

An Act Relative to Expanded Gaming
Section-by-Section Summary

SECTION 1. This section would establish new definitions for the terms “gaming” and “‘illegal gaming’ or ‘unlawful gaming’” for the purposes of statutory construction.

SECTION 2. This section would make a technical correction to section 17 of chapter 6 of the General Laws relative to the elimination of the State Racing Commission.

SECTION 3. This section would repeal the enabling statute for the State Racing Commission.

SECTION 4. This section would repeal the enabling statutes for the Retired Greyhound Care and Adoption Council and the Greyhound Adoption Trust Fund

SECTION 5. This section would establish a Division of Gaming Enforcement within the Office of the Attorney General. The division would have jurisdiction to enforce criminal violations of the gaming laws established in Chapter 23K. Employees of the Division would be prohibited from gambling at any establishment in the Commonwealth and would be subject to a code of ethics more restrictive than Chapters 268A and 268B.

SECTION 6. This section would repeal the enabling statute for the State Gambling Advisory Commission.

SECTION 7. This section would make a technical correction to subsection (a) of section 9 of chapter 13 of the General Laws relative to the elimination of the State Racing Commission.

SECTION 8. This section would make a technical correction to subsection (e) of section 9B of chapter 13 of the General Laws relative to the elimination of the State Racing Commission.

SECTION 9. This section would make a technical correction to subsection (e) of section 9B of chapter 13 of the General Laws relative to the elimination of the State Racing Commission.

SECTION 10. This section would require the Colonel of State Police to establish a Gaming Enforcement Unit which would work in conjunction with the bureau of investigations and enforcement in the commission and the division of gaming enforcement in the office of the attorney general to investigate criminal violations of gaming laws.

SECTION 11. This section would make a technical correction to section 38 of chapter 22C of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 12. This section would insert a new Chapter 23K of the General Laws, establishing the Massachusetts Gaming Commission.

Section 1. This section would establish the objectives of the General Court in the legalization of expanded gaming.

Section 2. This section would establish definitions for use in the chapter.

Section 3. This section would establish the Massachusetts Gaming Commission. The Commission would consist of 5 commissioners appointed by a majority vote of the governor, attorney general, and treasurer for 5 year terms, with a chairman to be selected by the nominating group. Commissioners would be subject to a background check prior to appointment, and any person with a felony conviction would be ineligible for appointment. This section would also authorize the Commission to appoint an executive director and other staff as necessary, and provide for the terms and conditions of their employment. Members and employees of the Commission would be prohibited from gambling at any establishment in the Commonwealth and would be subject to a code of ethics more restrictive than Chapters 268A and 268B.

Section 4. This section would grant powers and duties to the Commission.

Section 5. This section would require the Commission to promulgate certain regulations.

Section 6. This section would authorize the Commission to administer and enforce existing simulcasting statutes.

Section 7. This section would set fees to be assessed on gaming licensees by the Commission for the purposes of its operation, including a \$600 assessment on each licensed machine. This section would also require the Commission to assess an annual fee of not less than \$5 million to address issues associated with compulsive gambling.

Section 8. This section would establish a Massachusetts Gaming Control Fund to fund operational activities of the Commission. The commission would be required to exist as a state agency for purposes of state finance law, participate in available commonwealth central services, and submit an annual finance plan to the secretary of A&F, the House and Senate Committees on Ways and Means and the Joint Committee on Economic Development and Emerging Technologies.

Section 9. This section would establish the Public Health Trust Fund, to be used to address issues associated with compulsive gambling.

Section 10. This section would require the Commission to include certain provisions in a request for applications for all categories of gaming licenses.

Section 11. This section would make it an affirmative duty for applicants for a gaming license to provide truthful evidence in making a case for qualification.

Section 12. This section would require applicants for licensure or associated with gaming licensees to be qualified for licensure.

Section 13. This section would establish certain criteria that would disqualify an applicant for a gaming license.

Section 14. This section would establish certain criteria for eligibility to apply for a gaming license.

Section 15. This section would establish additional financial requirements for gaming license eligibility.

Section 16. This section would require a gaming license applicant to secure a binding vote of approval from the proposed host community by either ballot question or local government before making an application.

Section 17. This section would establish forth certain requirements to be included in a form of application for a gaming license.

Section 18. This section would require the Commission to use certain requirements in investigating an applicant for a gaming license for suitability.

Section 19. This section would set evaluation criteria for the Commission in reviewing applications for gaming licenses, including lottery protection, promoting local businesses, and implementing a workforce development plan.

Section 20. This section would allow the Commission to issue 2 resort casino licenses, 2 licenses to horse racing facilities, and 2 licenses to greyhound racing facilities. Each resort casino license would be renewable every 15 years and reviewed every 5 years. Each racing facility license would allow for up to 750 slot machines and would be renewable every 5 years.

Section 21. This section would require applicants for a resort casino license to make a capital investment of no less than \$500 million into the proposed resort casino. Each licensee would be required to pay a licensing fee of at least \$100 million.

Section 22. This section would require applicants for race track licenses to make a capital investment of no less than \$75 million into the race track. Each licensee would be required to pay a licensing fee of at least \$15 million, with a fee of \$30 million and a required capital investment of \$150 million for a merged category 2 and category 3 license.

Section 23. This section would require category 2 license holders to maintain a live racing schedule.

Section 24. This section would prohibit any gaming licensee from transferring a license without prior approval from the Commission.

Section 25. This section would require the licensing or registration of all employees of gaming establishments and establish requirements to be included in the application form.

Section 26. This section would require a person doing business with a gaming establishment to hold a vendor license issued by the Commission.

Section 27. This section would require labor organizations, unions, and affiliates representing casino employees to register with the Commission and prohibit said organizations from holding a financial interest in a casino with employees they represent.

Section 28. This section would establish conditions of operation for all gaming establishments.

Section 29. This section would allow the Commission to grant a resort casino beverage license to category 1 licensees.

Section 30. This section would authorize a procedure for gaming licensees to issue credit to patrons. This section would also authorize patrons to place themselves on a list of persons banned from accessing credit.

Section 31. This section would set licensing and operational requirements for junket representatives.

Section 32. This section would authorize gaming licensees to provide certain complimentary services to patrons.

Section 33. This section would establish a process for a conservator to take temporary control of a gaming establishment in the event of a revocation or suspension of a gaming license.

Section 34. This section would establish an Investigations and Enforcement Bureau within the commission, to be the primary enforcement agent for regulatory matters and to work in conjunction with the state police unit of gaming enforcement.

Section 35. This section would authorize the Investigations and Enforcement Bureau to issue orders as necessary for enforcement.

Section 36. This section would allow the Investigations and Enforcement Bureau to assess a civil administrative penalty on a licensee or registrant for noncompliance.

Section 37. This section would establish penalties for violations of this chapter.

Section 38. This section would direct all penalties collected under this chapter to the Gaming Revenue Fund.

Section 39. This section would establish a list of persons to be banned from gaming establishments, to include persons identified as criminal threats and persons placing themselves on a self-exclusion list.

Section 40. This section would prohibit gaming license holders, officers, directors, gaming key employees, principal employees of a gaming license applicant or holder, or agents from making political campaign contributions. This section would also prohibit contributions to the governing body of a host community.

Section 41. This section would establish tax rates on gross revenue. Category 1 licensees would pay a daily fee of 25% on gross gaming revenue and category 2 and category 3 licenses would pay a daily tax of 40% on gross gaming revenue.

Section 42. This section would make gaming licensees subject to corporate tax law.

Section 43. This section would establish all liability of gaming licensees to the commonwealth as a debt to the commonwealth.

Section 44. This section would require a gaming licensee to establish whether any patrons winning in excess of \$600 owe past-due child support or taxes, and if so, to first distribute said winnings to the IV-D agency and the Commonwealth before distributing the remaining winnings, if any, to the patron.

Section 45. This section would require gaming licensees to report any patrons winning in excess of \$600 to the Department of Transitional Assistance and IV-D to identify whether any of said patrons are also receiving public assistance.

Section 46. This section would deposit unclaimed winnings in the Gaming Revenue Fund after a period of a year.

Section 47. This section would remit winnings by a person under the age of 21 to the Commission.

Section 48. This section would prohibit casinos from receiving other tax credits offered by the Commonwealth.

Section 49. This section would require corporations holding gaming licenses to report any changes in corporate officers or board of directors to the commission as well as require approval from the commission for the disposition of corporate securities.

Section 50. This section would require the commission to make an annual audit of all gaming licensees.

Section 51. This section would require the Commission to use a private testing laboratory to test slot machines and other gaming equipment.

Section 52. This section would create the Gaming Licensing Fund, to receive all licensing fees and expire on December 31, 2015. The fund would distribute revenue as follows: \$15 million to the Community Mitigation Fund, \$5 million to the General Fund for reimbursement, \$40 million to the Local Capital Projects Fund, \$50 million to the Manufacturing Fund, \$25 million to the Workforce Partnership Fund, and \$3 million to the Massachusetts Tourism Fund, with any remaining money transferred to the Commonwealth Stabilization Fund.

Section 53. This section would create the Gaming Revenue Fund, to receive all revenue from the tax on gross gaming revenue. The fund would transfer all revenue from category 2 and 3 licensees to the Gaming Local Aid Fund until a category 1 licensee is operational. Once a resort casino is operational, the Fund would be distributed as follows: 1% to the Massachusetts Tourism Fund, 2% to the Community Mitigation Fund, 7% to the Local Capital Projects Fund, 30% to the Gaming Local Aid Fund, 30% to the Commonwealth Stabilization Fund, and 30% to the Education Fund.

Section 54. This section would create the Race Horse Development Fund, which would be allocated as follows: 80% weekly to an interest-bearing purse for the benefit of the horsemen and 4% to fund health and pension benefits for horsemen. For a thoroughbred track, 16% would be distributed into a Massachusetts thoroughbred breeding program. For a harness track, 8% would be distributed to a Massachusetts standardbred breeding program and 8% would be distributed to a standardbred breeder development program.

Section 55. This section would create the Community Mitigation Fund, to assist contiguous communities in offsetting costs related to gaming facilities.

Section 56. This section would establish the Gaming Local Aid Fund, to be used in addition to the State Lottery Fund for distribution to cities and towns.

Section 57. This section would create the Manufacturing Fund.

Section 58. This section would establish the Community College Fund.

Section 59. This section would create the Local Capital Projects Fund.

Section 60. This section would establish the Education Fund.

Section 61. This section would require the Commission to monitor efforts by federally recognized Native American tribes within the Commonwealth to establish a land trust for the purposes of tribal economic development.

Section 62. This section would establish a 12-member Gaming Policy Advisory Council to discuss and make recommendations on matters of gaming policy.

Section 63. This section would require the Commission to submit an annual report on its activities to the House and Senate Clerks, Joint Committee on Economic Development and Emerging Technologies, and the House and Senate Committees on Ways and Means.

SECTION 13. This section would add the Massachusetts Gaming Commission to the definition of “employee” for purposes of the state retirement system.

SECTION 14. This section would add the Massachusetts Gaming Commission to the definition of “employee” for the purposes of the Group Insurance Commission.

SECTION 15. This section would make a technical correction to section 94 of chapter 41 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 16. This section would repeal statute establishing distribution for pari-mutuel wagering.

SECTION 17. This section would amend personal income tax to disallow the federal deduction for wagering losses to the extent of gains currently available under chapter 62 only as a trade or business expense.

SECTION 18. This section would amend withholding of taxes on wages to require withholding on horse and dog racing, slot machines, keno, and bingo winnings.

SECTION 19. This section would amend the withholdings requirement of employer for employee to require other payers and payees.

SECTION 20. This section would amend the requirement for annual reports by entities doing business in the commonwealth.

SECTION 21. This section would amend the corporate apportionment formula to source receipts from gaming operations.

SECTION 22. This section would make a technical correction to section 2 of chapter 128 of the General Laws relative to the elimination of greyhound racing in the Commonwealth.

SECTION 23. This section would make a technical correction to section 2 of chapter 128 of the General Laws relative to the elimination of greyhound racing in the Commonwealth.

SECTION 24. This section would make a technical correction to section 1 of chapter 128A relative to the elimination of the state racing commission.

SECTION 25. This section would repeal the statute relative to horse and dog racing.

SECTION 26. This section would make a technical correction relative to section 1 of chapter 128C of the General Laws relative to the elimination of the state racing commission.

SECTION 27. This section would repeal the statute relative to simulcasting.

SECTION 28. This section would make a technical correction to section 1 of chapter 137 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 29. This section would make a technical correction to section 2 of chapter 137 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 30. This section would make a technical correction to section 3 of chapter 137 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 31. This section would make a technical correction to section 18 of chapter 139 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 32. This section would make a technical correction to clause 2 of section 177A of chapter 140 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 33. This section would make a technical correction to section 26A of chapter 180 of the General Laws relative to the elimination of greyhound racing in the Commonwealth.

SECTION 34. This section would establish a new Chapter 267A relative to money laundering. This chapter would establish the crime of money laundering and set penalties for the offense, including: a sentence of not more than 6 years in the state prison; a fine of not more than \$250,000 or twice the value of the property transacted, whichever is greater; or both imprisonment and fine. Subsequent offenses would result in a sentence of not less than 2 years in the state prison, a fine of not more than \$500,000 or three times the value of the property transacted, or by both imprisonment and fine. This chapter would also establish record keeping and filing requirements for financial institutions, with a penalty of \$100 for each instance of noncompliance of report filing.

SECTION 35. This section would make a technical correction to section 1 of chapter 271 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 36. This section would make a technical correction to section 2 of chapter 271 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 37. This section would make a technical correction to section 3 of chapter 271 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 38. This section would make a technical correction to section 5 of chapter 271 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 39. This section would make a technical correction to section 5A of chapter 271 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 40. This section would make a technical correction to section 6 of chapter 271 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 41. This section would make a technical correction to section 7 of chapter 271 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 42. This section would make a technical correction to section 8 of chapter 271 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 43. This section would make a technical correction to section 14 of chapter 271 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 44. This section would make a technical correction to section 16A of chapter 271 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 45. This section would make a technical correction to section 17 of chapter 271 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 46. This section would make a technical correction to section 19 of chapter 271 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 47. This section would make a technical correction to section 20 of chapter 271 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 48. This section would make a technical correction to section 22 of chapter 271 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 49. This section would make a technical correction to section 23 of chapter 271 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 50. This section would make a technical correction to section 28 of chapter 271 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 51. This section would make a technical correction to section 31 of chapter 271 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 52. This section would establish a new Chapter 271A relative to enterprise crime. This chapter would establish the crime of enterprise crime and set penalties for the offense, including: imprisonment for not less than 3 years and not more than 15 years in the state prison, a fine of not more than \$250,000, or both imprisonment and fine.

SECTION 53. This section would make a technical correction to section 39 of chapter 272 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 54. This section would make a technical correction to section 99 of chapter 272 of the General Laws relative to the expansion of legalized gaming in the Commonwealth.

SECTION 55. This section would make a technical correction to section 13 of chapter 494 of the Acts of 1978 relative to the elimination of greyhound racing in the Commonwealth.

SECTION 56. This section would make a technical correction to clause (d)_of section 13 of said chapter 494 relative to the elimination of greyhound racing in the Commonwealth.

SECTION 57. This section would make a technical correction to section 13 of said chapter 494 relative to the elimination of greyhound racing in the Commonwealth.

SECTION 58. This section would amend section 12A of said chapter 494 by extending to July 31, 2014, the period that dog race track licensees shall pay a daily percentage of amounts wagered by patrons into the Greyhound Capital Improvements Trust Fund and the Greyhound Promotional Trust Fund.

SECTION 59. This section would amend said section 12A of said chapter 494 by providing a new deadline of July 31, 2014, upon which funds not expended in the Greyhound Capital Improvements Trust Fund and in the Greyhound Promotional Trust Fund shall be deposited in the General Fund.

SECTION 60. This section would amend section 13 of said chapter 494 by extending to July 31, 2014, the provisions governing the issuance of licenses to conduct racing meetings.

SECTION 61. This section would amend section 15 of said chapter 494 by extending to July 31, 2014, the provisions detailing the annual information to be provided to the General Court by the state racing commission.

SECTION 62. This section would amend section 9 of chapter 277 of the Acts of 1986 by extending to July 31, 2014, the provisions governing the distribution of winnings to patrons by dog racing meeting licensees.

SECTION 63. This section would amend section 3 of chapter 114 of the Acts of 1991 by extending to July 31, 2014, the period that the running horse track licensee shall pay into the Running Horse Capital Improvements Trust Fund and the Running Horse Promotional Trust Fund.

SECTION 64. This section would amend said section 3 of said chapter 114 by providing a new deadline of July 31, 2014, upon which funds not expended in the Running Horse Capital Improvements Trust Fund and in the Running Horse Promotional Trust Fund shall be deposited in the General Fund.

SECTION 65. This section would amend section 4 of said chapter 114 by extending to July 31, 2014, the period that the harness horse track licensee shall pay into the Harness Horse Capital Improvements Trust Fund and the Harness Horse Promotional Trust Fund.

SECTION 66. This section would amend said section 4 of said chapter 114 by providing a new deadline of July 31, 2014, upon which funds not expended in the Harness Horse Capital Improvements Trust Fund and in the Harness Horse Promotional Trust Fund shall be deposited in the General Fund.

SECTION 68. This section would amend section 5 of said chapter 114 by extending to July 31, 2014, the provisions governing the distribution of winnings to patrons by horse racing meeting licensees.

SECTION 69. This section would amend section 13 of chapter 101 of the Acts of 1992 by extending to July 31, 2014, further provisions governing the conduct of live racing and simulcast wagering in the commonwealth.

SECTION 70. This section would amend section 45 of chapter 139 of the Acts of 2001 by extending to July 31, 2014, further provisions governing the conduct of live racing and simulcast wagering in the commonwealth.

SECTION 71. This section would amend section 20 of chapter 449 of the Acts of 2006 by extending to July 31, 2014, further provisions governing the conduct of live racing and simulcast wagering in the commonwealth.

SECTION 72. This section would stagger the terms of the appointments to the Massachusetts Gaming Commission.

SECTION 73. This section would require the local approval vote of a host community to occur after the effective date of this act.

SECTION 74. This section would declare the Commonwealth of Massachusetts exempt from federal laws relative to the use and transportation of gambling devices.

SECTION 75. This section would deem legal all shipments of gambling devices into the Commonwealth in accordance with federal law.

SECTION 76. This section would require the Massachusetts Gaming Commission to study the existing pari-mutuel and simulcasting statutes and the need to replace the statutes. The Commission would be required to make a report to the House and Senate Clerks and Joint Committee on Economic Development and Emerging Technology by January 1, 2013.

SECTION 77. This section would establish the effective date for sections 25 and 27 as July 31, 2014.