
760 notify the bureau or inform the patron as provided herein shall subject the licensee to
761 disciplinary action.

762 (b) Any party aggrieved by the determination of the commission may file a petition for
763 reconsideration with the commission setting forth the basis of the request for reconsideration.
764 Any hearing for reconsideration shall be conducted pursuant to regulations adopted by the
765 commission.

766 Section 15. Off-Track Betting.

767 In the event that an off-track betting system is sanctioned by the commonwealth each licensed
768 gaming facility shall, on reasonable terms and conditions, make available within said facility
769 space for an off-track betting facility to be jointly leased and operated by all persons licensed
770 under section three of chapter one hundred and twenty-eight A, other than licensees conducting
771 horse or dog racing in connection with a state or county fair, to be operated in accordance with
772 the rules and regulations applicable to the enabling legislation of that off-track betting system.

773 Section 16. Severability.

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