

SENATE No. 269

The Commonwealth of Massachusetts

PRESENTED BY:

Eric P. Lesser

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

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

An Act to establish sports wagering in the Commonwealth.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	
<i>Eric P. Lesser</i>	<i>First Hampden and Hampshire</i>	
<i>Adam J. Scanlon</i>	<i>14th Bristol</i>	<i>2/25/2021</i>
<i>Anne M. Gobi</i>	<i>Worcester, Hampden, Hampshire and Middlesex</i>	<i>2/25/2021</i>
<i>Susan L. Moran</i>	<i>Plymouth and Barnstable</i>	<i>3/15/2021</i>

SENATE No. 269

By Mr. Lesser, a petition (accompanied by bill, Senate, No. 269) of Eric P. Lesser, Adam J. Scanlon, Anne M. Gobi and Susan L. Moran for legislation to establish sports wagering in the Commonwealth. Economic Development and Emerging Technologies.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Second General Court
(2021-2022)**

An Act to establish sports wagering in the Commonwealth.

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

1 SECTION 1. Section 7 of chapter 4 of the General Laws, appearing in the 2018 Official
2 Edition, is hereby amended by striking out the Tenth clause and inserting in place thereof the
3 following clause:-

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

12 SECTION 2. The General Laws are hereby amended by inserting after chapter 23M the
13 following chapter:-

14 CHAPTER 23N.

15 AUTHORIZATION AND REGULATION OF SPORTS WAGERING

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

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

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

23 “Adjusted gross sports wagering receipts”, an operator’s total gross receipts from sports
24 wagering less the total of all winnings paid to wagerers in such games, which shall include the
25 cash equivalent of any merchandise or thing of value awarded as a prize, and all excise taxes
26 paid pursuant to federal law.

27 “Category 1 license”, a license issued by the commission that permits the operation of
28 sports wagering in-person at a gaming establishment as defined in section 2 of chapter 23K, and
29 through not more than three individually branded mobile applications or other digital platforms
30 approved by the commission.

31 “Category 2 license”, a license issued by the commission that permits the operation of
32 sports wagering in-person and through not more than one individually branded mobile

33 application or other digital platform approved by the commission at a live race track as defined
34 in section 1 of chapter 128A that has received a license pursuant chapter 128A or at a facility
35 authorized to conduct simulcast wagering pursuant to chapter 128C. Prior to obtaining a category
36 2 license, a licensee shall maintain a racing facility on the premises where said in-person sports
37 wagering shall occur and hold not less than 50 racing days in the initial calendar year when the
38 license is authorized and each subsequent calendar year that a license is held unless, in
39 consultation with the parties to any purse agreement, the commission determines it is in the best
40 interest of all parties to adjust the amount of required racing days at a category 2 licensee based
41 on fields, demand and racing performance.

42 “Category 3 license”, a license issued by the commission that permits the operation of
43 sports wagering through a mobile application and other digital platforms approved by the
44 commission.

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

48 “Commission”, the Massachusetts gaming commission established in section 3 of chapter
49 23K.

50 “Data supplier”, a person or entity that sells data, player or team statistics necessary to
51 enable end-game sports wagering or live sports wagering.

52 “Data supplier license”, a license issued by the commission that permits a data supplier to
53 contract with a category 1, 2, or 3 licensee under commercially reasonable terms and conditions

54 for the provision of data, player, and team statistics used to determine the results of end-game
55 and live sports wagers.

56 “Electronic sports” or “esports”, a single or multiplayer video game played competitively
57 for spectators, typically by professional gamers.

58 “End-game wager”, a sports wager that is determined solely by the final score or outcome
59 of a sporting event and is placed before the sporting event has begun.

60 “Gaming establishment”, a licensee offering gaming at a facility in this state or an
61 applicant as defined in section 2 of chapter 23K.

62 “Gross sports wagering receipts”, the total gross receipts derived from sports wagers.

63 “Live sports wager”, a sports wager on a sporting event after the sporting event has begun
64 and before it ends, provided that this type of sports wager shall be anything that is not an end-
65 game sports wager. The commission shall approve all live sports wagering in a manner
66 prescribed by the commission. This definition does not include wagers on the biometric data or
67 personal medical information of an athlete or wagers where athletes are using wearable
68 technology.

69 “Operator” or “sports wagering operator”, any entity permitted under this chapter to offer
70 sports wagering to persons in the commonwealth through a category 1 license, category 2 license
71 or category 3 license.

72 “Patron”, an individual who places a bet or wager via a sports wagering operator.

73 “Personal biometric data”, an athlete’s personal and medical information including, but
74 not limited to: DNA, heart rate, blood pressure, perspiration rate, internal or external body

75 temperature, hormone levels, glucose levels, hydration levels, vitamin levels, bone density,
76 muscle density, and sleep patterns.

77 “Players association”, a professional sports association that represents registered
78 professional athletes.

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

82 “Prohibited conduct”, any statement, action, and other communication intended to
83 influence, manipulate, or control a betting outcome of a sporting contest or of any individual
84 occurrence or performance in a sporting contest in exchange for financial gain or to avoid
85 financial or physical harm.

86 “Prohibited sports event”, an amateur sporting event, including Olympic, college, high
87 school, and any fantasy contest as defined in section 135 of chapter 219 of the acts of 2016.

88 “Sports event” or “sporting event”, any professional sport or athletic event. This
89 definition shall not include a prohibited sporting event as defined in this chapter.

90 “Sports governing body”, a sports organization that has a regulatory, sanctioning or
91 organizing function for a specific sport or athletic event. This definition shall include, but not be
92 limited to, a professional sports organization as defined in 28 U.S.C. section 3701(3) and
93 national governing body as defined in 36 U.S.C. section 220501(b)(8).

94 “Sports wagering operation”, the business of accepting wagers on a sporting event by any
95 system or method of wagering approved by the commission.

96 “Sports wagering”, the act of placing wagers on sporting events or portions of sporting
97 events, the individual performance statistics of athletes in a sporting event or other events or a
98 combination of any of the same by any system or method of wagering approved by the
99 commission including, but not limited to, end-game bets, single-game bets, teaser bets, parlays,
100 over-under, moneyline, pools, exchange wagering, in-game or in-play wagers, proposition bets,
101 straight bets, or other live bets. This definition does not include (i) bingo as authorized under
102 section 22B of chapter 271, (ii) keno as authorized under section 27A of chapter 10, or (iii)
103 lottery games of the Massachusetts state lottery as authorized under section 37 of chapter 10.

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

110 “Wager”, a cash or cash equivalent paid by an individual to participate in sports
111 wagering. A wager shall not be paid by use of a credit card.

112 Section 4. (a) The commission shall have the authority to regulate the conduct of sports
113 wagering under this chapter. The power and authority granted to the commission shall be
114 construed as necessary for the implementation, administration and enforcement of this chapter.

115 (b) The commission shall have the authority to promulgate rules and regulations
116 necessary for the implementation, administration and enforcement of this chapter. The

117 commission may promulgate emergency rules and regulations in accordance with applicable
118 procedures for the promulgation of emergency rules and regulations.

119 (c) The commission may promulgate rules and regulations including, but not limited to,
120 those governing licensees, the acceptance of wagers on a sports event, other event or a series of
121 sports events; types of live sports wagering; types of wagering receipts which may be used;
122 methods of issuing receipts; methods of accounting to be used by operators; types of records to
123 be kept; types of systems for wagering; data and other pertinent standards and requirements for
124 data suppliers; athlete protections; protections for patrons placing wagers; and promotion of
125 social responsibility and responsible gambling. Said regulations shall include a requirement that
126 all mobile applications and digital platforms authorized for sports wagering include prominently
127 upon each entry into the application or platform, the number for a problem gambling hotline
128 overseen by the department of public health.

129 (d) The commission shall determine the eligibility of a person to hold or continue to hold
130 a license, shall issue all licenses and shall maintain a record of all licenses issued under this
131 chapter. The commission may accept applications, evaluate qualifications of applicants,
132 undertake initial review of licenses and issue licenses as it deems appropriate upon the effective
133 date of this chapter.

134 (e) The commission shall levy and collect all fees, surcharges, civil penalties and taxes on
135 adjusted gross sports wagering receipts imposed by this chapter, except as otherwise provided
136 under this chapter.

137 (f) The commission shall have the authority to enforce this chapter and any rule or
138 regulation of the commission and may request that the attorney general bring an action to enforce
139 this chapter.

140 (g) The commission may hold hearings, administer oaths and issue subpoenas or
141 subpoenas duces tecum in order to enforce this chapter and the rules and regulations of the
142 commission.

143 (h) The commission shall approve all live sports wagering. The commission shall
144 promulgate rules and regulations that prescribe the method of approving a live sports wager. Said
145 method shall include not less than one public hearing administered by the commission to assist in
146 its determination.

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

149 (j) The commission shall study whether sports wagering in Massachusetts should include
150 esports wagering. The commission shall consider: (i) the average age of esports players and
151 spectators; (ii) the consequences of gambling advertising to children and vulnerable populations;
152 (iii) the extent of gambling content consumed and reacted to by children in states where esports
153 gambling is allowed; (iv) the differences between the traditional sports and esports gambling
154 ecosystems; (v) the monthly esports wagering revenues for operators in states where esports is
155 allowed; (v) the number of problem gamblers below the age of 25 in states where esports
156 gambling is allowed; and (vi) and any other information the commission deems appropriate.
157 Upon completion of said study, the commission shall determine whether or not to allow for
158 sports wagering on esports.

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

162 (b) The following persons shall not be permitted to have ownership interest in, control of,
163 or otherwise be employed by a licensee or place a wager on a sporting event that is overseen by
164 that person's sports governing body based on publicly available information:

165 (1) Any person who is an athlete, coach, referee, or director of a sports governing body or
166 any of its member teams;

167 (2) A sports governing body or any of its members;

168 (3) A player or referee personnel member, in or on any sports event overseen by that
169 person's sports governing body based on publicly available information;

170 (4) A person who holds a position of authority or influence sufficient to exert influence
171 over the participants in a sporting contest, including but not limited to, coaches, managers,
172 handlers, and athletic trainers;

173 (5) A person with access to certain types of exclusive information on any sports event
174 overseen by that person's sports governing body based on publicly available information; or

175 (6) A person identified by any lists provided by the sports governing body to the
176 commission.

177 (c) No persons or entities shall engage in prohibited conduct as defined in this chapter.

178 Section 6. (a) The commission shall issue a category 1 license, as defined in this chapter,
179 to an applicant that meets the requirements of this chapter and the rules and regulations of the
180 commission.

181 (b) A category 1 license under this chapter shall be in addition to any other license
182 required to operate a category 1 gaming establishment pursuant to chapter 23K.

183 (c) All applicants under this section shall submit an application to the commission in a
184 manner prescribed by the commission to verify the applicant's eligibility under this chapter.

185 (d) Licensees under this section may offer sports wagering to persons on the premises of
186 the licensed facility and through not more than three individually branded mobile applications or
187 other digital platforms approved by the commission.

188 (e) The commission shall determine the minimum application fee, which shall not be less
189 than \$1,000,000, to account for costs associated with the processing of the application and
190 investigation of the applicant. If the costs of the investigation exceed the initial application fee,
191 the applicant shall pay the additional amount to the commission within 30 days after notification
192 of insufficient fees or the application shall be rejected. The application fee shall be deposited
193 into the gaming control fund established in section 57 of chapter 23K and any funds not used by
194 the commission in furtherance of its investigation into the suitability of the applicant shall revert
195 to the general fund.

196 (f) A category 1 licensee shall pay an initial licensing fee of \$2,500,000. The initial
197 licensing fees shall be deposited into the general fund.

198 (g) Upon receipt of an application for a category 1 license, the commission shall
199 commence an investigation into the suitability of the applicant. The commission may use
200 information obtained from the applicant pursuant to chapter 23K to relieve the applicant of
201 duplicate requirements of this chapter. In evaluating the suitability of the applicant, the
202 commission shall consider the overall reputation of the applicant including, without limitation:

203 (1) The integrity, honesty, good character and reputation of the applicant;

204 (2) The financial stability, integrity and background of the applicant;

205 (3) The business practices and the business ability of the applicant to establish and
206 maintain a successful sports wagering operation;

207 (4) Whether the applicant has a history of compliance with gaming or sports wagering
208 licensing requirements in other jurisdictions;

209 (5) Whether the applicant, at the time of application, is a defendant in litigation involving
210 its business practices; and

211 (6) The suitability of all parties in interest to the license, including affiliates and close
212 associates and the financial resources of the applicant.

213 (h) A category 1 license issued pursuant to this chapter shall be for a period of 5 years.
214 Upon receipt of a renewal application, the commission shall automatically renew the license if
215 the commission finds no infraction and the applicant's license is suitable for renewal. The
216 commission shall establish procedures for renewal and set the renewal application fee based on
217 the costs associated with the evaluation of a licensee. The cost of license renewal shall be
218 \$1,000,000 and shall be deposited into the general fund.

219 (i) Applications for licenses shall be public records under section 10 of chapter 66, and
220 trade secrets, competitively-sensitive or other proprietary information provided in the course of
221 an application for a gaming establishment license under this chapter, the disclosure of which
222 would place the applicant at a competitive disadvantage, may be withheld from disclosure under
223 chapter 66.

224 Section 7. (a) The commission shall issue a category 2 license, as defined in this chapter,
225 to an applicant that meets the requirements of this chapter and the rules and regulations of the
226 commission. A category 2 license shall not be awarded to an operator who is eligible for and has
227 received a category 1 license.

228 (b) A category 2 license under this chapter shall be in addition to any other license
229 required to operate a live race track or conduct simulcast wagering pursuant to chapter 128A or
230 128C.

231 (c) Licensees under this section may offer sports wagering to persons on the premises of
232 the licensed facility and using one individually branded mobile or digital platform approved by
233 the commission.

234 (d) All applicants under this section shall submit an application to the commission in a
235 manner prescribed by the commission to verify the applicant's eligibility under this chapter.

236 (e) The commission shall determine the minimum application fee, which shall not be less
237 than \$1,000,000, to account for costs associated with the processing of the application and
238 investigation of the applicant. If the costs of the investigation exceed the initial application fee,
239 the applicant shall pay the additional amount to the commission within 30 days after notification
240 of insufficient fees or the application shall be rejected. The application fee shall be deposited

241 into the gaming control fund established in section 57 of chapter 23K, and any funds not used by
242 the commission in furtherance of its investigation into the suitability of the applicant shall revert
243 to the general fund.

244 (f) A category 2 licensee shall pay an initial licensing fee of \$1,500,000. The initial
245 licensing fee shall be deposited into the general fund.

246 (g) Upon receipt of an application for a category 2 license, the commission shall
247 commence an investigation into the suitability of the applicant. The commission may use
248 information obtained from the applicant pursuant to chapter 128A or 128C to relieve the
249 applicant of duplicate requirements of this chapter. In evaluating the suitability of the applicant,
250 the commission shall consider the overall reputation of the applicant including, without
251 limitation:

252 (1) The integrity, honesty, good character and reputation of the applicant;

253 (2) The financial stability, integrity and background of the applicant;

254 (3) The business practices and the business ability of the applicant to establish and
255 maintain a successful sports wagering operation;

256 (4) Whether the applicant has a history of compliance with gaming, live racing, or sports
257 wagering licensing requirements in the commonwealth or other jurisdictions;

258 (5) Whether the applicant, at the time of application, is a defendant in litigation involving
259 its business practices; and

260 (6) The suitability of all parties in interest to the license, including affiliates and close
261 associates and the financial resources of the applicant.

262 (h) A category 2 license issued pursuant to this chapter shall be for a period of 5 years.
263 Upon receipt of a renewal application, the commission shall automatically renew the license if
264 the commission finds no infraction and the applicant's license is suitable for renewal. The
265 commission shall establish procedures for renewal and set the renewal application fee based on
266 the costs associated with the evaluation of a licensee. The cost of license renewal shall be
267 \$500,000 and shall be deposited into the general fund.

268 (i) Applications for licenses shall be public records under section 10 of chapter 66, and
269 trade secrets, competitively-sensitive or other proprietary information provided in the course of
270 an application for a gaming establishment license under this chapter, the disclosure of which
271 would place the applicant at a competitive disadvantage, may be withheld from disclosure under
272 chapter 66.

273 Section 8. (a) The commission may issue not more than 6 category 3 licenses, as defined
274 in this chapter, pursuant to an open and competitive selection process.

275 (b) A category 1 or category 2 licensee may enter into agreements related to online sports
276 wagering with a category 3 licensee pursuant to the approval of the commission.

277 (c) All applicants under this section shall submit an application to the commission in a
278 manner prescribed by the commission to verify the applicant's eligibility under this chapter.

279 (d) Licensees under this section may offer sports wagering through a mobile application
280 or other digital platforms approved by the commission

281 (e) The commission shall determine the minimum application fee, which shall not be less
282 than \$2,000,000, to account for costs associated with the processing of the application and

283 investigation of the applicant. If the costs of the investigation exceed the initial application fee,
284 the applicant shall pay the additional amount to the commission within 30 days after notification
285 of insufficient fees or the application shall be rejected. The application fee shall be deposited
286 into the gaming control fund established in section 57 of chapter 23K and any funds not used by
287 the commission in furtherance of its investigation into the suitability of the applicant shall revert
288 to the general fund.

289 (f) A category 3 licensee shall pay an initial licensing fee of \$7,500,000. The initial
290 licensing fee shall be deposited into the general fund.

291 (g) Upon receipt of an application for a category 3 license, the commission shall
292 commence an investigation into the suitability of the applicant. In evaluating the suitability of the
293 applicant, the commission shall consider the overall reputation of the applicant including,
294 without limitation:

295 (1) The integrity, honesty, good character and reputation of the applicant;

296 (2) The financial stability, integrity and background of the applicant;

297 (3) The business practices and the business ability of the applicant to establish and
298 maintain a successful sports wagering operation;

299 (4) Whether the applicant has a history of compliance with online or in-person sports
300 wagering requirements in other jurisdictions;

301 (5) Whether the applicant, at the time of application, is a defendant in litigation involving
302 its business practices; and

303 (6) The suitability of all parties in interest to the license, including affiliates and close
304 associates and the financial resources of the applicant.

305 (h) A category 3 license issued pursuant to this chapter shall be for a period of 5 years.
306 Upon receipt of a renewal application, the commission shall automatically renew the license if
307 the commission finds no infraction and the applicant's license is suitable for renewal. The
308 commission shall establish procedures for renewal and set the renewal application fee based on
309 the costs associated with the evaluation of a licensee. The cost of license renewal shall be
310 \$3,000,000 and shall be deposited into the general fund.

311 (i) Applications for licenses shall be public records under section 10 of chapter 66, and
312 trade secrets, competitively-sensitive or other proprietary information provided in the course of
313 an application for a gaming establishment license under this chapter, the disclosure of which
314 would place the applicant at a competitive disadvantage, may be withheld from disclosure under
315 chapter 66.

316 Section 9. (a) The commission may issue one or more data supplier licenses, as defined in
317 this chapter, that would allow a person or entity to sell data, player, and team statistics necessary
318 to enable end-game sports wagering or live sports wagering to a category 1, 2, or 3 licensee on
319 commercially reasonable terms and conditions. The commission shall issue a license or licenses
320 under this section pursuant to an open and competitive selection process and shall determine the
321 most appropriate number of data supplier licensees in the commonwealth.

322 (b) The commission shall provide oversight and approval of data supplier licenses in a
323 manner prescribed by the commission.

324 (c) All applicants under this section shall submit an application to the commission in a
325 manner prescribed by the commission to verify the applicant's eligibility under this chapter.

326 (d) An applicant for a data supplier license shall demonstrate during the application
327 process that the equipment, system and services that the applicant plans to offer conform to all
328 data standards and requirements established by the commission.

329 (e) The commission shall determine the minimum application fee, which shall not be less
330 than \$1,000,000, to account for costs associated with the processing of the application and
331 investigation of the applicant. If the costs of the investigation exceed the initial application fee,
332 the applicant shall pay the additional amount to the commission within 30 days after notification
333 of insufficient fees or the application shall be rejected. The application fee shall be deposited into
334 the gaming control fund established in section 57 of chapter 23K and any funds not used by the
335 commission in furtherance of its investigation into the suitability of the applicant shall revert to
336 the general fund.

337 (f) A data supplier licensee shall pay an initial licensing fee of \$5,000,000. The initial
338 licensing fee shall be deposited into the general fund.

339 (g) Upon receipt of an application for data supplier license, the commission shall
340 commence an investigation into the suitability of the applicant. In evaluating the suitability of the
341 applicant, the commission shall consider the overall reputation of the applicant including,
342 without limitation:

343 (1) The integrity, honesty, good character and reputation of the applicant;

344 (2) The financial stability, integrity and background of the applicant;

345 (3) The business practices and the business ability of the applicant to establish and
346 maintain a legitimate data supplier operation as it relates to sports wagering;

347 (4) Whether the applicant has a history of compliance with data supplier requirements
348 related to sports wagering in other jurisdictions;

349 (5) Whether the applicant, at the time of application, is a defendant in litigation involving
350 its business practices; and

351 (6) The suitability of all parties in interest to the license, including affiliates and close
352 associates and the financial resources of the applicant.

353 (h) A data supplier license issued pursuant to this chapter shall be for a period of 5 years.
354 Upon receipt of a renewal application, the commission shall automatically renew the license if
355 the commission finds no infraction, the applicant's license is suitable for renewal, and the
356 licensee continues to negotiate with category 1, 2, and 3 licensees using commercially reasonable
357 terms and conditions. The commission shall establish procedures for renewal and set the renewal
358 application fee based on the costs associated with the evaluation of a licensee. The cost of license
359 renewal shall be \$2,000,000 and shall be deposited into the general fund.

360 (i) Applications for licenses shall be public records under section 10 of chapter 66, and
361 trade secrets, competitively-sensitive or other proprietary information provided in the course of
362 an application for a gaming establishment license under this chapter, the disclosure of which
363 would place the applicant at a competitive disadvantage, may be withheld from disclosure under
364 chapter 66.

365 Section 10. The commission may condition, suspend, reprimand or revoke a category 1,
366 category 2, category 3 or data supplier license upon a finding that a licensee: (i) has committed a
367 criminal or civil offense under this chapter or under any other laws of the commonwealth; (ii) is
368 not in compliance with sports wagering regulations or is under criminal investigation in another
369 jurisdiction; (iii) has breached a condition of licensure; (iv) has affiliates, close associates or
370 employees that are not qualified or licensed under this chapter with whom the licensee continues
371 to conduct business or employ; (v) is no longer capable of maintaining operations as a sports
372 wagering operator or data supplier; or (vi) whose business practice, upon a determination by the
373 commission, is injurious to the policy objectives of this chapter.

374 Section 11. (a) An applicant or licensee qualified under this chapter shall have a
375 continuing duty to provide any assistance or information required by the commission and to
376 cooperate in any inquiry or investigation conducted by the commission. Refusal to answer or
377 produce information, evidence or testimony by an applicant or licensee may result in denial of
378 the application or suspension or revocation of the license by the commission.

379 (b) Sports wagering operators shall cooperate with investigations conducted by sports
380 governing bodies, including but not limited to, providing or facilitating the provision of
381 anonymized account-level sports wagering information and audio or video files relating to
382 persons placing wagers. All disclosures under this section are subject to the obligation of a sports
383 wagering operator to comply with all federal, state and local laws and regulations, including but
384 not limited to, laws and regulations relating to privacy and personally identifiable information.

385 Section 12. (a) Each operator shall adopt comprehensive house rules for game play
386 governing sports wagering transactions with its patrons. The house rules shall specify the

387 amounts to be paid on winning wagers and the effect of sports event schedule changes. The
388 commission shall approve house rules prior to implementation.

389 (b) The house rules, together with any other information the commission deems
390 appropriate, shall be prominently displayed and readily accessible to any patrons of the sports
391 wagering operation.

392 Section 13. (a) Prior to the allowance of sports wagering in the commonwealth, in order
393 to provide robust protections for all patrons engaged in sports wagering, the commission shall
394 promulgate regulations to:

395 (1) Maintain the security of wagering data, customer data and other confidential
396 information from unauthorized access and dissemination. Nothing in this chapter shall preclude
397 the use of internet or cloud-based hosting of such data and information or disclosure as required
398 by court order, other law or this chapter.

399 (2) Prohibit persons under the age of 21 from participating in sports wagering.

400 (3) Prohibit the use of credit cards in placing sports wagers in any manner including in-
401 person, via website, or via online application.

402 (4) Prohibit licensees from purchasing or otherwise using any personal biometric data of
403 an athlete for purposes of sports wagering or aiding a patron in placing a sports wager.

404 (5) Govern compulsive and problem gambling.

405 (6) Investigate complaints related to sports wagering and for handling suspected cheating
406 and sports wagering irregularities.

407 (7) Ensure that online sports wagers are initiated and received within the geographic
408 borders of the state of Massachusetts and may not be intentionally routed outside the state.

409 (8) Ensure that operators and data suppliers, where appropriate, implement annual
410 comprehensive employee trainings developed by an unaffiliated third party on responsible
411 gambling, including but not limited to, patron protection and responsible gambling interventions.

412 (9) Ensure that operators offer a voluntary program for patrons to self-exclude from
413 wagering for a set period of time and report self-excluded patrons to the commission, who will
414 provide excluded patrons with information about available help and prevention services.

415 (10) Ensure that licensees allow patrons to set a variety of limits that are clearly
416 signposted when a patron joins an online site. Limitations include, but are not limited to:

417 (i) Setting daily, weekly or monthly limits on the size of deposits;

418 (ii) Setting a system-wide or product-based limit on the amount of time or money spent;

419 (iii) Ability to block themselves from particular games or game types; and

420 (iv) Setting time-out limits.

421 (11) Prevent underaged, unregistered, unauthorized or excluded patrons from accessing a
422 sports wagering account.

423 (12) Ensure sports wagering operators employ reasonable methods to comply with (1)
424 through (11), inclusive.

425 (b) The commission shall designate a state law enforcement entity to have primary
426 responsibility for conducting, or assisting the commission in conducting investigations into

427 abnormal sports wagering activity, match fixing and other conduct that corrupts a betting
428 outcome of a sporting event or events for purposes of financial gain.

429 Section 14. A sports governing body, a players association or other interested party may
430 submit to the commission in writing, by providing notice in such form and manner as the
431 commission may require, a request to restrict, limit or exclude a certain type, form or category of
432 sports wagering with respect to sporting events of such body, if the sports governing body or
433 party believes that such type, form or category of sports wagering with respect to sporting events
434 of such body is contrary to public policy, unfair to consumers, may undermine the perceived
435 integrity of such body or sporting events of such body or affects the integrity of such body or
436 sporting events of such body. The commission shall request comment from sports wagering
437 operators on all such requests. The commission shall respond to a request concerning a particular
438 event before the start of the event, or if it is not feasible to respond before the start of the event,
439 no later than 7 days after the request is made. Until a decision is reached by the commission,
440 sports wagering operators may continue to offer sports wagering on sporting events that are the
441 subject of such a request during the pendency of the consideration of the applicable request.
442 Nothing in this subsection shall limit the ability of the commission to limit or exclude a certain
443 type, form or category of sports wagering.

444 Section 15. (a) Sports wagering operators and, where appropriate, data suppliers shall
445 immediately report to the commission any information relating to but not limited to:

446 (1) criminal or disciplinary proceedings commenced against the sports wagering operator
447 or data supplier in connection with its operations;

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

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

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

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

457 (b) The commission may report information relating to conduct described in paragraphs
458 (1) to (5) of subsection (a) to the relevant sports governing body and shall promulgate
459 regulations governing the reporting of such information from a sports wagering operator or data
460 supplier to a relevant sports governing body.

461 (c) A sports wagering operator or data supplier shall maintain the confidentiality of
462 information provided by a sports governing body for purposes of investigating or preventing the
463 conduct described in paragraphs (1) to (5) of subsection (a), unless disclosure is required by this
464 chapter, the commission, other law or court order or unless the sports governing body or data
465 supplier consents to disclosure. The commission shall promulgate regulations governing the
466 confidentiality of information shared by a sports governing body for purposes of investigating or
467 preventing the conduct described in paragraphs (1) to (5) of subsection (a).

468 (d) Sports wagering operators shall maintain records of all wagers placed by its patrons,
469 including personally identifiable information of the patron, amount and type of the bet, the time
470 the bet was placed, the location of the bet, including the IP address if applicable, the outcome of
471 the bet and records of abnormal betting activity for 3 years after a sporting event occurs and
472 video camera recordings in the case of in-person wagers for at least 1 year after a sporting event
473 occurs, and shall make such data available for inspection upon request of the commission or as
474 required by court order. Nothing in this section shall require a sports wagering operator to
475 provide any information prohibited by federal, state or local laws or regulations, including but
476 not limited to, laws and regulations relating to privacy and personally identifiable information.

477 Section 16. (a) All operators licensed under this chapter to conduct sports wagering shall:

478 (1) Employ a monitoring system utilizing software to identify irregularities in volume or
479 changes in odds that could signal suspicious activities and promptly report such information to
480 the commission for further investigation. System requirements and specifications shall be
481 developed according to standards set by the commission.

482 (2) Promptly report to the appropriate state or federal authorities any suspicious betting
483 over a threshold set by the commission.

484 (3) Conduct all sports wagering activities and functions in a manner that does not pose a
485 threat to the public health, safety or welfare of the residents of the commonwealth.

486 (4) Keep current in all payments and obligations to the commission.

487 (5) Prevent any person from tampering with or interfering with the operation of any
488 sports wagering.

489 (6) Ensure that mobile sports wagering occurs only using a commission-approved mobile
490 application or other digital platform to accept wagers initiated within the commonwealth.

491 (7) Maintain sufficient cash and other supplies to conduct sports wagering at all times.

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

495 (9) Conduct a background check on each newly hired employee, and on any employee
496 hired prior to the effective date of this act, that the commission deems necessary. Background
497 checks shall search for criminal history, charges or convictions involving corruption or
498 manipulation of sporting events and association with organized crime.

499 (10) Not engage in prohibited conduct or accept wagers on prohibited sporting events.

500 (b) Sports wagering operators may use any data source that comes from a data supplier
501 licensee for determining the results of any and all end-game and live sports wagers.

502 Section 17. (a) Holders of category 1 and category 2 licenses may accept wagers on
503 sports events authorized under this chapter in person at authorized facilities. Holders of category
504 1 and category 2 licenses may also accept wagers on sports events authorized under this chapter
505 from individuals using mobile applications or digital platforms approved by the commission,
506 through a patron's sports wagering account. The branding for each mobile application or digital
507 platform shall be determined by the operator, subject to approval of the commission. All bets
508 authorized under this section shall be initiated, received and otherwise made within the
509 commonwealth. Consistent with the intent of the federal Unlawful Internet Gambling

510 Enforcement Act of 2006, 31 U.S.C. section 5361 to 5367, inclusive, the intermediate routing of
511 electronic data related to a lawful intrastate wager authorized under this chapter shall not
512 determine the location or locations in which the wager is initiated, received or otherwise made.

513 (b) A category 3 licensee may accept wagers on sports events and other events authorized
514 under this chapter only from individuals physically located within the commonwealth using
515 mobile applications or digital platforms approved by the commission, through a patron's sports
516 wagering account. All bets authorized under this section must be initiated, received and
517 otherwise made within the commonwealth. Consistent with the intent of the federal Unlawful
518 Internet Gambling Enforcement Act of 2006, 31 U.S.C. section 5361 to 5367, inclusive, the
519 intermediate routing of electronic data related to a lawful intrastate wager authorized under this
520 chapter shall not determine the location or locations in which the wager is initiated, received or
521 otherwise made.

522 Section 18. (a) The commission or operator may ban any person from participating in the
523 play or operation of any sports wagering consistent with rules and regulations promulgated by
524 the commission. A list of all excluded patrons shall be kept by the commission and provided to
525 each licensee, and no patron on the exclusion list shall be permitted to conduct sports wagering
526 under this chapter.

527 (b) The commission shall establish a list of voluntary self-excluded persons from sports
528 wagering. A person may request to be placed on the list of self-excluded persons by filing a
529 statement with the commission acknowledging that the person is a problem gambler and by
530 agreeing that, during any period of voluntary exclusion, the person shall not collect any winnings
531 or recover any losses resulting from any sports wagering. The commission shall adopt

532 regulations for the self-excluded persons list including procedures for placement, removal and
533 transmittal of such list to sports wagering operators and requirements for sports wagering
534 operators to inform patrons of such lists and for the ability to contact the operator or commission
535 and be placed on such list. The commission may revoke, limit, condition, suspend or fine a sports
536 wagering operator if the operator knowingly or recklessly fails to exclude or eject from its
537 premises any person placed on the list of self-excluded persons.

538 Section 19. The commission shall promulgate regulations for the implementation,
539 administration and enforcement of this chapter including, without limitation, advertising
540 regulations that require the prohibition of the following advertising, marketing and branding
541 activities:

542 (1) Advertisements, marketing and branding in such a manner that it is deemed to be
543 deceptive, false, misleading, or untrue, or tends to deceive or create a misleading impression
544 whether directly, or by ambiguity or omission.

545 (2) Use of unsolicited pop-up advertisements on the internet or text message directed to
546 an individual who has added himself or herself to the self-exclusion list pursuant to section 18(b)
547 of this chapter.

548 (3) Any form of advertising, marketing or branding that the commission otherwise deems
549 unacceptable or disruptive to the viewer experience at a sports event.

550 (4) Advertising, marketing and branding deemed to appeal directly to a person younger
551 than 21 years old.

552 (5) Advertising on any billboards, or any other public signage, which fails to comply with
553 all state and local ordinances and requirements.

554 Section 20. The commission shall establish and set up a confidential integrity helpline for
555 players, athletes, coaches, employees of a sports organization, employees of an operator and
556 members of the general public to report good faith allegations of potential violations of this act.
557 The confidential integrity helpline shall offer general guidance on inquiries concerning the
558 unauthorized use and practice of sports wagering. There shall be a helpline phone number
559 prominently displayed on the commission website and incorporated into public service
560 announcements, displays and marketing mediums to ensure widest dissemination and
561 availability.

562 Section 21. An operator or sports organization may not discharge, demote, suspend,
563 threaten, harass or in any other manner discriminate against an employee because of any lawful
564 act done by the employee to provide information, cause information to be provided or otherwise
565 assist in an investigation regarding any conduct which the employee reasonably believes
566 constitutes a violation of this act.

567 Section 22. (a) The commission, with the advice of the gaming policy advisory
568 committee, established in section 68 of chapter 23K, shall develop an annual research agenda in
569 order to understand the social and economic effects of sports wagering in the commonwealth and
570 to obtain scientific information relative to the neuroscience, psychology, sociology,
571 epidemiology and etiology of sports wagering. The secretary of health and human services, with
572 the advice and consent of the commission, may expend funds from the Public Health Trust Fund
573 established in section 58 of chapter 23K to implement the objectives of the sports wagering

574 research agenda which shall mirror, to the extent practicable, the requirements of section 7 of
575 chapter 23K. Said research agenda shall also include: (i) an assessment of whether problem
576 sports wagering is comorbid with problem gambling; (ii) an assessment as to whether the
577 individuals participating in sports wagering are different than those who participate in other
578 forms of gaming or gambling; (iii) an assessment of the impact of sports wagering on youth
579 under the age of 25; (iv) an assessment of the impacts of sports wagering on college athletics and
580 professional sports; and (v) the costs of implementing this chapter.

581 (b) The commission and the committee shall annually make scientifically-based
582 recommendations which reflect the results of this research to the house and senate committees on
583 ways and means, the joint committee on economic development and emerging technologies, the
584 joint committee on mental health and substance abuse and the joint committee on public health.
585 The commission shall consider any such recommendations, research and findings in all decisions
586 related to enhancing responsible gambling and mitigating problem sports gambling.

587 Section 23. (a)(1) The commonwealth shall impose and collect an excise equal to 20 per
588 cent of the operator's adjusted gross sports wagering receipts from the operation of sports
589 wagering on category 1 and category 2 licensees".

590 (2) The commonwealth shall impose and collect an excise equal to 25 per cent of the of
591 the operator's adjusted gross sports wagering receipts from the operation of sports wagering on
592 category 3 licensees.

593 (3) An operator of a fantasy contest as defined in section 135 of chapter 219 of the acts of
594 2016 shall pay an excise equal to 25 per cent of the operator's gross fantasy wagering receipts.

595 (b) 5 per cent of revenue derived from this section shall be deposited into the public
596 health trust fund established in section 58 of chapter 23K of the general laws and used to assist
597 social service and public health programs dedicated to addressing problems associated with
598 compulsive sports gambling including, but not limited to, sports gambling prevention and
599 addiction services, substance abuse services, educational campaigns to mitigate the potential
600 addictive nature of gambling and any studies and evaluations deemed necessary by the
601 commission. The remainder of funds collected pursuant to this section shall be deposited into the
602 general fund. The commission shall promulgate regulations regarding the method of accounting
603 for purposes of calculating the amount of the tax owed by the licensee or operator of a fantasy
604 contest.

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

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

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

613 (ii) if applicable, the total gross fantasy wagering receipts and adjusted gross fantasy
614 wagering receipts from operation of fantasy wagering during that month;

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

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

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

620 Section 24. The commission may impose on any person who violates this chapter a civil
621 penalty not to exceed \$2,000 for each violation or \$5,000 for violations arising from the same
622 series of events. Such penalty shall be imposed on all individuals and is not limited to individuals
623 licensed under this chapter.

624 Section 25. (a) Any person, other than an operator under this chapter, who engages in
625 accepting, facilitating or operating a sports wagering operation is guilty of a misdemeanor and,
626 upon conviction thereof, shall be fined not more than \$10,000 or confined in jail for not more
627 than 90 days, or both fined and confined.

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

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

635 SECTION 3. Section 1 of chapter 137 of the General Laws, as appearing in the 2018
636 Official Edition, is hereby amended by inserting after the figure “23K”, in line 3, the following
637 words:- or sports wagering conducted pursuant to chapter 23N.

638 SECTION 4. Section 2 of said chapter 137, as so appearing, is hereby amended by
639 inserting after the figure “23K”, in line 3, the following words:- or an operator who offers sports
640 wagering pursuant to chapter 23N.

641 SECTION 5. Section 3 of said chapter 137, as so appearing, is hereby amended by
642 inserting after the figure “23K”, in line 7, the following words:- or sports wagering conducted
643 pursuant to chapter 23N.

644 SECTION 6. Section 1 of chapter 271 of the General Laws, as so appearing, is hereby
645 amended by striking out, in line 4, the words “chapter 23K” and inserting in place thereof the
646 following words:- chapters 23K and 23N.

647 SECTION 7. Section 2 of said chapter 271, as so appearing, is hereby amended by
648 striking out, in line 4, the words “chapter 23K” and inserting in place thereof the following
649 words:- chapters 23K and 23N.

650 SECTION 8. Section 3 of said chapter 271, as so appearing, is hereby amended by
651 striking out, in line 1, the words “chapter 23K” and inserting in place thereof the following
652 words:- chapters 23K and 23N.

653 SECTION 9. Section 5 of said chapter 271, as so appearing, is hereby amended by
654 striking out, in line 1, the words “chapter 23K” and inserting in place thereof the following
655 words:- chapters 23K and 23N.

656 SECTION 10. Section 5A of said chapter 271, as so appearing, is further amended by
657 inserting after the words “chapter 23K”, in line 32, the following words:- or sports wagering
658 conducted pursuant to chapters 23N.

659 SECTION 11. Section 5B of said chapter 271, as so appearing, is hereby amended by
660 striking out, in line 58, the words “chapter 23K” and inserting in place thereof the following
661 words:- chapters 23K and 23N.

662 SECTION 12. Section 8 of said chapter 271, as so appearing, is hereby amended by
663 striking out, in lines 10 to 11, the words “other game of chance that is not being conducted in a
664 gaming establishment licensed under chapter 23K” and inserting in place thereof the following
665 words:- other game that is not being conducted pursuant to chapter 23K and any other sports
666 wagering that is being conducted pursuant to chapter 23N.

667 SECTION 13. Section 17 of said chapter 271, as so appearing, is hereby amended by
668 inserting after the words “chapter 23K”, in line 27, the following words:- or for the purpose of
669 sports wagering conducted in accordance with chapter 23N.

670 SECTION 14. Section 19 of said chapter 271, as so appearing, is hereby amended by
671 inserting after the words “chapter 23K”, in line 19, the following words:- and shall not apply to
672 advertising of sports wagering conducted pursuant to chapter 23N.

673 SECTION 15. Section 20 of said chapter 271, as so appearing, is hereby amended by
674 inserting at the end thereof the following sentence:- Nothing in this section shall prohibit an
675 operator licensed under chapter 23N from posting, advertising or displaying materials relevant to
676 its sports wagering operations.

677 SECTION 16. Section 23 of said chapter 271, as so appearing, is hereby amended by
678 inserting after the words “chapter 23K”, in line 31, the following words:- and shall not apply to
679 sports wagering conducted pursuant to chapter 23N.

680 SECTION 17. Section 27 of said chapter 271, as so appearing, is hereby amended by
681 inserting after the word “thereto”, in line 15, the following words:- ; provided, however, that
682 such provisions shall not apply to sports wagering conducting pursuant to chapter 23N.

683 SECTION 18. Section 28 of said chapter 271, as so appearing, is hereby amended by
684 inserting after the word “prescribed”, in line 12, the following words:- ; provided, however, that
685 such provisions shall not apply to sports wagering conducting pursuant to chapter 23N.

686 SECTION 19. Section 42 of said chapter 271, as so appearing, is hereby amended by
687 inserting after the word “both”, in line 4, the following words:- ; provided, however, that such
688 provisions shall not apply to sports wagering conducting pursuant to chapter 23N.