



Office of
Representative Hannah E. Kane
Commonwealth of Massachusetts

For Immediate Release

Contact: Anna Darrow, 617-722-2810, Anna.Darrow@mahouse.gov

July 23, 2021

Representative Kane supports bill legalizing sports betting in Massachusetts

BOSTON – State Representative Hannah Kane, R-Shrewsbury, recently supported legislation to legalize in-person and mobile sports betting in Massachusetts for individuals who are 21 and older.

House Bill 3977, *An Act regulating sports wagering*, allows for betting on professional and collegiate sports and designates the Massachusetts Gaming Commission as the agency responsible for administering and enforcing the law. The bill was engrossed by the House of Representatives on a vote of 156-3 on July 22, and now heads to the Senate for its consideration.

Representative Kane said the House bill creates three categories of sports wagering licenses: Category 1 licenses for in-person wagering at a casino, Category 2 licenses for in-person wagering at a racetrack or simulcast facility, and Category 3 licenses for sports wagering conducted through a mobile application and other digital platforms approved by the commission.

Under the bill, Category 1 license holders will be allowed to partner with up to three individually branded mobile applications or other digital platforms approved by the commission for placing bets, while Category 2 license holders can partner with no more than one mobile application or digital platform. In-person wagering will be subject to a 12.5% excise tax, while mobile wagering will be taxed at 15%.

Licenses will be issued for 5 years at a cost of \$5 million, with renewals subject to the same licensing fee. Qualified operators can also pay a \$1 million fee for a temporary 1-year license, with the remaining \$4 million due once they receive final licensing approval.

As part of the licensing process, all applicants will be required to pay a nonrefundable processing fee of \$100,000 to defray the costs associated with the processing of their application and a background investigation to determine if the applicant is qualified to hold a license.

Representative Kane noted that most of the new taxes and fees associated with sports betting will be deposited into a Sports Wagering Fund and used to support the existing Gaming Local Aid Fund and Public Health Trust Fund, as well as three new funds created by the bill. The new funds include:

- a Workforce Investment Trust Fund, which will be administered by the secretary of housing and economic development and will provide grants for workforce opportunities for low-income communities and vulnerable youth and young adults;
- a Youth Development and Achievement Fund to provide financial assistance to Massachusetts students enrolled in a public or independent college or university, as well as funding for after-school and out-of-school activities; and

- a Players' Benevolence Fund, which will distribute funding to charitable organizations recommended by an advisory committee created under the bill.

Representative Kane said House Bill 3977 also includes language and funding to address the problems associated with compulsive gambling and addiction. As part of this effort, the commission will establish and maintain a list of individuals who voluntarily self-exclude themselves from sports wagering.

The bill protects players by requiring the Massachusetts Gaming Commission to issue regulations that prohibit the purchase or use of an athlete's biometric data for sports wagering. The legislation also protects minors and those who choose to self-exclude from sports wagering by prohibiting advertisements meant to appeal to young people and those who struggle with problem gambling.

In addition, the bill directs the Massachusetts Gaming Commission to investigate the economic impact of allowing retail locations to operate sports wagering kiosks, and the effects it would have on public health and problem gaming. The commission is scheduled to file a report with its findings and recommendations by December 31, 2022.

Several amendments were adopted during floor debate, including language:

- increasing the percentage of funding from the Sports Wagering Fund directed to the Gaming Local Aid Fund;
- allowing veterans' organizations such as VFWs to apply for a limited slot machine license that would authorize up to 5 slot machines for use by its members in good standing;
- prohibiting racing meeting licensees from simulcasting or accepting a simulcast wager on greyhound dog racing, beginning two years after the effective date of this act;
- directing a portion of the funding disbursed from the Youth Development and Achievement Fund to be used for providing matching grants to elementary and secondary youth sports, organizations, clubs and other school groups to attend events, both nationally and internationally, such as academic events and programs, cultural events and award ceremonies;
- requiring the Massachusetts gaming commission to conduct a study on the participation by minority business enterprises, women business enterprises and veteran business enterprises in the state's sports wagering industry;
- stipulating that Category 3 licensees are not required to partner or have a commercial relationship with a Category 1 or Category 2 licensee;
- adding minority legislative membership on the Players' Benevolence Fund advisory committee;
- requiring sports wagering operator licensees to display warnings prominently in person and on mobile applications and digital platforms related to the use of credit cards and cash advances; and
- directing the Massachusetts Gaming Commission to study the feasibility of professional sports teams or their designees, or professional sports facilities, offering sports wagering through mobile applications or other digital platforms, or in-person at a facility that hosts professional sports in Massachusetts.

###