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(2) promoting local businesses in host and surrounding communities, including developing cross-marketing strategies with local restaurants, small businesses, hotels, retail outlets and impacted live entertainment venues;

(3) realizing maximum capital investment exclusive of land acquisition and infrastructure improvements;

(4) implementing a workforce development plan that utilizes the existing labor force, including the estimated number of construction jobs a proposed gaming establishment will generate, the development of workforce training programs that serve the unemployed and methods for accessing employment at the gaming establishment;

(5) building a gaming establishment of high caliber with a variety of quality amenities to be included as part of the gaming establishment and operated in partnership with local hotels and dining, retail and entertainment facilities so that patrons experience the diversified regional tourism industry;

(6) taking additional measures to address problem gambling including, but not limited to, training of gaming employees to identify patrons exhibiting problems with gambling and prevention programs targeted toward vulnerable populations;

(7) providing a market analysis detailing the benefits of the site location of the gaming establishment and the estimated recapture rate of gaming-related spending by residents travelling to out-of-state gaming establishments;

(8) utilizing sustainable development principles including, but not limited to: (i) being certified as gold or higher under the appropriate certification category in the Leadership in Environmental and Energy Design program created by the United States Green Building Council; (ii) meeting or exceeding the stretch energy code requirements contained in Appendix 120AA of the Massachusetts building energy code or equivalent commitment to advanced energy efficiency as determined by the secretary of energy and environmental affairs; (iii) efforts to mitigate vehicle trips; (iv) efforts to conserve water and manage storm water; (v) demonstrating that electrical and HVAC equipment and appliances will be EnergyStar labeled where available; (vi) procuring or generating on-site 10 per cent of its annual electricity consumption from renewable sources qualified by the department of energy resources under section 11F of chapter 25A; and (vii) developing an ongoing plan to submeter and monitor all major sources of energy consumption and undertake regular efforts to maintain and improve energy efficiency of buildings in their systems;

(9) establishing, funding and maintaining human resource hiring and training practices that promote the development of a skilled and diverse workforce and access to promotion opportunities through a workforce training program that: (i) establishes transparent career paths with measurable

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criteria within the gaming establishment that lead to increased responsibility and higher pay grades that are designed to allow employees to pursue career advancement and promotion; (ii) provides employee access to additional resources, such as tuition reimbursement or stipend policies, to enable employees to acquire the education or job training needed to advance career paths based on increased responsibility and pay grades; and (iii) establishes an on-site child day-care program;

(10) contracting with local business owners for the provision of goods and services to the gaming establishment, including developing plans designed to assist businesses in the commonwealth in identifying the needs for goods and services to the establishment;

(11) maximizing revenues received by the commonwealth;

(12) providing a high number of quality jobs in the gaming establishment;

(13) offering the highest and best value to create a secure and robust gaming market in the region and the commonwealth;

(14) mitigating potential impacts on host and surrounding communities which might result from the development or operation of the gaming establishment;

(15) purchasing, whenever possible, domestically manufactured slot machines for installation in the gaming establishment;

(16) implementing a marketing program that identifies specific goals, expressed as an overall program goal applicable to the total dollar amount of contracts, for the utilization of: (i) minority business enterprises, women business enterprises and veteran business enterprises to participate as contractors in the design of the gaming establishment; (ii) minority business enterprises, women business enterprises and veteran business enterprises to participate as contractors in the construction of the gaming establishment; and (iii) minority business enterprises, women business enterprises and veteran business enterprises to participate as vendors in the provision of goods and services procured by the gaming establishment and any businesses operated as part of the gaming establishment;

(17) implementing a workforce development plan that: (i) incorporates an affirmative action program of equal opportunity by which the applicant guarantees to provide equal employment opportunities to all employees qualified for licensure in all employment categories, including persons with disabilities; (ii) utilizes the existing labor force in the commonwealth; (iii) estimates the number of construction jobs a gaming establishment will generate and provides for equal employment opportunities and which includes specific goals for the utilization of minorities, women and veterans on those construction jobs; (iv) identifies workforce training programs offered by the gaming establishment; and (v) identifies the methods for accessing employment at the gaming establishment;

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(18) whether the applicant has a contract with organized labor, including hospitality services, and has the support of organized labor for its application, which specifies: (i) the number of employees to be employed at the gaming establishment, including detailed information on the pay rate and benefits for employees and contractors; (ii) the total amount of investment by the applicant in the gaming establishment and all infrastructure improvements related to the project; (iii) completed studies and reports as required by the commission, which shall include, but need not be limited to, an economic benefit study, both for the commonwealth and the region; and (iv) whether the applicant has included detailed plans for assuring labor harmony during all phases of the construction, reconstruction, renovation, development and operation of the gaming establishment; and

(19) gaining public support in the host and surrounding communities which may be demonstrated through public comment received by the commission or gaming applicant.

Section 19. (a) The commission may issue not more than 3 category 1 licenses based on the applications and bids submitted to the commission. Not more than 1 license shall be awarded per region. Regions shall be established as follows:

- (1) region A: suffolk, middlesex, essex, norfolk and worcester counties;
- (2) region B: hampshire, hampden, franklin and berkshire counties; and
- (3) region C: bristol, plymouth, nantucket, dukes and barnstable counties.

Gaming licenses shall only be issued to applicants who are qualified under the criteria set forth in this chapter, as determined by the commission. Within any region, if the commission is not convinced that there is an applicant that has both met the eligibility criteria and provided convincing evidence that the applicant will provide value to the region in which the gaming establishment is proposed to be located and to the commonwealth, no gaming license shall be awarded in that region.

(b) A category 1 license issued by the commission in any region shall be valid for an initial period of 15 years; provided, however, , that no other gaming license shall be issued by the commission in any region during that 15-year period. The commission shall establish procedures for the renewal of a category 1 license, including a renewal fee, and submit to the clerks of the senate and house of representatives any legislative recommendations that may be necessary to implement those procedures, not less than 180 days before the expiration of the first license granted pursuant to this chapter.

(c) No gaming licensee shall transfer a gaming license or any direct or indirect interest in the gaming license or a gaming establishment without the majority approval of the commission. A person seeking to acquire a gaming license through a transfer shall qualify for licensure under this chapter. The commission shall reject a gaming license transfer or a transfer of interest in

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the gaming establishment to an unsuitable person and may reject a proposed transfer that, in the opinion of the commission, would be disadvantageous to the interests of the commonwealth.

(d) The commission shall take into consideration the physical distance in selecting the locations of the gaming establishments as they relate to each other and how they maximize benefits to the commonwealth; provided, however, that in determining which gaming applicant shall receive a gaming license in each region, the commission shall also consider the support or opposition to each gaming applicant from the public in the host and surrounding communities as demonstrated by public comment provided by the gaming applicant or directly to the commission pursuant to section 15 and through oral and written testimony received during the public hearing conducted pursuant to section 17.

(e) If a category 1 license is awarded to an applicant with a live racing license under chapter 128A as of July 1, 2011, a condition of the gaming license shall be to maintain and complete the annual live racing season under said chapter 128A. Upon failure to conduct live racing, the commission shall suspend the category 1 license.

(f) If a category 1 license is awarded to an applicant with a simulcasting license under chapter 128C as of July 1, 2011, a condition of the gaming license shall be to maintain the simulcasting license under said chapter 128C. Upon failure to conduct simulcast wagering, the commission shall suspend the category 1 license.

(g) For the purposes of subsections (e) and (f), an applicant for a gaming license shall be considered to be the holder of a license under chapter 128A or chapter 128C if the applicant: (i) owns 50.1 or more per cent of the common stock of the company which obtained a license under said chapter 128A or 128C; and (ii) is a person who owns more than 5 per cent of the common stock of the applicant company, directly or indirectly, or is an institutional investor in the gaming license.

Section 20. (a) The commission may issue not more than 1 category 2 license; provided, however, that the category 2 license shall only be issued to an applicant who is qualified under the criteria set forth in this chapter as determined by the commission. If the commission is not convinced that there is an applicant that has both met the eligibility criteria and provided convincing evidence that the applicant will provide value to the commonwealth, no category 2 license shall be awarded.

(b) If a category 2 license is awarded to an applicant with a simulcasting license under chapter 128C as of July 1, 2011, a condition of the gaming license shall be to maintain the simulcasting license pursuant to said chapter 128C. Upon failure to conduct simulcast wagering the commission shall suspend the category 2 license.

(c) If a category 2 license is awarded to an applicant with a live racing license pursuant to chapter 128A as of July 1, 2011 a condition of the

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gaming license shall be to maintain and complete the annual live racing season pursuant to said chapter 128A. Upon failure to conduct live racing, the commission shall suspend the category 2 license.

(d) For the purposes of subsections (b) and (c), an applicant for a gaming license shall be considered to be the holder of a license under chapter 128A or chapter 128C if the applicant: (i) owns 50.1 or more per cent of the common stock of the company which obtained a license under chapter 128A or 128C; and (ii) includes a person who owns more than 5 per cent of the common stock of the applicant company, directly or indirectly, or is an institutional investor in the gaming license.

(e) A category 2 license issued pursuant to this chapter shall not be transferrable or assignable without the approval of the commission; provided, however, that for 5 years after the initial issuance of a category 2 license, the commission shall only approve such a transfer if: (i) the licensee experiences a change in ownership; or (ii) the licensee fails to maintain suitability or other circumstances which the commission may consider, which, in the opinion of a majority of members of the commission, impacts a licensee's ability to successfully operate a gaming establishment.

(f) A category 2 license issued pursuant to this chapter shall be for a period of 5 years. The commission shall establish procedures for renewal and set the renewal fee based on the cost of fees associated with the evaluation of a licensee; provided, however, that the cost of renewal shall not be less than \$100,000. Any renewal fees shall be deposited into the Gaming Revenue Fund.

Section 21. (a) The commission shall prescribe the form of the gaming license, which shall include, but not be limited to, the following license conditions for each licensee. The licensee shall:

(1) have an affirmative obligation to abide by every statement made in its application to the commission, including all evaluation criteria and eligibility requirements;

(2) comply with all laws of the commonwealth, the laws of the United States and all rules and regulations promulgated under this chapter;

(3) pay daily to the commission the gross gaming revenue payment;

(4) make, or cause to be made, capital expenditures to its gaming establishment in a minimum aggregate amount equal to 3.5 per cent of the net gaming revenues derived from the establishment; provided, however, that a gaming licensee may make capital expenditures in an amount less than 3.5 per cent per year as part of a multi-year capital expenditure plan approved by the commission;

(5) not change its business governing structure without the notification and approval of the commission;

(6) not operate, invest in or own, in whole or in part, another gaming licensee's license or gaming establishment;

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(7) cooperate with the commission and the attorney general in all gaming-related investigations. Each gaming licensee shall make readily available all documents, materials, equipment, personnel and any other items requested during an investigation; provided, however, that material that the gaming licensee considers a trade secret or detrimental to the gaming licensee if it were made public may, with the commission's approval, be protected from public disclosure and the gaming licensee may require nondisclosure agreements with the commission before disclosing such material;

(8) cooperate with the commission and the attorney general with respect to the investigation of any criminal matter; provided, however, that the gaming licensee shall, upon receipt of a criminal or civil process compelling testimony or production of documents in connection with a civil or criminal investigation, immediately disclose such information to the commission; and provided further, that this clause shall not prohibit private persons or public entities from seeking any remedy or damages against a gaming licensee;

(9) allow the commission or the division and state police officers assigned to the commission or the division to conduct warrantless searches of the licensee's gaming area;

(10) have a duty to inform the commission of any action which the gaming licensee reasonably believes would constitute a violation of this chapter, and shall assist the commission and any federal or state law enforcement agency in the investigation and prosecution of such violation; provided, however, that no person who informs the commission of such an action shall be discriminated against by an applicant or gaming licensee as a consequence for having supplied such information;

(11) provide an office for the commission at the gaming establishment and the designated state police unit at the gaming establishment; provided, however, that the commission shall establish the minimum requirements for square footage for the state police office, office furnishings and parking spaces;

(12) collect and annually report to the commission a detailed statistical report on the number, job titles, benefits and salaries of employees hired and retained in employment at the gaming establishment;

(13) employ only those persons licensed or registered by the commission;

(14) do business only with those vendors licensed or registered by the commission;

(15) provide to the commission aggregate demographic information with respect to the gaming licensee's customers in a manner and under a schedule to be defined by the commission;

(16) provide complimentary on-site space for an independent substance abuse, compulsive gambling and mental health counseling service and establish a program to train gaming employees in the identification of and intervention with customers exhibiting problem gaming behavior;

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(17) keep conspicuously posted in the gaming area a notice containing the name and a telephone number for problem gambling assistance; provided, however, that the commission may require the gaming licensee to provide this information in more than 1 language;

(18) provide a process for individuals to exclude their names and contact information from the gaming licensee's database or any other list held by the gaming licensee for use in marketing or promotional communications;

(19) institute additional public health strategies as required by the commission;

(20) abide by an affirmative action program of equal opportunity by which the gaming licensee guarantees to provide equal employment opportunities to all employees qualified for licensure in all employment categories, including persons with a disabilities, under the laws of the commonwealth;

(21) formulate for commission approval and abide by an affirmative marketing program by which the gaming licensee identifies specific goals, expressed as an overall program goal applicable to the total dollar amount or value of contracts entered into, for the utilization of: (i) minority business enterprises, women business enterprises and veteran business enterprises to participate as contractors in the design of the gaming establishment; (ii) minority business enterprises, women business enterprises and veteran business enterprises to participate as contractors in the construction of the gaming establishment; and (iii) minority business enterprises, women business enterprises and veteran business enterprises to participate as vendors in the provision of goods and services procured by the gaming establishment and any businesses operated as part of the gaming establishment; provided, however, that the specific goals for the utilization of such minority business enterprises, women business enterprises and veteran business enterprises shall be based on the availability of such minority business enterprises, women business enterprises and veteran business enterprises engaged in the type of work to be contracted by the gaming licensee;

(22) formulate for commission approval and abide by an affirmative action program of equal opportunity whereby the licensee establishes specific goals for the utilization of minorities, women and veterans on construction jobs; provided, however, that such goals shall be equal to or greater than the goals contained in executive office of administration and finance Administration Bulletin Number 14; provided further, that in furtherance of the specific goals for the utilization of minorities, women and veterans on construction jobs, the gaming licensee shall send to each labor union or representative of workers with which the gaming licensee or its agent has a collective bargaining agreement or other contract or understanding, a notice advising the labor union or workers' representative of the gaming licensee's commitments;

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(23) provide to the commission, on a quarterly basis, a detailed statistical report on the number, gender and race of individuals hired to perform labor as part of the construction of the gaming establishment;

(24) collect and annually provide to the commission a detailed statistical report on the total dollar amounts contracted with and actually paid to minority business enterprises, women business enterprises and veteran business enterprises in: (i) design contracts; (ii) construction contracts; and (iii) contracts for every good and service procured by the gaming establishment; provided, however, that such statistical report shall also identify the amounts so contracted as a percentage of the total dollar amounts contracted with and actually paid to all firms; and

(25) require its security personnel to conduct regular checks of parking areas for minors left in motor vehicles and immediately report any such finding to the local and state police in the municipality wherein the gaming establishment is located.

(b) No person shall transfer a gaming license, a direct or indirect real interest, structure, real property, premises, facility, personal interest or pecuniary interest under a gaming license issued under this chapter or enter into an option contract, management contract or other agreement or contract providing for such transfer in the present or future, without the notification to, and approval by, the commission. The commission may promulgate rules and regulations that create exemptions from the approval requirement; provided, however, that: (i) in no event shall a bona fide banking institution, as defined in section 1 of chapter 167A, or a commercial financial institution which becomes a substantial party of interest with a gaming licensee be considered a transferee; (ii) the commission may require the transferor, transferee or both to pay to the commission an amount representing the commonwealth's share of the increased value for the transferred licenses, property or interest; provided further, that the commission shall consider as a factor in determining the amount of the payment the market value of the gaming license, property or interest when it was acquired and at the time of the transfer; provided further, that the commission may place additional conditions or restrictions on a transfer that the commission considers suitable; and provided further, that the commission may reject a transfer if the commission considers the transfer unsuitable; and (iii) any payments collected by the commission on behalf of the commonwealth based on the transfer shall be deposited in the same manner as license fees are deposited.

(c) The commission may include any reasonable additional requirements to the license conditions.

(d) A gaming licensee shall meet with municipally-owned and not-for-profit entertainment venues located in the commonwealth to discuss a mitigation plan which may include, but shall not be limited to, agreements regarding event scheduling, promotions, ticket prices, marketing and other

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operations which may impact the viability of such municipally-owned and not-for-profit entertainment venues. The commission shall encourage the establishment of such a mitigation plan through fair and reasonable discussion.

Section 22. The sale, assignment, transfer, pledge or other disposition of any security issued by a corporation which holds a gaming license shall be conditional and shall be ineffective if disapproved by the commission. If at any time the commission finds that an individual owner or holder of a security of a corporate licensee or of a holding or intermediary company with respect thereto is not qualified under this chapter and if as a result the corporate licensee is no longer qualified to continue as a gaming licensee, the commission shall take any action necessary to protect the interests of the commonwealth including, but not limited to, suspension or revocation of the gaming license of the corporation.

Each corporation which has been issued a gaming license pursuant to this chapter shall file a report of any change of its corporate officers or members of its board of directors with the commission. No officer or director shall be entitled to exercise any powers of office until qualified by the commission.

Section 23. (a) A category 1 and category 2 licensee shall issue an annual report to the commission explicitly stating its progress on meeting each of the stated goals and stipulations put forth in the licensee's original application. Inability to meet stated goals within a reasonable time frame, as determined by the commission, shall result in additional fees as deemed fair and reasonable by the commission. Failure to meet stated goals may also result in revocation of the license at any time by the commission.

Nothing in this section shall preclude the commission at any time from reviewing the business operations of a gaming licensee to ensure that the conditions of licensure are being met including, but not limited to, the suitability of the gaming licensee and any affiliates and the fiscal stability of the gaming establishment.

(b) The commission may condition, suspend or revoke a gaming license upon a finding that a licensee: (i) has committed a criminal or civil offense under this chapter or under any other laws of the commonwealth; (ii) is not in compliance with gaming regulations or is under criminal investigation in another jurisdiction; (iii) has breached a condition of licensure; (iv) has affiliates, close associates or employees that are not qualified or licensed under this chapter with whom the gaming licensee continues to conduct business or employ; (v) is no longer capable of maintaining operations at a gaming establishment; or (vi) whose business practice, upon a determination by the commission, is injurious to the policy objectives of this chapter.

(c) Whenever a person contracts to transfer any property relating to an ongoing gaming establishment, including a security holding in a gaming

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licensee or holding or intermediary company, under circumstances which require that the transferee obtain licensure under this chapter, the contract shall not specify a closing or settlement date which is earlier than 121 days after the submission of a completed application for licensure or qualification, which application shall include a fully executed and approved trust agreement.

The commission shall hold a hearing and render a decision on the interim authorization of the new applicant. If the commission grants interim authorization, then the closing or settlement may occur without interruption of operations of the gaming establishment. If the commission denies interim authorization, there shall be no closing or settlement until the commission makes a determination on the qualification of the applicant and, if the commission then denies qualification, the contract shall thereby be terminated for all purposes without liability on the part of the transferor. The commission shall promulgate further regulations for interim authorization of a gaming establishment.

(d) No person or affiliate shall be awarded, purchase or otherwise hold or have a financial interest in more than 1 gaming license issued by the commission.

Section 24. (a) An applicant for a gaming license who holds a live racing license under chapter 128A shall maintain an existing racing facility on the premises; provided, however, that the gaming licensee shall increase the number of live racing days to a minimum of 125 days according to the following schedule: (i) in the first calendar year of operation, a gaming licensee shall hold 105 racing days; (ii) in the second calendar year of operation, a gaming licensee shall hold 115 racing days; and (iii) in the third and subsequent calendar years of operation, a gaming licensee shall hold 125 racing days;

(b) A gaming licensee may increase the number of live racing days if the gaming licensee is holding a minimum of 125 racing days within 3 years of receiving a gaming license. If a gaming licensee does not conduct live racing for the minimum number of days set forth in subsection (a), the commission shall suspend the gaming license.

(c) After 3 years of operation of the gaming establishment and in consultation with the parties to the purse agreement, the commission may adjust the amount of required racing days at a gaming establishment based on fields, demand and racing performance.

(d) A gaming licensee with a live racetrack shall have an annual purse agreement in effect by December 31 of each year for the following year's racing; provided, however, that if the parties to a purse agreement at a gaming establishment cannot in good faith negotiate an agreement by December 31, the purse agreement shall be arbitrated by the commission.

Section 25. (a) No gaming licensee shall conduct gaming without an operations certificate issued by the commission. An operations certificate

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shall only be issued upon compliance with the requirements of this chapter including, but not limited to: (i) implementation of all management controls required by the commission including, without limitation, controls on accounting, wagering and auditing; (ii) implementation of all security precautions required by the commission; (iii) an up-to-date listing of all gaming employees; (iv) licensing or registering of all gaming employees; (v) the provision of office space at the gaming establishment for use by the commission employees; (vi) the hours of operation of the gaming establishment; and (vii) that its personnel and procedures are efficient and prepared to entertain the public. The operations certificate shall be conspicuously posted and shall state the number of slot machines, table games or other authorized games, if applicable.

(b) A gaming licensee may operate a gaming establishment from 6:00 a.m. to 5:59 a.m.; provided, however, that the gaming establishment shall register its hours of operation with the commission.

(c) Each gaming establishment shall arrange its gaming area in such a manner as to promote optimum security for the gaming establishment operations including, but not limited to: (i) a closed circuit television system according to specifications approved by the commission, with access on the licensed premises to the system or its signal provided to the commission; (ii) rooms or locations approved by the commission for use by commission employees; and (iii) design specifications that ensure that visibility in a gaming area is not obstructed in any way that might interfere with the ability of the commission or the division to supervise gaming establishment operations.

(d) Each applicant for a gaming license shall submit to the commission: (i) a description of its minimum system of internal procedures and administrative and accounting controls for gaming and any simulcast wagering operations; (ii) a certification by the applicant's chief legal officer that the submitted procedures conform to this chapter and any regulations promulgated hereunder; and (iii) a certification by the applicant's chief financial officer that the submitted procedures provide adequate and effective controls, establish a consistent overall system of internal procedures and administrative and accounting controls and conform to generally accepted accounting principles and any additional standards required by the commission. Each applicant shall submit the above descriptions and certifications at least 30 business days before such operations are scheduled to commence unless otherwise directed by the commission; provided, however, that no gaming licensee shall commence gaming operations or alter its minimum internal controls until such system of minimum controls is approved by the commission. The commission shall establish regulations for the information required in the internal control submission.

Any proposed changes to a gaming licensee's system of internal procedures and controls shall be submitted to the commission along with 2 new

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certifications from its chief legal and financial officers. If the commission does not object, the gaming licensee may make the proposed changes 15 business days after submitting a description of the changes to the commission.

(e) Gaming equipment shall not be possessed, maintained or exhibited by any person on the premises of a gaming establishment except in a gaming area approved by the commission or in a restricted area used for the inspection, repair or storage of such equipment and specifically designated for that purpose provided, however, that this subsection shall not apply to a licensed gaming vendor who operates a warehouse, showroom or sales facility within the commonwealth subject to the approval of the commission.

(f) Each gaming establishment shall contain a count room and such other secure facilities as may be required by the commission for the counting and storage of cash, coins, tokens, checks, plaques, gaming vouchers, coupons and other devices or items of value used in wagering and approved by the commission that are received in the conduct of gaming and for the inspection, counting and storage of dice, cards, chips and other representatives of value.

(g) A dealer may accept tips or gratuities from a patron at the table game where such dealer is conducting play; provided, however, that such tips or gratuities shall be placed in a pool for distribution among other dealers. The commission shall determine how tips and gratuities shall be set aside for the dealer pool as well as the manner of distribution among dealers. No key gaming employee or any other gaming official who serves in a supervisory position shall solicit or accept a tip or gratuity from a player or patron in the gaming establishment where the employee is employed.

(h) No person under the age of 21 shall be permitted to wager or be in a gaming area; provided, however, that a person 18 years or over of age who is a licensed employee of the gaming establishment may be in a gaming area if in the performance of the duties the employee is licensed to undertake; and provided, further, that no gaming licensee or gaming establishment shall authorize or conduct marketing and promotional communications relative to gaming to target persons under the age of 21.

(i) No category 1 or category 2 licensee shall operate unless the gaming establishment manager or the manager's designee is on the premises and representatives of the commission are present at the gaming establishment.

(j) Each gaming establishment shall file an emergency response plan with the fire department and police department of the host community which shall include, but not be limited to: (i) a layout identifying all areas within the facility and grounds, including support systems and the internal and external access routes; (ii) the location and inventory of emergency response equipment and the contact information of the emergency response coordinator for the gaming establishment; (iii) the location of any hazardous substances and a description of any public health or safety hazards present on site; (iv) a description of any special equipment needed to respond to an emergency at the

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gaming establishment; (v) an evacuation plan; and (vi) any other information relating to emergency response as requested by the commission, the fire department or the police department of the host community.

Section 26. (a) Notwithstanding chapter 138 or any other general or special law or rule or regulation to the contrary, the commission may grant, upon request of an applicant for a gaming license, a gaming beverage license for the sale and distribution of alcoholic beverages to be drunk on the premises of a gaming establishment. The division of gaming liquor enforcement of the alcoholic beverage control commission shall have the authority to enforce, regulate and control the distribution of alcoholic beverages in a gaming establishment.

(b) The fee for the gaming beverage license and any renewals of the license shall be determined by the commission. The application fee shall be remitted with the gaming application fee.

(c) Notwithstanding any regulation to the contrary, a licensee under this section may distribute alcohol free of charge and for on-premises consumption to patrons in the gaming area or as a complimentary service or item in the gaming establishment; provided, however, that the commission, in consultation with the alcoholic beverages control commission, shall promulgate regulations on such distribution and the forms of identification that may be presented to the gaming licensee to demonstrate proof that a person has attained the age of 21; and provided further, that such regulations shall include requirements relative to alcohol training certification for an employee who serves alcohol at a gaming establishment.

(d) The request submitted to the commission for a gaming beverage license by an applicant for a gaming license shall detail all areas where alcoholic beverages will be served within the gaming establishment. In issuing a gaming beverage license, the commission shall describe the scope of the particular license and any restrictions and limitations; provided, however, that the gaming beverage license shall not permit the sale or distribution of alcoholic beverages between the hours of 2 a.m. and 8 a.m.

(e) A gaming licensee shall be responsible for violations of the gaming beverage license in the gaming establishment. The commission may revoke, suspend, refuse to renew or refuse to transfer a gaming beverage license for violations of chapter 138 that pertain to the sale and distribution of alcohol consumed on the premises and the regulations adopted by the commission. If, at any time, a gaming licensee elects temporary suspension of its gaming license due to violations of this section, the gaming licensee shall owe the commonwealth the average tax on gross gaming revenue based on an appropriate period of time as determined by the commission for the number of days operation was suspended.

(f) A gaming beverage license shall be nontransferable without prior approval from the commission. If the gaming beverage license is cancelled,

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revoked or no longer in use, it shall be returned physically, with all the legal rights, privileges and restrictions pertaining to the license, to the commission and the commission may then grant the license to a new gaming licensee under the same conditions as specified in this section.

(g) A license granted under this section shall not decrease the number of such licenses authorized to be granted to the host community under chapter 138.

Section 27. (a) A gaming licensee may issue credit to a patron of a gaming establishment in accordance with regulations promulgated by the commission. Such regulations shall include, but not be limited to: (i) procedures for confirming that a patron has an established credit history and is in good standing; (ii) whether the patron has a good credit history with the gaming establishment; (iii) authorization of any credit instrument; (iv) methods for acknowledging a credit instrument and payment of debt; and (v) information to be provided by the patron to the gaming establishment to be shared with the commission for auditing purposes.

(b) Except as otherwise authorized by the commission through regulations under this chapter, no gaming establishment, nor any person acting on behalf of the gaming establishment, shall cash any check, make any loan or otherwise provide or allow to any person any credit or advance of anything of value, or which represents value, to enable that person to place a wager, or release or discharge any debt, either in whole or in part, or make any loan which represents any losses incurred by a player in gaming or simulcast wagering activity, without maintaining a written record of the release or discharge in accordance with the rules of the commission. Nothing in this section shall prohibit a gaming establishment from accepting credit cards for non-gaming-related purchases or services.

(c) Checks cashed in conformity with this section shall be valid instruments enforceable under the laws of the commonwealth. Any check cashed, transferred, conveyed or given in violation of this section or regulations promulgated hereunder shall be invalid and unenforceable.

(d) The commission shall establish procedures and standards for approving promotional gaming credits; provided, however, that no such credit shall be reported as a promotional gaming credit by an operator of a gaming establishment unless the operator can establish that the credit was issued by the gaming establishment and received from a patron as a wager at a slot machine in the gaming establishment.

(e) No person, other than a gaming licensee, shall issue credit to a patron in a gaming establishment.

(f) The commission shall, in consultation with the department of transitional assistance, the department of labor and workforce development, the department of housing and community development or the applicable administering agency, establish by regulation procedures and standards to

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prohibit a gaming establishment or any person acting on behalf of a gaming establishment from: (i) cashing a government-issued check; (ii) from operating on its premises any credit card or automated teller machine that would allow a patron to obtain cash from a government-issued electronic benefits transfer card; and (iii) from extending or issuing credit to a patron of a gaming establishment who receives any form of income-based public assistance including, but not limited to, the supplemental nutrition assistance program, temporary assistance for needy families, emergency aid to elders, disabled and children, public housing assistance, MassHealth and unemployment insurance. The procedures and standards established shall ensure the privacy of all patrons receiving public assistance.

(g) A person may petition the commission to place the person's name on a list of persons to whom the extension of credit by a gaming establishment shall be prohibited. Any person filing such petition shall submit to the commission the person's name, address and date of birth. The person shall not be required to provide a reason for the request. The commission shall provide this list to the credit department of each gaming establishment; provided, however, that neither the commission nor the credit department of a gaming establishment shall divulge the names on this list to any person or entity other than those provided for in this subsection. If such a person wishes to have their name removed from the list, the person shall petition the commission in accordance with procedures for removal set forth by the commission. If the commission approves the request, the commission shall so inform the credit department of the gaming establishments not later than 7 days after approving the request.

(h) Debt collections under this section and regulations promulgated thereunder shall be limited to key gaming employees or attorneys acting directly on behalf of gaming licensees; provided, however, that a key gaming employee shall not make any such collections if that employee serves as a junket representative for the gaming licensee.

Section 28. (a) No gaming licensee shall offer to provide any complimentary services, gifts, cash or other items of value to any person unless the complimentary item consists of a room, food, beverage, transportation or entertainment expenses provided directly to the patron and the patron's guests by the gaming licensee or indirectly to the patron and the patron's guests on behalf of a third party or the complimentary item consists of coins, tokens, cash or other complimentary items or services provided through a complimentary distribution program which shall be filed and approved by the commission upon the implementation of the program or maintained under regulation.

(b) Gaming licensees shall submit quarterly reports to the commission covering all complimentary services offered or engaged in by the gaming licensee during the immediately preceding quarter. The reports shall identify

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regulated complimentary services and the costs of those services, the number of people who received each service or item and such other information as the commission may require. The report shall also document any services or items valued in excess of \$2,000 that were provided to patrons, including detailed reasons as to why they were provided.

(c) Complimentary services or items shall be valued in an amount based upon the retail price normally charged by the gaming licensee for the service or item. The value of a complimentary service or item not normally offered for sale by a gaming licensee or provided by a third party on behalf of a gaming licensee shall be the cost to the gaming licensee of providing the service or item, as determined under rules adopted by the commission.

Section 29. A gaming establishment offering a cashless wagering system shall allow individuals to monitor and impose betting limits on their cashless wagering. The gaming establishment shall allow individuals to set betting limits on their cashless wagering including, but not limited to, per bet limits, hourly limits, daily limits, weekly limits and monthly limits. An individual may lower limits and increase limits; provided, however, that the individual shall not increase betting limits more than once in a 24-hour period. The gaming establishment shall issue to each patron who has been issued a rewards card or who participates in a cashless wagering system by the gaming establishment a monthly statement, mailed to the patron at the patron's physical mailing address, which shall include the patron's total bets, wins and losses; provided, however, that a patron shall be given the opportunity to decline receiving a monthly statement at the time the rewards card is issued or during initial participation in a cashless wagering system; provided further, that a patron may later opt out of receiving monthly statements by providing a written request to cease monthly statements to the gaming establishment. A gaming licensee who has implemented such a program or system shall annually report to the commission the amount of money spent and lost by patrons who have been issued a rewards card or who participated in a cashless wagering system, aggregated by zip code. Activity under this section shall be monitored by the commission. Individuals on the list of excluded persons shall not be permitted to participate in a cashless wagering system.

Section 30. (a) No person shall be employed by a gaming licensee unless such person has been licensed by or registered with the commission.

(b) Any person seeking a key gaming employee license or a gaming employee license shall file an application with the bureau. Such application shall be on a form prescribed by the commission and shall include, but not be limited to, the following: (i) the name of the applicant; (ii) the address of the applicant; (iii) a detailed employment history of the applicant; (iv) fingerprints; (v) a criminal and arrest record; and (vi) any civil judgments obtained against the applicant pertaining to antitrust or security regulation. The bureau may require such other information as it considers appropriate

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including, but not limited to, information related to the financial integrity of the applicant, and may require the applicant to submit other documentation it considers appropriate including, but not limited to, bank accounts and records, bank references, business and personal income and disbursement schedules, tax returns and other reports filed by government agencies and business and personal accounting check records and ledgers.

(c) All other employees in a gaming establishment who are not considered to be gaming employees, key gaming employees or who have restricted access to an area of the gaming establishment or knowledge of security procedures, shall be required to register with the bureau as a gaming service employee and shall produce such information as the bureau may require to become registered under this chapter.

(d) Upon receipt of an application for a key gaming employee license and a gaming employee license the bureau shall conduct an investigation of each applicant which shall include obtaining criminal offender record information from the criminal history systems board and exchanging fingerprint data and criminal history with the department of state police and the United States Federal Bureau of Investigation.

(e) Upon petition by a gaming licensee, the commission may issue a temporary license to an applicant for a key gaming employee license or a gaming employee license if: (i) the applicant for a key gaming employee license or gaming employee license has filed a completed application with the commission; and (ii) the gaming licensee certifies, and the commission finds, that the issuance of a temporary license is necessary for the operation of the gaming establishment and is not designed to circumvent the normal licensing procedures. Unless otherwise stated by the commission, a temporary license issued under this section shall expire 6 months from the date of its issuance and may be renewed, at the discretion of the commission, for an additional 6-month period.

(f) The commission may deny an application for a key gaming employee or gaming employee license or the registration of any other employee of a gaming establishment if the commission finds that an applicant or registrant is disqualified under section 16 or may be unsuitable for licensure under any of the criteria set forth in section 12; provided, however, that the commission, in its discretion, may issue a license to an applicant for a gaming employee license or register a gaming service employee who has a prior conviction if the applicant or registrant can affirmatively demonstrate the applicant's rehabilitation. In considering the rehabilitation of an applicant for a license under this section, the commission shall consider the following: (i) the nature and duties of the position of the applicant; (ii) the nature and seriousness of the offense or conduct; (iii) the circumstances under which the offense or conduct occurred; (iv) the date of the offense or conduct; (v) the age of the applicant when the offense or conduct was committed; (vi) whether

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the offense or conduct was an isolated or repeated incident; (vii) any social conditions which may have contributed to the offense or conduct; and (viii) any evidence of rehabilitation, including recommendations and references of persons supervising the applicant since the offense or conduct was committed.

(g) After completing an investigation of an applicant for a key gaming employee or gaming employee license the bureau shall approve or deny the license. Any orders by the bureau denying an application under this section shall be accompanied by an explanation of the reasons that an applicant did not meet the qualifications for licensure under this chapter. An applicant for a key gaming employee or gaming employee license may request a hearing before the bureau to contest the findings. After the hearing, the applicant may appeal the decision of the bureau to the commission and the commission may hear the appeal on the record. The decision of the commission shall be final and an applicant for a key gaming employee or gaming employee license shall not be entitled to further review.

(h) The commission may condition, suspend or revoke a license or registration under this section if the commission finds that a licensee or registrant has: (i) been arrested or convicted of a crime while employed by a gaming establishment and failed to report the charges or the conviction to the commission; (ii) failed to comply with the requirements of section 14; or (iii) failed to comply with any of the requirements of this chapter pertaining to licensees.

(i) The commission shall establish fees for a key gaming employee and a gaming employee license which shall include costs incurred for conducting a background investigation into an applicant for a license. The commission shall establish the term of a key gaming employee and a gaming employee license. It shall be the responsibility of the key gaming employee or gaming employee to ensure that the employee's license is current.

Section 31. (a) No person shall conduct a business with a gaming licensee unless such person has been licensed or registered with the commission.

(b) Any person seeking a gaming vendor license shall file an application with the bureau. Such application shall be on a form prescribed by the commission and shall include, but not be limited to, the following: (i) the name of the applicant; (ii) the post office address and, if a corporation, the name of the state under the laws of which it was incorporated, the location of its principal place of business and the names and addresses of its directors and stockholders; (iii) a criminal and arrest record; (iv) any civil judgments obtained against the person pertaining to antitrust or security regulation; (v) the identity of every person having a direct or indirect interest in the business and the nature of such interest; provided, however, that if the disclosed entity is a trust, the application shall disclose the names and addresses of all beneficiaries; provided further, that if the disclosed entity

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is a partnership, the application shall disclose the names and addresses of all partners, both general and limited; and provided further, that if the disclosed entity is a limited liability company, the application shall disclose the names and addresses of all members; (vi) an independent audit report of all financial activities and interests including, but not limited to, the disclosure of all contributions, donations, loans or any other financial transactions to or from a gaming entity or operator in the past 5 years; and (vii) clear and convincing evidence of financial stability including, but not limited to, bank references, business and personal income and disbursement schedules, tax returns and other reports filed by government agencies and business and personal accounting check records and ledgers. The commission may require such other information as it considers appropriate including, but not limited to, information related to the financial integrity of the applicant and may require the applicant to submit other documentation it considers appropriate including, but not limited to, bank accounts and records, bank references, business and personal income and disbursement schedules, tax returns and other reports filed by government agencies and business and personal accounting check records and ledgers.

(c) No person shall manufacture, sell, distribute, test or repair slot machines, other than antique slot machines as defined in section 5A of chapter 271, without a valid gaming vendor license issued by the commission.

(d) All other suppliers or vendors who are not considered to be gaming vendors including, but not limited to, construction companies, vending machine providers, linen suppliers, garbage handlers, maintenance companies, limousine services, food purveyors or suppliers of alcoholic beverages, shall be considered non-gaming vendors and shall register with the commission and shall produce such information as the commission may require; provided, however, that the commission may require any vendor regularly conducting over \$250,000 of business with a gaming licensee within a 12-month period or \$100,000 of business within a 3-year period to be licensed as a gaming vendor.

(e) Any person owning more than 5 per cent of the common stock of a company required to be licensed as a gaming vendor, or a holding, intermediary or subsidiary company of such company, shall be required to file for licensure. The commission may waive the licensing requirements for institutional investors holding up to 15 per cent of the stock of the company, or holding, intermediary or subsidiary company of such company, upon a showing by the person seeking the waiver that the applicant purchased the securities for investment purposes only and does not have any intention to influence or affect the affairs or operations of the company or a holding, intermediary or subsidiary company of such company. Any institutional investor granted a waiver which subsequently determines to influence or affect the affairs or operations of the gaming vendor, or a holding, intermediary or subsidiary company of the gaming vendor, shall provide not less than 30 days notice to

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the commission of such intent and shall file an application and be subject to the licensing requirements of this chapter before taking any action that may influence or affect the affairs of the applicant company or a holding, intermediary or subsidiary company of the applicant company. Any company holding over 15 per cent of a gaming vendor, or a holding, intermediary or subsidiary company of a gaming vendor, shall be licensed under this chapter.

(f) If an applicant for a gaming vendor license or vendor or supplier registration is licensed or registered in another jurisdiction within the United States with comparable license and registration requirements and is in good standing in all jurisdictions in which it holds a license or registration, the commission may enter into a reciprocal agreement with the applicant to allow for an abbreviated licensing or registration process and issue a gaming vendor license or registration under this section; provided, however, that the commission shall reserve its rights to investigate the qualifications of an applicant at any time and may require the applicant to submit to a full application for a gaming vendor license or provide further information for registration.

(g) The bureau shall deny an application for a gaming vendor license or the registration of any other vendor or supplier if the bureau finds that the applicant or registrant is disqualified under section 16 or may be unsuitable for licensure under any of the criteria set forth in section 12.

(h) After completing an investigation of an applicant for a gaming vendor license, the bureau shall approve or deny the license. Any orders by the bureau denying an application under this section shall be accompanied with an explanation of the reasons that an applicant did not meet the qualifications for licensure under this section. An applicant for a gaming vendor license may request a hearing before the bureau to contest the findings. After the hearing, the applicant may appeal the decision of the bureau to the commission and the commission may hear the appeal on the record. The decision of the commission shall be final and an applicant for a gaming vendor license shall not be entitled to further review.

(i) The commission shall be authorized to condition, suspend or revoke any license or registration under this section if the commission finds that a licensee or registrant has: (i) been arrested or convicted of a crime; (ii) failed to comply with section 13; or (iii) failed to comply with any provision of this chapter pertaining to licensees.

(j) The commission shall establish a master gaming or non-gaming vendor list to monitor all vendor contracts with a gaming establishment. Any gaming or non-gaming vendor doing business with a gaming establishment who has failed to submit an application for licensure or registration shall be prohibited from engaging in any future business with a gaming establishment; provided, however, that the commission may terminate any contract that has been entered into with an unlicensed or unregistered gaming or non-gaming vendor.

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(k) Gaming licensees shall have a continuing duty to inform the commission of all vendor contracts.

(l) A license or registration issued under this section shall be issued for a term of 3 years. It shall be the responsibility of the gaming vendor or non-gaming vendor to ensure that the license is current.

(m) The commission shall establish fees for gaming vendor licenses and non-gaming vendor registrations which shall include costs incurred for conducting a background investigation into an applicant for the license.

(n) The commission shall monitor the conduct of all gaming vendors and other persons having a material involvement, directly or indirectly, with a gaming vendor to ensure that gaming vendor licenses are not issued to, or held by, and there is no direct or indirect material involvement with, a gaming vendor by unqualified, disqualified or unsuitable persons.

Section 32. (a) Each labor organization, union or affiliate seeking to represent employees who are employed at a gaming establishment shall register with the commission.

(b) Neither a labor organization, nor its officers who are not otherwise licensed or registered under this chapter, may hold any financial interest in a gaming establishment whose employees are represented by the organization.

Section 33. (a) No junkets may be organized or permitted and no person may act as a junket representative or junket enterprise except as authorized by the commission under this chapter.

(b) A junket representative employed by a gaming licensee or affiliate of a gaming licensee shall be licensed as a gaming employee, including provisions for the issuance of a temporary license; provided, however, that the junket representative need not be a resident of the commonwealth. A person who holds a valid gaming employee license may act as a junket representative while employed by a gaming licensee or an affiliate. No gaming licensee shall employ or otherwise engage a junket representative who is not licensed under this chapter.

(c) The commission shall deny an application for a license under this section if the commission finds that an applicant is disqualified under section 16 or may be unsuitable for licensure under any of the criteria set forth in section 12.

(d) Each gaming licensee, junket representative or junket enterprise shall file a report with the bureau with respect to each list of junket patrons or potential junket patrons purchased directly or indirectly by the gaming licensee, junket representative or junket enterprise.

(e) No junket enterprise or junket representative or person acting as a junket representative shall: (i) engage in efforts to collect upon checks that have been returned by banks without full and final payment; (ii) exercise approval authority with regard to the authorization or issuance of credit under this chapter; (iii) act on behalf of or under any arrangement with a

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gaming licensee or a gaming patron with regard to the redemption, consolidation or substitution of the gaming patron's checks awaiting deposit; (iv) individually receive or retain any fee from a patron for the privilege of participating in a junket; or (v) pay for any services, including transportation, or other items of value provided to, or for the benefit of, any patron participating in a junket.

Section 34. (a) Upon revocation or suspension of a gaming license or upon the failure or refusal to renew a gaming license, the commission may appoint a conservator to temporarily manage and operate the business of the gaming licensee relating to the gaming establishment. Such conservator shall be a person of similar experience in the field of gaming management and, in the case of replacing a gaming licensee, shall have experience operating a gaming establishment of similar caliber in another jurisdiction, and shall be in good standing in all jurisdictions in which the conservator operates a gaming establishment. Upon appointment, a conservator shall agree to all licensing provisions of the former gaming licensee.

(b) A conservator shall, before assuming managerial or operational duties, execute and file a bond for the faithful performance of its duties payable to the commission with such surety and in such form and amount as the commission shall approve.

(c) The commission shall require that the former or suspended gaming licensee purchase liability insurance, in an amount determined by the commission, to protect a conservator from liability for any acts or omissions of the conservator during the conservator's appointment which are reasonably related to and within the scope of the conservator's duties.

(d) During the period of temporary management of the gaming establishment, the commission shall initiate proceedings under this chapter to award a new gaming license to a qualified applicant whose gaming establishment shall be located at the site of the preexisting gaming establishment.

(e) An applicant for a new gaming license shall be qualified for licensure under this chapter; provided, however, that the commission shall determine an appropriate level of investment by an applicant into the preexisting gaming establishment.

(f) Upon award of a new gaming license, the new gaming licensee shall pay the original licensing fee required under this chapter.

Section 35. (a) The bureau may issue orders requiring persons to cease any activity which violates this chapter, a regulation adopted hereunder or any law related to gaming in the commonwealth. The bureau may, in its order, require compliance with such terms and conditions as are reasonably necessary to effectuate the purposes of this chapter.

(b) If the bureau finds that a person is not in compliance with any order issued under this section, it shall assess a civil administrative penalty. The penalty may be assessed whether or not the violation was willful.

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In determining the amount of the civil penalty, the bureau shall consider: (i) the nature of the violation; (ii) the length of time the violation occurred; (iii) the risk to the public and to the integrity of gaming operations created by the conduct of the person; (iv) the seriousness of the conduct of the person; (v) any justification or excuse for such conduct by the person; (vi) the prior history of the particular person involved with respect to gaming activity; (vii) any corrective action taken by the person to prevent future misconduct; and (viii) and other relevant factors.

(c) In addition to collecting any civil penalties recoverable under this chapter or any other general or special law, the bureau may bring an action in the superior court to restrain, prevent or enjoin any conduct prohibited by this chapter or to compel action to comply immediately and fully with any order issued by the bureau. Except in cases of emergency where, in the opinion of the court, immediate abatement of the unlawful conduct is required to protect the public interest, the court may in its decree fix a reasonable time during which the person responsible for the unlawful conduct may abate and correct the violation. The expense of the proceeding shall be recoverable from the subject of the proceeding.

(d) Upon a recommendation from the bureau, the commission shall issue orders to condition, suspend or revoke a license or permit issued under this chapter.

(e) The bureau shall issue an order to cease and desist any activity if the bureau finds that a licensee has engaged in or is about to engage in an act or practice which constitutes a violation of this chapter or any other laws of the commonwealth and may take such affirmative action to effectuate the order. If the bureau finds that the licensee is engaged in an act or practice that would cause irreparable harm to the security and integrity of the gaming establishment or the interests of the commonwealth in ensuring the security and integrity of gaming under this chapter, the bureau may issue a temporary suspension of the license.

(f) Any licensee who has been issued a temporary order of suspension by the bureau shall be entitled to a hearing before the commission on such suspension within 7 days after the order was issued. At the conclusion of the hearing, the commission may issue a final order to condition, suspend or revoke the license in question.

(g) A licensee shall have the right to an adjudicatory hearing on an order issued by the bureau under chapter 30A.

Section 36. (a) The bureau may assess a civil administrative penalty on a licensee or registrant who fails to comply with any provision of this chapter or any regulation or order adopted by the commission; provided, however, that the noncompliance shall have occurred after the bureau had given such person written notice of the noncompliance and the time stated in the notice for coming into compliance had elapsed; provided further, that the

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bureau may assess a penalty without providing written notice if the failure to comply: (i) was part of a pattern of noncompliance and not an isolated instance; (ii) was willful or neglectful and not the result of error; (iii) resulted in a significant breach to the integrity of the gaming establishment or gaming laws of the commonwealth; and (iv) consisted of failure to promptly report to the commission any knowledge of evidence or circumstances that would cause a reasonable person to believe that a violation of this chapter had been committed. The civil administrative penalty shall be in addition to any other civil penalty that may be prescribed by law.

(b) For the purpose of determining whether such noncompliance was part of a pattern of noncompliance and not an isolated instance, the bureau shall consider, without limitation: (i) whether the bureau had previously notified the person of such noncompliance on more than 1 occasion during the previous month or of any noncompliance with the same provision of a law, regulation, order, license or approval as the current noncompliance during the previous 6-month period; or (ii) whether the current and previous noncompliances, considered together, indicate a potential threat to the integrity of the gaming establishment and gaming in the commonwealth or an interference with the commission's ability to efficiently and effectively regulate gaming in the commonwealth and enforce any regulation, license or order. If a licensee or registrant who has received a notice of noncompliance fails to come into compliance within the time period stated in the notice, the civil administrative penalty may be assessed by the bureau upon the licensee or registrant from the date of receipt of such notice.

(c) Whenever the bureau seeks to assess a civil administrative penalty on a licensee or registrant, the bureau shall cause to be served upon the licensee or registrant, either by service in hand or by certified mail, return receipt requested, a written notice of its intent to assess a civil administrative penalty which shall include a concise statement of the alleged act or omission for which such civil administrative penalty is sought to be assessed, each law, regulation, order, license or approval which has not been complied with as a result of such alleged act or omission, the amount which the bureau seeks to assess as a civil administrative penalty for each alleged act or omission, a statement of the licensee's or registrant's right to an adjudicatory hearing on the proposed assessment, the requirements the licensee or registrant shall comply with to avoid being deemed to have waived the right to an adjudicatory hearing and the manner of payment thereof if the person elects to pay the penalty and waive an adjudicatory hearing. After written notice of noncompliance or intent to assess a civil administrative penalty has been given, each day thereafter during which noncompliance occurs or continues shall constitute a separate offense and shall be subject to a separate civil administrative penalty if reasonable efforts have not been made by the licensee or registrant to promptly come into compliance.

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(d) Whenever the bureau seeks to assess a civil administrative penalty on a licensee or registrant, the licensee or registrant shall have the right to an adjudicatory hearing under chapter 30A, the provisions of which shall apply except when they are inconsistent with the provisions of this chapter.

(e) A licensee or registrant shall be deemed to have waived its right to an adjudicatory hearing unless, within 21 days of the date of the bureau's notice that it seeks to assess a civil administrative penalty, the licensee or registrant files with the bureau a written statement denying the occurrence of any of the acts or omissions alleged by the bureau in the notice, or asserting that the amount of the proposed civil administrative penalty is excessive. In an adjudicatory hearing authorized under chapter 30A, the bureau shall, by a preponderance of the evidence, prove the occurrence of each act or omission alleged by the bureau.

(f) If a licensee or registrant waives the right to an adjudicatory hearing, the proposed civil administrative penalty shall be final immediately upon such waiver. If a civil administrative penalty is assessed at the conclusion of an adjudicatory hearing, the civil administrative penalty shall be final upon the expiration of 30 days if no action for judicial review of the decision is commenced under chapter 30A.

(g) A licensee or registrant who institutes proceedings for judicial review of the final assessment of a civil administrative penalty shall place the full amount of the final assessment in an interest-bearing escrow account in the custody of the clerk or magistrate of the reviewing court. The establishment of an interest-bearing escrow account shall be a condition precedent to the jurisdiction of the reviewing court unless the party seeking judicial review demonstrates in a preliminary hearing held within 20 days after the filing of the complaint either the presence of a substantial question for review by the court or an inability to pay. Upon such a demonstration, the court may grant an extension or waiver of the interest-bearing escrow account or may require, in lieu of such interest-bearing escrow account, the posting of a bond payable directly to the commonwealth in the amount of 125 per cent of the assessed penalty. If, after judicial review, in a case where the requirement for an escrow account has been waived, and in cases where a bond has been posted in lieu of such requirement, the court affirms, in whole or in part, the assessment of a civil administrative penalty, the commission shall be paid the amount thereof together with interest at the rate provided in section 6C of chapter 231. If, after such review in a case where an interest-bearing escrow account has been established, the court affirms the assessment of such penalty, in whole or in part, the commission shall be paid the amount thereof together with the accumulated interest in the interest-bearing escrow account. If the court sets aside the assessment of a civil administrative penalty in a case where the amount of such penalty has been deposited in an interest-bearing escrow

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account, the licensee or registrant on whom the civil administrative penalty was assessed shall be repaid the amount so set aside, together with the accumulated interest thereon.

(h) Each licensee or registrant who fails to timely pay a civil administrative penalty and each person who issues a bond under this section and who fails to timely pay to the commission the amount required hereunder, shall be liable to the commonwealth for up to 3 times the amount of the civil administrative penalty, together with costs, plus interest from the time the civil administrative penalty became final and attorneys' fees, including all costs and attorneys' fees incurred directly in the collection thereof. The rate of interest shall be the rate provided in section 6C of chapter 231. The bureau shall be authorized to require that the amount of a civil administrative penalty imposed under this section exceed any economic benefit realized by a person for noncompliance.

Section 37. (a) Whoever conducts or operates, or permits to be conducted or operated, any game or gaming device in violation of this chapter or the regulations adopted under this chapter shall be punished by imprisonment in the state prison for not more than 5 years or imprisonment in the house of correction for not more than 2½ years, or by a fine not to exceed \$25,000, or both, and in the case of a person other than a natural person, by a fine not to exceed \$100,000.

(b) Whoever employs, or continues to employ, an individual in a position, the duties of which require a license or registration under this chapter, who is not so licensed or registered, shall be punished by imprisonment in the house of correction for not more than 6 months or by a fine not to exceed \$10,000, or both, and in the case of a person other than a natural person, by a fine not to exceed \$100,000.

(c) Whoever works or is employed in a position, the duties of which require licensing or registration under this chapter, without the required license or registration, shall be punished by imprisonment in the house of correction for not more than 6 months or a fine not to exceed \$10,000, or both.

(d) A gaming licensee who, without the permission of the commission: (i) places a game or gaming device into play or displays a game or gaming device in a gaming establishment; or (ii) receives, directly or indirectly, any compensation or reward or any percentage or share of the revenue for keeping, running or carrying on a game, or owning the real property upon, or the location within which any game occurs, shall be punished by imprisonment in the house of correction for not more than 2½ years or by a fine not to exceed \$25,000, or both, and in the case of a person other than a natural person, by a fine not to exceed \$100,000.

(e) Whoever conducts or operates any game or gaming device after the person's gaming license has expired and prior to the actual renewal of the

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gaming license shall be punished by imprisonment in the house of correction for not more than 1½ years or a fine not to exceed \$25,000, or both, and in the case of a person other than a natural person, by a fine not to exceed \$100,000.

(f) A gaming licensee who knowingly fails to exclude from the licensee's gaming establishment any person placed by the commission on the list of excluded persons shall be punished by a fine not to exceed \$5,000 or by imprisonment in the house of correction for not more than 1 year, or both, and in the case of a person other than a natural person, by a fine not to exceed \$100,000.

(g) Whoever willfully: (i) fails to report, pay or truthfully account for and pay over a license fee or tax imposed by this chapter or by the regulations adopted under this chapter; or (ii) evades or defeats, or attempts to evade or defeat, a license fee or tax or payment of a license fee or tax shall be punished by imprisonment in the state prison for not more than 5 years or in the house of correction for not more than 2½ years or a fine not to exceed \$100,000, or both, and in the case of a person other than a natural person, by a fine not to exceed \$5,000,000.

Section 38. Whoever willfully resists, prevents, impedes, interferes with or makes any false, fictitious or fraudulent statement or representation to the bureau, commission or division or to agents or employees of the bureau, commission or division in the lawful performance of the agent's or employee's duties under this chapter shall be punished by imprisonment in the state prison for not more than 5 years or in the house of correction for not more than 2½ years or by a fine not to exceed \$25,000, or both.

Section 39. (a) Whoever, during a game in a gaming establishment, knowingly and by any trick or sleight of hand performance or by a fraud or fraudulent scheme, cards, dice or other gaming device, for himself, for another or for a representative of either: (i) wins, or attempts to win, money or property; or (ii) reduces, or attempts to reduce, a losing wager in a gaming establishment shall be guilty of cheating and swindling.

(b) Whoever knowingly uses a cheating and swindling device or game in a gaming establishment shall be guilty of cheating and swindling.

(c) Whoever commits the offense of cheating and swindling shall be punished as follows:

(i) if the value of the money, property or wager cheated and swindled is \$75,000 or more, by imprisonment in the state prison for not more than 10 years or in the house of correction for not more than 2½ years or by a fine not to exceed \$1,000,000, or both, and in the case of a person other than a natural person, by a fine not to exceed \$10,000,000;

(ii) if the value of the money, property or wager cheated and swindled is \$10,000 or more but less than \$75,000, by imprisonment in the state prison for not more than 5 years or in the house of correction for not more than 2½ years

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or by a fine not to exceed \$500,000, or both, and in the case of a person other than a natural person, by a fine not to exceed \$5,000,000;

(iii) if the value of the money, property or wager cheated and swindled is \$1,000 or more but less than \$10,000, by imprisonment in the state prison for not more than 3 years or in the house of correction for not more than 2½ years or by a fine not to exceed \$100,000, or both, and in the case of a person other than a natural person, by a fine not to exceed \$1,000,000;

(iv) if nothing of value was obtained in violation of this subsection or if the value of the money, property or wager cheated and swindled is less than \$1,000, by imprisonment in the house of correction for not more than 2½ years or by a fine not to exceed \$10,000, or both, and in the case of a person other than a natural person, by a fine not to exceed \$100,000.

(d) Each episode or transaction of swindling and cheating may be the subject of a separate prosecution and conviction. In the discretion of the commonwealth, multiple episodes or transactions of swindling and cheating committed as part of a single scheme or course of conduct may be treated as a single offense and the amounts involved in acts of swindling and cheating committed according to a scheme or course of conduct, whether by the same person or several persons, may be aggregated in determining the value of money, property or wager involved in the offense.

(e) A gaming licensee, or an employee of a gaming licensee, who, in a gaming establishment, knowingly: (i) conducts or operates any game using a cheating and swindling device or game; (ii) displays for play a cheating and swindling game; or (iii) permits to be conducted, operated or displayed, any cheating and swindling device or game shall be punished by imprisonment in the state prison for not more than 5 years or imprisonment in the house of correction for not more than 2½ years, or by a fine not to exceed \$25,000, or both, and in the case of a person other than a natural person, by a fine not to exceed \$100,000.

Section 40. (a) Whoever possesses a cheating and swindling device or game, with the intent to defraud, cheat or steal, shall be punished by imprisonment in the house of correction for not more than 2½ years or by a fine not to exceed \$10,000, or both, and in the case of a person other than a natural person, by a fine not to exceed \$100,000.

(b) Possession of a cheating and swindling device or game within a gaming establishment shall constitute prima facie evidence of an intent to defraud, cheat or steal, except possession by a gaming licensee or an employee of a gaming licensee, acting lawfully in furtherance of such person's employment within the gaming establishment, and shall be punished by imprisonment in the house of correction for not more than 2½ years or a fine not to exceed \$10,000, or both.

Section 41. Whoever manufactures, distributes, sells or services a gaming device, in violation of this chapter or regulations adopted under this

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chapter and for the purpose of defrauding, cheating or stealing from a person playing, operating or conducting a game in a gaming establishment, shall be punished by imprisonment in the state prison for not more than 5 years or imprisonment in the house of correction for not more than 2½ years or by a fine not to exceed \$25,000, or both, and in the case of a person other than a natural person, by a fine not to exceed \$150,000.

Section 42. Any device, game or gaming device possessed, used, manufactured, distributed, sold or serviced in violation of this chapter shall be subject to seizure and forfeiture by the division or bureau. Forfeiture proceedings shall be conducted as provided in subsections (b) to (j), inclusive, of section 47 of chapter 94C. For purposes of subsection (d) of said section 47 of said chapter 94C, the commission shall be considered a police department and shall be entitled to a police department's distribution of forfeiture proceedings.

Section 43. (a) Whoever, being under 21 years old, plays, places wagers at or collects winnings from, whether personally or through an agent, a game in a gaming establishment shall be punished by a fine not to exceed \$1,000.

(b) Whoever, being a gaming licensee or an employee of a gaming licensee, who knowingly allows a person under the age of 21 to play, place wagers at, or collect winnings from a game in a gaming establishment, whether personally or through an agent, shall be punished, for a first offense, by imprisonment in the house of correction for not more than 1 year or a fine not to exceed \$10,000, or both, and in the case of a person other than a natural person, by a fine not to exceed \$500,000 and, for a second or subsequent offense, by imprisonment in the house of correction for not more than 2 years or a fine not to exceed \$50,000, or both, and in the case of a person other than a natural person, by a fine not to exceed \$1,000,000.

(c) Whoever knowingly plays, places wagers at or collects winnings from a game in a gaming establishment for or on behalf of a person under 21 years of age shall be punished by imprisonment in a house of correction for not more than 6 months or by a fine of not more than \$1,000 or both.

Section 44. All penalties collected under this chapter shall be deposited into the Gaming Revenue Fund established in section 59.

Section 45. (a) The commission, by regulation, shall provide for the establishment of a list of excluded persons who are to be excluded from a gaming establishment. In determining the list of excluded persons, the commission may consider, but shall not be limited to: (i) whether a person has been convicted of a criminal offense under the laws of any state or the United States that is punishable by more than 6 months in a state prison, a house of correction or any comparable incarceration, a crime of moral turpitude or a violation of the gaming laws of any state; (ii) whether a person has violated or conspired to violate this chapter relating to: (A) failure to disclose an interest in a gaming establishment for which the person is required to obtain

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a license; or (B) willful evasion of fees or taxes; (iii) whether a person has a notorious or unsavory reputation which would adversely affect public confidence and trust that the gaming industry is free from criminal or corruptive elements; and (iv) the potential of injurious threat to the interests of the commonwealth in the gaming establishment.

(b) No person shall be placed on the list of excluded persons due to race, color, religion, national origin, ancestry, sexual orientation, disability or sex.

(c) The commission may revoke, limit, condition, suspend or fine a gaming establishment if such establishment knowingly or recklessly fails to exclude or eject from its premises any person placed by the commission on the list of excluded persons.

(d) Whenever the commission places a name on the list of excluded persons, the commission shall serve written notice upon that person by personal service, registered or certified mail return receipt requested to the last ascertainable address or by publication in a daily newspaper of general circulation for 1 week.

(e) (1) Within 30 days of receipt of service by mail or 60 days after the last publication under subsection (d), a person placed on the list of excluded persons may request an adjudicatory hearing before the commission under chapter 30A and show cause as to why the person should be removed from the list of excluded persons. Failure to demand a hearing within the time allotted in this section shall preclude the person from having an administrative hearing, but shall not affect the person's right to petition for judicial review.

(2) Upon receipt of a demand for hearing, the commission shall set a time and place for the hearing. This hearing shall be held not later than 30 days after receipt of the demand for the hearing, unless the time of the hearing is changed by agreement of the commission and the person demanding the hearing.

(3) If upon completion of the hearing the commission determines that the person was wrongfully placed on the list of excluded persons, the commission shall remove the person's name from the list of excluded persons and notify all gaming licensees. A person aggrieved by a final decision of the commission in an adjudicatory proceeding under this section may petition for judicial review under section 14 of chapter 30A.

(f) The commission shall establish a list of self-excluded persons from gaming establishments. A person may request such person's name to be placed on the list of self-excluded persons by filing a statement with the commission acknowledging that the person is a problem gambler and by agreeing that, during any period of voluntary exclusion, the person shall not collect any winnings or recover any losses resulting from any gaming activity at a gaming establishment. The commission shall adopt further regulations, under section

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5, for the self-excluded persons list including procedures for placement, removal and transmittal of such list to gaming establishments. The commission may revoke, limit, condition, suspend or fine a gaming establishment if the establishment knowingly or recklessly fails to exclude or eject from its premises any person placed on the list of self-excluded persons.

(g) Gaming establishments shall not market to persons on any excluded persons list and shall deny access to complimentary, check cashing privileges, club programs and other similar benefits to persons on the self-excluded persons list.

(h) Notwithstanding any other general or special law to the contrary, the self-excluded persons list shall not be open to public inspection. Nothing in this section, however, shall prohibit a gaming establishment from disclosing the identity of persons on the self-excluded persons list under this section to affiliated gaming establishments in this commonwealth or other jurisdictions for the limited purpose of assisting in the proper administration of responsible gaming programs operated by affiliated gaming establishments.

(i) As used in this subsection the following words shall have the following meanings unless the context clearly requires otherwise:

(1) "Immediate family", the spouse, parent, child, brother or sister of an individual.

(2) "Problem gambler", a person who chronically or habitually gambles to the extent that such gambling substantially interferes with the person's social or economic functioning or that the person has lost the power of self control over that person's gambling.

An immediate family member or guardian may petition, in writing, a district court for an order of exclusion from gaming establishments applicable to a person whom the petitioner has reason to believe is a problem gambler. Upon receipt of a petition for an order of exclusion of a person and any sworn statements the court may request from the petitioner, the court shall immediately schedule a hearing on the petition and shall cause a summons and a copy of the petition to be served upon the person as provided in section 25 of chapter 276. The person may be represented by legal counsel and may present independent expert or other testimony. The court shall order examination by a qualified psychologist. If after a hearing the court based upon competent testimony finds that the person is a problem gambler and there is a likelihood of serious harm as a result of the person's gambling, the court may order that such person be prohibited from gaming in gaming establishments. The court shall communicate this order to the commission, which shall place the person's name on the list of excluded persons.

(j) A person who is prohibited from gaming in a gaming establishment under this section shall not collect any winnings or recover losses arising as a result of prohibited gaming winnings obtained by a person who is prohibited

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from gaming in a gaming establishment and such winnings shall be forfeited to the commission and deposited into the Gaming Revenue Fund.

(k) The commission shall pursue an interstate compact for the purposes of sharing information regarding the excluded persons list.

Section 46. No applicant for a gaming license, nor any holding, intermediary or subsidiary company thereof, nor any officer, director, key gaming employee or principal employee of an applicant for a gaming license or of any holding, intermediary or subsidiary company thereof nor any person or agent on behalf of any such applicant, company or person, shall directly or indirectly, pay or contribute any money or thing of value to: (i) an individual who holds a municipal, county or state office; (ii) any candidate for nomination or election to any public office in the commonwealth, including a municipal office; or (iii) any group, political party, committee or association organized in support of any such candidate or political party; provided, however, that the provisions of this section shall not prohibit an individual who is a candidate for public office from contributing to the candidate's own campaign.

Section 47. All political contributions or contributions in kind made by an applicant for a gaming license to a municipality or a municipal employee, as defined in section 1 of chapter 268A, of the host community of the applicant's proposed gaming establishment shall be disclosed by the applicant to the commission and the city or town clerk of the host community. Such disclosure shall be made by the applicant biannually, on or before July 15 for the period covering January 1 to June 30, inclusive, of that year and on or before January 15 for the period covering July 1 to December 31, inclusive, of the preceding year. The office of campaign and political finance shall promulgate regulations to provide for timely and expeditious public reporting, which shall include electronic means or public posting in a city or town hall and post office, by city and town clerks of the contribution disclosures they receive from applicants.

Section 48. A gaming licensee shall be subject to chapters 62 to 62E, inclusive, and chapters 63 to 63E, inclusive.

Section 49. (a) A gaming establishment, including any business located within a gaming establishment, shall not be a certified project within the meaning of section 3F of chapter 23A. Gaming establishments shall not be designated as economic opportunity areas within the meaning of section 3E of said chapter 23A. Gaming establishments shall not be eligible for tax increment financing under section 59 of chapter 40 or special tax assessments set forth in section 3E of said chapter 23A. Gaming establishments shall not be classified and taxed as recreational land under chapter 61B. Gaming establishments shall not be designated as development districts within the meaning of chapter 40Q.

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(b) Unless otherwise provided, a gaming establishment or a business located or to be located within a gaming establishment shall not be eligible for the following credits or deductions listed in chapter 62 or chapter 63: the investment tax credit under section 31A of chapter 63, the employment credit under section 31C of said chapter 63, the van pool credit under section 31E of said chapter 63, the deduction for expenditures for industrial waste treatment or air pollution control under section 38D of said chapter 63, the deduction for compensation paid to an eligible business facility's employees domiciled in a section of substantial poverty under section 38F of said chapter 63, the film tax credit under subsection (l) of section 6 of chapter 62 and section 38X of said chapter 63, the alternative energy sources deduction under section 38H of said chapter 63, the research expense credit under section 38M of said chapter 63, the economic opportunity area credit under subsection (g) of said section 6 of said chapter 62 and section 38N of said chapter 63, the abandoned building deduction under subparagraph (10) of subsection (a) of Part B of section 3 of said chapter 62 and section 38O of said chapter 63, the harbor maintenance tax credit under section 38P of said chapter 63, the brownfields credit under subsection (j) of said section 6 of said chapter 62 and section 38Q of said chapter 63, the historic rehabilitation tax credit under section 6J of said chapter 62 and section 38R of said chapter 63 and the automatic sprinkler system depreciation deduction under section 38S of said chapter 63.

Section 50. Any liability to the commonwealth under this chapter shall constitute a debt to the commonwealth. Once a statement naming a gaming licensee is recorded, registered or filed, any such debt shall constitute a lien on all commercial property owned by a gaming licensee in the commonwealth and shall have priority over an encumbrance recorded, registered or filed with respect to any site.

Section 51. (a) Prior to disbursement of cash or a prize in excess of \$600, a gaming licensee shall review information made available by the IV-D agency, as set forth in chapter 119A and by the department of revenue to ascertain whether the winner of the cash or prize owes past-due child support to the commonwealth or to an individual to whom the IV-D agency is providing services and to ascertain whether the winner of the cash or prize owes any past-due tax liability to the commonwealth.

(b) If the winner of the cash or prize owes past-due child support or has a past-due tax liability, the gaming licensee shall notify the IV-D agency or the commonwealth, respectively, of the winner's name, address and social security number. Subsequent to statutory state and federal tax withholding, the gaming licensee shall first disburse to the IV-D agency the full amount of the cash or prize or such portion of the cash or prize that satisfies the winner's past-due child support obligation.

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(c) If funds remain available after the disbursement to the IV-D agency or if no such obligation to the IV-D agency is owed, the gaming licensee shall disburse to the department of revenue the full amount of the cash or prize or such portion of the cash prize that satisfies the winner's past-due tax liability. The licensee shall disburse to the holder only that portion of the prize, if any, remaining after the holder's past-due child support obligation and the holder's past-due tax liability have been satisfied.

Section 52. Gaming licensees shall, on a monthly basis, transmit to the department of transitional assistance and to the IV-D agency, as set forth in chapter 119A, a list of all persons who were awarded cash winnings or a prize in excess of \$600 in the prior month. The information shall be provided in a format which is compatible with the automated data processing systems of the department and the IV-D agency to ensure the immediate identification of persons who may be receiving public assistance benefits. The information provided shall include the name, address and social security number of the person who was awarded the cash or prize valued in excess of \$600.

Section 53. Unclaimed cash and prizes shall be retained by the gaming licensee for the person entitled to the cash or prize for 1 year after the game in which the cash or prize was won. If no claim is made for the cash or prize within 1 year, the cash or equivalent cash value of the prize shall be deposited in the Gaming Revenue Fund established in section 59.

Section 54. If the person entitled to the cash or prize is under 21 years of age, the cash or prize shall be remitted to the commission and deposited into the Gaming Revenue Fund established in section 59.

Section 55. (a) A category 1 licensee shall pay a daily tax of 25 per cent on gross gaming revenues.

(b) A category 2 licensee shall pay a daily tax of 40 per cent on gross gaming revenue.

(c) In addition to the tax imposed under subsection (b), a category 2 licensee shall pay a daily assessment of 9 per cent of its gross gaming revenue to the Race Horse Development Fund established in section 60.

(d) Taxes imposed under this section shall be remitted to the commission by a gaming licensee the day following each day of wagering.

Section 56. (a) In addition to any other tax or fee imposed by this chapter, there shall be imposed an annual license fee of \$600 for each slot machine approved by the commission for use by a gaming licensee at a gaming establishment; provided, however, that not sooner than 5 years after award of an original gaming license, the commission may annually adjust the fee for inflation. The fee shall be imposed as of July 1 of each year for all approved slot machines on that date and shall be assessed on a pro rata basis for any slot machine approved for use thereafter.

(b) The commission shall establish fees for any investigation into a violation of this chapter or regulation promulgated hereunder by a gaming

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licensee to be paid by the gaming licensee including, but not limited to, billable hours by commission staff involved in the investigation and the costs of services, equipment or other expenses that are incurred by the commission during the investigation.

(c) Any remaining costs of the commission necessary to maintain regulatory control over gaming establishments that are not covered by: (i) the fees set forth in subsections (a) and (b); (ii) any other fees assessed under this chapter; or (iii) any other designated sources of funding, shall be assessed annually on gaming licensees under this chapter in proportion to the number of gaming positions at each gaming establishment. Each gaming licensee shall pay the amount assessed against it within 30 days after the date of the notice of assessment from the commission.

(d) If the fees collected in subsections (a) and (b) exceed the cost required to maintain regulatory control, the surplus funds shall be credited in proportional shares against each gaming licensee's next assessment.

(e) In addition to the fees collected under this section and any additional costs of the commission, the commission shall assess an annual fee of not less than \$5,000,000 in proportional shares against each gaming licensee in proportion to the number of gaming positions at each gaming establishment for the costs of service and public health programs dedicated to addressing problems associated with compulsive gambling or other addiction services. Such assessed fees shall be deposited into the Public Health Trust Fund established in section 58.

(f) All fees and assessments collected under this section, except those collected under subsection (e), shall be deposited into the Gaming Control Fund established in section 57.

Section 57. (a) There shall be established and set up on the books of the commonwealth a separate fund to be known as the Massachusetts Gaming Control Fund. The commission shall be the trustee of the fund and shall expend monies to finance operational activities of the commission. The fund shall be credited any appropriations, bond proceeds or other monies authorized by the general court and specifically designated to be credited thereto, the proceeds of the assessments levied under section 56, initial application fees for licenses issued under this chapter and such additional funds as are subject to the direction and control of the commission. All available monies in the fund that are unexpended at the end of each fiscal year shall not revert to the General Fund and shall be available for expenditure in the subsequent fiscal year. Any funds unexpended in any fiscal year for the purposes of which such assessments were made shall be credited against the assessment to be made in the following fiscal year and the assessment in the following fiscal year shall be reduced by any such unexpended amount. The commission shall record all expenditures made by subsidiary on the

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Massachusetts management and accounting reporting system according to regulations established by the state comptroller.

(b) The commission shall, for the purposes of compliance with state finance law, operate as a state agency as defined in section 1 of chapter 29 and shall be subject to the provisions applicable to agencies under the control of the governor including, but not limited to, chapters 7, 7A, 10 and 29; provided, however, that the comptroller may identify any additional instructions or actions necessary for the commission to manage fiscal operations in the state accounting system and meet statewide and other governmental accounting and audit standards. Unless otherwise exempted by law or the applicable central service agency, the commission shall participate in any other available commonwealth central services including, but not limited, to the state payroll system under section 31 of said chapter 29 and may purchase other goods and services provided by state agencies in accordance with comptroller provisions. The comptroller may chargeback the commission for the transition and ongoing costs for participation in the state accounting and payroll systems and may retain and expend such costs without further appropriation for the purposes of this section. The commission shall be subject to section 5D of chapter 29 and subsection (f) of section 6B of chapter 29.

The commission shall annually submit a finance plan to the secretary of administration and finance, the chairs of the house and senate committees on ways and means and the chairs of the joint committee on economic development and emerging technologies.

Section 58. There is hereby established and set up on the books of the commonwealth a separate fund to be known as the Public Health Trust Fund. The fund shall consist of fees assessed under section 56 and all other monies credited or transferred to the fund from any other source under law. The secretary of health and human services shall be the trustee of the fund and may only expend monies in the fund, without further appropriation, to assist social service and public health programs dedicated to addressing problems associated with compulsive gambling including, but not limited to, gambling prevention and addiction services, substance abuse services, educational campaigns to mitigate the potential addictive nature of gambling and any studies and evaluations necessary, including the annual research agenda under section 71, to ensure the proper and most effective strategies.

Section 59. There shall be established and set up on the books of the commonwealth a Gaming Revenue Fund which shall receive revenues collected from the tax on gross gaming revenue received from gaming licensees. The commission shall be the trustee of the fund and shall transfer monies in the fund as follows:

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(1) 100 per cent of the revenue received from a category 2 licensee shall be transferred to the Gaming Local Aid Fund established in section 63; and

(2) 100 per cent of the revenue received from a category 1 licensee shall be transferred as follows:

(a) 2 per cent of revenues to the Massachusetts cultural council of which one-quarter of the revenues received shall be dedicated to the organization support program of the Massachusetts cultural council and three-quarters of revenues shall be dedicated to support not-for-profit and municipally-owned performing arts centers impacted as a result of the operation of gaming facilities; provided, however, that funds dedicated to such performing arts centers shall be to subsidize fees paid to touring shows or artists; and provided further, that funding shall be appropriated through a competitive grant process to be developed and administered by the Massachusetts cultural council;

(b) 1 per cent to the Massachusetts Tourism Fund to fund tourist promotion agencies under clause (c) of section 35J of chapter 10;

(c) 6.5 per cent to the Community Mitigation Fund established in section 61;

(d) 4.5 per cent to the Local Capital Projects Fund, established in section 28EEE of chapter 29;

(e) 20 per cent to the Gaming Local Aid Fund, established in section 63;

(f) 10 per cent to the Commonwealth Stabilization Fund established in section 2H of chapter 29; provided, however, that in any fiscal year in which the amount appropriated in line-item 7061-0008 of the general appropriation act, paid from the General Fund, or the amount of unrestricted general government aid paid from the General Fund, including lottery aid distribution to cities and towns as paid from the General Fund under clause (c) of the second paragraph of section 35 of said chapter 10 and the amount of additional funds distributed to cities and towns as additional assistance paid from the General Fund, is less than that of the previous fiscal year, up to 1/2 of the funds otherwise directed to the Commonwealth Stabilization Fund under this section, up to an amount equal to the deficiency between said appropriations for the current and previous fiscal years, shall be transferred to the Gaming Local Aid Fund in addition to the 25 per cent under clause (e);

(g) 14 per cent to the Education Fund established in section 64;

(h) 9.5 per cent to the Gaming Economic Development Fund established in section 2DDDD of said chapter 29;

(i) 10 per cent shall be used for debt reduction through a program of debt defeasance and accelerated debt payments; provided, however, that this program shall be developed jointly by the state treasurer and the secretary of administration and finance and shall be implemented in compliance with state finance law; provided further, that this program shall prioritize the

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reduction of risk in the commonwealth's debt portfolio, but may also include payments to decrease the unfunded pension liability of the Pension Reserves Investment Trust Fund; and provided further, that the secretary of administration and finance and the state treasurer shall provide a written description of the program to the finance advisory board established in section 97 of chapter 6 for the board's review and comment before the program is implemented and shall file a copy of that description with the house and senate committees on ways and means and the house and senate committees on bonding, capital expenditures and state assets when it is submitted to the finance advisory board;

(j) 15 per cent to the Transportation Infrastructure and Development Fund established in section 62;

(k) 5 per cent to the Public Health Trust Fund established in section 58; and

(l) 2.5 per cent to the Race Horse Development Fund established in section 60.

Section 60. (a) There shall be established and set up on the books of the commonwealth a Race Horse Development Fund to be administered by the commission. The fund shall consist of monies deposited under subsection (c) of section 55. The commission shall make distributions from the Race Horse Development Fund to each licensee under chapter 128A.

(b) There shall be a horse racing committee consisting of 5 members, 1 of whom shall be the governor or the governor's designee who shall serve as chair, 1 of whom shall be the treasurer and receiver general or the treasurer's designee, 1 of whom shall be the chair of the commission or the chair's designee, 1 of whom shall be appointed by the New England Horsemen's Benevolent & Protective Association and the Massachusetts Thoroughbred Breeding Program and 1 of whom shall be appointed by the Harness Horseman's Association of New England and the Massachusetts Standardbred Breeding Program. The horse racing committee shall make recommendations on how the funds received in subsection (a) shall be distributed between thoroughbred and standardbred racing facilities to support the thoroughbred and standardbred horse racing industries under this section. In making its recommendations, the committee shall consider certain criteria including, but not limited to: (i) the average purses awarded at thoroughbred and standardbred racing facilities; (ii) the total employment numbers, both direct and indirect, attributable to each horse racing industry; (iii) the relative needs of each horse racing industry for increased purses; (iv) the amount of the live racing handle generated by each horse racing industry; and (v) the number of breeding and training farms of each industry that are located in the commonwealth. The committee shall submit distribution recommendations to the clerks of the senate and house of representatives not later than 30 days before submitting the recommendations to the commission for final approval. The commission

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shall only change the distribution percentage upon a recommendation by the committee.

(c) Funds received from the Race Horse Development Fund shall be distributed between thoroughbred and standardbred accounts, as approved by the commission, as follows:

(i) 80 per cent of the funds approved by the commission shall be deposited weekly into a separate, interest-bearing purse account to be established by and for the benefit of the horsemen; provided, however, that the earned interest on the account shall be credited to the purse account; and provided further, that licensees shall combine these funds with revenues from existing purse agreements to fund purses for live races consistent with those agreements with the advice and consent of the horsemen;

(ii) 16 per cent of the funds approved by the commission shall be deposited as follows: (A) for a thoroughbred track, into the Massachusetts Thoroughbred Breeding Program authorized by the commission; or (B) for a standardbred track, into the Massachusetts Standardbred Breeding Program authorized by the commission;

(iii) 4 per cent shall be used to fund health and pension benefits for the members of the horsemen's organizations representing the owners and trainers at a horse racing facility for the benefit of the organization's members, their families, employees and others under the rule and eligibility requirements of the organization, as approved by the commission; provided, however, that this amount shall be deposited within 5 business days of the end of each month into a separate account to be established by each respective horsemen's organization at a banking institution of its choice; and provided further, that of this amount, the commission shall determine how much shall be paid annually by the horsemen's organization to the thoroughbred jockeys or standardbred drivers organization at the horse racing facility for health insurance, life insurance or other benefits to active and disabled thoroughbred jockeys or standardbred drivers under the rules and eligibility requirements of that organization.

Section 61. (a) There shall be established and set up on the books of the commonwealth a separate fund to be known as the Community Mitigation Fund. The fund shall consist of monies transferred under section 59 and all other monies credited or transferred to the fund from any other fund or source.

(b) The commission shall administer the fund and, without further appropriation, shall expend monies in the fund to assist the host community and surrounding communities in offsetting costs related to the construction and operation of a gaming establishment including, but not limited to, communities and water and sewer districts in the vicinity of a gaming establishment, local and regional education, transportation, infrastructure, housing, environmental issues and public safety, including the office of the county district attorney, police, fire and emergency services. The commission

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may, at its discretion, distribute funds to a governmental entity or district other than a single municipality in order to implement a mitigation measure that affects more than 1 municipality; provided, however, that such entity or district shall submit a written request for funding in the same manner as a municipality would be required to submit such a request under subsection (c).

(c) Parties requesting appropriations from the fund shall submit a written request for funding to the commission before February 1 of each year. The commission may hold a public hearing in the region of a gaming establishment to provide parties with the opportunity to provide further information about their request for funds and shall distribute funds to requesting parties based on demonstrated need.

Section 62. There shall be established and set up on the books of the commonwealth a fund to be known as the Transportation Infrastructure and Development Fund. The fund shall consist of monies transferred from the Gaming Revenue Fund and all other monies credited or transferred to the fund from any other fund or source and proceeds from the investment of such funds. The secretary of transportation shall be the trustee of this fund; provided, however, that no funds shall be expended until the secretary of administration and finance has provided written approval annually of a proposed spending plan. Any expenditures from this fund shall be solely for the purpose of transportation and related infrastructure projects including but not limited to, transit expansion and maintenance; provided, however, that not less than 50 per cent of such expenditures shall be dedicated for the purpose of supplementing, and not offsetting, any expenditures made for the construction and reconstruction of municipal ways as described in clause (b) of the second paragraph of section 4 of chapter 6C.

Section 63. There shall be established and set up on the books of the commonwealth a fund to be known as the Gaming Local Aid Fund. The fund shall consist of monies transferred under section 59 and all monies credited or transferred to the fund from any other fund or source and shall be subject to appropriation. Funds shall be distributed to cities and towns in accordance with the formula used to determine the distribution of unrestricted general government aid under section 3 of the general appropriation act. Monies from the fund shall be used in addition to the balance of the State Lottery Fund for distribution to cities and towns under clause (c) of the second paragraph of section 35 of chapter 10 and any monies so distributed shall be considered part of general revenue sharing aid for purposes of annual aid and contribution requirements established pursuant to chapter 70 or section 3 of the annual general appropriation act.

Section 64. There shall be established and set up on the books of the commonwealth a fund to be known as the Education Fund. The fund shall be credited any monies transferred under section 59 and all monies credited to or transferred to the fund from any other fund or source. Expenditures from the

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fund shall be subject to appropriation; provided, however, that 35 per cent of the funds received shall be appropriated for the purposes of higher education to supplement, not offset, any reduction in the general appropriation act from the previous fiscal year; and provided further, that any expenditures from the fund for K-12 education shall be used to supplement, and not offset, any reduction in line-item 7061-0008 of the general appropriation act from the previous fiscal year's general appropriation act.

Section 65. The commission shall audit as often as the commission determines necessary, but not less than annually, the accounts, programs, activities, and functions of all gaming licensees. To conduct the audit, authorized officers and employees of the commission shall have access to such accounts at reasonable times and the commission may require the production of books, documents, vouchers and other records relating to any matter within the scope of the audit, except tax returns. The superior court shall have jurisdiction to enforce the production of records that the commission requires to be produced under this section and the court shall order the production of all such records within the scope of any such audit. All audits shall be conducted in accordance with generally accepted auditing standards established by the American Institute of Certified Public Accountants. In any audit report of the accounts, funds, programs, activities and functions of a gaming licensee issued by the commission containing adverse or critical audit results, the commission may require a response, in writing, to the audit results. The response shall be forwarded to the commission within 15 days of notification by the commission.

On or before April 1 of each year, the commission shall submit a report to the clerks of the house of representatives and the senate who shall forward the report to the house and senate committees on ways and means which shall include, but not be limited to: (i) the number of audits performed under this section; (ii) a summary of findings under the audits; and (iii) the cost of each audit.

Section 66. Unless the commission otherwise determines it to be in the best fiscal interests of the commonwealth, the commission shall utilize the services of an independent testing laboratory that has been qualified and approved by the commission pursuant to this chapter to perform the testing of slot machines and other gaming equipment and may also utilize applicable data from the independent testing laboratory, or from a governmental agency of a state other than the commonwealth, authorized to regulate slot machines and other gaming equipment.

Section 67. The commission shall continue to evaluate the status of Indian tribes in the commonwealth including, without limitation, gaining federal recognition or taking land into trust for tribal economic development. The commission shall evaluate and make a recommendation to the governor and the chairs of the joint committee on economic development and emerging

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technologies as to whether it would be in the best interest of the commonwealth to enter into any negotiations with those tribes for the purpose of establishing Class III gaming on tribal land.

Section 68. (a) There shall be a gaming policy advisory committee to consist of the governor or the governor's designee, who shall serve as chair, the commission chair, 2 members of the senate of whom 1 shall be appointed by minority leader, 2 members of the house of representatives of whom 1 shall be appointed by the minority leader, the commissioner of public health or the commissioner's designee and 8 persons to be appointed by the governor, of whom 3 shall be representatives of gaming licensees, 1 shall be a representative of a federally recognized Indian tribe in the commonwealth, 1 shall be a representative of organized labor and 3 shall be appointed from the vicinity of each gaming establishment, as defined by the host community and surrounding communities, upon determination of the licensee and site location by the commission. The committee shall designate subcommittees to examine community mitigation, compulsive gambling and gaming impacts on cultural facilities and tourism. Members of the committee shall serve for 2-year terms. The committee shall meet at least once annually for the purpose of discussing matters of gaming policy. The recommendations of the committee concerning gaming policy made under this section shall be advisory and shall not be binding on the commission.

(b) There shall be a subcommittee on community mitigation under the gaming policy advisory committee consisting of 12 members, 1 of whom shall be appointed from the host community in region A, 1 of whom shall be appointed from the host community in region B, 1 of whom shall be appointed from the host community in region C, 1 of whom shall be a representative from the department of revenue's division of local services, 1 of whom shall be a representative of the commission, 3 of whom shall be appointed by the governor, of whom 1 shall have professional experience in community mitigation related to gaming, 1 shall be a small business owner in a host community and 1 shall be a representative from a chamber of commerce serving a host community who shall be chosen from a list of 3 candidates selected by the chambers of commerce in the surrounding communities, 1 of whom shall represent the local community mitigation advisory committee in region A, 1 of whom shall represent the local mitigation advisory committee in region B, 1 of whom shall represent the local mitigation advisory committee in region C and 1 of whom shall be a representative from the Massachusetts Municipal Association. The subcommittee shall develop recommendations to be considered by the commission to address issues of community mitigation as a result of the development of gaming establishments in the commonwealth including, but not limited to, how funds may be expended from the Community Mitigation Fund, the impact of gaming establishments on the host community and surrounding communities including, but not limited to, the impact on local resources as a result of new housing

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construction and potential necessary changes to affordable housing laws, increased education costs and curriculum changes due to population changes in the region, development and maintenance of infrastructure related to increased population and utilization in the region and public safety impacts resulting from the facility and ways to address that impact. The subcommittee shall receive input from local community mitigation advisory committees. The subcommittee shall review annually the expenditure of funds from the Community Mitigation Fund and make recommendations to the commission relative to appropriate and necessary use of community mitigation funds. The commission may promulgate such regulations as advised by the subcommittee; provided, however, that the commission shall submit proposed final regulations to the subcommittee for comment 30 days before promulgation.

(c) There shall be a subcommittee on addiction services under the gaming policy advisory committee consisting of 5 members, 1 of whom shall be a representative from the department of public health's bureau of substance abuse services; 1 of whom shall be a representative from the Massachusetts Council on Compulsive Gambling, Inc., 1 of whom shall be a representative of the commission and 2 of whom shall be appointed by the governor with professional experience in the area of gambling addictions. The subcommittee shall develop recommendations for regulations to be considered by the commission in addressing issues related to addiction services as a result of the development of gaming establishments in the commonwealth including, but not limited to, prevention and intervention strategies.

(d) There shall be a subcommittee on public safety under the gaming policy advisory committee consisting of 7 members, 1 of whom shall be a member of the commission, 1 of whom shall be the secretary of public safety or the secretary's designee, 1 of whom shall be the attorney general or the attorney general's designee, 1 of whom shall be a representative from the Massachusetts District Attorneys Association, 1 of whom shall be the colonel of state police or the colonel's designee, 1 of whom shall be a representative from the Massachusetts Chiefs of Police Association and 1 of whom shall be a representative of a public safety labor union. The subcommittee shall develop recommendations for regulations to be considered by the commission to address public safety issues as a result of the development of gaming establishments in the commonwealth including, but not limited to, ways to mitigate the impact of gaming establishments on crimes committed in the commonwealth. The subcommittee shall also study the impact of gaming establishments on all aspects of public safety in the commonwealth.

(e) Each region, as defined in section 19, may establish a local community mitigation advisory committee, which shall include not fewer than 6 members, 1 of whom shall be appointed by each of the host and surrounding communities, 1 of whom shall be appointed by each regional planning agency to which at least 1 of the host or surrounding communities belongs and 4 of whom

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shall be appointed by the commission, of whom at least 1 shall represent a chamber of commerce in the region, 1 shall represent a regional economic development organization in the region and 2 shall represent human service providers in the region. Each local committee shall annually elect a chair and such other officers as it deems necessary to carry out its duties. Each local committee shall annually elect 1 committee member from those members appointed by surrounding communities to represent the local committee in the subcommittee on community mitigation under subsection (b).

Each local community mitigation advisory committee may provide information and develop recommendations for the subcommittee on community mitigation on any issues related to the gaming establishment located in its region including, but not limited to: (i) issues of community mitigation; (ii) ways in which funds may be expended from the Community Mitigation Fund; and (iii) the impact of the gaming establishments on the host and surrounding communities. Additionally, each local community mitigation advisory committee may present information to the commission consistent with the rules of the commission on any issues related to the gaming establishment located in its region.

Section 69. The commission shall report monthly to the governor, the attorney general, the senate and house committees on ways and means, the chairs of the joint committee on revenue and the chairs of the joint committee on economic development and emerging technologies on the total gaming revenues, prize disbursements and other expenses for the preceding month and shall make an annual report to the same recipients which shall include a full and complete statement of gaming revenues, prize disbursements and other expenses, including such recommendations as the commission considers necessary or advisable. The commission shall report immediately to the governor, the attorney general, the senate and house committees on ways and means, the senate and house chairs of the joint committee on revenue and the senate and house chairs of the joint committee on economic development and emerging technologies on any matter which requires immediate changes in the laws in order to prevent abuses or evasions of the laws, rules or regulations related to gaming or to rectify undesirable conditions in connection with the administration or operation of gaming in the commonwealth.

Section 70. The commission shall annually submit a complete and detailed report of the commission's activities, including a review of the implementation and enforcement of this chapter and the governance structure established in this chapter, within 90 days after the end of the fiscal year to the governor, the attorney general, the treasurer and receiver general, the clerks of the senate and the house of representatives, the chairs of the joint committee on economic development and emerging technologies and the chairs of the house and senate committees on ways and means.

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Section 71. The commission, with the advice of the gaming policy advisory committee, shall develop an annual research agenda in order to understand the social and economic effects of expanding gaming in the commonwealth and to obtain scientific information relative to the neuroscience, psychology, sociology, epidemiology and etiology of gambling. The secretary of health and human services, with the advice and consent of the commission, may expend funds from the Public Health Trust Fund established in section 58 to implement the objectives of the research agenda which shall include, but not be limited to:

(1) a baseline study of the existing occurrence of problem gambling in the commonwealth; provided, however, that the study shall examine and describe the existing levels of problem gambling and the existing programs available that prevent and address the harmful consequences of problem gambling; provided further, that the commission shall contract with scientists and physicians to examine the current research as to the causes for problem gambling and the health effects of problem gambling and the treatment methods currently available in the commonwealth; provided further, that the commission shall report on the findings of the baseline study and provide recommendations to the house and senate committees on ways and means, the joint committee on economic development and emerging technologies, the joint committee on mental health and substance abuse and the joint committee on public health relative to methods to supplement or improve problem gambling prevention and treatment services;

(2) comprehensive legal and factual studies of the social and economic impacts of gambling in the commonwealth on: (a) state, local and Indian tribal governments; and (b) communities and social institutions generally, including individuals, families and businesses within such communities and institutions; provided, however, that the matters to be examined in such studies shall include, but not be limited to:

(i) a review of existing federal, state, local and Indian tribal government policies and practices with respect to the legalization or prohibition of gambling, including a review of the costs of such policies and practices;

(ii) an assessment of the relationship between gambling and levels of crime and of existing enforcement and regulatory practices intended to address any such relationship;

(iii) an assessment of pathological or problem gambling, including its impact on individuals, families, businesses, social institutions and the economy;

(iv) an assessment of the impact of gambling on individuals, families, businesses, social institutions and the economy generally, including the role of advertising in promoting gambling and the impact of gambling on depressed economic areas;

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(v) an assessment of the extent to which gaming has provided revenues to other state, local and Indian tribal governments;

(vi) an assessment of the costs of added infrastructure, police force, increased unemployment, increased health care and dependency on public assistance;

(vii) an assessment of the impact of the development and operation of the gaming establishment on small businesses in host communities and surrounding communities, including a review of any economic harm experienced and potential solutions to mitigate associated economic harm; and

(viii) the costs of implementing this chapter.

(3) individual studies conducted by academic institutions and individual researchers in the commonwealth to study topics which shall include, but not be limited to: (i) reward and aversion, neuroimaging and neuroscience in humans, addiction phenotype genotype research, gambling-based experimental psychology and mathematical modeling of reward-based decision making; (ii) the sociology and psychology of gambling behavior, gambling technology and marketing; and (iii) the epidemiology and etiology of gambling and problem gambling in the general population; provided, however, that when contracting with researchers to study such issues, the commission shall encourage the collaboration among researchers in the commonwealth and other states and jurisdictions.

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

SECTION 17. Chapter 23K of the General Laws is hereby amended by striking out section 7, as appearing in section 16, and inserting in place thereof the following section:-

Section 7. (a) The commission shall administer and enforce any general and special law related to pari-mutuel wagering and simulcasting. The commission shall serve as a host racing commission and an off-track betting commission for purposes of 15 U.S.C. 3001, et seq.

(b) The commission may grant a simulcasting license to a gaming establishment or an entity previously licensed pursuant to chapter 128A or chapter 128C; provided, however, that the commission shall require that a minimum of 10 per cent of the wagering received on in-state and out-of-state thoroughbred and harness races be allocated to the Race Horse Development Fund established in section 60 to support purse assistance and breeding programs; provided further, that in granting any such license to a gaming establishment,

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the commission shall take into consideration the impact on preexisting facilities previously licensed pursuant to said chapters 128A and 128C.

SECTION 18. Chapter 29 of the General Laws is hereby amended by inserting after section 2BBBB the following 3 sections:

Section 2CCCC. There shall be established and set up on the books of the commonwealth a separate fund to be known as the Local Aid Stabilization Fund. The fund shall consist of monies transferred to it from the Gaming Revenue Fund established in section 59 of chapter 23K, all other monies credited or transferred to it from any other fund or source and proceeds from the investment of such funds. Subject to appropriation, the fund shall be distributed to cities and towns as a supplement to other sources of local aid distributions, but shall not be subject to section 5C.

Section 2DDDD. There shall be established and set up on the books of the commonwealth a separate fund to be known as the Gaming Economic Development Fund. The fund shall be credited with revenues transferred to it from the Gaming Revenue Fund established in section 59 of chapter 23K. Amounts credited to the fund shall be expended, subject to appropriation, to support economic development and job growth including, but not limited to: (1) workforce training, including transfers to the Workforce Competitiveness Trust Fund established in section 2WWW of chapter 29; (2) tourism promotion, including regional tourism promotion agencies and cultural and recreational attraction promotion; (3) summer jobs; (4) the Massachusetts marketing partnership established in section 13A of chapter 23A; (5) higher education scholarships; (6) regional economic development initiatives; (7) support for small businesses, including small business lending; (8) green jobs promotion; (9) science, technology, engineering and mathematics career pipeline initiatives; and (10) agricultural development programs, including youth agricultural education.

Section 2EEEE. There shall be established and set up on the books of the commonwealth a Local Capital Projects Fund. The fund shall be credited with any funds transferred from the Gaming Revenue Fund established in section 59 of chapter 23K and any monies credited to or transferred to the fund from any other fund or source.

SECTION 19. Section 38 of said chapter 29, as appearing in the 2010 Official Edition, is hereby amended by striking out, in line 116, the words "Fund, as established and defined in section thirty-five of chapter ten," and inserting in place thereof the following words:- and Gaming Fund established in section 35 of chapter 10.

SECTION 20. Said section 38 of said chapter 29, as so appearing, is hereby further amended by striking out, in lines 127 and 128, the words " said State Lottery" and inserting in place thereof the following words:- State Lottery and Gaming.

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SECTION 21. Section 1 of chapter 32 of the General Laws is hereby amended by inserting after the word "connector", in line 216, as so appearing, the following words:- , the Massachusetts gaming commission.

SECTION 22. Section 2 of chapter 32A of the General Laws, as so appearing, is hereby amended by inserting after the word "authority", in line 12, the following words:- , the Massachusetts gaming commission.

SECTION 23. Section 94 of chapter 41 of the General Laws, as so appearing, is hereby amended by inserting after the word "and", in line 7, the first time it appears, the following word:- illegal.

SECTION 24. Section 7A of chapter 55 of the General Laws, as so appearing, is hereby amended by adding the following subsection:-

(c) The aggregate of all contributions by a person who holds a license issued by the Massachusetts gaming commission, who was required to apply for that license under section 14 of chapter 23K, for the benefit of any 1 candidate and such candidate's committee shall not exceed \$200 in a calendar year. The aggregate of all contributions by a person who holds a license issued by the Massachusetts gaming commission, who was required to apply for that license under said section 14 of said chapter 23K, for the benefit of any other political committee, other than a ballot question committee, shall not exceed \$200 in a calendar year.

SECTION 25. Section 18C of chapter 58 of the General Laws, as so appearing, is hereby amended by inserting after the word "Lottery", in line 6, the following words:- and Gaming.

SECTION 26. Section 18D of said chapter 58 is hereby repealed.

SECTION 27. Section 5A of chapter 62 of the General Laws, as appearing in the 2010 Official Edition, is hereby amended by inserting after the word "commonwealth", in line 24, the following words:- , including gaming winnings acquired at or through a gaming establishment licensed under chapter 23K.

SECTION 28. The seventh paragraph of section 2 of chapter 62B of the General Laws, as so appearing, is hereby amended by striking out the first 2 sentences and inserting in place thereof the following 2 sentences:- Every person, including the United States, the commonwealth or any other state, or any political subdivision or instrumentality of the foregoing, making any payment of lottery or wagering winnings which are subject to tax under chapter 62 and which are subject to withholding under section 3402 of the Internal Revenue Code, without the exception for slot machines, keno and bingo played at licensed casinos in subsections (q) (5) and (r) of said section 3402 of the Internal Revenue Code, shall deduct and withhold from such payment an amount equal to 5 per cent of such payment, except that such withholding for purposes of this chapter shall apply to payments of winnings of \$600 or greater notwithstanding any contrary provision of the Internal Revenue Code. For the purposes of this chapter and chapter 62C, such payment of winnings shall be treated as if it were wages paid by an employer to an employee.

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SECTION 29. Said chapter 62B is hereby further amended by striking out section 5, as so appearing, and inserting in place thereof the following section:-

Section 5. Every employer required to deduct and withhold from an employee or payee a tax under section 2 or who would have been required under said section 2 in the case of an employee to deduct and withhold a tax if the employee had not claimed any personal exemption or dependency exemptions, shall furnish to each such employee or payee in respect of the wages or other payments paid by such employer to such employee or payee during the calendar year, on or before January 31 of the succeeding year, or, if an employee's employment is terminated before the close of such calendar year, within 30 days from the day on which the last payment of wages shall be made, a written statement in duplicate showing the name of the employer, the name of the employee or payee and the social security number of the employee or payee, if any, the total amount of wages or other amounts subject to taxation under chapter 62 and the total amount deducted and withheld as tax. The statement shall contain such other information as the commissioner may prescribe. The commissioner may grant reasonable extensions of time, not exceeding 60 days, for the furnishing of the statement.

An employer who fails to withhold or pay to the commissioner any sum required by this chapter to be withheld or paid shall be personally and individually liable therefor to the commonwealth. The term "employer," as used in this section and in section 11, shall include a person or entity required to withhold tax from a payee, an officer or employee of a corporation or a member or employee of a partnership or limited liability company who, as such officer, employee or member is under a duty to withhold and pay over taxes in accordance with this section and section 2. Any sum withheld in accordance with said section 2 shall be considered to be held in trust for the commonwealth.

If an employer in violation of this chapter fails to withhold the tax in accordance with section 2 and thereafter the tax against which such tax may be credited pursuant to section 9 is paid, the tax so required to be withheld shall not be collected from the employer; provided, however, that this paragraph shall not relieve the employer from liability for any penalties or additions to the tax otherwise applicable in respect of such failure to withhold.

SECTION 30. The first paragraph of section 8 of chapter 62C of the General Laws, as so appearing, is hereby amended by striking out the last sentence and inserting in place thereof the following sentence:-The same basis of reporting shall be utilized for income that is subject to taxation or withholding under chapter 62 or 62B but is not subject to taxation or withholding under the Code.

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SECTION 31. Section 38 of chapter 63 of the General Laws, as so appearing, is hereby amended by inserting after the figure "641", in line 176, the following words:- ; and (8) in the case of a business deriving receipts from operating a gaming establishment or otherwise deriving receipts from conducting a wagering business or activity, income-producing activity shall be considered to be performed in this commonwealth to the extent that the location of wagering transactions or activities that generated the receipts is in this commonwealth.

SECTION 32. Said section 38 of said chapter 63, as so appearing, is hereby further amended by striking out, in line 200, the words "workforce in place" and inserting in place thereof the following words:- "workforce in place"; and (7) in the case of a business deriving receipts from operating a gaming establishment or otherwise deriving receipts from conducting a wagering business or activity, income-producing activity shall be considered to be performed in this commonwealth to the extent that the location of wagering transactions or activities that generated the receipts is in this commonwealth.

SECTION 33. Section 2 of chapter 70 of the General Laws, as so appearing, is hereby amended by inserting after the word "Lottery", in line 355, the following words:- and Gaming.

SECTION 34. Section 2 of chapter 128 of the General Laws, as so appearing, is hereby amended by striking out, in line 99, the words "or dog".

SECTION 35. Said section 2 of said chapter 128, as so appearing, is hereby further amended by striking out subsection (i).

SECTION 36. Said section 2 of said chapter 128, as so appearing, is hereby further amended by striking out, in lines 152 and 153, the words "the provisions of paragraphs (b), (f), (g), and (i)" and inserting in place thereof the following words:- subsections (b), (f) and (g).

SECTION 37. Section 1 of chapter 128A of the General Laws, as so appearing, is hereby amended by striking out, in line 6, the words "state racing commission" and inserting in place thereof the following words:- Massachusetts gaming commission established in chapter 23K.

SECTION 38. Section 2 of said chapter 128A, as so appearing, is hereby amended by striking out, in lines 6 and 7, the words "state racing commission" and inserting in place thereof the following words:- Massachusetts gaming commission established in chapter 23K.

SECTION 39. Said chapter 128A is hereby repealed.

SECTION 40. Section 1 of chapter 128C of the General Laws, as appearing in the 2010 Official Edition, is hereby amended by striking out, in line 12, the words "state racing commission" and inserting in place thereof the following words:- Massachusetts gaming commission established in chapter 23K.

SECTION 41. Said chapter 128C of the General Laws is hereby repealed.

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SECTION 42. Section 1 of chapter 137 of the General Laws, as appearing in the 2010 Official Edition, is hereby amended by inserting after the word "gaming", in line 2, the following words:- , except for gaming conducted in licensed gaming establishments pursuant to chapter 23K.

SECTION 43. Section 2 of said chapter 137, as so appearing, is hereby amended by striking out, in line 2, the word "where" and inserting in place thereof the following words:- , but not including an owner or operator of a gaming establishment licensed pursuant to chapter 23K, where.

SECTION 44. Section 3 of said chapter 137, as so appearing, is hereby amended by inserting after the word "betting", in line 5, the following words:- , but not including gaming conducted pursuant to chapter 23K.

SECTION 45. Section 18 of chapter 139 of the General Laws, as so appearing, is hereby amended by inserting after the word "of", in line 6, the word:- illegal.

SECTION 46. Section 177A of chapter 140 of the General Laws, as so appearing, is hereby amended by inserting after the word "machines", in line 12, the following words:- , but not including slot machines as defined in chapter 23K.

SECTION 47. Section 26A of chapter 180 of the General Laws, as so appearing, is hereby amended by striking out, in lines 4 and 16, each time it appears, the words "or dog".

SECTION 48. The General Laws are hereby further amended by inserting after chapter 267 the following chapter:-

Chapter 267A

Money Laundering.

Section 1. As used in this chapter, the following words shall have the following meanings unless the context clearly requires otherwise:

"Criminal activity", activity which constitutes a criminal offense punishable under the laws of the commonwealth by imprisonment in a state prison or a criminal offense committed in another jurisdiction punishable under the laws of that jurisdiction as a felony.

"Financial institution", (1) a bank as defined in section 1 of chapter 167; (2) a national banking association, bank, savings and loan association, savings bank, cooperative bank, building and loan or credit union organized under the laws of the United States; (3) a banking association, bank, savings and loan association, savings bank, cooperative bank, building and loan or credit union organized under the laws of any state; (4) an agency, agent or branch of a foreign bank; (5) a currency dealer or exchange; (6) a person or business engaged primarily in the cashing of checks; (7) a person or business regularly engaged in the issuing, selling or redeeming of traveler's checks, money orders or similar instruments; (8) a broker or dealer in securities or commodities; (9) a licensed transmitter of funds or other person or business regularly engaged in the transmission of funds to a foreign nation for others;

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(10) an investment banker or investment company; (11) an insurer; (12) a dealer in precious metals, stones or jewels; (13) a pawnbroker or scrap metal dealer; (14) a telegraph or other communications company; (15) a personal property or real estate broker; (16) a dealer in vehicles including, but not limited to, automobiles, aircraft and vessels; (17) an operator of a betting or gaming establishment; (18) a travel agent; (19) a thrift institution, as defined in section 1 of chapter 167F; (20) an operator of a credit card system; or (21) a loan or finance company.

"Monetary instrument", the currency and coin of the United States or any foreign country; any bank check, money order, stock, investment security, or negotiable instrument in bearer form or otherwise in such form that title passes upon delivery; gold, silver or platinum bullion or coins; diamonds, emeralds, rubies or sapphires; any negotiable instrument including, bank checks, cashier's checks, traveler's checks or monetary orders made payable to the order of a named party that have not been endorsed or which bear restrictive endorsements; poker chips, vouchers or other tokens exchangeable for cash by gaming entities; and credit cards, debit cards, gift cards, gift certificates or scrips.

"Transaction", a purchase, sale, loan, pledge, gift, transfer, delivery or other disposition and, with respect to a financial institution, including, but not limited to, a deposit, withdrawal, bailment, transfer between accounts, exchange of currency, loan, extension of credit, purchase or sale of any stock, bond, certificate of deposit or other monetary instrument, use of a safe deposit box or any other payment, transfer or delivery by, through or to a financial institution, by whatever means effected.

Section 2. Whoever knowingly:

(1) transports or possesses a monetary instrument or other property that was derived from criminal activity with the intent to promote, carry on or facilitate criminal activity;

(2) engages in a transaction involving a monetary instrument or other property known to be derived from criminal activity:

(i) with the intent to promote, carry on or facilitate criminal activity; or

(ii) knowing that the transaction is designed in whole or in part either to: (A) conceal or disguise the nature, location, source, ownership or control of the property derived from criminal activity; or (B) avoid a transaction reporting requirement of this chapter, of the United States, or of any other state; or

(3) directs, organizes, finances, plans, manages, supervises or controls the transportation of, or transactions in, monetary instruments or other property known to be derived from criminal activity or which a reasonable person would believe to be derived from criminal activity shall be guilty of the crime of money laundering and shall be punished by imprisonment in the

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state prison for not more than 6 years or by a fine of not more than \$250,000 or twice the value of the property transacted, whichever is greater, or by both such imprisonment and fine. Whoever commits a second or subsequent such offense shall be punished by imprisonment in the state prison for not less than 2 years, but not more than 8 years or by a fine of not more than \$500,000 or 3 times the value of the property transacted, whichever is greater, or by both such imprisonment and fine.

Section 3. (a) If the Financial Crimes Enforcement Network of the United States Department of the Treasury at any time no longer permits a law enforcement agency including, but not limited to, the attorney general, from entering into a memorandum of understanding to obtain reports required by the Currency and Foreign Transactions Act, set forth in 31 U.S.C. § 5311 to 5315, 31 C.F.R. chapter X, on a case-by-case basis, a financial institution, upon the request of the attorney general, shall file with the attorney general reports required by said Currency and Foreign Transactions Act, set forth in 31 U.S.C. § 5311 to 5315, 31 CFR chapter X.

(b) A financial institution, or an officer, employee or agent of a financial institution that provides any reports or information under this section shall not be liable to its customer, to a state or local agency or to any person for any loss or damage caused in whole or in part by the making, filing or governmental use of the report, or any information contained in the report. Nothing in this chapter shall give rise to a private cause of action for relief or damages. Nothing in this subsection shall preclude a financial institution, in its discretion, from instituting contact with, and then communicating with and disclosing customer financial records to appropriate federal, state or local law enforcement agencies if the financial institution has reason to suspect that the records or information demonstrate that the customer has violated this chapter.

(c) Any report, record or information obtained by the attorney general under this section shall not be a public record under clause Twenty-sixth of section 7 of chapter 4 or section 10 of chapter 66 and shall not be subject to disclosure, except to other state and federal law enforcement agencies.

Section 4. All monetary instruments or other property, real, intellectual or personal, obtained directly as a result of a violation of section 2, shall be subject to forfeiture to the commonwealth. Forfeiture proceedings shall be conducted as provided in subsections (b) to (j), inclusive, of section 47 of chapter 94C. For the purposes of subsection (d) of said section 47 of said chapter 94C, the investigations and enforcement bureau of the Massachusetts gaming commission established in chapter 23K shall be considered a police department and shall be entitled to a police department's distribution of forfeiture proceedings.

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SECTION 49. Section 5 of chapter 268A of the General Laws, as appearing in the 2010 Official Edition, is hereby amended by inserting after clause (b) the following clause:-

(b~~4~~) A former state, county or municipal employee who participated as such in general legislation on expanded gaming in the commonwealth or in the implementation, administration or enforcement of chapter 23K, and who becomes an officer or employee of, or who acquires a financial interest in, an applicant for a gaming license or a gaming licensee under said chapter 23K within one year after his last state, county or municipal employment has ceased, or

SECTION 50. Section 6 of chapter 268B of the General Laws, as so appearing, is hereby amended by adding the following paragraph:-

For the purposes of this section, a person who holds a license issued by the Massachusetts gaming commission, who was required to apply for that license pursuant to section 14 of chapter 23K, shall be considered a legislative agent.

SECTION 51. Section 1 of chapter 271 of the General Laws, as so appearing, is hereby amended by inserting after the word "gaming", in lines 3 and 4, the following words:- , except as permitted under chapter 23K.

SECTION 52. Section 2 of said chapter 271, as so appearing, is hereby amended by inserting after the word "playing", in line 4, the following words:- , except as permitted under chapter 23K.

SECTION 53. Section 3 of said chapter 271, as so appearing, is hereby amended by striking out, in line 1, the word "Every" and inserting in place thereof the following words:- Except as permitted under chapter 23K, every.

SECTION 54. Section 5 of said chapter 271, as so appearing, is hereby amended by striking out, in line 1, the word "keeps", and inserting in place thereof the following words:- , except as permitted under chapter 23K, keeps.

SECTION 55. Section 5A of said chapter 271, as so appearing, is hereby amended by adding the following paragraph:-

This section shall not apply to persons who manufacture, transport, sell, offer for sale, store, display, repair, recondition, possess or use any gambling device or parts for use in such a device for licensed gaming conducted under chapter 23K.

SECTION 56. Section 6 of said chapter 271, as so appearing, is hereby amended by striking out, in lines 3 and 4, the words "any gambling or unlawful game" and inserting in place thereof the words:- illegal gaming.

SECTION 57. Section 7 of said chapter 271, as so appearing, is hereby amended by inserting after the word "device", in line 7, the first time it appears, the following words:- that is not taking place in a gaming establishment licensed pursuant to chapter 23K.

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SECTION 58. Said chapter 271 is hereby further amended by striking out section 8, as so appearing, and inserting in place thereof the following section:-

Section 8. Whoever owns, occupies or is in control of a house, shop or building and knowingly permits the establishing, managing or drawing of a lottery, or the disposal or attempt to dispose of property, or the sale of a lottery ticket or share of a ticket, or any other writing, certificate, bill, token or other device purporting or intended to entitle the holder, bearer or any other person to a prize or to a share of or an interest in a prize to be drawn in a lottery, or in the disposal of property, and whoever knowingly allows money or other property to be raffled for or won by throwing or using dice or by any other game of chance that is not being conducted in a gaming establishment licensed under chapter 23K, shall be punished by a fine of not more than \$2,000 or by imprisonment in the house of correction for not more than 1 year.

SECTION 59. Section 14 of said chapter 271, as so appearing, is hereby amended by inserting after the word "by", in line 3, the first time it appears, the following words:- illegal gaming, including games of.

SECTION 60. Section 16A of said chapter 271, as so appearing, is hereby amended by inserting after the word "wagerers", in line 14, the following words:- or persons who organize, supervise, manage or finance persons for the purpose of gaming conducted under chapter 23K.

SECTION 61. Section 17 of said chapter 271, as so appearing, is hereby amended by adding the following sentence:- This section shall not apply to a person who organizes, supervises, manages or finances another person for the purpose of gaming conducted in accordance with chapter 23K.

SECTION 62. Section 19 of said chapter 271, as so appearing, is hereby amended by adding the following sentence:- This section shall not apply to advertising of gaming conducted pursuant to chapter 23K.

SECTION 63. Section 20 of said chapter 271, as so appearing, is hereby amended by adding the following sentence:- Nothing in this section shall prohibit a gaming establishment licensed under chapter 23K from posting, advertising or displaying materials relevant to its gaming operations.

SECTION 64. Section 22 of said chapter 271, as so appearing, is hereby amended by inserting after the word " of", in line 6, the third time it appears, the following word:- illegal.

SECTION 65. Section 23 of said chapter 271, as so appearing, is hereby amended by inserting after the word "for", in line 28, the following words:-, provided, however, that such provisions shall not apply to gaming conducted pursuant to chapter 23K.

SECTION 66. Section 28 of said chapter 271, as so appearing, is hereby amended by inserting after the word "of", in line 3, the third time it appears, the following word:- illegal.

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SECTION 67. Section 31 of said chapter 271, as so appearing, is hereby amended by adding the following sentence: - This section shall not apply to racing conducted pursuant to chapter 23K.

SECTION 68. The General Laws are hereby amended by inserting after chapter 271 the following chapter:-

Chapter 271A

Enterprise Crime.

Section 1. As used in this chapter, the following words shall have the following meanings unless the context clearly requires otherwise:

"Criminal enterprise activity", the commission, attempt to commit or conspiracy to commit or the solicitation, coercion, aiding, abetting or intimidation of another to commit any of the following criminal activities under the laws of the commonwealth or equivalent crimes under the laws of any other jurisdiction: a violation of any criminal provision of chapter 23K; a felony offense under chapter 271; distributing, dispensing, manufacturing or possessing with intent to distribute, dispense or manufacture a controlled substance in violation of chapter 94C; murder; rape; manslaughter, not including motor vehicle homicide; assault; assault and battery; assault and battery in order to collect a loan; assault with intent to rob or murder; poisoning; mayhem; robbery; extortion; stalking; criminal harassment; kidnapping; arson; burglary; malicious destruction of property; commission of a felony for hire; breaking and entering; child exploitation; assault and battery on a child; rape of a child; rape and abuse of a child; enticement of a child under 16; human trafficking; violation of constitutional rights under section 37 of chapter 265; usury; uttering; misuse or fraudulent use of credit cards under section 37C of chapter 266; identity fraud; misappropriation of funds; gross fraud under section 76 of chapter 276; insurance fraud; unlawful prize fighting or boxing matches; counterfeiting; perjury; subornation of perjury; obstruction of justice; money laundering; witness intimidation; bribery; electronic eavesdropping; prostitution under sections 2, 3, 4A, 4B, 6, 7, 12 and 13 of chapter 272; receiving stolen property; larceny over \$250; larceny by false pretenses or embezzlement; forgery; procurement fraud; false claims; tax evasion; filing false tax returns; or any conduct defined as a racketeering activity under Title 18, U.S.C. s. 1961(1)(A)(B) and (D).

"Enterprise", an entity including any individual, sole proprietorship, partnership, corporation, association, trust or other legal entity and any unchartered union or group of persons associated in fact although not a legally-recognized entity.

"Gaming establishment", an establishment licensed under chapter 23K.

"Pattern of criminal enterprise activity", engaging in at least 3 incidents of criminal enterprise activity that have the same or similar pattern, intents, results, accomplices, victims or methods of commission or are otherwise interrelated by distinguishing characteristics and are not

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isolated incidents; provided, however, that at least 1 of the incidents shall have occurred after the effective date of this chapter and the last incident shall have occurred within 5 years of another incident of criminal enterprise activity.

"Unlawful debt", a debt which was incurred or contracted in an illegal gambling activity or business or which is unenforceable under state or federal law, in whole or in part, as to principal or interest under the law relating to usury.

Section 2. Whoever knowingly: (1) through a pattern of criminal enterprise activity or through the collection of an unlawful debt acquires or maintains, directly or indirectly, an interest in or control of an enterprise which is engaged in, or the activities of which affect, licensed gaming under chapter 23K or ancillary industries which do business with a gaming establishment; (2) having received proceeds derived, directly or indirectly, from a pattern of criminal enterprise activity or through the collection of an unlawful debt, uses or invests, directly or indirectly, part of the proceeds, including proceeds derived from the investment, in the acquisition of an interest in real property to be used in connection with licensed gaming, or in the establishment or operation of an enterprise which is engaged in, or the activities of which affect, licensed gaming operations or ancillary industries which do business with a gaming establishment; (3) is employed by or associated with an enterprise to conduct or participate, directly or indirectly, in the conduct of the enterprise's affairs or activities which affect licensed gaming operations or ancillary industries which do business with a gaming establishment by engaging in a pattern of criminal enterprise activity or through the collection of an unlawful debt; or (4) conspires or attempts to violate clauses (1), (2), or (3) or attempts to so conspire; shall be guilty of enterprise crime and shall be punished by imprisonment in the state prison for not more than 15 years or by a fine of not more than \$25,000 or by both such imprisonment and fine.

Nothing in this chapter shall prohibit the purchase of securities on the open market for purposes of investment made without the intention of controlling or participating in the control of the issuer, or of assisting another to do so, if the securities of the issuer held by the: (i) purchaser; (ii) members of the purchaser's immediate family; or (iii) the purchaser's accomplices in any pattern of criminal activity for the collection of an unlawful debt after such purchase do not amount, in the aggregate, to 1 per cent of the outstanding securities of any 1 class and do not confer, either in law or in fact, the power to elect 1 or more directors of the issuer.

Section 3. All monetary proceeds or other property, real, intellectual or personal, obtained directly as a result of a violation of this chapter, shall be subject to seizure and forfeiture to the commonwealth. Forfeiture proceedings shall be conducted as provided in subsections (b) to (j),

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inclusive of section 47 of chapter 94C. For the purposes of subsection (d) of said section 47 of said chapter 94C, the investigation and enforcement bureau of the Massachusetts gaming commission established in chapter 23K shall be considered a police department and shall be entitled to a police department's distribution of forfeiture proceedings.

SECTION 69. Section 39 of chapter 272 of the General Laws, as appearing in the 2010 Official Edition, is hereby amended by inserting after the word "in", in line 7, the following word:- illegal.

SECTION 70. The first paragraph of section 12A of chapter 494 of the acts of 1978 is hereby amended by striking out the words "and until January 31, 2012", inserted by section 1 of chapter 77 of the acts of 2011, and inserting in place thereof the following words:- and until July 31, 2014.

SECTION 71. The last paragraph of said section 12A of said chapter 494 is hereby amended by striking out the words "January 31, 2012", inserted by section 2 of said chapter 77, and inserting in place thereof the following words:- July 31, 2014.

SECTION 72. The introductory paragraph of section 13 of said chapter 494 is hereby amended by striking out the words "and until January 31, 2012", inserted by section 3 of said chapter 77, and inserting in place thereof the following words:- and until July 31, 2014.

SECTION 73. Said section 13 of said chapter 494 is hereby further amended by striking out clause (c), as appearing in section 2 of chapter 114 of the acts of 1991.

SECTION 74. Clause (d) of said section 13 of said chapter 494, as so appearing, is hereby amended by striking out, in line 21, the words ", (b) or (c)" and inserting in place thereof the following words:- or (b).

SECTION 75. Said section 13 of said chapter 494 is hereby further amended by striking out subsection (F), as so appearing.

SECTION 76. Section 15 of said chapter 494 is hereby amended by striking out the words "and until January 31, 2012", inserted by section 4 of chapter 77 of the acts of 2011, and inserting in place thereof the following words:- and until July 31, 2014.

SECTION 77. The first paragraph of section 9 of chapter 277 of the acts of 1986 is hereby amended by striking out the words "and until January 31, 2012", inserted by section 5 of said chapter 77, and inserting in place thereof the following words:- and until July 31, 2014.

SECTION 78. The first sentence of the first paragraph of section 3 of chapter 114 of the acts of 1991 is hereby amended by striking out the words "and until January 31, 2012", inserted by section 6 of said chapter 77, and inserting in place thereof the following words:- and until July 31, 2014.

SECTION 79. The last paragraph of said section 3 of said chapter 114 is hereby amended by striking out the words "January 31, 2012", inserted by

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section 7 of said chapter 77, and inserting in place thereof the following words:- July 31, 2014.

SECTION 80. The first paragraph of section 4 of said chapter 114 is hereby amended by striking out the words "and until January 31, 2012", inserted by section 8 of said chapter 77, and inserting in place thereof the following words:- and until July 31, 2014.

SECTION 81. The last paragraph of said section 4 of said chapter 114 is hereby amended by striking out the words "January 31, 2012", inserted by section 9 of said chapter 77, and inserting in place thereof the following words:- July 31, 2014.

SECTION 82. The first paragraph of section 5 of said chapter 114 is hereby amended by striking out the words "and until January 31, 2012", inserted by section 10 of said chapter 77, and inserting in place thereof the following words:- and until July 31, 2014.

SECTION 83. Section 13 of chapter 101 of the acts of 1992 is hereby repealed.

SECTION 84. Section 45 of chapter 139 of the acts of 2001 is hereby amended by striking out the words "January 31, 2012", inserted by section 12 of chapter 77 of the acts of 2011, and inserting in place thereof the following words:- July 31, 2014.

SECTION 85. Section 20 of chapter 449 of the acts of 2006 is hereby amended by striking out the words "January 31, 2012", inserted by section 13 of said chapter 77, and inserting in place thereof the following words:- July 31, 2014.

SECTION 86. (a) Notwithstanding section 5 of chapter 128A of the General Laws or any other general or special law or rule or regulation to the contrary, the greyhound meeting licensee located in Bristol county and the greyhound meeting licensee located in Suffolk county shall not be eligible for purse assistance pursuant to clause (6) of subsection (h) of said section 5.

(b) Notwithstanding chapters 128A and 128C of the General Laws or any other general or special law or rule or regulation to the contrary, amounts from unclaimed winnings and breaks generated by the greyhound meeting licensee located in Bristol county and the greyhound meeting licensee located in Suffolk county shall be dedicated to the Racing Stabilization Fund established in subsection (a) of section 89.

(c) Notwithstanding section 14 of chapter 77 of the acts of 2011 or any other general or special law or rule or regulation to the contrary, the greyhound meeting licensee located in Bristol county and the greyhound meeting licensee located in Suffolk county shall, unless otherwise provided in this act, be subject to chapters 128A and 128C of the General Laws and chapter 139 of the acts of 2001.

SECTION 87. (a) Notwithstanding any general or special law or rule or regulation to the contrary, there shall be a Racing Stabilization Fund that

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shall be administered by the Massachusetts Gaming Commission established in chapter 23K of the General Laws. The fund shall consist of all revenues dedicated pursuant to this act. Any balance in the fund at the end of the fiscal year shall not revert to the General Fund* provided, however, that the commission shall distribute to owners and lessees of greyhound dogs who have raced in calendar year 2009 for the humane care, maintenance and adoption of those greyhound dogs, a sum equal to 1 per cent of the total amount wagered at each racing meeting licensee within the commonwealth acting as a guest track and simulcasting a live greyhound race from a host track from outside the commonwealth; provided, however, that in no event shall the sum exceed the amount dedicated to the Racing Stabilization Fund during calendar years 2010 and 2011; provided further, that before any such amount is distributed, the commission shall develop a method and criteria by which to distribute such funds in an equitable manner among dog owners. The commission shall distribute to kennel owners who housed greyhound dogs who have raced in calendar year 2009 for the humane care, maintenance and adoption of those greyhound dogs, a sum equal to 1.5 per cent of the total amount wagered at each racing meeting licensee within the commonwealth acting as a guest track and simulcasting a live greyhound race from a host track from outside commonwealth; provided, however, that in no event shall the sum exceed the amount dedicated to the Racing Stabilization Fund during calendar years 2010 and 2011; provided further, that before any amount is distributed, the commission shall develop a method and criteria by which to distribute such funds in an equitable manner among kennel owners* and provided further, the commission shall begin payments to kennel on a biweekly basis beginning on April 12, 2012; provided, however, that no such payments shall be made after June 30, 2014.

(b) Notwithstanding section 12A of chapter 494 of the acts of 1978 or any other general or special law or rule or regulation to the contrary, after July 31, 2011, the comptroller shall transfer all monies deposited in the Greyhound Capital Improvements Trust Fund and the Greyhound Promotional Trust Fund, each established under said section 12A of said chapter 494, to the Racing Stabilization Fund established in subsection (a). After July 31, 2011, the comptroller shall transfer any revenues deposited into the Greyhound Capital Improvements Trust Fund and the Greyhound Promotional Trust Fund into the Racing Stabilization Fund within 10 days after receipt of those revenues.

(c) Notwithstanding any general or special law to the contrary, the greyhound meeting licensee located in Bristol county and the greyhound meeting licensee located in Suffolk county shall report monthly to the Massachusetts gaming commission established in chapter 23K of the General Laws on their net and gross revenue, including an itemization of premiums received, fees received and any amounts dedicated to purse accounts, the Greyhound Capital Improvements Trust Fund and the Greyhound Promotional Trust Fund. The report shall include the number of part-time and full-time staff employed by the

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licensees at the close of the previous month. The report shall also include the total amount of premiums paid to the harness horse meeting licensees located in Norfolk county and the running horse meeting licensees located in Suffolk county. Failure to file the report on the tenth day of each month shall be cause for suspension of the greyhound meeting license. The commission shall forward all such reports to the house and senate committees on ways and means, the joint committee on economic development and emerging technologies and the joint committee on labor and workforce development. The greyhound meeting licensees located in Bristol county and the greyhound meeting licensee located in Suffolk county shall also prepare a report of all funds received and disbursed for calendar years 2010 and 2011. The report shall also be filed with the commission not later than January 31, 2012, and the commission shall forward the reports to the house and senate committees on ways and means, the joint committee on economic development and emerging technologies and the joint committee on labor and workforce development.

(d) Notwithstanding any general or special law or rule or regulation to the contrary, monies in the Racing Stabilization Fund established in subsection (a) may be used to assist efforts to secure alternative employment and retraining opportunities for displaced workers impacted by the enactment of chapter 388 of the acts of 2008 including, but not limited to, coordinating the delivery of available state and federal resources and services; provided, however, that such funds from the fund shall only be expended after all federal funds from the Workforce Investment Act and the American Reinvestment and Recovery Act have been exhausted; and provided further, that state funds shall be distributed in accordance with subsection (a).

(e) Notwithstanding any general or special law to the contrary, upon the effective date of this act, the comptroller shall transfer all monies from the Racing Stabilization Fund established pursuant to chapter 167 of the acts of 2009, to the Racing Stabilization Fund established herein.

SECTION 88. Notwithstanding any general or special law to the contrary, in making initial appointments to the Massachusetts gaming commission established in chapter 23K of the General Laws, of the members to be appointed by majority agreement of the governor, the attorney general and the treasurer and receiver general, 1 commissioner shall be appointed for a term of 3 years and 1 shall be appointed for a term of 4 years. The commissioner to be appointed by the treasurer and receiver general shall serve for a term of 5 years, the commissioner to be appointed by the attorney general shall serve for a term of 6 years and the commissioner appointed by the governor shall serve for a term of 7 years. Commissioners shall be appointed within 120 days after the effective date of this act; provided, however, that no person shall be allowed to serve on the commission prior to the completion of a background investigation pursuant to section 3 of said chapter 23K.

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SECTION 89. The chair of the Massachusetts gaming commission shall consider current employees of the state racing commission as eligible for employment with the commission and shall, subject to all other requirements and conditions of employment under chapter 23K of the General Laws, give preference to such individuals when making such employment decisions.

SECTION 90. A gaming licensee awarded a gaming license under chapter 23K of the General Laws shall show preference in hiring to qualified persons permanently employed as of June 1, 2010, at a facility authorized to conduct simulcasting under chapter 128C of the General Laws that was in operation on June 1, 2010, within the region for which the gaming license was granted if that facility terminates operation within 1 year of the Massachusetts gaming commission awarding the gaming license, subject to all other requirements and conditions of employment under said chapter 23K; provided, however, that a facility authorized to conduct simulcasting shall provide employment data on the number, names and addresses of employees in permanent employment with that facility as of June 1, 2010, to the commission to assist the gaming licensee in meeting this obligation.

SECTION 91. (a) Notwithstanding any general or special law or rule or regulation to the contrary, the governor may enter into a compact with a federally recognized Indian tribe in the commonwealth.

(b) The Massachusetts gaming commission shall, upon request of the governor, provide assistance to the governor in negotiating such compact.

(c) The governor shall only enter into negotiations under this section with a tribe that has purchased, or entered into an agreement to purchase, a parcel of land for the proposed tribal gaming development and scheduled a vote in the host communities for approval of the proposed tribal gaming development. The governing body in the host community shall coordinate with the tribe to schedule a vote for approval of the proposed gaming establishment upon receipt of a request from the tribe. The governing body of the host community shall call for the election to be held not less than 60 days but not more than 90 days from the date the request was received.

(d) A compact negotiated and agreed to by the governor and tribe shall be submitted to the general court for approval. The compact shall include a statement of the financial investment rights of any individual or entity which has made an investment to the tribe, its affiliates or predecessor applicants of the tribe for the purpose of securing a gaming license for that tribe under its name or any subsidiary or affiliate since 2005.

(e) Notwithstanding any general or special law or rule or regulation to the contrary, if a mutually agreed-upon compact has not been negotiated by the governor and Indian tribe or if such compact has not been approved by the general court before July 31, 2012, the commission shall issue a request for applications for a category 1 license in Region C pursuant to chapter 23K of the General Laws not later than October 31, 2012; provided, however, that if,

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at any time on or after August 1, 2012, the commission determines that the tribe will not have land taken into trust by the United States Secretary of the Interior, the commission shall consider bids for a category 1 license in Region C under said chapter 23K.

SECTION 92 Notwithstanding section 2 of chapter 128A of the General Laws and sections 1, 2 and 2A of chapter 128C of the General Laws or any other general or special law, rule or regulation to the contrary, the greyhound meeting licensee located in Bristol county and the greyhound meeting licensee located in Suffolk county licensed to conduct live racing pursuant to said chapter 128A and simulcast wagering pursuant to said chapter 128C in calendar year 2009, shall remain licensed as greyhound racing meeting licensees until July 31, 2014; provided, however, that the days between January 1 and December 31 of each year shall be dark days pursuant to said chapter 128C and the licensees shall continue to be precluded from conducting live racing during that period and as provided in chapter 388 of the acts of 2008; provided further, that all simulcasts shall comply with the Interstate Horse Racing Act of 1978, 15 U.S.C. Sec. 3001 et seq. or other applicable federal law; provided further, that all simulcasts from states which have racing associations that do not require approval in compliance with the Interstate Horse Racing Act of 1978, 15 U.S.C. Sec. 3004 (a) (1) (A), except simulcasts during the month of August, shall require the approval of the New England Horsemen's Benevolent & Protective Association prior to being simulcast to a racing meeting licensee within the commonwealth; and provided further, that if the association agrees to approve the simulcast for 1 racing meeting licensee, it shall approve the simulcast for all otherwise eligible racing meeting licensees.

SECTION 93. (a) There shall be established and set up on the books of the commonwealth a Gaming Licensing Fund which shall receive all category 1 or category 2 licensing fees, with the exception of initial application fees, collected from applicants in receipt of a category 1 or category 2 license under chapter 23K of the General Laws. The fund shall expire on December 31, 2015. The commission shall be the trustee of the fund and shall transfer monies in the fund as follows;

(1) 10 per cent to the Community Mitigation Fund established in section 61 of chapter 23K of the General Laws;

(2) 14.5 per cent to the Transportation Infrastructure and Development Fund established in section 62 of chapter 23K of the General Laws;

(3) 11 per cent to the Local Capital Projects Fund established in section 2E888 of chapter 29 of the General Laws;

(4) 13 per cent to the Manufacturing Fund established in section 98;

(5) 17 per cent to the Community College Fund established in section 99;

(6) 1.5 per cent to the Massachusetts Tourism Fund established in section 35J of chapter 10 of the General Laws;

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(7) 23 per cent to the Healthcare Payment Reform Fund established in section 100;

(8) 5 per cent shall be remitted to the comptroller for deposit into the Local Aid Stabilization Fund established in section 2CCCC of chapter 29 of the General Laws; and

(9) 5 per cent shall be remitted to the Race Horse Development Fund established in section 60 of chapter 23K of the General Laws.

(b) Upon receipt by the Massachusetts gaming commission of license fees from licensees, interim transfers and payments shall be made on a pro rata basis from the Gaming Licensing Fund as provided in clauses (1) and (2) of subsection (a); provided, however, that no transfer or payment under said clauses (1) and (2) of said subsection (a) shall occur until the fund reimburses \$20,000,000 to the Commonwealth Stabilization Fund as required by subsection (c) of section 94.

SECTION 94. (a) Within 30 days after the effective date of this act, the comptroller shall transfer \$15,000,000 from the Commonwealth Stabilization Fund established in section 2H of chapter 29 of the General Laws to the Massachusetts gaming commission for the start-up and operational costs of implementing chapter 23K of the General Laws.

(b) Within 10 days after the effective date of this act, the comptroller shall transfer \$5,000,000, from the Commonwealth Stabilization Fund established in section 2H of chapter 29 of the General Laws to the General Fund.

(c) Upon receipt by the Massachusetts gaming commission of sufficient license fees from licensees under chapter 23K of the General Laws, the commission shall transfer \$20,000,000 to the Commonwealth Stabilization Fund established in section 2H of chapter 29 of the General Laws.

SECTION 95. Notwithstanding any general or special law to the contrary, in the second fiscal year in which a deposit is made into the Gaming Local Aid Fund under subclause (e) of clause (2) of section 59 of chapter 23K the General Laws, the commission shall transfer from the Gaming Local Aid Fund into the Local Aid Stabilization Fund an amount equal to 3.125 per cent of the gross gaming revenue received from a category 1 establishment. In the third fiscal year in which a deposit is made into the Gaming Local Aid Fund under said subclause (e) of said clause (2) of said section 59 of said chapter 23K, the commission shall transfer from the Gaming Local Aid Fund into the Local Aid Stabilization Fund an amount equal to 6.25 per cent of the gross gaming revenue received from a category 1 establishment. In the fourth fiscal year in which a deposit is made into the Gaming Local Aid Fund under said subclause (e) of said clause (2) of said section 59 of said chapter 23K, the commissioner shall transfer from Gaming Local Aid Fund into the Local Aid Stabilization Fund an amount equal to 9.375 per cent of the gross gaming revenue received from a category 1 establishment. In the fifth fiscal year in

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which a deposit is made into the Gaming Local Aid Fund under said subclause (e) of said clause (2) of said section 59 of said chapter 23K and in all subsequent fiscal years, the commission shall transfer from the Gaming Local Aid Fund into the Local Aid Stabilization Fund an amount equal to 12.5 per cent of the gross gaming revenue received from a category 1 establishment.

SECTION 96. The governing body of a host community which has accepted chapter 43D of the General Laws shall file a proposal with the interagency permitting board to designate the site proposed for a category 1 establishment as a priority development site. In a community which has not accepted said chapter 43D, the planning board shall designate a local permitting ombudsman, who shall be a planning board member of the host community or a member of the host community planning board's professional staff, to help coordinate and expedite local permitting of the category 1 establishment.

SECTION 97. Notwithstanding any general or special law or rule or regulation to the contrary, a gaming establishment shall supply the Massachusetts gaming commission with customer tracking data collected or generated by loyalty programs, player tracking software, player card systems, online gambling transactions or any other information system. The commission shall contract with an experienced nonprofit research entity to develop an anonymizing system that automatically removes from the data: (a) personally identifying information, including player name, street address, bank or credit information and the last 4 digits of a player's zip code, in compliance with section 2 of chapter 93H of the General Laws; and (b) game identifying information, including game name and device manufacturing company, in protection of corporate intellectual property. The data shall retain information on player characteristics including, but not limited to, gender, age and region of residence, player behavior including, but not limited to, frequency of play, length of play, speed of play, denomination of play, amounts wagered and, if applicable, number of lines or hands played and characteristics of games played including, but not limited to, reel configuration, return-to-player or RTP, volatility index and denomination. The commission shall convey the anonymized data to a research facility which shall make the data available to qualified researchers for the purposes of: (1) conducting analyses that improve understanding of how gambling addiction develops and progresses; (2) developing evidence-based harm minimization strategies; and (3) developing evidence-based systems to monitor, detect and intervene in high-risk gambling. The commission shall request reports on researcher analyses of the behavioral data, which could provided informed recommendation to the general court relative to more effective regulation of gambling operations. The commission may directly initiate studies assessing the effectiveness of any specific measures, programs or interventions which the commonwealth has implemented in gaming operations and which might be illuminated through the behavioral data in question.

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SECTION 98. There shall be established and set up on the books of the commonwealth a Manufacturing Fund. The fund shall be credited with any monies transferred under section 95 and any monies credited or transferred to the fund from any other fund or source and shall be subject to appropriation.

SECTION 99. There shall be established and set up on the books of the commonwealth a Community College Fund. The fund shall be credited with any monies transferred under section 97 and any monies credited or transferred to the fund from any other fund or source and shall be subject to appropriation.

SECTION 100. There shall be established and set up on the books of the commonwealth a Healthcare Payment Reform Fund. The fund shall be credited with any monies transferred under section 97 and any monies credited or transferred to the fund from any other fund or source and shall be subject to appropriation.

SECTION 101. Pursuant to section 2 of chapter 1194, 64 Stat. 1134, 15 U.S.C. 1171-1177, entitled "An act to prohibit transportation of gaming devices in interstate and foreign commerce", approved January 2, 1951, the commonwealth, acting by and through its duly elected and qualified members of the general court, hereby declares and proclaims that it shall be exempt from the provisions of chapter 1194, 64 Stat. 1134, and also designated as 15 U.S.C. 117 -1178 for any gambling device authorized for use and transport under chapter 23K of the General Laws and any regulations promulgated thereunder.

SECTION 102. Notwithstanding any general or special law to the contrary, all shipments of gambling devices into the commonwealth, including slot machines, the registering, recording and labeling of which has been duly had by the manufacturer or dealer thereof in accordance with sections 3 and 4 of "An act to prohibit transportation of gambling devices in interstate and foreign commerce.", 15 U.S.C. §§1171-1177, shall be deemed legal shipments thereof into the commonwealth.

SECTION 103. Notwithstanding any general or special law to the contrary, the Massachusetts gaming commission shall analyze the laws relating to charitable gaming, raffles and bazaars in effect on the effective date of this act, including section 7A of chapter 271 of the General Laws. The analysis shall include a review of the efficacy of those laws and the need to update, redraft or repeal those laws. The commission shall report its findings and recommendations, together with drafts of legislation necessary to carry those recommendations into effect, by filing the same with the clerks of the senate and house of representatives and with the house and senate chairs of the joint committee on economic development and emerging technologies not later than April 1, 2012.

SECTION 104. Notwithstanding any general or special law to the contrary, the Massachusetts gaming commission established in chapter 23K of the General Laws shall analyze the pari-mutuel and simulcasting laws in effect on the

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effective date of this act. The analysis shall include a review of the efficacy of those laws and the need to replace those laws pursuant to the continuation of chapters 128A and 128C of the General Laws in this act. The analysis shall not address whether to increase the number of running horse, harness horse or greyhound racing meeting licensees in the commonwealth. The commission shall report its findings and recommendations, together with drafts of legislation necessary to carry those recommendations into effect, by filing the same with the clerks of the senate and house of representatives and with the house and senate chairs of the joint committee on economic development and emerging technologies not later than January 1, 2013.

SECTION 105. The horse racing committee established in section 60 of chapter 23K of the General Laws shall make a report to the Massachusetts gaming commission and to the clerks of the senate and house of representatives on its recommendations to distribute funds from the Race Horse Development Fund established in said section 60 of said chapter 23K said section no later than 180 days after the effective date of this act.

SECTION 106. The alcoholic beverages control commission shall conduct a study on whether 204 C.M.R. 4.00, et seq. shall be updated or amended in order to protect licensees under section 12 of chapter 138 of the General Laws from unfair competition with gaming establishments that are granted gaming beverage licenses in the commonwealth. The commission shall seek comments from the public through an open comment period in which the public may submit letters, written testimony or emails and shall hold at least 2 public hearings in locations across the commonwealth. The commission shall file a report of any recommendations with the governor, the state treasurer and the clerks of the senate and house of representatives not later than June 30, 2013.

SECTION 107. Notwithstanding any general or special law to the contrary, with respect to distribution of alcohol free of charge and for on-premises consumption to patrons, subsection (c) of section 26 of chapter 23K of the General Laws and the regulations promulgated thereunder shall be limited to the gaming area.

SECTION 108. The first report required under section 71 of chapter 23K of the General Laws shall be submitted not later than 2 years after the effective date of this act.

SECTION 109. The vote required to be taken at an election in a host community pursuant to clause (13) of section 15 of chapter 23K of the General Laws shall occur after the effective date of said chapter 23K.

SECTION 110. Sections 4, 11, 12, 13, 37, 38 and 40 of this act and section 7 of chapter 23K shall take effect 180 days after the effective date of this act.

SECTION 111. Clause (41) of section 4 of chapter 23K of the General Laws shall take effect on July 31, 2012.

SECTION 112. Sections 17, 39 and 41 shall take effect on July 31, 2014.

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SECTION 113. Section 31 shall be effective for tax years beginning January 1, 2012.

SECTION 114. Section 32 shall take effect on December 31, 2018.

SECTION 115. Subsection (a) of section 87 shall take effect April 1, 2012.

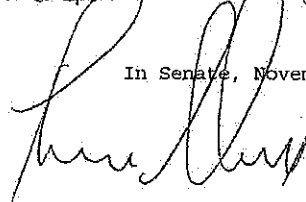
House of Representatives, November 16, 2011.

Preamble adopted,

 , Speaker.

In Senate, November 16, 2011.

Preamble adopted,

 , President.

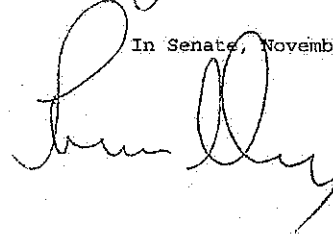
House of Representatives, November 16, 2011.

Bill passed to be enacted,

 , Speaker.

In Senate, November 16, 2011.

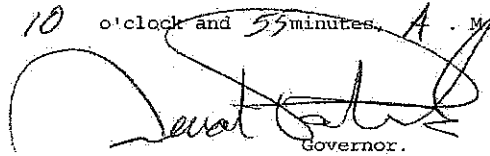
Bill passed to be enacted,

 , President.

22 November, 2011.

Approved,

at 10 o'clock and 55 minutes, A.M.


Governor.