



NOTICE OF MEETING and AGENDA
November 7, 2013 Meeting

Pursuant to the Massachusetts Open Meeting Law, G.L. c. 30A, §§ 18-25, notice is hereby given of a meeting of the Massachusetts Gaming Commission. The meeting will take place:

Thursday, November 7, 2013
9:30 a.m.

Boston Convention and Exhibition Center
415 Summer Street, Room 254B
Boston, MA

PUBLIC MEETING - #88

1. Call to order
2. Approval of Minutes
 - a. October 31, 2013
3. Racing Division – Jennifer Durenberger, Director
 - a. Racing Tax Withholding
 - b. Consideration of 2014 Racing Applications
 - c. Report on Recent Legislation Affecting Simulcasting
 - d. Consideration of Suffolk Downs Request to Amend Schedule – VOTE
4. Workforce, Supplier and Diversity Development Report – Jill Griffin, Director
 - a. Supplier Diversity Presentation – Minority Business Center/US Dept. of Commerce
 - b. Labor/Workforce Development Presentation – Brian Lang, President, Local 26
5. Ombudsman Report – John Ziemba
 - a. Category 1 Applicants Surrounding Community Update
 - b. Category 2 Applicants Surrounding Community Designation
 - c. Process for Surrounding Community Petitions
 - d. Surrounding Communities Waiver – 30 day notice requirement
6. Administration – Rick Day, Executive Director
 - a. General Update
 - b. Quarterly Budget Update – Commissioner Zuniga
 - c. Master Schedule – Critical Path
 - d. Application Evaluation Discussion
7. Licensing Division – David Acosta, Director and Todd Grossman, Deputy General Counsel
 - a. Licensing Regulations – approval of draft




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8. Research and Problem Gambling – Mark Vander Linden, Director
 - a. Legislative Report on Research Activities
 - b. Social and Economic Impacts of Gambling in Massachusetts (SEIGMA) Update
9. Other business – reserved for matters the Chair did not reasonably anticipate at the time of posting.

I certify that on this date, this Notice was posted as "Gaming Commission Meeting" at www.massgaming.com and emailed to: regs@sec.state.ma.us, melissa.andrade@state.ma.us.

11/5/13
(date)


Stephen P. Crosby, Chairman

Date Posted to Website: November 5, 2013 at 9:30 a.m.



Massachusetts Gaming Commission

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Meeting Minutes

Date/Time: October 29, 2013 – 3:00 p.m.

Place: Boston Convention and Exhibition Center
415 Summer Street, Room 151B
Boston, Massachusetts

Present: Commissioner Stephen P. Crosby, Chairman
Commissioner Gayle Cameron
Commissioner James F. McHugh
Commissioner Bruce Stebbins
Commissioner Enrique Zuniga

Absent: None

Clicking on the time posted in the margin will link directly to the appropriate section of the video.

Discussion of Issues Involved with November 5 Referenda in Boston and Revere

See transcript page 2-65.

- 3:00 p.m. Chairman Crosby opened the 86th public meeting and introduced the sole issue for discussion.
- 3:03 p.m. Chip Tuttle and John Stefanini, representing Sterling Suffolk Racecourse, discussed Sterling Suffolk's planned referenda and its efforts to educate voters about the change.
- 3:15 p.m. The Commission took a brief recess.
- 3:21 p.m. Mr. Brian Falk, representing the City of Revere, presented the City's thoughts about the upcoming referendum and how the city has been informing voters.
- 3:26 p.m. Ms. Elizabeth Della Russo, Mr. William Kennedy, and Ms. Mary Marshall, representing the City of Boston, presented the City's thoughts about the upcoming referendum and how the city has been informing voters.

- 3:36 p.m. Ms. Celeste Myers and Mr. Matt Cameron, representing No Eastie Casino, presented their thoughts about the upcoming referendum.
- 3:49 p.m. Mr. Brian Gannon, a resident of East Boston and founding member of No Eastie Casino, presented his thoughts about the upcoming referendum.
- 3:52 p.m. Ms. Angie Preston, a resident of East Boston, presented her thoughts about the upcoming referendum.
- 3:55 p.m. Ms. Diane Modica, president of East Boston Chamber of Commerce, presented her thoughts about the upcoming referendum.
- 4:00 p.m. Ms. Maureen White, a resident of East Boston, presented her thoughts about the upcoming referendum.
- 4:04 p.m. Mr. John Wyatt, member of the Impact Advisory Group, presented his thoughts about the upcoming referendum.
- 4:07 p.m. Ms. Gail Miller, a resident of East Boston, presented her thoughts about the upcoming referendum.
- 4:09 p.m. The Commission discussed the upcoming referenda and the comments presented to it.
- 4:16 p.m. Meeting adjourned.

List of Documents and Other Items Used

1. Massachusetts Gaming Commission October 29, 2013 Notice of Meeting and Agenda

/s/ Catherine Blue
Catherine Blue
Assistant Secretary



Meeting Minutes

Date/Time: October 31, 2013 – 9:30 a.m.

Place: Boston Convention and Exhibition Center
415 Summer Street, Room 151B
Boston, Massachusetts

Present: Commissioner Stephen P. Crosby, Chairman
Commissioner Gayle Cameron
Commissioner James F. McHugh
Commissioner Bruce Stebbins
Commissioner Enrique Zuniga

Absent: None

Clicking on the time posted in the margin will link directly to the appropriate section of the video.

Call to Order

See transcript page 2.

9:30 a.m. Chairman Crosby opened the 87th public meeting.

Approval of Minutes

See transcript page 2-3.

9:31 a.m. Commissioner McHugh stated that the minutes for the October 17 public meeting are ready for approval.

Motion made by Commissioner McHugh that the minutes of October 17, 2013 be accepted subject to any mechanical or typographical corrections that may later be found. Motion seconded by Commissioner Cameron. The motion passed unanimously.

Workforce Development

Report by Director Jill Griffin. See transcript pages 4-37.

- 9:32 a.m. Director Griffin discussed how the Commission will define “small business” and presented the public comments received on the question. She recommended defining a small business as “an entity, including all of its affiliates combined that, has its principal place of business in Massachusetts, employs a combined total of 50 or fewer full-time employees, has been in business at least one year, has gross revenues of \$15 million or less based on a three year average, and meets all legal obligations for tax status and required registration in the Commonwealth.” The Commission was in agreement.
- 9:49 a.m. *Motion made by Commissioner Stebbins that the Commission adopt the definition of “small business” as stated in the recommendation with the clarifications that the combined employment is over all locations and subcontractors may also be considered small businesses. Motion seconded by Commissioner McHugh. The motion passed unanimously.*
- 9:50 a.m. Director Griffin discussed the importance of diversity and how the Commission can promote inclusion of diverse individuals in the gaming market. Director Griffin invited a group to discuss best practices at the following Commission meeting and stated that there is a conference on the subject in Fenway Park on November 21.

Administration

Report by Executive Director Rick Day. See transcript pages 37-54.

- 10:11 a.m. Executive Director Day provided an update on a variety of administrative matters at the Commission. He commended the Commission for the tremendous amount of work it has completed since the prior meeting as the Commission has held three public input meetings, the responsible gaming forum, a gaming policy advisory meeting, a suitability hearing, and racing license application public meetings. The Commission’s three newest hires, Derek Lennon, John Glennon, and Trupti Banda, have begun work and are busy making a positive impact at the office. The IEB is currently finishing the final three suitability investigations. Executive Director Day will present an updated master schedule to the Commission at the following meeting.
- 10:18 a.m. Executive Director Day discussed the recommended changes to the gaming consultant contracts. As previously discussed, the Commission will eliminate the monthly fee and implement an as needed system and hourly billing for consultant services used at the same rates as in the investigations contracts. Executive Director Day will circulate guidelines to the staff on how to properly utilize the consultant’s services.
- 10:24 a.m. *Motion made by Commissioner Zuniga that the Commission authorize Executive Director Day and Commissioner Zuniga to amend the existing contracts with the Commission’s gaming consultants on an as-needed basis based on a scope to be determined prior to each of those amendments, and continue an hourly rate in case*

of miscellaneous tasks. Motion seconded by Commissioner Cameron. The motion passed unanimously.

Licensing Division

Report by Director David Acosta. See transcript pages 54-120.

10:27 a.m. Director Acosta and Deputy General Counsel Grossman presented a draft of the Commission's gaming employee licensing regulations and the Commission discussed the contents. The Commission was particularly interested in clarifying the requirements for suitability for licensure.

11:33 a.m. The Commission took a brief recess.

Document Management and Licensing Systems

Report by Director John Glennon. See transcript pages 120-152.

11:44 a.m. Director Glennon discussed the proposed document management system and licensing system. He recommended utilizing the proposal of EMC for both systems. The Commission discussed the costs involved in implementation and the number of licenses that will be required.

12:07 p.m. *Motion made by Commissioner Zuniga to authorize Executive Director Day and Director Glennon to accept the proposal from EMC and its partners for both the licensing management system and the enterprise content management system and to negotiate and execute the agreement subject to reviewing the number of licenses required by the Commission. Motion seconded by Commissioner Cameron. The motion passed unanimously.*

Ombudsman Report

Report by Ombudsman John Ziemba. See transcript pages 152-208.

12:18 p.m. Ombudsman Ziemba provided an update on the status of surrounding communities and stated that the extension of the deadline for petitions has had a positive effect for both the communities and applicants.

12:22 p.m. Ombudsman Ziemba discussed the granting of a variance to the 30 day timeframe for surrounding community and live entertainment venue agreements found in 205 CMR 125.01 (2) and 205 CMR 126.01 (2). If the variance is granted the Commission could make the surrounding community and impacted live entertainment venue designations less than 30 days prior to the statutory hearing in the host community. The Commission agreed to send out the necessary notices for the hearings on December 3, 4, and 5 while simultaneously asking for public comments on this question. The Commission also asked for a memo on this matter to inform their discussion on this issue at the next Commission meeting.

1:08 p.m. General Counsel Blue and Deputy General Counsel Grossman discussed the live entertainment venue petitions currently pending.

Racing Division

See transcript pages 208-211.

1:11 p.m. General Counsel Blue presented the template for the racing license, which the Commission has updated to mirror the decisional format of the gaming license.

Other Matters

See transcript pages 211-214.

1:14 p.m. Commissioner McHugh raised the issue of how to handle differences in information presented by Category 2 applicants during the 90 minute introduction presentations, in the host community agreements, and in the RFA-2 applications. The Commission will discuss the issue at the following public meeting.

1:17 p.m. Meeting adjourned.

List of Documents and Other Items Used

1. Massachusetts Gaming Commission October 31, 2013 Notice of Meeting and Agenda
2. Massachusetts Gaming Commission October 17, 2013 Meeting Minutes
3. Massachusetts Gaming Commission proposal to adopt a definition for "small business"
4. Massachusetts Gaming Commission Public Comments relative to the definition of "small business"
5. Letter to Chairman Crosby relative to diversity and inclusion
6. Massachusetts Gaming Commission proposed amendments to consulting contracts
7. Massachusetts Gaming Commission draft license regulations
8. Massachusetts Gaming Commission procurement team recommendations relative to a licensing system and enterprise content management system
9. Documents relative to surrounding communities
10. Template award of license to hold or conduct a race meeting for the calendar year of 2014

/s/ Catherine Blue
Catherine Blue
Assistant Secretary



Division of Racing

Massachusetts Gaming Commission

MEMORANDUM

Date: 31 October, 2013

To: Commissioners

From: Jennifer Durenberger, Director of Racing *J*

Re: Update on changes to Massachusetts tax reporting and withholding requirements on winning pari-mutuel wagers

Background:

Our racetrack licensees have long been required to comply with federal tax reporting and withholding requirements. The federal *reporting* threshold is triggered when "the amount paid with respect to the wager is \$600 or more and if the proceeds are at least 300 times as large as the amount wagered." [26 C.F.R. §31.3406(g)-2(d)(3)] The federal *withholding* threshold is triggered by "proceeds of more than \$5,000 from a wagering transaction, if the amount of such proceeds is at least 300 times as large as the amount wagered." [26 U.S.C. §3402(q)]

Until the passage of the Expanded Gaming Act, pari-mutuel "winnings from horse and dog racing" were expressly excepted from point-of-redemption Massachusetts state tax withholding requirements per M.G.L. c.62B §2.

Chapter 194, section 28, of the Acts of 2011 amended this section of the tax chapter, affecting the pari-mutuel industry in two important ways. First, it removed the state withholding tax exception for pari-mutuel winnings. Then, where the industry was accustomed to using a reporting threshold of \$600 or more with payout odds of at least 300:1 (a federal threshold in effect since 1976) and a withholding threshold of



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proceeds of more than \$5,000 with the same payout odds (a federal threshold in effect since 1992), section 28 created a new, much lower, state tax reporting and withholding threshold of \$600, regardless of amount wagered or payoff odds.

[As an interesting and very relevant aside for this Commission, the federal code also contains a withholding exception for bingo, keno and slot machine winnings (26 U.S.C. 3402(q)(5)) and limits the withholding requirement for lottery winnings to proceeds of greater than \$5,000 (26 U.S.C. 3402(q)(3)(b)). Both of these express federal exceptions, which were previously encompassed by the language in M.G.L. c.62B §2, were expressly decoupled from state withholding requirements by the Expanded Gaming Act. In its current iteration, c.62B §2 applies the state reporting and withholding requirement to ALL winnings of \$600 or greater, regardless of whether they are pari-mutuel proceeds or winnings from lottery, keno, bingo, or slot machines.]

Review: Over the course of several public meetings this summer, we explored this topic from several angles.

I. Massachusetts tax treatment of winnings appears to be in the minority

We discussed Massachusetts' minority position, not only on the application of state tax withholding, but also on the withholding thresholds utilized. Racing Division staff completed a survey of tax withholding guidance documents in other jurisdictions and found that fifteen states withhold state taxes on wagering proceeds. Of those fifteen, all but one (Iowa) apply the federal reporting and withholding thresholds (proceeds of greater than \$5,000). Iowa withholds if proceeds exceed \$1,000. Only Massachusetts withholds at \$600.

[On the gaming side, we found that only 5 states withhold state taxes on slot machine winnings; one of these (Michigan) imposes withholding on non-residents only. Of the other four, one (Maryland) uses a threshold of \$5,000, and three (Indiana, Iowa, and Louisiana) use a threshold of \$1,200. Only Massachusetts withholds at \$600.



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We noted the inability of the Massachusetts pari-mutuel customer to deduct losses up to winnings for state tax purposes as they can for federal tax purposes unless they meet the “gambling as a trade or business” criteria. Our survey revealed that Massachusetts appears to be one of only seven states whose pari-mutuel customers are similarly situated.

We touched briefly on the manner in which “proceeds” or “winnings” are calculated under federal tax law versus Massachusetts tax law. Under federal law, “proceeds” are defined as those amounts “determined by reducing the amount received by the amount of the wager.” [26 U.S.C. §3402(q)(4)] The Massachusetts provision contains no such limiting language.

II. Pari-mutuel tax reform initiatives at the federal level

The Racing Division has come across a 2011 letter from the National Thoroughbred Racing Association (“NTRA”) to the IRS requesting that the definition of “amount wagered” in determining pari-mutuel withholding be added to the agency’s Guidance Priority List. An attached white paper discusses how a change in the definition of “amount wagered” is needed to better reflect the reality that the majority of bets placed in today’s pari-mutuel industry are “exotic” bets, rather than “straight wagers.” The majority of pari-mutuel customers place multiple bets on multiple combinations of horses on a single ticket and into a single pool – just as most slot machines today are “multi-line,” offering wins not only for combinations appearing on the center horizontal row, but on the vertical and diagonal, as well. The white paper requests that “amount wagered” be defined as “the total amount wagered by the recipient of the winning proceeds into the pari-mutuel pool from which such proceeds are paid.” As this is a new document to our discussion, I have attached it to this memo.

We also note that the NTRA secured introduction of the Pari-Mutuel Conformity and Equity Act in the House of Representatives in the 2007/2008 and 2009/2010 Congresses. This bill would have doubled the federal reporting threshold from \$600 (with payout odds of greater than 300:1) to \$1,200 (with payout odds of greater than 300:1) and eliminated the federal withholding tax requirement altogether.



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III. Racing is already a highly-taxed form of gaming

Pari-mutuel wagering differs from other forms of gaming, in that pari-mutuel customers wager against each other, not the house. As part of their regulatory and revenue-building activities, states apply a pari-mutuel takeout tax to wagers. [See M.G.L. c.128A §5 and c.128C §2.] That takeout tax is then distributed among the state, industry stakeholders and other designated beneficiaries. In Massachusetts, takeout is 19% on “straight wagers” (bets on a single horse to win, place, or show) and 26% on “exotic wagers,” or combinations of multiple horses and/or multiple races. The takeout tax is removed from the pari-mutuel pool, and only the remaining 81% or 74% is returned to the winning wagerers. It is an effective tax on the pari-mutuel customer just for placing the wager.

If a winning wager exceeds the federal withholding threshold of \$5,000 with payout odds of greater than 300:1, racetracks are required to withhold federal tax at the rate of 25%. In Massachusetts, if the winning wager equals \$600, an additional 5% state tax is now withheld. On an exotic wager with proceeds under the federal withholding threshold, the pari-mutuel customer effectively pays a 26% tax up front just to place the wager, and then a 30% withholding of proceeds from those wagers. While no one is arguing the sensibility of a withholding tax as a compliance mechanism, the effect of this kind of withholding on “churn,” or the flow of winning dollars back into the pari-mutuel pools should be considered.

On October 16th, Mr. Alex Waldrop of the NTRA addressed this Commission during its First Annual Horse Racing Forum. His remarks are memorialized in the transcript from that Forum and he has submitted a letter in support of the NTRA’s position that the commonwealth’s approach to tax reporting and withholding is both detrimental to the pari-mutuel industry and counterproductive for the state.



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IV. Any variable resulting in a decrease in pari-mutuel handle has dramatic consequences for our industry

We have also discussed the potential effects on our racetrack licensees in the form of the increased labor costs of compliance, and on all of our industry – not just our racetrack licensees, but our occupational licensees, our breeders, and the Commission’s operating expenses – as a result of decreased handle.

The following programs are percentage-driven and thus directly tied to amount of total handle in Massachusetts:

- Daily revenue to the Commonwealth
- Purses for horse owners
- Monies to the Massachusetts Thoroughbred Breeders program
- Monies to the Massachusetts Standardbred Breeders program
- Monies to capital improvements and promotional funds at licensee facilities
- Monies to Tufts Veterinary school
- Monies to the Racing Stabilization Fund

The following programs rely on sufficient racing revenue before payments can be made:

- Local aid payments to racing’s host communities
- Monies for benevolence programs
- Monies to the Department of Public Health for use in problem gambling programs
- Operational budget of the Racing Division

Anything – no matter the source of the harm – that decreases handle directly decreases the funding available for all of the above. And we have discussed *ad naseum* the virtuous economic cycle that fuels the racing industry and all of its agribusiness and service industry extensions. Putting that cycle in reverse, lower handle negatively affects purse money, which has a negative impact on field size, which has a further negative impact on handle – and all of the stakeholders listed above.



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The pari-mutuel industry in the Commonwealth today

So can we demonstrate an effect of the state tax reporting and withholding requirements on the industry?

In calendar year 2012, our three pari-mutuel licensees together issued approximately 6,000 individual federal W2-G forms using federal reporting guidelines, or approximately 500/month. (The tracks are treated as employers for reporting and withholding purposes, using federal W-2G forms just as they would for employee payroll tax withholding.) For the period June - August, 2013, the first three months during which our licensees applied the state threshold to winning pari-mutuel wagers, there were an average of 795 state tax reporting and withholding transactions per month – an increase of almost 60%. These transactions occur at a special “IRS” window, with specially-trained mutuel clerks, and require the winning wagerer to produce photo ID and proof of taxpayer identification number at the time of redemption. This administrative burden is placed squarely on our licensees.

Average daily simulcasting handle (ADH) for our licensees has decreased a combined total of 13.0% for the period June through September, as compared to January through May, 2013. This, despite an expected increase in on-track attendance during the second period attributable to live racing.

A couple of notes here. The first half of the year traditionally sees higher handle, thanks to the run-up to the Triple Crown races. May is usually the month with the highest handle, thanks in large part to the Kentucky Derby. A decline in handle in the second half of the year is to be expected. We see a decline in previous years' third and fourth quarter handle in Massachusetts, and we see it nationally. While it would be instructive to compare this year's ADH to previous years' numbers, the Commission's old pari-mutuel accounting system tracked only total handle, not ADH. And while it would seem simple enough to divide total handle for the month by the number of days in that month, all is not as it seems. For example, in 2012, total simulcast handle in the Commonwealth for the month of February was \$18,199,124. In February, 2013, that figure was \$14,135,387 – on its face, a 22.33% negative variance.



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However, our three licensees were in operation a combined 81 days in February, 2012, resulting in an ADH of \$224,681. Because of snow and infrastructure problems, our licensees were open only a combined 68 days in February, 2013. The ADH for February, 2013 was \$207,873, a negative variance of only 7.5%

In ordinary times, it can be difficult to demonstrate the effect of a single variable on a measured outcome. This is why careful study design and peer review are so important. In extraordinary times, such as when the manner and type of statistics kept one year differs from that of the next, the ability to demonstrate an effect can be swallowed whole or greatly exaggerated. I can't tell you which it is here. I can tell you that average daily simulcast handle in the Commonwealth for the period June through September, 2013 decreased 13.0% from the period January through May, 2013. How much of that is attributable to the state tax reporting and withholding requirements, I can't tell you. Is some of it attributable? All things previously discussed in this memo and accompanying letters considered, I think unequivocally, yes.

At this Commission's 70th public meeting on June 27th of this year, we concluded the following: "At some point, staff may make the recommendation that the Commissioners consider supporting [any] proposed legislation as it relates to pari-mutuel wagering winnings. We believe doing so would fall squarely under our duty to reduce potentially negative or unintended consequences of the gaming legislation on the horse racing industry in Massachusetts. The health of the industry we regulate, as well as the efficacy of our regulation, will be directly impacted by any significant decrease in handle."

At that time, an amendment to the House supplemental budget entitled "An Act Relative to Wagering Taxation" was traveling through Ways and Means. The proposed language would have amended the requirements in M.G.L. c.62B §2 to mirror those of the federal tax Code. While we understand that this provision did not make it out of committee, we anticipate this will be an area of continued legislative activity.



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Recommendation: Our recommendation at this time is for the Commission to consider whether it would support any proposed legislation designed to reduce the negative impact of the state tax reporting and withholding requirements on the pari-mutuel [and gaming] industry. Racing Division staff will continue to monitor this area and report back on any proposed language and its anticipated effects for the Commission's consideration.

M.G.L. c.62B §2 prior to the Expanded Gaming Act:

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 winnings, except winnings from horse and dog racing, which are subject to tax under chapter sixty-two and which are subject to withholding under section thirty-four hundred and two (q) of the Internal Revenue Code shall deduct and withhold from such payment an amount equal to five 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 provisions of the Internal Revenue Code, as amended from time to time. For purposes of this chapter and chapter sixty-two C, such payment of winnings shall be treated as if it were wages paid by an employer to an employee.

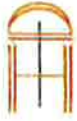
M.G.L. c.62B §2 after the Expanded Gaming Act:

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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June 1, 2011

DELIVERED VIA ELECTRONIC MAIL

Internal Revenue Service
Attn: CC:PA:LPD:PR (Notice 2011-39)
1111 Constitution Avenue, N.W.
Washington, D.C. 20224

Re: Request to Include an Item on the 2011-2012 Guidance Priority List

To whom it may concern:

I am writing on behalf of the National Thoroughbred Racing Association and the American Horse Council in response to the invitation by the Department of the Treasury (the "Treasury") and the Internal Revenue Service (the "Service") published in Notice 2011-39, 2011-20 I.R.B. 786, for recommendations on items for inclusion on the 2011-2012 Guidance Priority List. For the reasons discussed below and in the attached white paper, we respectfully request that the 2011-2012 Guidance Priority List include guidance changing the definition of "amount wagered" in determining pari-mutuel withholding and reporting.

Background

The current rules that apply to winnings from wagering on horse racing have been in place for many years. However, they do not reflect appropriate or equitable withholding and reporting for the way most wagering is done today.

Section 3402(q)(3)(c) of the Code requires withholding if the wagering proceeds are more than \$5,000 from "a wagering transaction in a parimutuel pool with respect to horse races, dog races, or jai alai if the amount of such proceeds is at least 300 times as large as the amount wagered."

Treasury regulations provide that gambling winnings are reportable on Form W-2G if the amount paid with respect to the wager is \$600 or more and the proceeds are at least 300 times the amount of the wager.¹

¹ See Treas. Reg. § 31.3406(g)-2(d)(3); see also PLR 7823066 (March 13, 1978).

The withholding requirement came into law in 1976 and, when enacted, applied to proceeds of more than \$1,000. The threshold was later increased to \$5,000. The reporting requirement was in effect at the time the withholding requirement was enacted in 1976.

The longstanding interpretation of what is considered as the "amount wagered" means that no matter how many combinations a patron bets into a pool in an attempt to have a winning ticket, only the cost of the one winning combination is considered as the amount wagered for withholding and reporting purposes. It does not take into account other wagers involving other combinations placed in that same pool which did not produce any winnings.

For example, in 1978, the Service ruled in PLR 7823066 that:

We conclude, therefore, that your multiple wager \$6 box bet ticket must be considered to be six individual \$1 bets and not one \$6 bet for purposes of computing the amount to be reported or withheld. Winnings on a \$6 box bet must be reported if they are \$600 or more and if the winning combination pays off at 300 times the \$1 bet; and Federal income tax must be withheld if the winnings amount to more than \$1000 after the price of the wager (\$1) has been subtracted.

Similarly, the 2011 *Instructions for Forms W-2G and 5754*, in explaining how to treat multiple wagers in the same pari-mutuel pool, restate almost verbatim what was concluded in PLR 7823066.

Problem and Requested Guidance

For a wager to pay 300 to 1 odds or higher, the wager must be on some combination of horses coming in the exact order or coming in first in several races. A wager on a single horse to come in first, second, or third will not pay 300 to 1 or more of the amount of the wager. Most pari-mutuel wagering on horse racing today involves picking a combination of horses to come in the exact order, *e.g.*, an Exacta, Trifecta, Superfecta, or Pick 6. To win, a bettor most often places wagers on numerous combinations in hopes of having the one single combination that pays off. However, as explained above, the total wagers placed on the numerous combinations are not taken into account for purposes of determining the bettor's winnings that are subject to withholding. As a result, a larger amount will be withheld than what should have been withheld if winnings reflected the total amount wagered. Attached to this request for guidance is a white paper describing in more detail the problem, a numerical illustration of the problem, and a description of our request for guidance.

In order to achieve more appropriate withholding and reporting to reflect the way most wagering is done today, we respectfully request that the 2011-2012 Guidance Priority List include guidance providing that for purposes of withholding pursuant to section 3402(q)(3)(c) of the Code, and reporting pursuant to Treas. Reg. § 31.3406(g)-2(d)(3), the "amount wagered"

Internal Revenue Service
June 1, 2011
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should include the total amount wagered by the recipient of the winning proceeds into the pari-mutuel pool from which such proceeds are paid.

We appreciate your consideration of this request. If we may provide any additional information or answer any questions, please contact Tad Davis at tadavis@davis-harman.com or by phone at (202) 347-2230.

Sincerely,

A handwritten signature in cursive script that reads "Thomas A. Davis". The signature is written in black ink and is positioned centrally below the word "Sincerely,".

Thomas A. Davis

Attachment

Request to Change Definition of "Amount Wagered" In Determining Pari-Mutuel Withholding and Reporting

Problem

The pari-mutuel industry is burdened by an inequitable tax law that requires racetracks and other wagering facilities to withhold federal taxes on winnings over \$5,000 if the proceeds are at least 300 times the "amount wagered." (See Section 3402(q)(3).)

The 2011 Instructions for Forms W-2G and 5754 state: "For multiple wagers sold on one ticket, such as the \$12 box bet on a Big Triple or Trifecta, the wager is considered as six \$2 bets and not one \$12 bet for purposes of computing the amount to be reported or withheld. Winnings on a \$12 box bet must be reported if they are \$600 or more, and federal income tax must be withheld if the proceeds total more than \$5,000...." (See also Private Letter Ruling 7823066.) This means that a bettor who places a \$10 bet on 200 different combinations in the Trifecta pool and wins on one of those combinations can only count \$10 as the amount wagered even though in fact the person has bet \$2,000.

In part, due to current tax laws, U.S. wagering on pari-mutuel horse racing has declined from a high of \$15.18 billion in 2003 to \$11.4 billion in 2010. The pari-mutuel horse racing industry – representing nearly 1,000 off-track wagering service sites, as well as some 200 racetracks – has lost market share as horseplayers migrate to other forms of gambling entertainment that do not withhold on winnings over \$5,000. This migration is not because of a desire to avoid taxes, but because of over-withholding.

Proposed Solution

For purposes of withholding pursuant to Section 3402(q)(3), the "amount wagered" would include the total amount wagered by the recipient of the winning proceeds into the pari-mutuel pool from which such proceeds are paid. For example, if a bettor places 10 bets into a Trifecta pool on 10 different combinations of the three horses that will come in first, second, and third, the cost of all of those bets would be included in the amount wagered for purposes of withholding.

Pari-Mutuel Pools

There is a separate pool for every type of bet that is made on a race. For example, every bet made on a horse to win the race goes into the Win pool, every bet that is made on a horse to finish second goes into the Place pool, and every bet on a horse to finish third goes into the Show pool.

There are separate pools in each race for all Exacta bets (which require picking the horses that finish first and second in the exact order of finish), Trifecta bets (which require picking the first three horses in the exact order of finish), Superfecta bets (which require picking the first four horses in the exact order of finish), and pools for any other types of bets that are available on any given race.

There are also separate pools for bets that are made on horses in different races such as the Pick 3 or the Pick 6, which requires picking the winners in several designated consecutive races. When a person has a winning ticket, that person shares the amount in that particular pool (less the takeout, defined below) with everyone else who has a winning ticket in that pool in proportion to the amount that each winner has bet into that pool.

It is almost impossible for the betting odds from a bet made on a single horse to be 300 to 1 or higher. However, it is quite common for the odds to be over 300 to 1 when picking more than one horse to finish in a particular order, especially when the bet involves more than two horses. Additionally, when people make these types of bets, it is common for them to bet on a number of different combinations to increase their chances of winning.

The Withholding Tax Is Inequitable and Confiscatory

As illustrated by the examples that follow, the definition of the "amount wagered" has a great impact on the determination of whether the winnings are subject to withholding.

Example A

Assume an individual decided to wager a Trifecta (selecting the first-, second-, and third-place finishers in a race, in exact order). To improve his or her chances of winning, the individual selects a group of seven horses in the race and requests a "Trifecta box." By betting a box, the person wins if any three of the seven horses finishes one-two-three (in any order). A seven-horse Trifecta box involves 210 different mathematical combinations. If the person bets \$20 on each combination, the total amount wagered is \$4,200 (\$20 x 210). After the race, the person held a winning ticket that paid \$6,100 (which is odds of 305 to 1).

Under the current IRS withholding rules, the racetrack would withhold \$1,520 since the rules treat the \$20 paid for the one winning combination as the only amount wagered. The withholding is computed as follows:

\$6,100	Proceeds from wager
<u>(\$20)</u>	Amount wagered
\$6,080	Winnings
<u>X 25%</u>	Automatic withholding
\$1,520	Withholding tax

The individual, however, has really only won \$1,900 (\$6,100 winnings less \$4,200 wagered). Consequently, after the withholding tax was taken out, the person was left with a net of only \$380, making the withholding rate 80% of the actual winnings.

Example B

The pay-off computations for the winning Trifecta outlined in Example A are changed by defining the "amount wagered" as the actual dollars wagered by that person into the Trifecta pool for that race. The identical wager, in this scenario, results in no withholding as the twin tests of winnings over \$5,000 and odds of 300 to 1 or more are not met:

\$6,100	Proceeds from wager
<u>\$4,200</u>	Amount wagered
\$1,900	Winnings (less than the \$5,000 threshold)

The person may be able to get back the over-withholding in Example A by claiming the balance of what was bet on the Trifecta as a miscellaneous itemized deduction on his or her tax return when it is filed the following year. But withholding by this procedure takes that money out of the wagering cycle for a long time. Further, if the person is subject to the Alternative Minimum Tax (AMT), as many Americans

are, he or she would not be able to claim the loss against the winnings because miscellaneous itemized deductions are not allowed to be deducted in computing AMT. It is also possible that the bettor would not be able to claim the losses against the winnings if that person does not itemize when filing his/her return but uses the standard deduction, or if the person is subject to limits on the amount of his/her deductions due to income. Not only is this unfair and confiscatory to the person who won, it has serious detrimental ramifications for the racetracks and other wagering facilities, as is explained below.

Impact of Withholding

Statistics show that each pari-mutuel dollar returned to the bettor in the form of winnings is re-bet seven times throughout the course of a day. A pari-mutuel dollar wagered on a track on an exotic wager is generally apportioned as follows, with taxes, track operations, purses, and other programs collectively defined as "takeout":

Returned to bettors in the form of winnings	80%
State and local taxes	2%
Track operations	9%
Purses	8%
Other programs	<u>1%</u>
Total	100%

As the figures above illustrate, a diminution in pari-mutuel "churn" (re-betting of a pari-mutuel dollar) by the automatic 25% withholding on winnings of over \$5,000 at odds of 300 to 1 or more also impacts the collection of additional tax revenue at the local, state and federal levels, which is paid by each racetrack operator on its net revenues.

Why Is the Racing Industry Seeking this Change Now?

Over the past decade, the number and type of non-pari-mutuel forms of wagering that offer "mega" prizes have grown substantially. Native American casinos, riverboat casinos, lotteries and land-based casinos all offer some form of jackpot-style payout. Horse racing has developed its own wager types that carry the potential to produce large payouts to compete against lotteries or progressive slot machines. Since the introduction of the Trifecta in 1971, followed by wagers such as the Pick 6 (winners of six consecutive races) in the 1990s, horse racing fans have steadily migrated away from simple Win, Place and Show bets to combination or exotic wagers that offer the prospect of large pay-offs.

Exotics are now the most popular form of wagering. For example, bettors wagering on Kentucky Derby day typically pay collectively about \$2.5 million in federal withholdings for exotic wagers placed on one race card. A \$2 Trifecta bet on the horses that finished first, second, and third in the 2011 Kentucky Derby paid \$3952, but virtually all of those who won the Trifecta bet substantially more than \$2 to have a winning ticket.

Every one of horse racing's 1,200+ wagering service sites must calculate, track, withhold, and forward to the IRS any federal tax due on winnings of over \$5,000. This process requires the expenditure of thousands of man-hours processing IRS withholdings and producing Forms W-2G. Lotteries avert the IRS withholding by offering tickets that pay less than \$5,000 or substantially more than that amount (with relatively few winners and prizes typically paid out as annuities).

Approximately 30 million Americans wager on pari-mutuel horse racing each year. Due to the growing popularity of exotic wagering across all fan groups, virtually any horseplayer may find himself or herself standing in the "IRS line" at a racetrack. Such an experience places an undue burden on horseplayers and is a clear disincentive for them to continue to wager on horse racing.

Nowhere is this more true than at a "racino" – a combination racetrack and casino – where players experience no withholding on casino-style gaming, but when wagering on horse racing in the same facility are subject to automatic withholding if winnings are over the threshold and the odds are at least 300 to 1. This bifurcated system is in place at 44 racinos in 12 states, including major racing states such as Florida, New York, Louisiana, and Pennsylvania.

Current Withholding and Reporting Requirements for Various Types of Gambling Winnings

Type of Wagering	Withholding Requirement	Reporting Requirement
Tournament Poker Winnings	None	Over \$5,000
Keno	None	\$1,500 or more
Bingo and Slots	None	\$1,200 or more
Casino Games (Blackjack, etc.) *	None	None
Pari-Mutuel Wagering	Over \$5,000 and odds of at least 300 to 1	\$600 or more and odds of at least 300 to 1
Lotteries and Sweepstakes	Over \$5,000	\$600 or more and odds of at least 300 to 1

** While theoretically subject to withholding and reporting, if the proceeds are over \$5,000 or \$600 and are at least 300 times the amount wagered, in practice there is no withholding or reporting because table game transactions do not result in proceeds that are at least 300 times the amount wagered. See, e.g., IRS PLR 8710006.*

Current regulations should be updated to reflect the current wagering practices in horse racing.

Reporting Requirements Should Be Updated

Current reporting requirements also need to be updated to reflect the realities of pari-mutuel wagering today. As outlined above, the reporting requirements vary by type of wagering. They range from a threshold of \$600 for pari-mutuel winnings to a threshold of \$5,000 for tournament poker winnings. The reporting requirements for pari-mutuel winnings have been in place for more than 30 years and pre-date the enactment of withholding on pari-mutuel winnings in 1976.

The most recent IRS withholding change in this area took place in October 2007, when the IRS established a reporting threshold of \$5,000 and determined that no withholding was required for tournament poker winnings. (See Revenue Procedure 2007-57 and IRS News Release IR-2007-173.) A standardized level of reporting and withholding, consistent with the rules established for tournament poker, would bring greater uniformity, simplicity and equity to the tax code for gambling winnings. Additionally, the determination of the "amount wagered" should be the same for pari-mutuel reporting purposes as proposed herein for withholding.

New England Horsemen's Benevolent and Protective Association, Inc.

President
Anthony Spadea

A National Organization

Acting Executive Director
Bruce P. Patten

Directors: Owners
Susan Clark
Shirley Dullea
James Greene
Lee Loebelenz
Manfred Roos



Directors: Trainers
John Assimakopoulos
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June 25, 2013

Stephen P. Crosby, Chairman
Massachusetts Gaming Commission
84 State Street Suite 720
Boston, MA 02109

Re: Impact of Massachusetts' new withholding tax on horse racing wagering

Dear Chairman Crosby:

On behalf of the New England HBPA, the Massachusetts Thoroughbred Breeders Association and our membership of 1,100 small businesses, we are writing to inform you about the detrimental impact of a recently imposed change to state withholding tax requirements affecting patrons who wager on horse racing in Massachusetts.

As you are aware, recent changes in Massachusetts Law require new criteria for income tax withholding on winning wagers. The new law obligates authorized racing and gaming licensees to immediately collect tax withholding on winning wager payouts of \$600 or more, regardless of the original wager amount. This is a radical change from the 300 to 1 ratio level that initiated the withholding requirement under prior state law and existing federal law.

Upscale bettors, who may wager large sums for relatively small gains, are now subject to withholding of as much as 55% of their profit (on a minimum payout under current law) and will likely have to sign a tax form when cashing most of their winning wagers. Since this made no sense to such bettors, they have already taken their business to neighboring states that withhold taxes consistent with federal law.

The consequence of upscale bettor migration away from Massachusetts is decreased wagering handle in Massachusetts, which results in financial losses for racing licensees and reduced purse money for racing and its agricultural network.

We have communicated our thoughts to the Massachusetts Legislature and we understand that a legislative fix is already underway. We are hopeful that this absurd situation will be quickly rectified.

As always, thoroughbred horsemen look forward to working with the Massachusetts Gaming Commission toward the advancement of thoroughbred racing and the expansion and success of our agricultural network.

Sincerely,

Anthony Spadea, President
New England HBPA

George Brown, Chairman
MA Thoroughbred Breeders Association

Cc: Gayle Cameron, Commissioner, Massachusetts Gaming Commission
Dr. Jennifer Durenberger, Director of Racing, Massachusetts Gaming Commission



Alexander M. Waldrop
President & CEO

October 9, 2013

Massachusetts Gaming Commission
84 State Street 10th Floor
Boston, MA 02109

Re: Massachusetts Taxation of Pari-Mutual Wagering

Massachusetts Gaming Commissioners:

The National Thoroughbred Racing Association (NTRA) has learned that as of June 1 of this year, horseplayers in Massachusetts who are paid winnings of \$600 or more by Massachusetts racetracks are subject to an immediate 5% tax on their winnings. Unlike federal tax law, this Massachusetts tax obligation relates not only to exotic wagers but also to win, place and show wagers. Moreover, this new state tax burden on horseplayers is in addition to already burdensome federal withholding of 25% which takes place on winning tickets of more than \$5000 if the amount of the winning ticket is at least 300 times as large as the amount wagered. This additional state tax obligation now facing Massachusetts bettors is unduly burdensome and extremely counterproductive for both the state and the Massachusetts horse racing industry. We are not aware of any other state that withholds state taxes at the \$600 threshold.

The Massachusetts tax on winning pari-mutuel wagers is burdensome because it bears no relationship to the actual winnings of horseplayers who often stake large sums of money in hopes of hitting a single winning ticket. Assume an individual decides to wager a trifecta (selecting the first-, second-, and third-place finishers in a race in exact order). To improve his/her chances of winning, the individual selects a group of seven horses in the race and requests a "trifecta box." By betting a box, the person wins if any three of the seven horses finishes one-two-three in any order. A 7-horse trifecta box involves 210 different mathematical combinations, so if the person places a \$20 trifecta box using 7 horses, the total amount wagered is \$4200 (\$20 x 210). Let's further assume that after the race, the individual holds a winning ticket which paid \$6100.

Under the current IRS withholding rules, federal withholding applies to this winning trifecta ticket because the amount of the winning wager, \$6100, (i) exceeds the \$5000 threshold and (ii) is 305 times as large as the "amount wagered," which was \$20 ($\$6100/\$20=305$).

NATIONAL THOROUGHBRED RACING ASSOCIATION

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For purposes of determining the "amount wagered," the IRS treats the \$20 paid for the one winning combination as the only amount wagered, even though the entire cost of the 7-horse trifecta box ticket was \$4200. The NTRA has petitioned the IRS to reconsider its longstanding interpretation of the phrase "amount wagered" and instead take into account the total amount wagered by the recipient of the winning proceeds into the pari-mutuel pool from which such proceeds are paid. In this example of a 7-horse trifecta box, the \$6100 winning trifecta ticket is less than 2 times as large as the \$4200 wagered into the trifecta pool by the winning ticket holder. Simple fairness demands that there be no federal withholding in this situation, but for now, withholding is required.

Thus, until the IRS agrees to change its position concerning the calculation of the amount wagered, a racetrack must withhold \$1,520 which is computed as follows:

\$6,100	Proceeds from wager
<u>(\$20)</u>	Amount wagered
\$6,080	"Winnings"
<u>x25%</u>	Automatic withholding
\$1,520	Withheld amount

Under the Massachusetts withholding rules which apply as well, the racetrack must withhold an additional \$305 computed as follows:

\$6,100	Proceeds from wager
<u>(\$0)</u>	Amount wagered (no reduction under MA law)
\$6,100	"Winnings"
<u>x5%</u>	Automatic withholding
\$305	Withheld amount

The result for the horseplayer in this example is egregious. He has actually won only \$1900 (\$6100 in winnings less \$4200 wagered) but after both federal and state withholding are taken out, the bettor is left with net winnings of just \$75. This is an effective withholding rate of 96%. Taken together, these misguided tax withholding obligations could very well destroy horse racing in Massachusetts by making it too costly for horseplayers to participate.

To add to this burden, understand that unlike federal tax law which provides a mechanism for an eventual federal tax withholding refund by allowing a bettor to offset any taxable pari-mutuel winnings with pari-mutuel losses on the taxpayer's annual tax return, Massachusetts appears to provide no such mechanism for a state tax refund. Thus, the Massachusetts law unfairly taxes winnings but ignores losses. This policy does nothing but raise the price of betting on horseracing at a time when the industry and its patrons can ill-afford price increases. In short, the Massachusetts withholding law seriously discourages betting on horse racing in Massachusetts.

The Massachusetts withholding law is also bad tax policy for the state of Massachusetts which currently receives millions of dollars from the state's pari-mutuel horseracing industry in the form of pari-mutuel excise taxes paid by tracks on the amount wagered on horse racing. Studies show that each pari-mutuel dollar returned to bettors in the form of winnings is re-bet seven times throughout the course of a race day. A pari-mutuel dollar wagered on track is generally apportioned as follows:

Returned to bettors in the form of winnings	80%
State pari-mutuel excise taxes	2%
Track operations	9%
Purses	8%
<u>Other programs</u>	<u>1%</u>
Total	100%

As the figures above illustrate, pari-mutual "churn" (re-betting of pari-mutuel winnings) is diminished by the automatic 25% federal withholding on certain "winnings" and now further by the 5% state tax on all "winnings." Diminished churn will inexorably lead to lower pari-mutuel excise tax receipts for Massachusetts. Hence, in the long run, the state will lose more from diminished pari-mutuel excise taxes than it will gain from an ill-advised tax scheme imposed on bettors.

The state of Massachusetts is a partner with the state's horse racing industry. If the pari-mutuel wagering on horse racing grows, the state's receipt of excise tax payments will grow. If the tracks lose business because of bad tax policy which drives away customers, the state loses, too. It is in everyone's best interest to revisit this ill-advised decision and eliminate this new tax on bettors, a tax that is far too burdensome on racing's customers and ultimately counterproductive for the state.

Sincerely,



Alexander M. Waldrop

President and CEO



Division of Racing

To: Stephen Crosby, Chairman
Gayle Cameron, Commissioner
Jim McHugh, Commissioner
Bruce Stebbins, Commissioner
Enrique Zuniga, Commissioner

From: Jennifer Durenberger, Director of Racing *JD*

cc: Rick Day, Executive Director

Date: 7 November, 2013

Re: Applications to conduct live horse racing in 2014

Dear Commissioners:

In order for operators to conduct live racing in the Commonwealth, they must first file an application with the Commission pursuant to M.G.L. c.128A §§2-3. The application must be received on or before October 1 of the preceding year and be accompanied by a small application fee and a bond in the amount of \$125,000 “conditioned upon the payment of all sums which may become payable to the commission under this chapter...” The application must address five enumerated statutory housekeeping-type items (name, business entity, location, days, etc.) along with “answers to such other questions as the commission may prescribe,” and contain an affirmation of compliance with all applicable laws and regulations. The form of the application and the questions it contains were approved by the Commission at its 75th public meeting, held on August 22, 2013.

The statute requires a public hearing on each application, outlines criteria that the Commission shall take into consideration when considering the application (discussed below), sets forth conditions for issuance of a license (discussed below), and requires that the Commission “shall grant or dismiss” each application not later than November 15th.



Massachusetts Gaming Commission

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The Commission is in receipt of three such applications to conduct live horse racing in 2014:

- The application of Sterling Suffolk Racecourse, LLC, to conduct 100 days of running horse racing between June 2 and November 29 at an existing facility in Suffolk County known as Suffolk Downs;
- The application of Springfield Gaming and Redevelopment, LLC, to conduct 100 days of harness horse racing between April 14 and November 28 at an existing facility in Norfolk County known as Plainridge Racecourse **IF** awarded a category 2 gaming license; and
- The application of Brockton Racing, LLC, to conduct 40 days of harness racing at an existing facility in Plymouth County at the Brockton Fairgrounds, commencing 30 days after the opening of the category 2 gaming facility at the Raynham Park location, **IF** awarded a category 2 gaming license **and IF** Plainridge Racecourse ceases its live racing operations.

The license applications were posted to the MGC website on October 23rd, 2013, and public comment was invited. Public hearings on each of the applications were conducted in Boston, Plainville, and Brockton, respectively, in accordance with M.G.L. c.30A the week of October 28th. The relevant hearing materials are included at the end of this memorandum for your review, and the summary of each hearing will be provided in the discussion of each application.

The criteria the Commission shall consider, “in addition to any other appropriate and pertinent factors,” when making its determination appear in M.G.L. c.128A §3(i):

- The financial ability of an applicant to operate a race track;
- Maximization of state revenues;
- Suitability of racing facilities for operation at the time of the year for which dates are assigned;
- That large groups of spectators require safe and convenient facilities;
- The interest of members of the public in racing competition honestly managed and of good quality;
- The necessity of having and maintaining proper physical facilities for racing meetings; and



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- The necessity of according fair treatment to the economic interest and investments of those who in good faith have provided and maintain such facilities.

The Racing Division notes that all three racing license applicants are applicants for gaming licenses and all have achieved a positive determination of suitability, subject to certain conditions. To the extent that financial suitability was a part of that determination, we have not conducted any further analysis as to the first criterion. Several of the other criteria take on significance only in the context of competing applications, as a relative measure. For example: "maximization of state revenues." In the context of competing applications, the Racing Division would conduct handle projections and make a determination as to expected revenue from one applicant versus the other. Here, where we do not have competing applications, we are left with what is essentially a yes/no analysis. If dates are awarded, then revenue. If dates are not awarded, no revenue. To the extent that any of the criteria take on a particular relevance, they will be taken up in detail under the discussion of the individual applicants.

Similarly, conditions related to the issuance of the license are found in M.G.L. c.128A §3. Many relate to situations involving competing applications for the same class of racing and are irrelevant to this discussion. Those few conditions which are implicated under present circumstances will be taken up in detail under the discussion of the individual applicants.

We turn now to the individual applications.



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Sterling Suffolk Racecourse, LLC

Sterling Suffolk Racecourse, LLC (“SSR”) is the existing running horse licensee and the sole applicant for running horse dates in 2014. Its application addresses the statutory requirements in M.G.L. c.128A §2 as well as the other questions which the Commission prescribed, and its request for 100 live racing days during the period June 2 – November 29, 2014, makes it eligible to offer simulcast wagering pursuant to M.G.L. c.128C §2.

The application includes a master list of requested simulcast imports [Exhibit 27] and simulcast outlets for export of its live signal [Exhibits 28A and 28B], a request for authorization of three advance deposit wagering account providers pursuant to M.G.L. c.128A §5C [Exhibit 29], and a notice of election of the so-called “premium-free period,” pursuant to M.G.L. c.128C §2(5). This notice of election, for the period March 16 – June 7, was included with the application as a stand-alone letter and does not appear in the electronic version of the application. It appears at the end of this memo for your review.

A public hearing on the application was held at 1000 Washington Street in Boston, MA, on October 30th. Approximately two members of the public attended, though none requested to speak. No written comments were received in connection with the hearing. To the best of my knowledge, no comments have been received in response to the request for public comment on the MGC website. All associated materials are included at the end of this memo.

Also on October 30th, 2013, the Commission issued a positive determination of suitability regarding SSR as a gaming applicant, subject to certain conditions that do not appear to touch upon racing operations. Given the depth and complexity of the background check procedures performed, the Racing Division has confidence in the entity, its board of managers, and its officers. Prior to the start of the live racing meet, we will be conducting the appropriate background checks on those individuals recommended by the applicant for employment as racing officials. We note, however, that there exists a significant gap in the background check procedures involving a third group of individuals who we consider key racing employees. These individuals do not appear to have been subject to background check as part of the predecessor agency’s procedures, and would not have been considered qualifiers as part of this year’s gaming license application procedure. We will be working with the Commission’s legal department to develop a defined list of these key racing employee positions and determine the appropriate tier of background check to which they should be subjected.

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As to the application, the Racing Division notes the following:

The current executed recognition and purse agreements with the representative horsemen's group, are valid through May 31, 2014 and December 31, 2013, respectively. We would expect amendments to existing contracts and agreements or newly executed contracts and agreements to be provided to the Racing Division as they become available.

Subsequent to the filing of this application, the announcement was made that Caesars Entertainment Corporation ("CEC") and its affiliated entities would be withdrawing as a qualifier from the category 1 gaming application that this racing license applicant currently has pending before the Commission. CEC indirectly owns Caesars Massachusetts Investment Company, LLC, which is listed in Exhibit 11(d) as a minority interest in this racing license applicant. Mr. John Payne, an officer of CEC, is listed on this racing license applicant's Board of Managers as set forth in Exhibit 11(g). In response to our request for whatever clarification could be provided at this time regarding the status of these members, we were pointed to a letter from Mr. Timothy Donovan, General Counsel for CEC, to Chairman Crosby, dated October 21, 2013. In that letter, Mr. Donovan notes that, "[b]y separate agreements with the SSR partnership that are under active negotiations, the Caesars Entities intend to withdraw from the SSR group, with the consent and agreement of the remaining SSR partners." While these recent developments do not appear to implicate the notice requirements found in M.G.L. c.128A §11C: *Sale of ten per cent or more of stock; notice; approval*, we would expect to receive notification of any amendments to Exhibits 11 once finalized, as a matter of course.

Recommendation: The Racing Division respectfully recommends that the application of Sterling Suffolk Racecourse, LLC for live running horse racing dates in 2014 be approved, subject to the conditions outlined below and any other conditions deemed appropriate by this Commission. Particularly, we note the demonstrated past performances of Sterling Suffolk Racecourse as a running horse licensee, including its significant contributions to the industry and to the Commonwealth, as outlined in Exhibits 25 and 26.

The following conditions to licensure, and any other conditions deemed appropriate by this Commission, are suggested:

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- The applicant shall work with the Commission to ensure that key racing employees, once defined, are identified and subjected to an appropriate background check.
- Any amendments to existing contracts and agreements or newly executed contracts and agreements with the representative horsemen's group must be provided to the Racing Division within five (5) business days of execution.
- Any amendments to Exhibits 11 must be provided to the Racing Division, regardless of the percentage interest or title of the party/parties involved, within five (5) business days of becoming finalized.

Such approval would also authorize simulcast wagering, effective January 1, 2014, with the brick-and-mortar and other outlets listed in Exhibits 27, 28A and 28B, and the advance deposit wagering account providers listed in Exhibit 29, pending the regulatory and representative horsemen's group approvals required by the Interstate Horseracing Act (15 U.S.C. §3001 *et seq.*) and M.G.L. c.128C §2. Such approval would also authorize the 12-week premium-free period elected by the applicant.



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Springfield Gaming and Redevelopment, LLC

Springfield Gaming and Redevelopment, LLC (“SGR”) is a member-managed subsidiary of Western Mass Gaming Ventures, LLC, which traces 100% ownership up through Delvest Corp. and, ultimately, Penn National Gaming, Inc. It currently has an application for a category 2 gaming license pending before the Commission. The applicant has entered into an option agreement to acquire the assets of the existing harness horse racing licensee, Ourway Realty, LLC, should SGR be awarded a category 2 gaming license. The applicant has also entered into an option agreement whereby if it is awarded a racing license by the Commission, it may commence racing operations on January 1, 2014, “pending a decision on the award of the Category 2 gaming license.”

SGR is one of two applicants for harness horse dates in 2014. Its application addresses the statutory requirements in M.G.L. c.128A §2 as well as the other questions which the Commission prescribed, and its request for 100 live racing days during the period April 14 – November 28, 2014, makes it eligible to offer simulcast wagering pursuant to M.G.L. c.128C §2.

The application includes a master list of requested simulcast imports [Exhibit 27] and simulcast outlets for export of its live signal [Exhibit 28], a request to take over operation of the existing telephone account wagering system (“WinLine”) pursuant to M.G.L. c.128A §5C [Exhibit 29], and a notice of election of the so-called “premium-free period,” pursuant to M.G.L. c.128C §2(4). This notice of election, for the period June 22 through September 14 [13], 2014, appears at the end of Exhibit 27. We note that Exhibit 27 also appears to request the Breeders Cup races as so-called “Special Events,” pursuant to M.G.L. c.128C §2(4).

A public hearing on the application was held at the Plainville Senior Center in Plainville, MA on October 29th. Approximately fifteen members of the public attended, eight of whom requested to speak. All of the comments were favorable to the application. One written comment in favor of the application and one written comment in opposition to the application were received in connection with the hearing. A written comment in support of the application was received in conjunction with the application and was included as the last page of applicant’s Exhibit 17B. To the best of my knowledge, no comments have been received in response to the request for public comment on the MGC website. All associated materials are included at the end of this memo.

★ ★ ★ ★ ★

Massachusetts Gaming Commission

84 State Street, 10th Floor, Boston, Massachusetts 02109 | TEL 617.979.8400 | FAX 617.725.0258 | www.massgaming.com

On October 2, 2013, the Commission issued a positive determination of suitability regarding Springfield Gaming and Redevelopment, LLC as a gaming applicant. Given the depth and complexity of the background check procedures performed, the Racing Division has confidence in the entity. Prior to the start of the live racing meet, we will be conducting the appropriate background checks on those individuals recommended by the applicant for employment as racing officials. We note, however, that there exists a significant gap in the background check procedures involving a third group of individuals who we consider key racing employees. These individuals would not have been considered qualifiers as part of this year's gaming license application procedure. We will be working with the Commission's legal department to develop a defined list of these key racing employee positions and determine the appropriate tier of background check to which they should be subjected.

The parent company of SGR, Penn National Gaming, Inc. ("PNGI"), is a multi-jurisdictional racing operator. With the help of the Commission's Investigations and Enforcement Bureau, the Racing Division is in the process of conducting its due diligence as to PNGI's racing operations. This due diligence review is not complete at this time. Letters of good standing have been requested of the following regulatory authorities where PNGI is a license or permit holder:

- Florida Department of Pari-Mutuel Wagering
- Maine Harness Racing Commission
- Maryland Racing Commission
- Racing Commission of the State of New Mexico
- New Jersey Racing Commission
- Ohio State Racing Commission
- Pennsylvania Horse Racing Commission
- Texas Racing Commission
- West Virginia Racing Commission

As of November 1st, only two letters in response have been received.



Massachusetts Gaming Commission

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As to the application, the Racing Division notes the following:

The applicant will need to work with the Racing Division to amend its requests for simulcast import and export. While we recognize that secondary dissemination sites for exports cannot be listed with specificity until such contracts are negotiated, both Exhibits 27 and 28 include several requests that cannot be approved as listed. We are confident that we can work with the applicant to correct these Exhibits well in advance of January 1, 2014.

We recognize that many third-party service provider contracts and insurance policies will not be executed until such time as SGR exercises its option agreement(s). The Racing Division reserves the right to inspect all such agreements as they are finalized and bring to the Commission's attention any such agreements that may be of concern.

We request that the applicant submit the 2002 documentation ("2002 materials") related to the telephone account wagering system ("the WinLine") referenced in Exhibit 29. We note that the burden is on the applicant to produce these materials and submit them with the application, not on the Racing Division to supply them.

The Racing Division notes that PNGI has a strong track record of using its private property authority and corporate policy to complement the authority of the governing regulatory body. In the event that SGR becomes a racing operator in the Commonwealth, we look forward to partnering with them as they develop the "local" section of their corporate "Racing Guide," referenced in Exhibit 23-B4.

The Racing Division's overarching concern regarding this application is, of course, the sequencing issue related to the November award of the racing license and the later award of the category 2 gaming license, given the express provisional nature of this entity's racing license application. The applicant has signaled its intent to begin simulcasting on January 1, 2014, yet conditions its application for a racing license on the award of a category 2 gaming license – a subsequent event. The ability to simulcast in the Commonwealth is conditioned upon the live racing licensee *actually conducting* live racing. [see M.G.L. c.128C §2, "...[N]o racing meeting licensee shall simulcast live races in any racing season unless the racing meeting licensee is licensed to and actually conducts at least 900 live races over the course of not less than 100 calendar days during that racing season..."] The simulcast statute puts the agency in a tricky position: in an ordinary year, no one knows whether the conditions which authorize simulcasting are satisfied until after simulcasting has already been conducted for



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the majority of the year. In this instance, the applicant has asked us to authorize simulcasting while indicating that it has no interest in fulfilling the conditions precedent should it not receive a gaming license.

One possible solution to this dilemma would be for the Commission to award a license to conduct live racing but to table the applicant's request to offer simulcast wagering beginning January 1, 2014, delaying the simulcast approval decision until such time as the category 2 gaming license is awarded. This solution, however, would require the existing facility to be closed on December 31, 2013. This could result in potentially unnecessary temporary layoffs and decreased revenue to the Commonwealth and racing's other stakeholders due to lost pari-mutuel handle, which seems to us an absurd result.

Unless it is not within the parameters of the statute to do so, it seems the wiser choice to authorize simulcast wagering pending the outcome of the category 2 gaming license award.

Exhibit 14, "Option and Purchase Agreement" references a "Temporary Operations Agreement" to be executed between Ourway Realty, LLC and SGR by December 15, 2013 should SGR obtain a license to conduct live racing. That Temporary Operations Agreement is designed to allow SGR to operate simulcast operations in the interim period, pending the Commission's award of a category 2 gaming license. The Racing Division would expect to receive and review a copy of that agreement, if and when executed.

Recommendation: The Racing Division respectfully recommends that the application of Springfield Gaming and Redevelopment, LLC for live harness horse racing dates in 2014 be approved, subject to the conditions outlined below and any other conditions deemed appropriate by this Commission, and pending the absence of any material derogatory information received as we complete our due diligence review. Particularly, we note the strong racetrack operations portfolio of SGR's parent company, PNGI, coupled with the benefits to the Commonwealth of conducting harness racing at the existing facility, as outlined in Exhibit 26.

The following conditions to licensure, and any other conditions deemed appropriate by this Commission, are suggested:

- The applicant shall work with the Commission to ensure that key racing employees, once defined, are identified and subjected to an appropriate background check.

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- The applicant will need to work with the Racing Division to amend its requests for simulcast import and export prior to January 1, 2014.
- The Racing Division must be notified of any amendments to existing contracts and agreements or any newly executed contracts and agreements with any third-party racing operations-related service providers or representative horsemen's groups within five (5) business days of execution, and said documents will be subject to review.
- The applicant must provide the 2002 materials regarding the WinLine telephone account wagering system referenced in Exhibit 29 before consideration will be given.
- The applicant must provide a copy of any Temporary Operations Agreement executed between Ourway Realty, LLC and Springfield Gaming and Redevelopment, LLC within five (5) business days of execution.

Such approval would also authorize simulcast wagering, effective January 1, 2014, pending additional review of the import and export requests by Racing Division staff, as well as the regulatory and representative horsemen's group approvals required by the Interstate Horseracing Act (15 U.S.C. §3001 *et seq.*) and M.G.L. c.128C §2. Such approval would also authorize the 12-week premium-free period elected by the applicant, and up to 15 Breeders Cup races as premium-free special events. Please note that this approval would *not* authorize the use of the WinLine as a telephone account wagering system until such time as the 2002 materials have been reviewed and a further recommendation is made to the Commission.



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Brockton Racing, LLC

Brockton Racing, LLC (“Brockton Racing”) is a new entity, formed in September 2013. It consists of Raynham Member, Inc., a wholly-owned subsidiary of Greenwood Racing, Inc., and the Carney Family Group LLC. Both are affiliated with the Raynham Park, LLC application for a category 2 gaming license currently pending before the Commission. This application for live racing dates is conditioned upon an award of a category 2 gaming license to Raynham Park, LLC and the cessation of live harness racing at Plainridge Park.

Brockton Racing is one of two applicants for harness horse dates in 2014. Its application does not fully address some of the statutory requirements of the application, namely the days and hours of the day on which it intends to hold or conduct the race meeting. This matter will be explored more fully below. Its request to conduct 40 days of racing “in August through October of 2014,” does **not** make this entity eligible to offer simulcast wagering pursuant to M.G.L. c.128C §2. (As the greyhound licensee in Bristol County, Raynham Park remains authorized by Section 92 of Chapter 194 of the Acts of 2011 to conduct simulcasting through July 31, 2014.)

A public hearing on the application was held at the Massasoit Community College in Brockton, MA on October 29th. Approximately fifteen members of the public attended, six of whom requested to speak. All of the comments were favorable to the application. Two written comments in opposition to the application were received in connection with the hearing. To the best of my knowledge, no comments have been received in response to the request for public comment on the MGC website. All associated materials are included at the end of this memo.

On August 5, 2013, the Commission issued a positive determination of suitability regarding Raynham Park, LLC as a gaming applicant. Given the depth and complexity of the background check procedures performed, the Racing Division has confidence in the entity. Prior to the start of the live racing meet, we would be conducting the appropriate background checks on those individuals recommended by the applicant for employment as racing officials. We note, however, that there exists a significant gap in the background check procedures involving a third group of individuals who we consider key racing employees. These individuals would not have been considered qualifiers as part of this year’s gaming license application procedure. We will be working with the Commission’s

* * * * *

Massachusetts Gaming Commission

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legal department to develop a defined list of these key racing employee positions and determine the appropriate tier of background check to which they should be subjected.

Greenwood Racing, Inc., the parent company for Raynham Member, Inc., is a multi-jurisdictional racing operator. With the help of the Commission's Investigations and Enforcement Bureau, the Racing Division is in the process of conducting its due diligence as to Greenwood Racing's racing operations. This due diligence review is not complete at this time. Letters of good standing have been requested of the following regulatory authorities where Greenwood Racing, Inc. is a license or permit holder:

- New Jersey Racing Commission
- Oregon Racing Commission
- Pennsylvania Horse Racing Commission

As of November 1", no letters in response have been received.

As to the application, the Racing Division notes the following:

Two of the statutory housekeeping requirements found in M.G.L. c.128A §3 are "[t]he days on which it is intended to hold or conduct such a meeting," and "[t]he hours of each day between which it is intended to hold or conduct racing at such meeting." The applicant's response to these questions includes the following:

"Whether the racing meetings are conducted, and the final schedule of racing meetings, will depend on: (i) whether a Category 2 gaming license is issued to Raynham Park LLC and when its gaming facility opens, and (ii) whether and when the Plainridge Racetrack, in Plainville, MA, elects to permanently cease the conduct of its live harness racing business. If Category 2 gaming license is issued to Raynham Park LLC and the Plainridge Racetrack elects to permanently cease the conduct of its live harness racing business ("Third Party Decisions"), then Brockton Racing will seek to commence its harness horse racing meetings 30 days after the opening of the Raynham Park Category 2 gaming facility. If those Third Party Decisions do not occur in a timely fashion, Brockton Racing may be required to conduct a pro rata number of racing meetings within the remaining time until October 31, 2014.... Upon the Third Party Decisions occurring, Brockton Racing will submit its specific racing schedule to the Commission for its approval."



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We first note that in addition to providing information useful to the Commission when making its determination as to whether to grant or dismiss an application to conduct live racing, the information regarding dates and times also goes directly to whether the application competes with another application for the same class of racing, or whether the two are exclusive. M.G.L. c.128A §3 permits the Commission to award more than one harness racing license, with certain restrictions as to overlapping dates, times, and geographical radius. Without this information, it would be impossible for the Commission to properly consider multiple applications for one class of racing. Where, as here, each application is essentially contingent on the other not conducting racing, we need only address whether this lack of information disqualifies the application altogether.

Assuming, for the moment, that it does not – or that a proposed schedule could be submitted which would cure the omission – we consider the remainder of the application.

The Raynham Member, Inc. entity discloses in Exhibit 13C that one of its affiliates was denied a racing license by the Maryland Racing Commission in 2003. We await further documentation from the Maryland Racing Commission as to that matter.

Our due diligence as to Exhibit 16 is not yet complete.

No recognition agreement for purse agreement has been executed with any horsemen's group at this time. Under the circumstances, this is understandable, and a later submission would satisfy this requirement.

As is the case with the SGR application (and the SSR application, in the case of contracts which expire on December 31, 2013), there are a number of third party racing operations-related service provider contracts and insurance policies that have not yet been contemplated or executed. This is to be expected in the case of a new applicant entity, and would expect that such contracts be provided to the Racing Division for review, once executed.

A number of responses regarding the previous racing operations experience of The Carney Family Group, LLC as well as to the physical attributes of the existing racing facility remain under review by members of the application review team.

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Recommendation: The Racing Division does not feel that it has sufficient information to provide a recommendation regarding the “grant or dismissal” of the Brockton Racing, LLC application at this time. Some of the information missing from the application could potentially be cured immediately, some of it could potentially be cured as information regarding contingencies and contractual arrangements become available, and we expect that most, if not all, of the information needed to complete our due diligence review could be obtained in the near future. The question before us is whether we will be in an appropriately informed position to make an absolute recommendation by the statutory deadline of November 15th. We recognize that this Commission takes very seriously its commitment to the integrity of the application review process and are not interested in circumventing that process for any reason. If our due diligence review cannot be completed by that deadline, we cannot and will not make a recommendation for approval.

But we are also cognizant of the fact that the harness racing industry, and all of its many agribusiness and local economy extensions, has a very serious interest in seeing harness racing continued in the Commonwealth of Massachusetts. To that end, we are concerned about whether a November dismissal of an application would preclude the Commission from reconsidering a later request, should certain events occur which would otherwise mean the absence of local harness racing. We note the following statutory provisions:

M.G.L. c.128A §2:

“... [A] supplementary application by a licensee for a subsequent license in the calendar year for which a license had theretofore been issued to such licensee and relating to the same premises as were specified in the previously issued license, and supplementary applications by a licensee for additional licenses under section four, may be filed with the commission at any time prior to the expiration of said calendar year for which a license had theretofore been issued to said licensee; and the commission shall grant or dismiss such applications within thirty days of the date of filing.”

M.G.L. c.128A §3(i):

“Notwithstanding the foregoing provisions of this section, the racing commission shall have the right to review and reconsider without further notice or public hearing any application made prior to October 1 for which racing dates have been requested for the following year; provided that the application has had a public hearing prior to November 15; and provided, further, that any applicant who has been denied these racing dates makes a written request for review and reconsideration within 90 days of



Massachusetts Gaming Commission

receiving notice of the denial; and provided further, that the commission shall reconsider and review the request within 180 days of the denial.”

It seems to us that these provisions provide the following options:

1. Under M.G.L. c.128A §2, the Commission could potentially award a license for one day of live racing to Brockton Racing, LLC, provided the rest of the due diligence review was satisfactory to the Racing Division and to the Commission. The applicant is not interested in or eligible to offer simulcast wagering at this facility, so the award of one day does not run afoul of the live racing requirements found in c.128C. This award would keep the application alive into 2014 and through such time as the award of the category 2 gaming license, thus either mooted the application altogether because the event on which it was primarily conditioned failed to occur, or providing the applicant with the negotiating power it would need to enter into the types of contracts and agreements necessary for the completion of our review. The unanswered question here: what obligations to the Commonwealth would be triggered should a license be granted but never exercised?
2. Under M.G.L. c.128A §3(i), the Commission could potentially deny the application at this time, and the applicant could submit a written request for review and reconsideration within 90 days. We note the 90 day period would likely expire *subsequent to* the award of the category 2 gaming license, thus either mooted or invigorating the application as described above. We note that a denial of an application before a gaming commission takes on a heightened and potentially extended significance for the applicant and its affiliated entities.

If our understanding of these provisions is accurate, then the Racing Division respectfully recommends following the first approach, as outlined in M.G.L. c.128A §2, and grant such license for the period of one day. Such a grant will keep the application active and before the Commission such that it could be reconsidered at a later date if and when such consideration becomes appropriate, while avoiding the negative and potentially serious consequences for the applicant and its affiliates that would be associated with a denial. Should the Commission choose this approach, the Racing Division will continue our due diligence review and report back to the Commission once that becomes available. This solution seems to us to best protect the interests of the parties and the industry’s stakeholders under these very unique and present circumstances.



Massachusetts Gaming Commission



September 23, 2013

Jennifer Durenberger, Director of Racing
Massachusetts Gaming Commission
Racing Division
84 State Street, 10th Floor
Boston, MA 02109

Dear Dr. Durenberger:

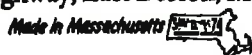
Suffolk Downs requests Sunday, March 16, 2014 through Saturday, June 7, 2014,
as the 12 week period for which premium rates for harness signals are waived.

Thank you for your courtesy and cooperation.

Very truly yours,

Chip Tuttle
Chief Operating Office

Telephone: 617-567-3900
525 McClellan Highway, East Boston, Massachusetts 02128





Division of Racing

Racing Division's Public Meeting
Running Horse Racing License Application

NOTICE OF MEETING and AGENDA

October 30, 2013 Meeting

Pursuant to the Massachusetts Open Meeting Law, G.L.c.230A, §§18-25, notice is hereby given of a meeting of the Massachusetts Gaming Commission. The meeting will take place:

**Wednesday, October 30, 2013
9:00 a.m.**

**Division of Insurance
1000 Washington Street
Boston, MA 02118**

PUBLIC HEARING

1. Call to order
2. Public Input

I certify that on this date, this Notice was posted as "Racing Division Public Hearing" at www.massgaming.com and emailed to: regs@sec.state.ma.us, melissa.andrade@state.ma.us.

10/22/13
(date)



Jennifer Durenberger

Date Posted to Website: October 23, 2013 at 12:00 pm

Massachusetts Gaming Commission

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Suffolk 10/30/13

Name

Organization

CHIP TUTTLE

SUFFOLK DOWNS

CHARLIE BAKER

DLA PIPER / SUFFOLK DOWNS

JOHN RIZZO

~~DLA PIPER~~ SUFFOLK DOWNS

BRUCE BARNETT

DLA PIPER / SUFFOLK DOWNS

PAUL EVANS

DLA PIPER / SUFFOLK DOWNS

LESLIE WOOLTON

Janet Woolton



Division of Racing

Racing Division's Public Meeting
Harness Horse Racing License Application

NOTICE OF MEETING and AGENDA
October 29, 2013 Meeting

Pursuant to the Massachusetts Open Meeting Law, G.L.c.230A, §§18-25, notice is hereby given of a meeting of the Massachusetts Gaming Commission. The meeting will take place:

Tuesday, October 29, 2013
1:00 p.m.
Massasoit Community College
770 Crescent Street
Brockton, MA 02302

PUBLIC HEARING

1. Call to order
2. Public Input

I certify that on this date, this Notice was posted as "Racing Division Public Hearing" at www.massgaming.com and emailed to: regs@sec.state.ma.us, melissa.andrade@state.ma.us.

10/22/13
(date)



Jennifer Durenberger

Date Posted to Website: October 23, 2013 at 12:00 pm

Massachusetts Gaming Commission

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Brockton 10/29/13

Check
here to
speak

Name	Organization
✓ MUIE BRADY	STATE REP BROCKTON
✓ DAVID FLYNN	ROYAL OAK
TOM CARNEY	RAYNHAM PARK
MICHAEL MORIZIO	KINDMAN + ATHERTON LLP
JOSEPH GRANT	PARX
JAN WILSON	PREX
CS CHAPMAN	City - Statig
✓ WILLIAM BARRY	Brockton Police
✓ ALPHIE GURBLEY	LITTON
✓ GEORGE GARNAT	
BOB KELLY	RANNHAM PARK
✓ TUM CRAW	CITY COUNCILOR
GREGG FEE	CITY JOURNAL

October 29, 2013

The New England Amateur Harness Drivers Club

301 Washington Street

Plainville, MA 02762

The Honorable Massachusetts Gaming Commission
84 State Street, 10th Floor
Boston, MA 02109

RE: Application by Brockton Racing

Dear Commissioners,

As the President of the New England Amateur Harness Drivers Club, I have had a long, fulfilling and loving relationship with the sport of the Harness Racing and all it represents. Its legacy is a storied one. It is also no understatement to say that the last two decades have seen a disastrous decline to the industry here in the Commonwealth. Many of us, whose livelihood has been so connected to this industry's prospects, welcomed the decision to expand to gaming here in Massachusetts knowing how similar expansions have brought our industry back to life in other jurisdictions.

It is clear how seriously this Commission takes its responsibilities. The rigor with which you have vetted applicants has made the introduction of gaming to the Commonwealth a no nonsense matter and that is all to the good. That is why I ask that you review the application by Brockton Racing with the same degree of scrutiny that you have so many other applications that have come before you for your approbation.

I am very bothered by this applicant's statements in Exhibit 13a that the applicant conducted harness racing at the Weymouth Fairgrounds from 1972-1976. Anyone who knows anything about this sport knows that the Weymouth Fairgrounds closed permanently in 1972 and no racing was conducted in that time frame. It is impossible that the applicant has any such experience and it is extremely bothersome that such experience would be claimed as a qualifying criterion in this rigorous environment of scrutiny that the Commission has applied to those individuals and organizations seeking gaming licenses in the Commonwealth.

The reality is that the applicant's relationship with the sport of harness racing has been very limited, and is not properly represented by the statements made in the application. I ask that the Commission explore this inconsistency fully and consider this matter very carefully.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Abdenour", with a long horizontal flourish extending to the right.

Bill Abdenour

	<i>Standardbred Owners of Massachusetts, Inc.</i>		
	PO Box 1682 Plainville, MA 02762		
	508-528-1877 508-528-3933 fax		
	Massachusetts Sire Stakes		
Edward Nowak	<i>President</i>	Raymond Campbell	<i>Director</i>
James Hardy	<i>Vice President</i>	Frank Dubreuil	<i>Director</i>
Nancy Longobardi	<i>Secretary/Treasurer</i>	Bonnie Rush	<i>Director</i>
		Paul Vacca	<i>Director</i>

October 28, 2013

Massachusetts Gaming Commission
84 State St., 7th Floor
Boston, MA 02109

Re: Harness Racing Application by Brockton Racing, LLC

Dear Commissioners,

As the recognized and the duly organized representative group of standardbred breeders administering the Massachusetts Standardbred Breeding program in accordance with Massachusetts General Law Chapter 128, sec. 2(j), we have serious concerns with a harness race meet at Brockton.

Harness racing and standardbred breeding needed a so-called "safety net" in the late 1980's and again in 1997. To be very clear, there was no interest to save our industry by the Brockton applicants at that time. In fact, a review of annual harness racing applications over the years will most likely indicate an adversarial attitude toward harness racing by members of the Brockton application. The lack of information in the Brockton application is troubling but the statement that there was harness racing conducted by the applicant in Weymouth is somewhat delusional. United States Trotting Association records show no evidence of harness racing in Weymouth from 1972 to 1976. Nor are there any memories of such events in the minds of our members.

As committed breeders, our business plan does not come to fruition for years beyond the initial decisions of our members to breed standardbred racehorses. The long term breeding commitments of our members is not something to be taken lightly. Our mission statement is to promote and improve the standardbred breed. The Brockton application lacks credibility and undermines the long-term goals of our industry, by minimizing our commitment to a brighter future of racing and breeding.

Sincerely,



Edward Nowak
President

EN/nl



Division of Racing

Racing Division's Public Meeting
Harness Horse Racing License Application

NOTICE OF MEETING and AGENDA
October 29, 2013 Meeting

Pursuant to the Massachusetts Open Meeting Law, G.L.c.230A, §§18-25, notice is hereby given of a meeting of the Massachusetts Gaming Commission. The meeting will take place:

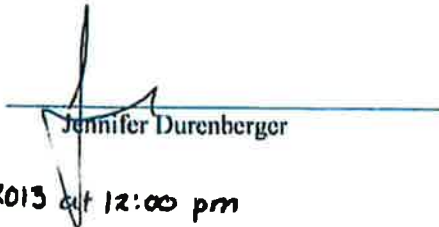
Tuesday, October 29, 2013
9:30 a.m.
Plainville Senior Center
9 School Street
Plainville, MA 02762

PUBLIC HEARING

1. Call to order
2. Public Input

I certify that on this date, this Notice was posted as "Racing Division Public Hearing" at www.massgaming.com and emailed to: regs@sec.state.ma.us, melissa.andrade@state.ma.us.

10/22/13
(date)


Jennifer Durenberger

Date Posted to Website: October 23, 2013 at 12:00 pm

Massachusetts Gaming Commission

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10/29/2013

Harness Racing Application of Penn National at Plainridge Racecourse

- ✓ **Joe Fernandes – Plainville Town Administrator**
- ✓ **James Alfred – Plainville Police Chief**
- ✓ **Justin Alexander – Plainville Fire Chief**
- ✓ **Paul Fontaine – President, Harness Tracks of America
Director, United States Trotting Association**
- ✓ **George Ducharme – Director At, Standardbred Owners of Massachusetts, Inc.
Director, United States Trotting Association
Harness Horse Trainer of the 2013 Hambletonian Champion**
- ✓ **Billy Abdelnour – President, New England Amateur Drivers Club**
- ✓ **Bob Bogigian – Director, Harness Horsemen's Association of New England**

Attendees
have but
didn't speak

NAME

Organization

Car Sottosanti, Chris McElean, Jay Snowden, Jeff Morris	Penn Athlete Strong
Michael Mottolo + David Kozol	Friedman + Ashton LLP
BOB BOGIGIAN	New England Amateur Business Dinner Club.
Bill Robinson	Town of Plainville
DE FERNANDES	
✓ L.S. Chapman	S O M
George Ducharme	Harness Teachers of America
PAUL FONTAINE	TOWN OF PLAINVILLE 40 YRS
FRANCIS FREY	



Standardbred Owners of Massachusetts, Inc.

PO Box 1682
Plainville, MA
02762

508-528-1877
508-528-3933 fax



Massachusetts Sire Stakes

Edward Nowak
James Hardy
Nancy Longobardi

President
Vice President
Secretary/Treasurer

Raymond Campbell *Director*
Frank Dubreuil *Director*
Bonnie Rush *Director*
Paul Vacca *Director*

October 28, 2013

Massachusetts Gaming Commission
84 State St., 7th Floor
Boston, MA 02109

Re: Harness Racing Application of Penn National at Plainridge Racecourse

Dear Commissioners,

As the recognized and the duly organized representative group of standardbred breeders administering the Massachusetts Standardbred Breeding program in accordance with Massachusetts General Law Chapter 128, sec. 2(j), we strongly support the racing application of Penn National at Plainridge Racecourse.

As committed breeders, our business plan does not come to fruition for years beyond the initial decisions of our members to breed standardbred racehorses. In this light, we believe the Penn National application at Plainridge Racecourse is by far the only viable option for the standardbred breeding industry to successfully survive into the future in Massachusetts.

The longevity of our business depends on a company that is committed to racing and integrating racing with a gaming operation. Integrated racing and gaming is the proven model for successful advancement of our breed and agricultural activities. This is a very important step to accomplish the promotion of standardbred breeding. Penn National is that company.

Please look favorably upon the Penn National racing application. Thank you for your consideration in this matter.

Sincerely,

Ed Nowak
President

EN/nl

Blue, Catherine (MGC)

From: Ziemba, John S (MGC)
Sent: Thursday, October 31, 2013 7:23 AM
To: Blue, Catherine (MGC)
Subject: Fwd: Horse Racing Applications; October 30th Racing Division Public Hearing

Sent from my iPhone

Begin forwarded message:

From: Mary-Ann Greanier <medb@me.com>
Date: October 31, 2013, 12:32:44 AM EDT
To: "MGCComments (MGC)" <mgccomments@MassMail.State.MA.US>, "Ziemba, John S (MGC)" <John.S.Ziemba@MassMail.State.MA.US>
Subject: Horse Racing Applications; October 30th Racing Division Public Hearing

Apparently there was a Racing Division Public Hearing yesterday, October 30th, which appears to have been posted and held on the same day without any indication on the website about the details of the hearing. The website also said that the hearing was to be at 1000 Washington Street in Boston, but the article in the Sun Chronicle stated that, "The commission was in Plainville to hear from the public concerning Penn National Gaming's application for 100 race dates for Plainridge, a harness track off Route 1."

I had hoped to give this testimony in person, but I simply couldn't find correct information about the hearing. I hope you will accept these written comments instead:

"Good neighbors" don't bleed money from the Money Room to the tune of a couple of million dollars and then leave town without a word (with a huge bucket of money in tow from the owners of Plainridge). The selectmen and Mr. Fernandes sang the praises of Mr. Piontkowski right up until we learned about the "irregularities" at the track. While the blame fell squarely on Piontkowski, we don't know who else might have been complicit in the "irregularities" because neither the MGC nor the Attorney General's Office has investigated who else might have been involved. They've all turned a blind eye, and now some of the very same people who worked closely with Gary Piontkowski are being folded-in to Penn National's new organization to run Plainridge.

"Good neighbors" don't keep their abutters silent by threatening to sue them. There are ten families whose property abuts or sits very close to Plainridge who are not able to actively participate in any meetings or make any public statements about the changes at Plainridge under threat of a lawsuit from the "1999 Non-Interference Agreement" signed by the former owners of the land where Harness Path and Plainridge are now built. Families on Harness Path and Mirimichi Street were threatened with legal action by Gary Piontkowski last year. Since his departure, no one from Ourway or Penn National has contacted those residents to arrange to tear up the Agreement and let them speak. The selectmen don't seem to be at all fussed by how these citizens are being treated.

"Good neighbors" don't break state laws, involving local groups and threatening the not-for-profit status of those groups. Earlier this year, the Attorney General found that Plainridge ran an illegal raffle in Plainville for more than a decade, and ordered them to stop that activity. With their cadre of attorneys, Plainridge certainly knew they were running afoul of the Charitable Gaming Laws in Massachusetts (or should have known) but they didn't seem to care that their "charitable contributions" were ill-gotten gains. (Does it worry anyone else that the selectmen weren't at all concerned about Plainridge breaking the law, as long as there was money flowing to groups in Plainville?)

"Good neighbors" don't continue to negotiate when they know they are privy to information that the town doesn't have. The Host Community Agreement agreed to by the Plainville Board of Selectmen on July 8th was negotiated and signed during the period when Plainridge knew full well about their considerable troubles with the MGC audit. Unfortunately, no one let the negotiators for Plainville know about those troubles until well after the Host Community Agreement was signed. Plainville negotiated from an inferior position, putting the validity of the Host Community Agreement in question.

I won't even go into how much Plainridge had to blast to get their garage as close to the neighbors as they could; how badly their representatives treated residents who participated in the Planning Board hearings; that they wouldn't let anyone without an abutters' letter into a meeting about the blasting; and the fact that the plan they negotiated with the town and the Planning Board is very different from what Penn National presented to the MGC.

I don't know how anyone who cares about the letter and the spirit of the law could think that Plainridge has been a good neighbor to our town and its citizens.

Mary-Ann Greanier
19 Mirimichi Street
Plainville, MA 02762
508.695.2794



MASSACHUSETTS GAMING COMMISSION

MEMORANDUM

To: Jennifer Durenberger
From: Catherine Blue
CC:
Date: October 31, 2013
Re: Summary of public hearings held October 29-30

This memo summarizes the public hearings held in the community on October 29-30, 2013 regarding the racing license applications received by the Commission. I will also forward separately to you the attendance sheets and written comments that were received for each application.

- Applicant:** Springfield Gaming and Redevelopment LLC
Location: Plainridge Racecourse, Plainville, MA

A hearing was held at the Plainville Senior Citizen's Center in Plainville MA on October 29, 2013 starting at 9 am. Various members of the applicant were present and the applicant made available a 3 page document describing Penn National, the applicant's parent company. Approximately 15 members of the public attended. Of that number, 8 requested the opportunity to speak. They are listed below along with a brief summary of their comments. All of their comments were favorable to the license application. One member of the public submitted written comments in favor of the license application. One member of the public submitted written comments against the license application.

Joe Fernandes: Plainville Town Administrator

Mr. Fernandes spoke in favor of the license application. He discussed the prior track owner's good relationship with the town and the current applicant's outreach to the town. He also emphasized the jobs and business the track brings to the town and that it would be important to the town to see the track remain operational.

Police Chief Alfred

Chief Alfred spoke about the cooperation between the track and the police. He stated that there were few incidents at the track and that they had a successful year this year.



Massachusetts Gaming Commission

Fire Chief Alexander

Chief Alexander stated that the applicant reached out to him and cooperated with him. He stated that all of the track's inspections were up to date and that in the past, if any issues arose, they were always addressed promptly.

Paul Fontaine

Mr. Fontaine is the President of the Harness Tracks of America and the director assigned to the Plainridge Racecourse by the USTA. He stated that he thought that the license application should be approved; Penn National as the licensee would allow for expansion of the benefits the track brings to the horsemen and the community. The combination of racing and gaming would be very beneficial. The track is important to the town and supports farms and suppliers, thus supporting jobs.

George Ducharme

Mr. Ducharme stated that he is the trainer of the Hambiltonian winner. He requested that the Commission look favorably on the application. Having harness racing at Plainridge will encourage breeders which could lead to other Hambiltonian winners.

Billy Abdenour

Mr. Abdenour represents the Amateur Drivers Club. His members donate the driver's fees to charity and he stated that would not be possible without the ability to race at the Plainridge Racecourse. He said that Penn National will continue to support this. Mr. Abdenour stated that Plainridge kept harness racing alive for 15 years, though bad times and that expanding gaming is needed to keep harness racing going.

Bob Bogigian

Mr. Bogigian represents the Harness Horseman's Association of New England. He stated that the only viable option is to keep harness racing at Plainridge. The track is operational all year round for racing and training. It is a safe venue for horses and drivers. The track is ready to go; no improvements are needed and there would be no gap in training and racing if racing is continued at Plainridge. Mr. Bogigian stated that Penn National has been successful all over the country.

Andrea Soucy

Ms. Soucy is a selectman in the town of Plainville. She echoed the comments provided by others. Plainridge Racecourse has been a good partner to the town. They have done a lot of outreach to the community and have worked quietly in the town. The track is part of the community.



Massachusetts Gaming Commission

84 State Street, 10th Floor, Boston, Massachusetts 02109 | TEL 617.979.8400 | FAX 617.725.0258 | www.massgaming.com

Ed Nowak

Mr. Nowak submitted written comments in favor of the racing application at the public hearing.

Mary Ann Greanier

Ms. Greanier submitted written comments through MGC comments opposed to the racing application.

2. **Applicant: Brockton Racing LLC**
 Location: Brockton Fairgrounds, Brockton MA

A hearing was held at the Massasoit Community College Conference Center in Brockton, MA on October 29, 2013 starting at 1 pm. Various members of the applicant were present. Approximately 15 members of the public attended. Of that number, 6 requested the opportunity to speak. They are listed below along with a brief summary of their comments. All of their comments were favorable to the license application. Two members of the public submitted written comments against the license application.

State Representative Brady

Mr. Brady stated that he represents the area around the Brockton Fairgrounds. Prior to that, he was a Brockton City Councilor. He states that when dog racing was discontinued it was a loss to the area and adversely impacted the economy. This license application, if granted, would create 150-200 jobs which the community needs. The license application has the support of his constituents.

Dave Flynn

Mr. Flynn is a retired state legislator. He stated that when good things happen to Brockton it benefits the entire south shore. Mr. Flynn stated that the Carney family was known to everyone in the area. It was a blow to the area when it lost dog racing. He further stated that the Commission should reward people who know the needs of the community and who have stayed here and worked hard.

Archie Gormley

Mr. Gormley is a Brockton resident and president of the Brockton firefighters. He spoke of the Carney family and Mr. Carney's good will toward his employees. He stated that having racing at the Brockton Fairgrounds will bring Brockton back and will benefit the surrounding area. Racing at the Brockton Fairgrounds will be a good job creator.



Massachusetts Gaming Commission

George Carney

Mr. Carney is a member of the applicant and a Brockton resident. He stated that the Mayor is in favor of the license application as is City Councilor Cruz, the ward 2 City Councilor and City Councilors Brophy and Sullivan. Mr. Carney stated that he was involved in racing in Weymouth and Foxboro in the past and that this would be a great opportunity for Brockton.

William Barry

Mr. Barry is a member of the Brockton police department. He said that the Brockton Fairgrounds facility is well run. More activity at that location would generate more business.

Tim Cruz

Mr. Cruz is a Brockton City Councilor from Ward 1. He stated that he is in favor of more activity at the Brockton Fairgrounds and that the Carney family is great to work with.

Bill Abdenour

Mr. Abdenour submitted written comments opposed to the application.

Ed Nowak

Mr. Nowak submitted written comments opposed to the application.

3. **Applicant: Sterling Suffolk Racecourse**
Location: Suffolk Racecourse, Boston/Revere, MA

A hearing was held at 1000 Washington Street in Boston, MA on October 30, 2013 starting at 9 am. Various members of the applicant were present. Approximately 2 members of the public attended. Of that number, none requested the opportunity to speak. I have not received any written comments.



Massachusetts Gaming Commission



Brockton, Massachusetts
"City of Champions"
Linda M. Balzotti – Mayor

October 31, 2013

Mr. Stephen Crosby, Chairman
Massachusetts Gaming Commission
84 State Street, 10th Floor
Boston, Mass. 02109

Dear Chairman Crosby,

It is with great pleasure that I write in support of the Harness Horse Racing Application that has been filed by Brockton Racing LLC to conduct live racing at the Brockton Fairgrounds.

As Mayor, I have worked tirelessly to revitalize our local economy through responsible fiscal policies that invest our limited public funds where they can be most beneficial, and by building collaborative relationships with business leaders who are willing to create jobs by investing in our city. We have had many successes, but more are needed when far too many Brockton residents remain unemployed or under-employed.

The establishment of live horse racing at the Brockton Fairgrounds further supports these efforts. It will create much needed new jobs and include capital investments to increase our commercial tax base. By embracing horse racing in Brockton, we send a clear signal to the broader business community that our collaborative ideals are real and meaningful, and that investing in Brockton is a viable opportunity. Brockton needs the positive commercial exposure and job-creating energy that horse racing will provide, and we ask that the Commission give great weight to that momentum which only a City as large as Brockton can use to spur further economic growth.

I also ask that the Commission consider that Brockton is the Commonwealth's seventh largest City and would benefit more from private investment and job creation than smaller towns. Our City is ideally located within the greater Metro-Boston area, and as such, the Brockton Fairgrounds would attract a greater number of new racing patrons than other communities have been able to do.

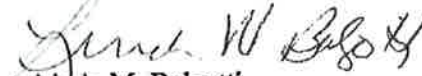
Moreover, the influx of new racing patrons in Brockton would boost racing taxes beyond that which it has been in past years, and their secondary spending in our City would have the beneficial multiplier of supporting our other non-racing businesses and the jobs they create. Those economic benefits, and many more, would provide a greater incentive to bring horse

raising to Brockton and would only complement our existing efforts to ensure a brighter city for all of our residents.

I would also be remiss if I did not mention the countless years of community support that our City has received from Mr. George Carney, the owner of the Brockton Fairgrounds. Mr. Carney has long supported the City of Champions in every way possible, most times even without the recognition. The Brockton Fairgrounds, the site of horse racing for many years, has been one of Mr. Carney's favorite endeavors, and I cannot think of a more able person to shepherd horse race back to our community, and to do so in a manner that will only benefit Brockton.

Thank you for your time and consideration of this letter and the accompanying application. Please feel free to contact me with any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Linda M. Balzotti".

Linda M. Balzotti
Mayor



City of Brockton

BROCKTON PUBLIC SCHOOLS

Kathleen A Smith, JD * Superintendent of Schools

Peter J. Caruso, Coordinator
Physical Education/Athletics, PreK - 8
Phone (508) 580-7589 Fax (508) 894-4367
peterjcaruso@bpsma.org

November 2013

Mr. George Carney and Family
7 Chilton Avenue
Brockton, MA 02301

On behalf of the Brockton Public Schools, Middle School Athletics and the participating 300+ Student-Athletes I would like to offer our deepest appreciation for your generosity.

Allowing our Middle School Cross-Country Teams to hold their Season Meets at the Fairgrounds for a fourth year was another example of your dedication to the City Youth and giving to our community.

The venue was perfect for our meets. The location, safety, accommodations and viewing options really met our needs. Your work staff at the site were terrific especially Tom Clifford who addressed our every need.

Hopefully we will be able to continue this over the coming years. Again our sincerest Thanks for your support for the youth of the city of Brockton and Middle School Athletics!

Sincerely,

Peter J. Caruso



DLA Piper LLP (US)
33 Arch Street, 26th Floor
Boston, Massachusetts 02110-1447
www.dlapiper.com

Charles A. Baker
charles.baker@dlapiper.com
T 617.406.6018
F 617.406.6118

November 5, 2013

BY HAND

Catherine Blue, Esq.
General Counsel

Dr. Jennifer Durenberger
Director, Racing Division

Massachusetts Gaming Commission
84 State Street, 7th Floor
Boston, MA 02109

Re: 2014 Racing License Application for Sterling Suffolk Racecourse, LLC

Dear Counsel Blue and Director Durenberger:

As you know, on October 1, 2013, Sterling Suffolk Racecourse, LLC (the "Applicant") submitted an application for a running horse racing license for 2014 (the "Application"). I understand that the Massachusetts Gaming Commission will be taking up the application at its meeting on November 7, 2013.

I write to inform you and the Commission of three elements of the Application that, while true and correct at the time it was filed, are no longer accurate as a result of developments related to the role of Caesars Entertainment Corporation and its affiliates ("Caesars") with the Applicant. The three items are references to Mr. John W. R. Payne, who as of October 1 was the Caesars appointee to the Applicant's Board of Managers (the "Board"). Mr. Payne resigned from the Board effective October 28, 2013, and has not been replaced. As a result, the following changes to the application are in order:

- | | |
|-----------------------|--|
| <u>Exhibit 11(a).</u> | Mr. Payne's name should be struck from the list of members of the Board appearing in Exhibit 11(a) to the application. |
| <u>Question 11(g)</u> | This question asks whether any of the Applicant's officers, directors, members or managers is also an officer, director, member or manager of any other race track that is or has been licensed by the MGC or any other racing or gaming jurisdiction. |



Catherine Blue, Esq.
Dr. Jennifer Durenberger
November 5, 2013
Page 2

The Applicant answered “yes” on account of Mr. Payne’s role with two race tracks in other states. In light of his departure from the Board, this answer should be changed from “yes” to “no.”

Exhibit 11(g)

This exhibit sets forth certain required information related to any affirmative answer to Question 11(g). The application includes an Exhibit 11(g) setting forth information concerning Mr. Payne’s affiliations with the out-of-state tracks. In light of his departure from the Board and the “no” answer to Question 11(g), this exhibit should be struck from the application.

Please consider this letter to be a request to amend the Application in the manner indicated above. Please do not hesitate to contact me if you have any questions about this requests.

Sincerely,



Charles A. Baker III

enclosure

cc: Mr. Chip Tuttle
Bruce S. Barnett, Esq.

EAST\65966029.1



Division of Racing

To: Stephen Crosby, Chairman
Gayle Cameron, Commissioner
Jim McHugh, Commissioner
Bruce Stebbins, Commissioner
Enrique Zuniga, Commissioner

From: Jennifer Durenberger, Director of Racing -JD

cc: Rick Day, Executive Director
Catherine Blue, General Counsel

Date: 7 November, 2013

Re: Recent legislation affecting racing in the Commonwealth

Dear Commissioners:

Late last week, Senate Bill 1905: *An Act relative to simulcasting horse races in the Commonwealth* was enacted and signed by the Governor. What is now Chapter 123 of the Acts of 2013 reduces the number of racing performances and live races required to be conducted in order for a licensee to offer simulcast wagering, from 100 performances and 900 races to 80 performances and 720 races. The text of the Bill appears at the end of this memo.

The language parallels that found in Chapter 230 of the Acts of 2012 and sections 15-17 of Chapter 77 of the Acts of 2011. This legislation temporarily addresses a contemporary issue affecting the horse racing industry in general, but one which is compounded in Massachusetts in particular. Nationwide, the number of racehorses being born annually has decreased by approximately 30% since 2007. Since most horses begin their racing career at two or three years of age, the direct effect is a concomitant decrease in the number of horses available to race. While this "horse shortage," as it is referred to in the industry, is a matter of concern at the national level (as you heard at the October 16th Horse Racing Forum), the horse racing industry in Massachusetts faces an additional critical impediment: the low level of purse, or prize, money available to the owners and, by extension their occupational licensees, for



Massachusetts Gaming Commission

participating in a race. The low purse levels in Massachusetts are a relative phenomenon created by the availability of monies from expanded gaming in neighboring jurisdictions to subsidize racing purses in those states. The legislature here has addressed this via the establishment of the Race Horse Development Fund found in chapter 23K §60, but monies from gaming have not yet begun to flow into the Fund. The current lack of a sustainable purse structure in Massachusetts compounds the existing situation - one in which we see a regional cannibalization of an already-reduced population of racehorses.

Affected parties, including the Racing Division, had been anticipating this legislation based in large part on the unchanged circumstances which have effectuated its need in recent years. Not only does this legislation provide some reasonable relief for the industry's immediate struggles in calendar year 2013, we anticipate that the lack of significant gaming operations money flowing into the Race Horse Development Fund in 2014 coupled with the ongoing shortage of available racehorses will make the need for a similar fix next year highly probable.



Massachusetts Gaming Commission

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SENATE No. 1905

The Commonwealth of Massachusetts

In the Year Two Thousand Thirteen

An Act relative to simulcasting horse races in the Commonwealth.

Whereas, The deferred operation of this act would tend to defeat its purpose, which is to forthwith further regulate simulcasting, therefore, it is hereby declared to be an emergency law, necessary for the immediate preservation of the public [Emergency Preamble Context].

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

1 SECTION 1. Notwithstanding section 2 of chapter 128C of the General Laws or any
2 other general or special law to the contrary, in calendar year 2013, no racing meeting licensee
3 located in Suffolk or Norfolk county shall simulcast live races in the racing season unless the
4 racing meeting licensee is licensed to and actually conducts at least 720 live races over the
5 course of not less than 80 calendar days during the 2013 racing season with not fewer than 7
6 races completed on any of those 80 calendar days.

7 SECTION 2. Section 1 is hereby repealed.

8 SECTION 3. Section 2 shall take effect on January 1, 2014.



November 5, 2013

By Electronic and U.S. Mail

Dr. Jennifer Durenberger
Director, Racing Division
Massachusetts Gaming Commission
84 State Street, 10th Floor
Boston, MA 02109
jennifer.durenberger@state.ma.us

Re: Update on 2013 Racing Meeting and Request to Amend Schedule

Dear Director Durenberger:

I write to inform you of the progress of the 2013 racing meeting at Suffolk Downs and to request an amendment to the racing schedule set forth in our 2013 racing license application.

Through Saturday, November 2, 2013, Suffolk Downs has conducted 720 live running horse races over 81 calendar days, with at least 7 races conducted on at least 80 of those days. I note that by conducting 720 races over 80 or more calendar days, Suffolk Downs has met the requirements of Chapter 123 of the Acts of 2013 for authorization to simulcast live races in the racing season.

By this letter, I request that the Massachusetts Gaming Commission approve an amendment to the live racing schedule set forth in the Suffolk Downs application for a racing license in 2013, such that the total number of racing performance for 2013 be reduced from 100 to 81 and that the racing meeting be deemed concluded as of the conclusion of racing on November 2, 2013.

Please do not hesitate to contact me if you need anything further with regard to this update or the request to amend the racing schedule.

Sincerely,



Sam Elliott
Vice President of Racing

Telephone: 617-567-3900

BAST65965190.1

525 McClellan Highway, East Boston, Massachusetts 02128

Made in Massachusetts 

October 18, 2013

Mr. Stephen Crosby, Chairman
Massachusetts Gaming Commission
84 State Street, 10th Floor
Boston, MA 02109

Dear Chairman Crosby:

The Expanded Gaming Act of 2011 created a statutory framework to facilitate the meaningful participation of minority business enterprises ("MBEs") and women business enterprises ("WBEs") in the design, construction, and on-going operation of gaming establishments (casinos and ancillary facilities) within Massachusetts. The Gaming Commission has both an opportunity and a responsibility to give guidance to and express its expectations of licensed gaming establishments to fulfill the objectives of this framework.

With this letter, the diverse business community of the Commonwealth of Massachusetts expresses our strong desire for and commitment to a robust, extensive and sustainable Supplier Diversity environment for all establishments approved within the Commonwealth. This is an essential aspect of true economic development.

The signatories ask the Massachusetts Gaming Commission to:

- Require licensed casino operators, as a condition of their license, to have clearly defined goals for the meaningful participation of MBE and WBE firms throughout the casino operations life cycle – planning, preconstruction activity, design, construction and on-going operations of the casino and ancillary facilities;
- Adopt an operational definition of "MBE" that incorporates certification by the Massachusetts Supplier Diversity Office or the Greater New England Minority Supplier Development Council and adopt an operational definition of "WBE" that incorporates certification by the Massachusetts Supplier Diversity Office or the Women's Business Enterprise National Council;
- Establish metrics by which performance of the licensed casino operators will be measured via a quarterly and an annual report issued by the Commission; and,
- Implement an internal infrastructure to ensure adequate compliance and rigorous enforcement activity, including the imposition of penalties where MBE/WBE goals are not met.

The signatories further ask that the Massachusetts Gaming Commission require each licensed Casino Operator to:

- Establish a Diversity Procurement Strategy with clearly defined goals for the participation of MBE and WBE and with an objective of utilizing (a) local, (b) Massachusetts-based, and then (c) regional MBE and WBE firms;
- Dedicate defined human and other resources to support the implementation of the operator's Diversity Procurement Strategy;
- Establish collaborative and strategic relationships with Massachusetts-based organizations that can help licensed operators achieve the goals and objectives of their Diversity Procurement Strategy;
- Exhibit creativity in thinking through and implementing their Diversity Procurement Strategy; and,
- Leverage their Diversity Procurement Strategy to help MBE and WBE firms grow.

In furtherance of the principles contained herein, we request a meeting with the Commission to discuss the most productive manner to achieve these principles and to maximize access and opportunities for minority business enterprises and women business enterprises. Juan Cofield, President of the New England Area Conference of the NAACP will contact your office to schedule the meeting. In anticipation of engaging discussions regarding these matters, we thank you and look forward to working with you and members of the Massachusetts Gaming Commission to achieve our mutually inclusive objectives.

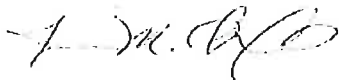
Sincerely,



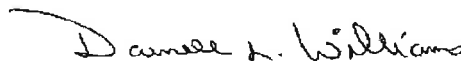
Greater New England Minority
Supplier Development Council



Center for Women and Enterprise



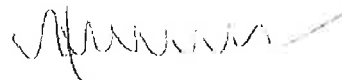
New England Area Conference, NAACP



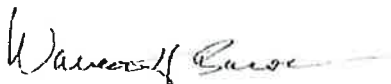
Urban League of Eastern Massachusetts



Massachusetts Minority Contractors Association



Hispanic American Chamber of Commerce



MBDA Business Center - Boston

Cc: Commissioner Bruce Stebbins
Jill Lacey Griffin

All is not fair in Boston hotels

April 21, 2012

By Lawrence Harmon, The Boston Globe

Both the Hilton Boston Downtown and the Omni Parker House are high-quality hotels popular with tourists and business travelers who want to be in the center of the city. You can trust that the beds at both hotels are top-notch. But there is a big pay gap when it comes to the room attendants who make those beds.

Geraldina Teixeira, 34, has cleaned rooms in the nonunion Hilton in the financial district for about five years. She says she earns \$12.64 an hour. That's short money. She can't afford the company's health-insurance plan — or much of anything else — after paying \$1,200 a month for her Roxbury apartment. The taxpayers get to make up the difference in the form of food stamps, subsidized health insurance, and heating assistance for Teixeira and her two kids, ages 6 and 13.

Unite Here Local 26, which represents the Boston area's unionized hospitality workers, is trying to organize Teixeira's workplace. And the workers seem interested, based on the 92 percent who signed a petition last winter requesting a "fair process" to decide on unionization. So far, the hotel has rejected the union's request to be recognized if a simple majority of workers sign its authorization card.

This is a citywide economic issue. Working as a room attendant will never be the easiest path into the middle class. But the housekeeping cart rolls more smoothly in that direction at the Omni Parker House, where room attendants earn the Local 26 wage of \$16.98 per hour and pay just \$12 a week for family health coverage, not to mention the company's contributions for its workers' pensions, training, education, and housing.

Omni Parker House employee Constantina Cruz has roots in Cape Verde and two children, just like Teixeira. But Cruz, who started out as a room attendant at the Omni 15 years ago, has parlayed her union affiliation into progressively better jobs at the hotel. About six years ago, she trained to be a banquet server with the help of the union. Now Cruz says she earns \$80,000 a year, about double what she made as a room attendant.

Along the way, Cruz bought a rental property and a single-family home in Dorchester. Her daughters attended competitive exam schools in Boston and are now in college. Cruz, 41, is obviously a go-getter. But she credits a lot of her success to Local 26 and her managers at the Omni Parker House.

"They let me spread my wings," she said. "It's the American dream. I think I'm living it."

That's the kind of attitude that can brighten up an urban neighborhood — literally so in the case of Cruz, who was planting flowers Wednesday in her garden and that of an infirm neighbor.

Civic duty is a common sensibility among Local 26 workers, who often sprout up at crime watch meetings and other neighborhood organizations across the city.

Traditionally, nonunion hotels have paid higher wages and provided good opportunities for advancement as a way to discourage unionization, according to David Sherwyn, professor of law at the Cornell School of Hotel Administration. But that trend seems to be changing in Boston along with the management structures of hotels, which now commonly include franchises, management contracts, and real estate investment trusts. The Hilton Boston Downtown, for example, isn't operated by Hilton Worldwide, according to a company spokesman. Instead, it falls under the corporate umbrella of LXR Luxury Resorts, a portfolio of independent properties.

Teixeira manages to clean 12 rooms in a day. But executives at LXR and Hilton Boston Downtown couldn't manage to call a reporter and weigh in with their side of the story in twice the allotted time.

You could go batty trying to figure out the operating relationships in today's hospitality industry. But it's easy to figure out which hotels in Boston provide both comfort for guests and a path to the middle class for workers. They're listed on Local 26's website and represent about half of the hotels in Boston.

That's something to think about the next time you're planning a hotel function — or deciding where a quiet conscience will give you a good night's rest.

Lawrence Harmon can be reached at harmon@globe.com.

May 16, 2013, 7 05pm EDT

Employees protest at Rivers Casino



Justine Coyne
Editorial Intern-
Pittsburgh Business Times

More than 100 Rivers Casino employees, Pittsburgh union members and supporters protested in front of the casino Thursday afternoon to demand an end to what they call "anti-union intimidation" led by casino management.

Since April, hourly food service workers, known as the Steel City Casino Workers' Council Organizing Committee, have been trying to establish a union.

"When the casino opened in 2009, they told us it was going to provide good jobs and be a good neighbor to the city of Pittsburgh, but they have not lived up to that promise," said Matthew Arling, a bartender at the casino since 2011. "We are here today to hold them accountable to that promise."

This protest comes on the heels of what has already been a rough week for Rivers.

On Wednesday, the casino was fined \$100,000 by the Pennsylvania Gaming Control Board citing three issues: a reported a violation of internal controls in the count room; table games employees who ignored an automatic shuffler's red light that indicates an error with the cards; and promotional items that were mailed to 93 people who had asked not to receive such material.

And on Tuesday, the Pittsburgh City Council passed a resolution in support of the proposed union.

"The Rivers Casino was welcomed to Pittsburgh on the promise that good quality jobs would be provided to the community, and the best way to ensure good quality jobs is for the Rivers to have a fair process through which to form a union," said Councilman R. Daniel Lavelle in a statement.



Justine Coyne

More than 100 Rivers Casino employees, Pittsburgh union members and supporters protested in front of the casino for over an hour to demand an end to what they call "anti-union intimidation" led by casino management

The City Council resolution said workers at the Meadows Racetrack and Casino in Washington County, at Presque Isle Downs and Casino in Erie County and at the Horseshoe Casino in Cleveland have all formed unions.

If approved, the union would bring together about 800 workers, including waiters, banquet servers, floor workers and others from the five internal restaurants at the North Shore casino, unionizing every casino worker except security personnel and dealers.

Brittany Swiger, a banquet server at the casino for over a year, said she wants to unionize so that there is more transparency with their wages through itemized lists of electronic debit tips.

"Right now, I have no proof of the amount of gratuities I should be receiving from parties," she said. "It's frustrating not knowing if I'm receiving what is my fair share."

Meredith Maloney, a banquet server at the Rivers Casino since September 2011, said she discovered she was shorted \$200 in one paycheck and suspects that wasn't the first time this has happened.

In April, Unite Here, a national union representing hotel, gaming, food service, manufacturing, textile, distribution, laundry, and airport industry employees -- which would also represent Rivers employees filed nearly 40 complaints with the National Labor Relations Board alleging that management at the casino engaged in illegal, anti-union activities. Rivers officials deny the accusations.

"We take great pride in our team and respect the rights of our team members to choose," Jack Horner, spokesperson for Rivers Casino, said in a statement. "So far, the overwhelming majority of our team members have consistently chosen to remain independent. That is their choice and their right."

Matt Fred Lapka, a server in the casino's sports bar, said what he wants most is better wages and more respect.

"I was promised good money and good benefits," he said. "Yet, I'm struggling to make ends meet." Lapka said one thing he has in his favor is that he is single, as he can't imagine how some of his coworkers support families on their wages.

"We are asking Rivers Casino to live up to its promises, create good jobs that we can be proud to be a part of," Arling said. "Jobs that we can provide for our family with. Jobs that the City of Pittsburgh can look to as an example of what what jobs in this city should be."

The New York Times

October 27, 2013

Ruling Doubles Paycheck for 1,375 Employees at High-Grossing Queens Slot Parlor

By **CHARLES V. BAGLI**

Jeannine Nixon looked as if she had hit the jackpot. Ms. Nixon, a customer relations representative at [Resorts World Casino](#) in Queens, had just learned that she would be making \$40,000 a year, up from \$22,300.

“It’s life-changing,” Ms. Nixon, her voice cracking, said on Thursday. “I can finally feel relieved.”

After a year of wrangling between management and her union, the Hotel Trades Council, an arbitrator had issued a ruling that would double the average paycheck for 1,375 union cashiers, attendants, waiters, bartenders and security guards who work at Resorts World, the highest grossing slot machine parlor in the country. The decision, issued last week, is to be made public on Monday.

Resorts World, like most slot parlors and full-scale casinos, had long promised thousands of good jobs and millions of dollars in revenue for the state. It was a particularly enticing assurance in the poor and working-class neighborhoods in southeastern Queens that surround Resorts World and the aging Aqueduct horse-racing track next door.

The slot parlor at Aqueduct, the only one in New York City, has been spectacularly successful in the two years since it opened. Yet the average wage for workers laboring amid the clanging electronic slot machines and table games was only slightly more than \$10 an hour.

The average pay under a new three-year contract will immediately jump to \$20.50 an hour, or nearly \$40,000 a year, according to the Hotel Trades Council. Wages will increase further in the second and third years of the contract.

Ms. Nixon, who lives in subsidized housing, said she recently postponed a blood test because she could not afford to pay for it. A single mother, she takes two different buses every morning to take her son to school, before taking two other buses in the opposite direction to get to work. “If I had a car,” Ms. Nixon said, “it’d be a 15-minute ride.”

Peter Ward, president of the [Hotel Trades Council](#), said, “This is the outcome we want, if we’re

going to have gambling in New York.”

“We’ve worked to create a situation where the middle class is suddenly within reach of gaming workers,” Mr. Ward added, “not a bunch of minimum-wage jobs where people have to live on the dole to survive.”

The workers at Resorts World will also now be covered by the union’s pension and health plan.

The arbitration decision comes only a week before [voters are being asked](#) to approve Gov. Andrew M. [Cuomo’s plan to expand gambling](#) in New York, with up to seven full-scale casinos (containing both electronic slot machines and table games like poker, roulette, craps and blackjack), with hotels, shops and entertainment sites. Resorts World and eight other slot parlors in the state that are connected to racetracks — and are known as racinos — have only electronic games.

Proponents have long argued that the casinos would bring economic development and tax revenues earmarked for education and property tax relief. Critics contend that gambling represents a regressive tax whose costs outweigh any benefits.

At the urging of the Hotel Trades Council, state officials required slot parlor operators to sign “labor peace agreements” that they hoped would ensure jobs with decent wages and working conditions. Mr. Cuomo’s plans for full-scale casinos include a similar requirement.

But if voters approve the casinos, there is no guarantee that casino workers upstate, where unions are weaker, would have the leverage to obtain the same pay as those at Resorts World.

Resorts World is owned by the [Genting Group](#), a Malaysian company that operates a network of casino-resorts in Britain and Asia. It opened Resorts World in October 2011, after bidding far more — \$381 million — than two other operators for the slot franchise at Aqueduct. The company spent about \$420 million building the casino, which has 4,525 electronic slot machines and 475 electronic table games.

With more than 5.6 million people living within 10 miles of Resorts World, the slot parlor has been crowded night after night.

Resorts World boasts that the giant slot parlor attracts 35,000 visitors a day and more than 12 million a year. It posted revenues of \$696.5 million in the year ended in March, 38 percent of the \$1.8 billion in combined revenues for all nine racinos in the state.

The electronic slot machines at Resorts World averaged \$432 a day last month, far more than slot machines in Las Vegas, Atlantic City or Connecticut.

After most workers signed union membership cards from the Hotel Trades Council, the union and Genting began negotiating a labor contract.

The two sides reached an impasse on economic issues a year ago, so the union invoked the arbitration clause under its agreement with Genting. In making his decision, the arbitrator selected by both sides, Elliott D. Shriftman, considered the success of the business, the paycheck necessary for full-time workers to sustain themselves, their spouses and their children without government assistance, and the company's ability to pay.

Rather than open its books, Genting conceded that it could pay higher wages.

"We respect and will implement the arbitrator's award as required and will continue to focus our efforts on improving our facility," Kerri Lyon, a spokeswoman for Resorts World New York City, said in a statement released on Sunday.

"This will restore a path into the middle class for workers in that community that has been eroded over the last several years, given the broader changes in the city economy," said James A. Parrott, chief economist for the Fiscal Policy Institute, a liberal research group. "You can see a big drop-off in African-American and Latinos working in city government."



TO: Commissioners

FROM: John S. Ziembra

CC: Rick Day, Executive Director
Catherine Blue, General Counsel
Todd Grossman, Deputy General Counsel

DATE: November 6, 2013

RE: Surrounding Community Petition Determinations ..

On October 31 the Commission received nine surrounding community petitions: six related to the Raynham Park LLC application (Lakeville, Bridgewater, Dighton, Middleborough, Rehoboth and Berkley) and three related to the PPE Casino Resorts MA, LLC application (Bolton, Fitchburg, and Sterling). Pursuant to the Commission's regulations, applicants have ten days to respond to surrounding community petitions made to the Commission. Due to the Veterans Day holiday, the date for responses by applicants is Tuesday, November 12, 2013.

Pursuant to 205 CMR 125.00, the Commission shall make a determination on surrounding community status at an open meeting and may accept comments from the applicant and the proposed surrounding community:

"The commission will make a determination on the petition at an open meeting, at which it may allow presentations or information from the applicant and the proposed surrounding community, at least 30 days prior to the public hearing on the application held pursuant to M.G.L. c. 23K, § 17(c)."

Only one community expressed an interest in its petition in making a presentation before the Commission. However, I recommend that the Commission reserve a portion of its meeting on November 14th to hear from any petitioning communities and applicants that choose to provide further testimony regarding the outstanding petitions for surrounding community status. After the presentations on November 14th, the Commission could make a decision on the surrounding community status of the petitioning communities at its meeting on November 21, assuming evaluations are complete. A decision on November 21 would allow the Commission to determine which communities are surrounding communities for the purpose of the host community meetings on December 3rd, 4th and 5th.

Standard for Determining Surrounding Community Status. The Commission's regulations specify that the Commission shall consider a number of factors in determining surrounding community status, including proximity to the host community and the gaming establishment,



Massachusetts Gaming Commission

whether the transportation infrastructure in the community will be significantly and adversely affected by the gaming establishment, whether the community will be significantly and adversely affected by the development of the gaming establishment prior to its opening, and whether the community will be significantly and adversely affected by the operation of the gaming establishment after its opening.

The Commission's regulations state that the Commission shall make a decision based on a review of the RFA-2 application, the RFA-2 applicant's detailed plan of construction, any independent evaluations, pertinent information received from the community, the RFA-2 applicant, and the public in making its determination.

In making such determinations, I recommend the Commission utilize the assistance of its RFA-2 review consultants to analyze the surrounding community petitions and utilize internal staff resources. McFarland Johnson is currently reviewing the surrounding community petitions to analyze traffic impacts and will help with other infrastructure impacts including water impacts. Pinck & Co. will help the Commission analyze other impacts including housing related impacts. Further, Mark Vander Linden will help analyze potential problem gaming related social impacts that have been highlighted in petitions. It is anticipated that Mark Vander Linden will be able to utilize some of the research resources available through the University of Massachusetts. The RFA-2 consultant teams and internal reviews will also evaluate any Regional Planning Agency (RPA) Reviews that have been completed regarding these facilities. If further information is necessary, the consultant and internal teams will seek to interview RPAs regarding impacts, particularly if those RPAs have been involved in a regional review.

If evaluations are complete, reports regarding the factors identified in the surrounding community regulation will be forwarded to the Commission prior to the meeting on November 21. If the Commission cannot determine whether the community is a surrounding community pursuant to the statute and the surrounding community regulation, the Commission will need to determine that such community is not designated a surrounding community for the purpose of review of the RFA-2 application. However, pursuant to the Commission's regulations, 205 CMR 125.01(4), "[a]ny finding by the Commission that a community is not a surrounding community for purposes of the RFA-2 application shall not preclude the community from applying to and receiving funds from the Community Mitigation Fund established by M.G.L. c. 23K, §61...."



Massachusetts Gaming Commission



MASSACHUSETTS GAMING COMMISSION

MEMORANDUM

To: Chairman Crosby; Commissioners Cameron, McHugh, Stebbins and Zuniga
From: Catherine Blue, Todd Grossman and John Ziemba
Date: November 7, 2013
Re: Timeline for Surrounding Community Designation and Hearings in the Host Communities – Category 2 gaming licenses

At the October 31, 2013 meeting, the Commission discussed the interplay between the timeframes provided in requirements of c.23K §17 (a) (c) and (e) and 205 CMR 125.01 (2). The Commission asked for a brief memo to inform the further discussion on the matter at the Commission meeting on November 7, 2013.

Chapter 23K §17 (a) (c) and (d)

Chapter 23K § 17 (a) provides that in the event that the applicant and the community cannot reach an agreement within the 30 day period after the Commission designates a community as a surrounding community, the Commission will establish protocols for the negotiation of a fair and reasonable agreement in order to allow the applicant to submit a timely and **complete application**.

Chapter 23K § 17(c) requires that the Commission hold a hearing in the host community on the gaming license application. The applicant, the host community and surrounding communities must receive at least 30 days notice of this hearing.

Chapter 23K §17(e) requires that the Commission shall take action on the gaming license application no sooner than 30 nor later than 90 days after the hearing in the host community. The Commission can take the following actions: grant the license application; deny the license application; or extend the period for issuing a decision by no more than 30 days in order to obtain any additional information required for a complete evaluation of the license application.



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205 CMR 125.01

205 CMR 125.01 (1) describes 3 ways that a community can become a surrounding community. Those ways are: the community is designated by the applicant as a surrounding community and the community assents to the designation; the community executes a surrounding community agreement with the applicant; or the community petitions the Commission to become a surrounding community and the Commission designates the community as a surrounding community.

Under 205 CMR 125.01 (2), the Commission must make a determination on surrounding community status for those communities who are designated and assent and for those communities who petition for designation. **The Commission must make this designation in writing at least 30 days prior to the hearing in the host community.**

Once a community has been designated by the Commission as a surrounding community, under 125.01(6) (b) the community has 30 days from the date of designation to negotiate a surrounding community agreement with the applicant. If the applicant and the community cannot come to an agreement within those 30 days, the applicant and the community go into binding arbitration under 125.01 (6) (c) and have 30 days to go through the arbitration process.

Schedules and Timelines

The Commission has not yet made its determination regarding surrounding community status for the Category 2 applicants. The Commission has noticed the applicants, host communities and other communities that may be surrounding communities that the hearing in the host community will be held December 3rd, 4th or 5th.

Without a waiver of 125.01(2)

Under 125.01 the time line for surrounding community designation and hearings in the host community would occur as follows:

11/14 – Commission receives staff recommendations on surrounding community status.

11/21- Commission designates surrounding communities.

11/21-12/21 – Surrounding communities negotiate with applicants.

12/22-1/22 – Surrounding community arbitration for those applicants and surrounding communities who fail to negotiate a surrounding community agreement.



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1/23-25 – Hearings in the host community; hearings closed when all hearings complete, estimated to be about 1/25, though they could be closed earlier if all negotiations/arbitrations finish earlier.

2/25 – pursuant to c. 23K §17 (e), the Commission can take action (award) the gaming license.

With the grant of a variance of 125.01 (2)

11/14 – Commission receives staff recommendations on surrounding community status; Commission grants waiver of 125.01 (2) reducing 30 day period to 12 days.

11/21- Commission designates surrounding communities.

12/3-4-5 – Commission holds hearings in the host communities as previously noticed. The hearings remain open until 1/25, though they could be closed earlier if all negotiations/arbitrations finish earlier.

11/21-12/21 – Surrounding communities negotiate with applicants.

12/22-1/22 – Surrounding community arbitration for those applicants and surrounding communities who fail to negotiate a surrounding community agreement.

1/23 – 1/25 – Commission finishes the hearings in the host communities.

2/25 – pursuant to c. 23K §17 (e), the Commission can take action (award) the gaming license.

Both timelines provide for the award of the gaming license at approximately the same time. The difference between the timelines is in the timing of the hearing in the host community. Under the first timeline, the Commission is holding the hearing in the host community after all the surrounding community agreements are complete. The Commission is taking input from communities and the applicant on an application that is “complete” under c. 23K 17 (a). Under the “variance” timeline, the Commission starts the process of holding hearings in the host community, but continues those hearings to allow the applicant and surrounding communities to complete negotiation and/or arbitration. Once that process is complete, the Commission finishes the hearings to take further input. Once the hearings are closed, the 30 period in which the Commission deliberates begins.



Massachusetts Gaming Commission



MEMORANDUM

DATE: November 6, 2013
TO: Commissioners
FROM: John R. Glennon
SUBJECT: Software License Options for Enterprise Content Management (ECM) and License Management System (LMS)

At the October 31st meeting, the Commission asked for validation of the estimated license usage and options for procurement.

For the Enterprise Content Management System (ECM) a license is required for each staff member of the Commission, and for each external administrative users of the License Management System. HR Departments of gaming establishments would be an external user. The end state head count of the MGC 2016-2017 is projected to be 150 employees.

Not every MGC employee requires access to the License Management System. Directors Acosta and Wells validated the planned usage over the next 4 years at 123 MGC staff and 25 external administrative users of the License Management System. The chart below shows the detailed breakout by functional area.

License Management System Utilization Plan

Licensing	11	4			15
Investigations and Enforcement Bureau	15	25	30	5	75
Legal	3	2			5
Racing	7	3	7		17
Accounting	2	1	1		4
Information Technology	3		1		4
Research and Problem Gambling	1				1
Administration	2				2
LMS - MGC Staff (validated / revised)	44	35	39	5	123
LMS - Casino / Slot HR	5	5	15		25
Total License Management System	49	40	54	5	148



Massachusetts Gaming Commission

**Software License Options -
Enterprise Content Management and License Management Systems**

There are two options for procurement of the licenses.

Option 1 - purchase the license MGC plans to use up front. EMC discounts the user licenses as well as the foundation software components significantly in this scenario. The ongoing cost after year one is maintenance.

Option 1 - Up Front Purchase	Year 1	Year 2	Year 3	Year 4	Total
License Cost	\$322,044				\$322,044
Maintenance	\$74,070	\$74,070	\$74,070	\$74,070	\$296,280
Training	\$20,000	\$10,000			\$30,000
Subtotal Software	\$416,114	\$84,070	\$74,070	\$74,070	\$648,324
User Licenses Planned Procurement					
ECM User Licenses	175				175
LMS User Licenses	150				150

Option 2 – purchase licenses as needed on an annual basis. The initial expenditure is less, but the cost of ownership over four years is \$243,965 more if MGC purchases all of the planned licenses during the 4 year period. In addition, the ongoing cost of maintenance in year 5 and beyond is based on the purchase price of the software. Because license costs are higher using option 2, the annual maintenance for the software would be \$40,000 per year more than option 1 - if all the planned licenses are purchased.

Option 2 - Purchase as planned / needed	Year 1	Year 2	Year 3	Year 4	Total
License Cost	\$269,230	\$100,221	\$98,982	\$25,594	\$494,027
Maintenance	\$61,923	\$84,974	\$107,740	\$113,626	\$368,262
Training	\$20,000	\$10,000			\$30,000
Subtotal Software	\$351,153	\$195,195	\$206,722	\$139,220	\$892,289
License Projected Utilization (b)					
	Year 1	Year 2	Year 3	Year 4	Total
ECM - MGC Staff	44	35	39	5	123
ECM - Casino / Slot HR	5	5	15		25
	49	40	54	5	148

Recommendation – I believe our usage estimates are accurate and would recommend up front procurement of all the licenses we need for the next 4 years. However, based on the transitional budget that MGC is currently using for operations I understand that the Commission and the CFAO may decide option 2 is necessary.



Phase I Summary

Phase I Investigations	Totals
Revenue	
*Investigation Collections	\$11,376,829.00
Proposed Invoice Amount	\$1,126,000.00
Subtotal	\$12,502,829.00
Costs	
Forecast Cost amount	\$10,430,719.00
Admin Costs @13.71%	\$1,430,051.57
Subtotal	\$11,860,770.57

This does not include Revenue for Grants. It does include the \$350K collected initially for Region C investigation and includes ~\$150K of carryforward revenue for category 2 applicants. Refunds will be made to applicants at the end of the process for any revenue collected that exceeds the total costs of phase 1 and phase 2.

See Attached details for proposed invoice by applicant to complete Phase 1

As of 10/25/2013. This does not include any forecasted amounts for Region C investigation costs.

Phase I Investigations	3100 Crossroads MA LLC	3200 Hard Rock MA	3300 Mass Gaming Ent LLC	3400 MGM Springfield	3500 Mohegan Sun	3600 Penn National Gaming, Inc	3700 Plainridge Racecourse	3800 PPE Casino Resorts	3900 Raynham Park	4000 Sterling Suffolk Racecourse	4001 Wynn, LLC	4002 KG Urban Advisory LLC	Totals
Collections	\$720,486.00	\$748,755.00	\$756,759.60	\$2,004,685.80	\$1,025,517.00	\$500,000.00	\$813,039.00	\$452,294.00	\$948,231.80	\$1,451,828.80	\$1,605,232.00	\$350,000.00	\$11,376,829.00
Forecast Cost amount	\$924,000.00	\$712,130.00	\$555,380.00	\$1,766,445.00	\$1,155,500.00	\$443,894.00	\$768,000.00	\$411,740.00	\$789,000.00	\$1,310,630.00	\$1,594,000.00	\$0.00	\$10,430,719.00
Remaining balance	-\$203,514.00	\$36,625.00	\$201,379.60	\$238,240.80	-\$129,983.00	\$56,106.00	\$45,039.00	\$40,554.00	\$159,231.80	\$141,198.80	\$11,232.00	\$350,000.00	\$596,110.00
	13.71%	13.71%	13.71%	13.71%	13.71%	13.71%	13.71%	13.71%	13.71%	13.71%	13.71%	13.71%	13.71%
Admin Costs	\$126,680.40	\$97,633.02	\$76,142.60	\$242,179.61	\$158,419.05	\$60,857.87	\$105,292.80	\$56,449.55	\$108,171.90	\$179,687.37	\$218,537.40	\$0.00	\$1,430,051.57
Proposed invoice amount	\$400,000.00	\$97,000.00	\$0.00	\$63,000.00	\$288,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$278,000.00	\$0.00	\$1,126,000.00

Phase II Category 2 Projected cost	Totals
Finance and Economic	\$315,000.00
Design and Mitigation	\$650,000.01
Project Mangement	\$252,000.00
Expert Evaluations	\$92,499.00
Sub-Total	\$1,309,499.01

Admin Percent	13.71%
Admin cost	\$179,532.31

Grand Total	\$1,489,031.32
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Proposed invoice amount	\$1,500,000.00
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Category 2 applicants only

Phase II Projected cost	3600 Penn National Gaming, Inc	3800 PPE Casino Resorts	3900 Raynham Park	Totals
Finance and Economic	\$105,000.00	\$105,000.00	\$105,000.00	\$315,000.00
Design and Mitigation	\$216,666.67	\$216,666.67	\$216,666.67	\$650,000.01
Project Mangement	\$84,000.00	\$84,000.00	\$84,000.00	\$252,000.00
Expert Evaluations	\$30,833.00	\$30,833.00	\$30,833.00	\$92,499.00
Total	\$436,499.67	\$436,499.67	\$436,499.67	\$1,309,499.01

Percent applied Admin cost	13.71%	13.71%	13.71%	13.71%
	\$59,844.10	\$59,844.10	\$59,844.10	\$179,532.31

Grand Total	\$496,343.77	\$496,343.77	\$496,343.77	\$1,489,031.32
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Proposed invoice amount	\$500,000.00	\$500,000.00	\$500,000.00	\$1,500,000.00
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Division	Position Title	Anticipated Start Date
Finance	Accounts Payable	12/31/2013
Finance	FIN Financial Analyst	11/18/2013
Human Resources	HR Business Partner	2/11/2014
Human Resources	HR Coordinator	2/11/2014
Investigations and Enforcement Bureau	Assistant Director of Financial Investigations	2/11/2013
Investigations and Enforcement Bureau	Assistant Director of Gaming Agents	2/11/2013
Information Technology	Gaming Lab Manager	2/11/2014
Information Technology	Project Manager	2/11/2014
Information Technology	Systems Admin	2/11/2014
Legal	Administrative Assistant/Paralegal	12/31/2013
Licensing	Assistant Director of Licensing	12/3/2013
Licensing	Licensing Receptionist	12/3/2013
Licensing	Licensing Specialist Employee	2/11/2014
Licensing	Licensing Specialist Enterprise	2/11/2014
Problem Gambling	Administrative Assistant	12/31/2013

Massachusetts Gaming Commission
Cash Flow Projection with Draft FY14 Budget
Version Date: October 31, 2013

II. Gaming Operations	Actuals				Notes	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
	FY2012 / Beginning Bal	FY2013 Amount	Jul 13 - Oct 13 Actuals	Nov 13 - Jun 14 Projected									
REVENUES (Note 1)													
1 Phase 1 Application Fees (Region A, B, Slots)		\$ 4,400,000											
2 Phase 1 Investigation Assessments (all applicants)		\$ 3,361,062	\$ 460,058										
Commission Overhead for Phase 1 Investigations (13.71%)		\$ 1,064,042	\$ 115,474	\$ 250,535	2								
Phase 2 Assessments (Category 2) inc MGC OH - three applicants				\$ 1,500,000	3	\$ 500,000	\$ 500,000	\$ 500,000					
Phase 2 Assessments (Category 1) inc MGC OH - five applicants				\$ 2,500,000				\$ 833,333	\$ 833,333	\$ 833,333			
3 Phase 1 Application Fees (Region C)	N/A		\$ 400,000		4								
Additional Fees Region C Investigations				\$ 344,375	5			\$ 68,875	\$ 68,875	\$ 68,875	\$ 68,875	\$ 68,875	\$ 68,875
Commission OH to Region C Phase 1 Investigations (13.71%)				\$ 102,054			\$ 20,411	\$ 20,411	\$ 20,411	\$ 20,411	\$ 20,411	\$ 20,411	\$ 20,411
4 Commission Overhead to Racing		\$ 120,218		\$ 119,059		\$ 9,922	\$ 9,922	\$ 9,922	\$ 9,922	\$ 9,922	\$ 9,922	\$ 9,922	\$ 9,922
5 Licensing Fees (Vendors, Individuals, etc.)				\$ 200,000						\$ 200,000			
6 Additional Assessments				\$ 4,000,000	6					\$ 2,000,000		\$ 1,000,000	\$ 1,000,000
Subtotal Gaming Operations Revenues	\$ 15,000,000	\$ 8,945,322	\$ 975,532	\$ 9,016,023		\$ 509,922	\$ 530,332	\$ 1,432,541	\$ 932,541	\$ 3,132,541	\$ 99,207	\$ 1,078,797	\$ 1,009,922
COSTS (Note 7)													
1 Investigations and Enforcement (IEB)													
IEB Salaries and Fringe (OT only - regular in 2.1 below)		\$ (297,127)	\$ (128,476)	\$ (256,954)		\$ (32,119)	\$ (32,119)	\$ (32,119)	\$ (32,119)	\$ (32,119)	\$ (32,119)	\$ (32,119)	\$ (32,119)
Investigator Costs (Region A, B, Slots)		\$ (6,165,840)	\$ (2,238,597)	\$ (2,026,282)		\$ (1,100,000)	\$ (926,282)						
Investigator Costs (Region C)			\$ -	\$ (642,321)		\$ (128,464)	\$ (128,464)	\$ (128,464)	\$ (128,464)				
2 Gaming Commission	\$ (855,101)	\$ (5,495,467)											
2.1 MGC Salaries and Fringe			\$ (1,045,548)	\$ (3,182,000)	8	\$ (397,750)	\$ (397,750)	\$ (397,750)	\$ (397,750)	\$ (397,750)	\$ (397,750)	\$ (397,750)	\$ (397,750)
2.2 Consulting and Service Providers (non evaluation)			\$ (671,777)	\$ (530,809)		\$ (66,351)	\$ (66,351)	\$ (66,351)	\$ (66,351)	\$ (66,351)	\$ (66,351)	\$ (66,351)	\$ (66,351)
2.3 Evaluation Assistance (Category 2) - three applicants			\$ (300,000)	\$ (1,009,500)	9	\$ (336,500)	\$ (336,500)	\$ (336,500)	\$ -	\$ -	\$ -	\$ -	\$ -
Evaluation Assistance (Category 1) - five applicants				\$ (2,182,500)			\$ (545,625)	\$ (545,625)	\$ (545,625)	\$ (545,625)	\$ (545,625)	\$ (545,625)	\$ (545,625)
2.4 Rent/Office/Furniture/Events/Hearings/Travel			\$ (785,504)	\$ (827,492)	10	\$ (65,459)	\$ (65,459)	\$ (65,459)	\$ (65,459)	\$ (65,459)	\$ (65,459)	\$ (65,459)	\$ (65,459)
Licensing System (Content Management - TBD)				\$ (1,918,000)	11		\$ (959,000)		\$ (959,000)				
Research Project			\$ (1,037,817)	\$ (2,075,634)	12			\$ (1,037,817)					\$ (1,037,817)
Subtotal Gaming Operations Costs	\$ (855,101)	\$ (11,958,434)	\$ (6,207,719)	\$ (14,651,492)		\$ (2,126,643)	\$ (2,911,925)	\$ (2,610,085)	\$ (1,235,768)	\$ (2,066,304)	\$ (1,107,304)	\$ (561,679)	\$ (1,599,496)
Subtotal	\$ 14,144,899	\$ (3,013,112)	\$ (5,232,187)	\$ (5,635,469)		\$ (1,616,722)	\$ (2,381,593)	\$ (1,177,545)	\$ (303,228)	\$ 1,066,237	\$ (1,008,097)	\$ 517,118	\$ (589,574)
Gaming Control Fund Cummulative Balance	\$ 14,144,899	\$ 11,131,787	\$ 5,899,600			\$ 4,282,878	\$ 1,901,285	\$ 723,741	\$ 420,513	\$ 1,486,750	\$ 478,653	\$ 995,771	\$ 406,196

Massachusetts Gaming Commission

Cash Flow Projection with Draft FY14 Budget

Version Date: October 31, 2013

Revenue Assumptions & Notes

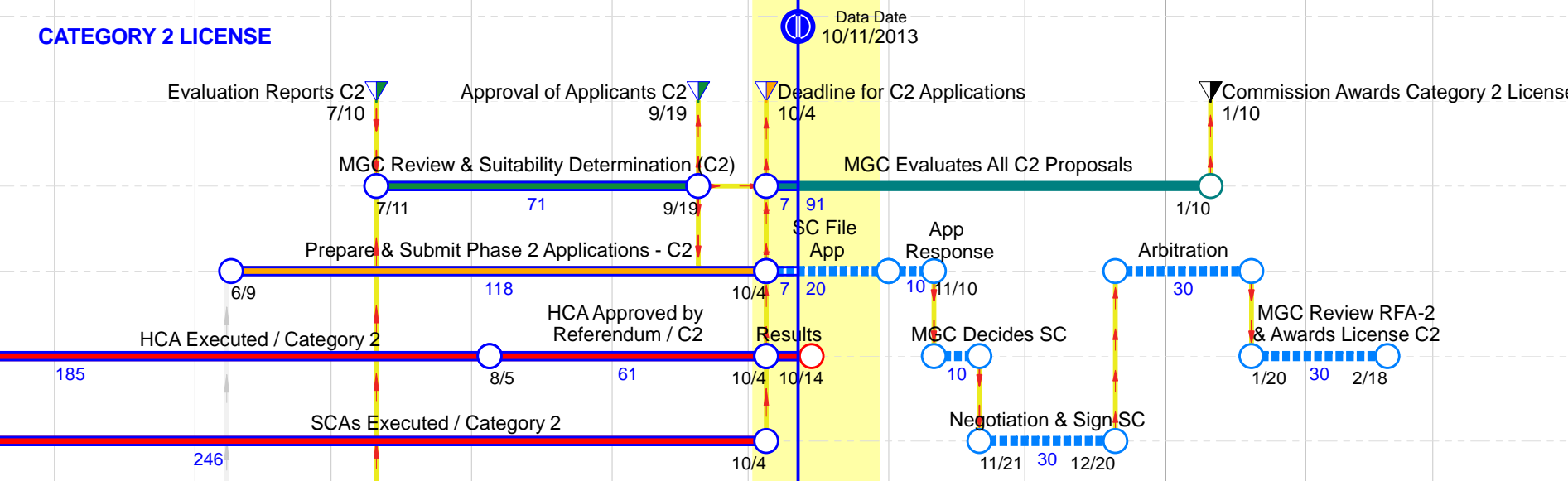
- 1 Assessment on investigations for Phase 2 are assumed equal and generally contemporaneous to costs (with a month lag)
- 2 Reflects updated projected OH. This overhead rate may be slightly adjusted further after true-up. Includes overseas travel
- 3 See Phase 2 Evaluation Assistance Breakdown.
- 4 One applicant received for Region C (on September deadline)
- 5 Assumes average investigation cost on Region A,B,slots (\$744,375 per applicant)
- 6 Assumes that Commission will assess costs on its licensees

Cost Assumptions & Notes

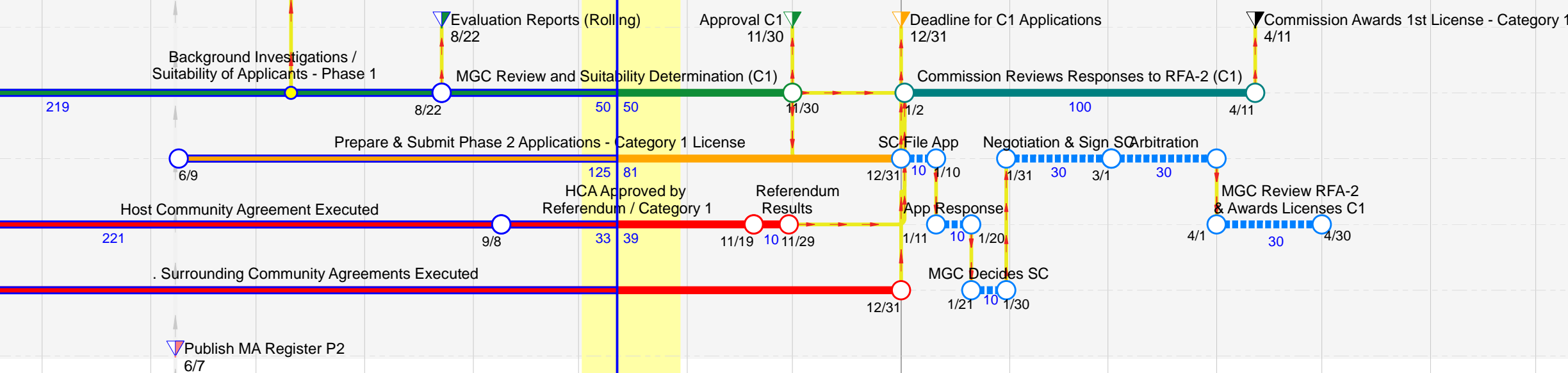
- 7 Assumes Commonwealth Indirect Cost (currently assessed) is waived for FY 14 (waived for FY13 already)
- 8 Assumes 16 additional FTE's. Current staffing level of 30 (non-racing) would augment to 46 by February 2014
- 9 Evaluation Assistance Costs are projected to be \$436,500 per applicant (Category 1 may be larger)
- 10 Does not assume additional moving costs or office fit out (end of lease is April 2014)
- 11 Content Management initial phase (e-mail and Cat 1 applications) cost is still TBD
- 12 Includes current ISA costs only. Additional research activities (i.e., cohort study) not yet priced

Massachusetts Gaming Commission / 2013-10-11 Licensing Schedule Update

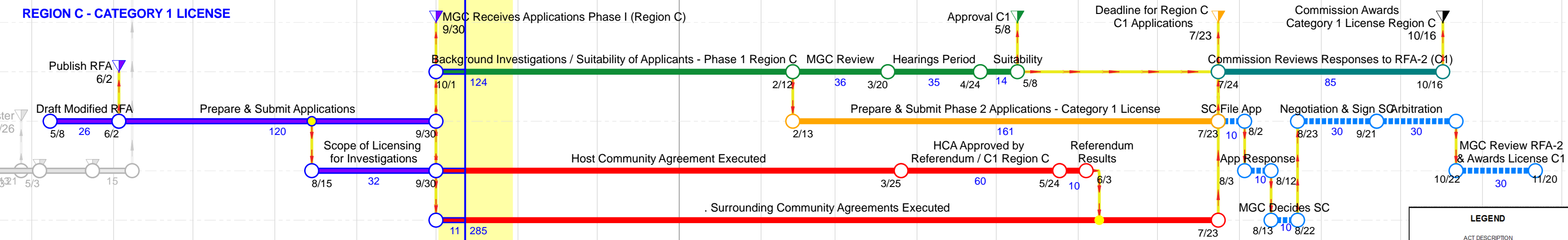
CATEGORY 2 LICENSE



REGIONS A & B - CATEGORY 1 LICENSES



REGION C - CATEGORY 1 LICENSE

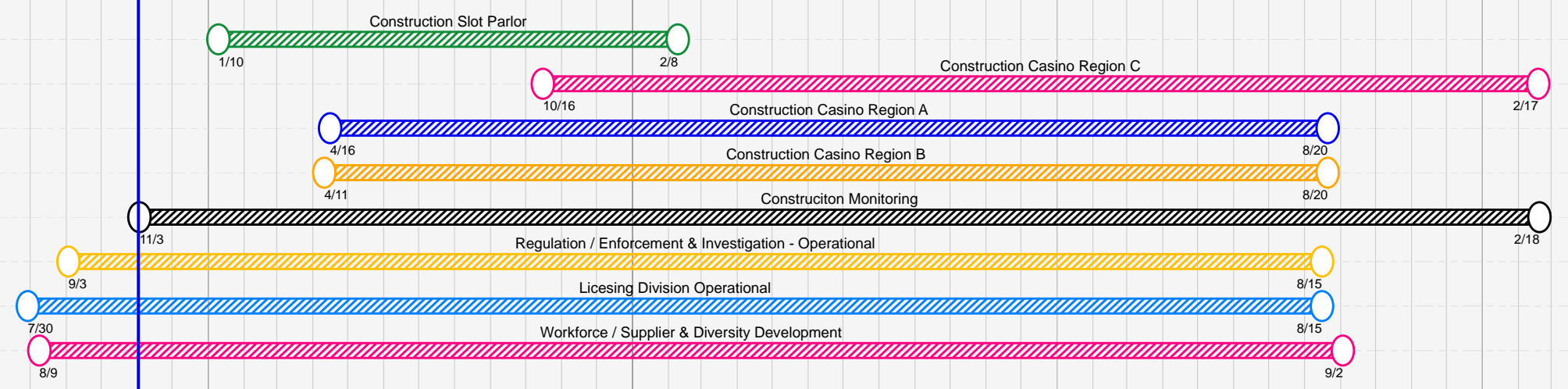


LEGEND

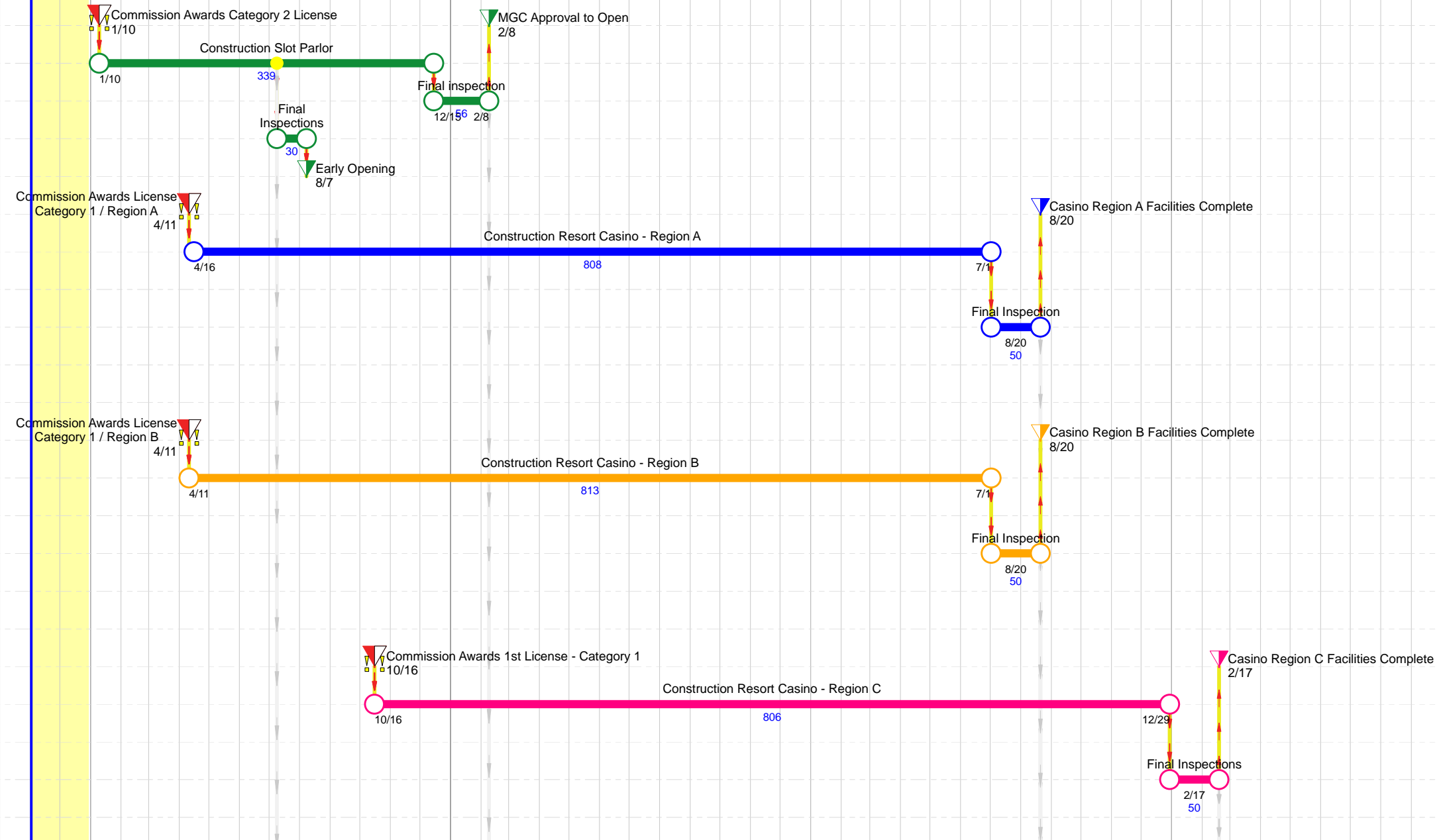
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- SUMMARY ACTIVITY: Start Date — End Date

Massachusetts Gaming Commission / 2013-11-01 Summary Master Schedule Update

Data Date
11/01/2013



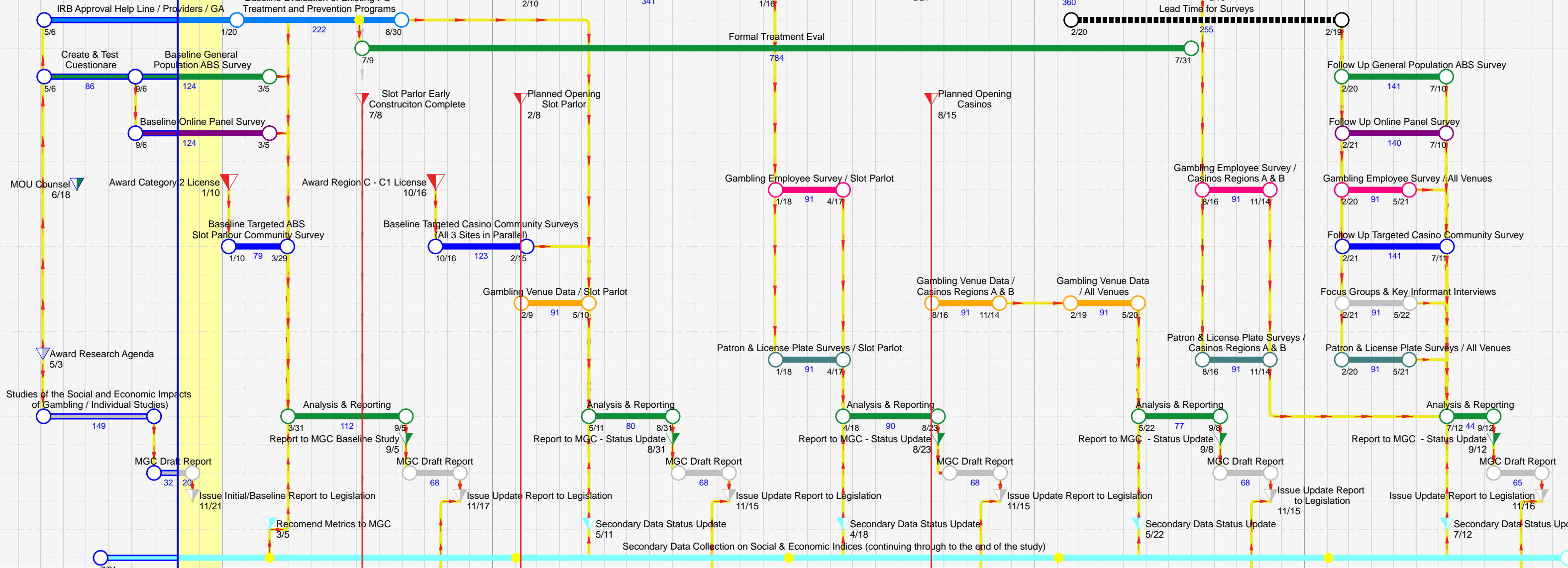
Facilities Construction



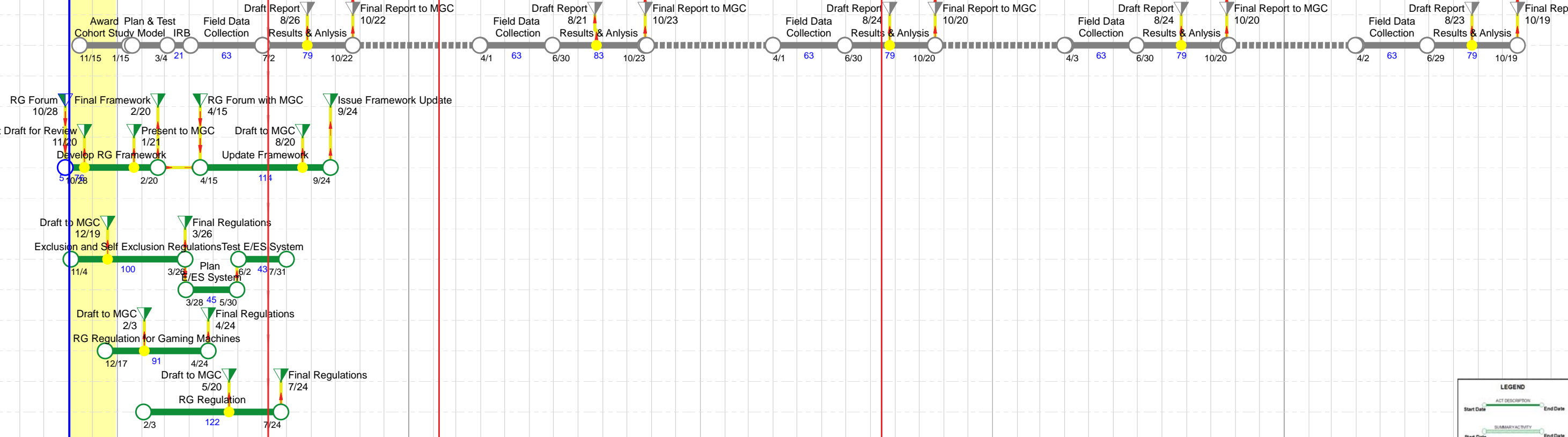
LEGEND

- ACT DESCRIPTION: Start Date - End Date
- SUMMARYACTIVITY: Start Date - End Date

Research Agenda



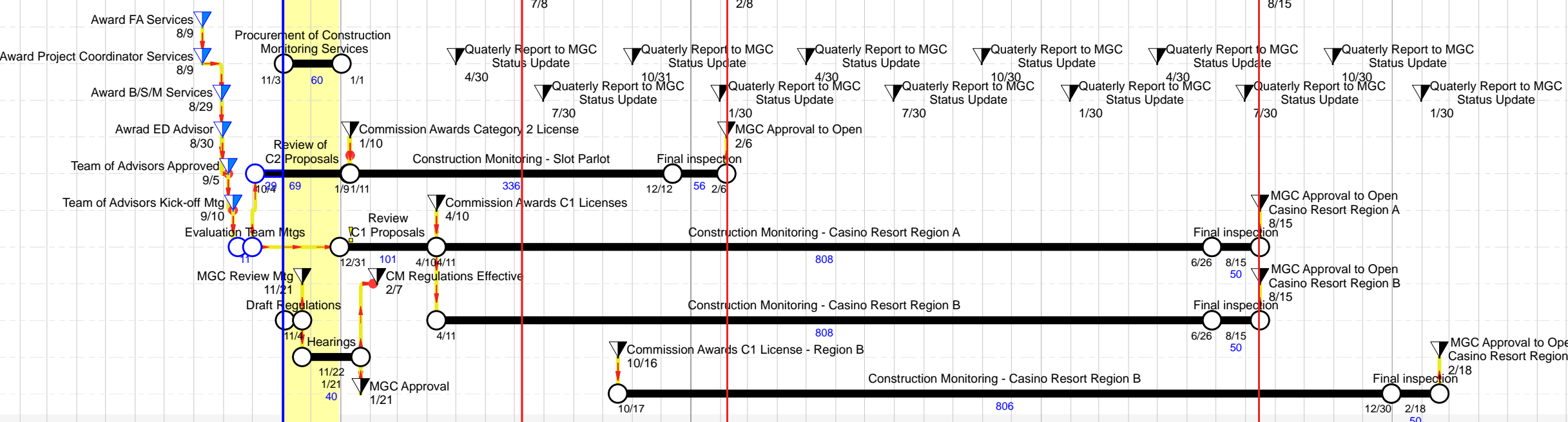
Responsible Gambling / Problem Gambling



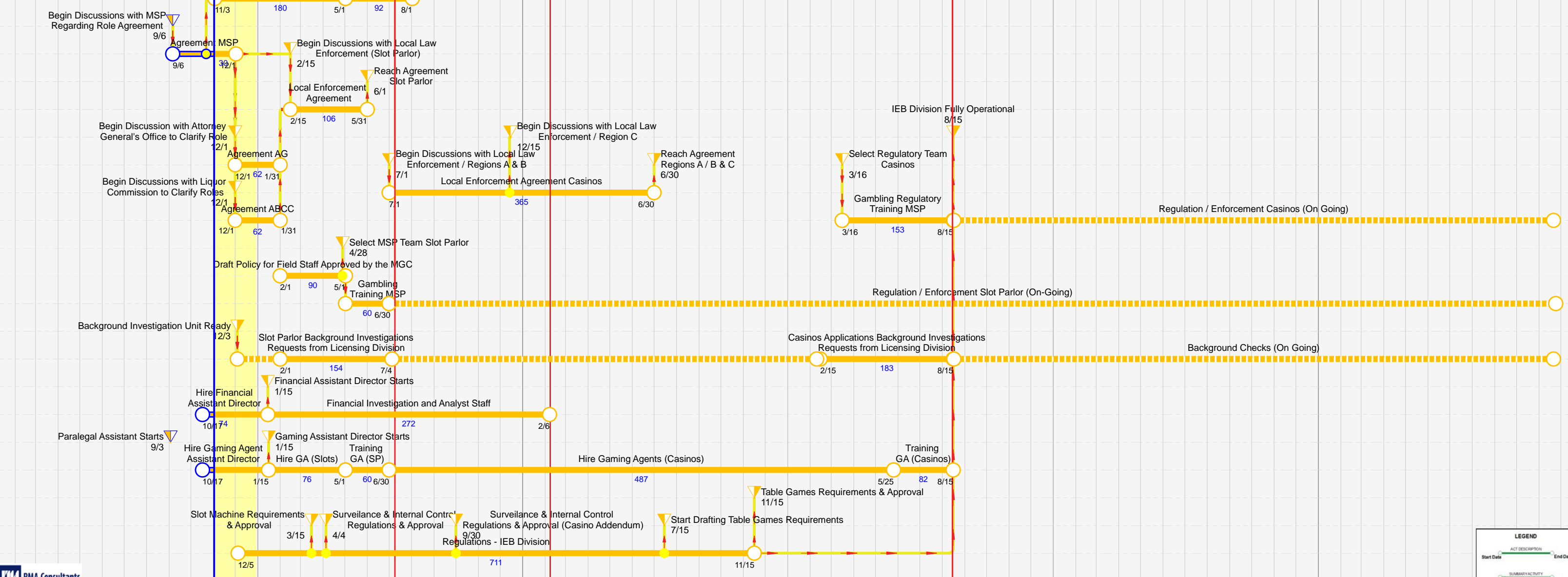
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- ACT DESCRIPTION: Start Date - End Date
- SUMMARY ACTIVITY: Start Date - End Date

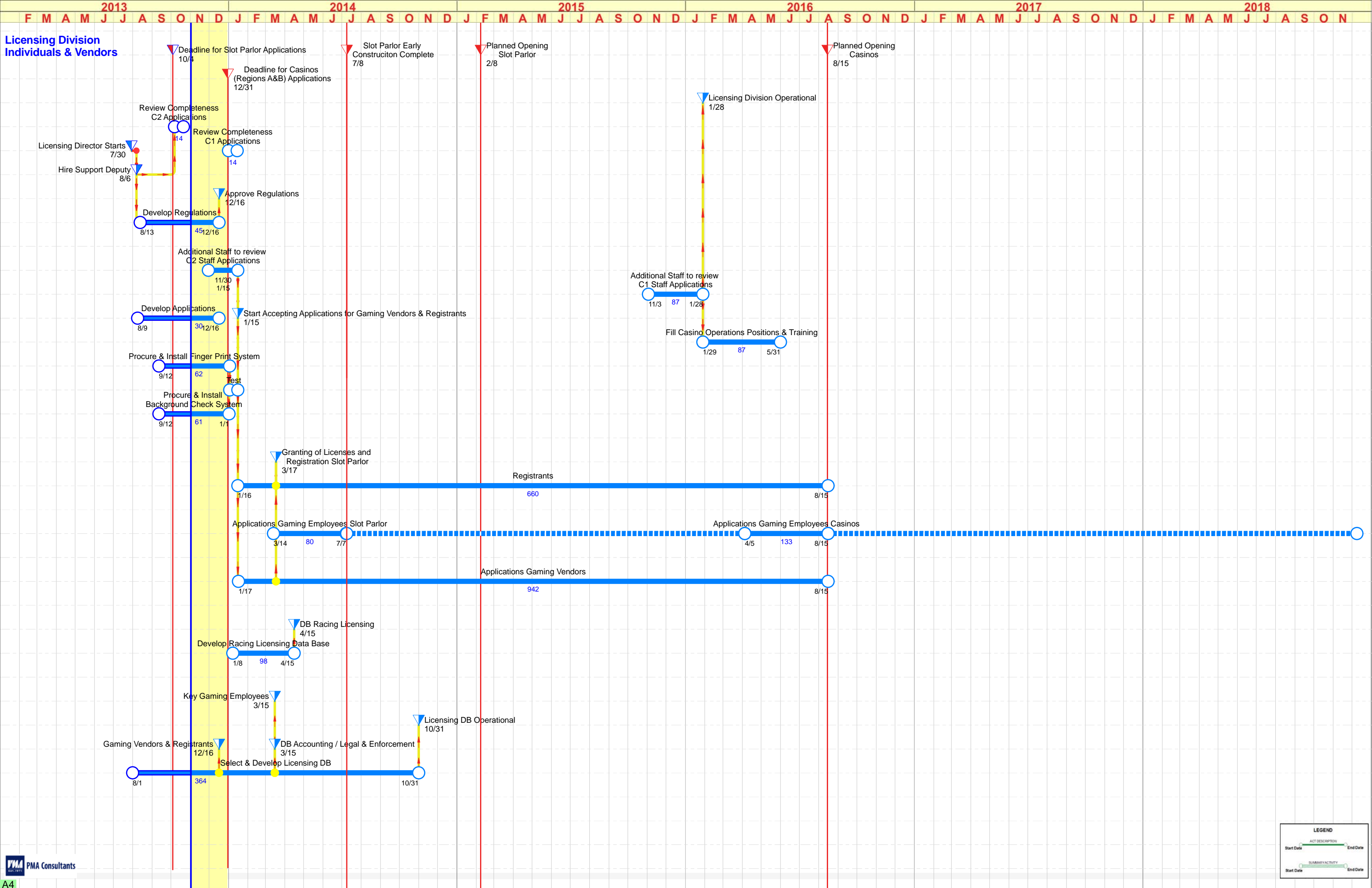
**MGC - Team of Advisors
Construction Monitoring**



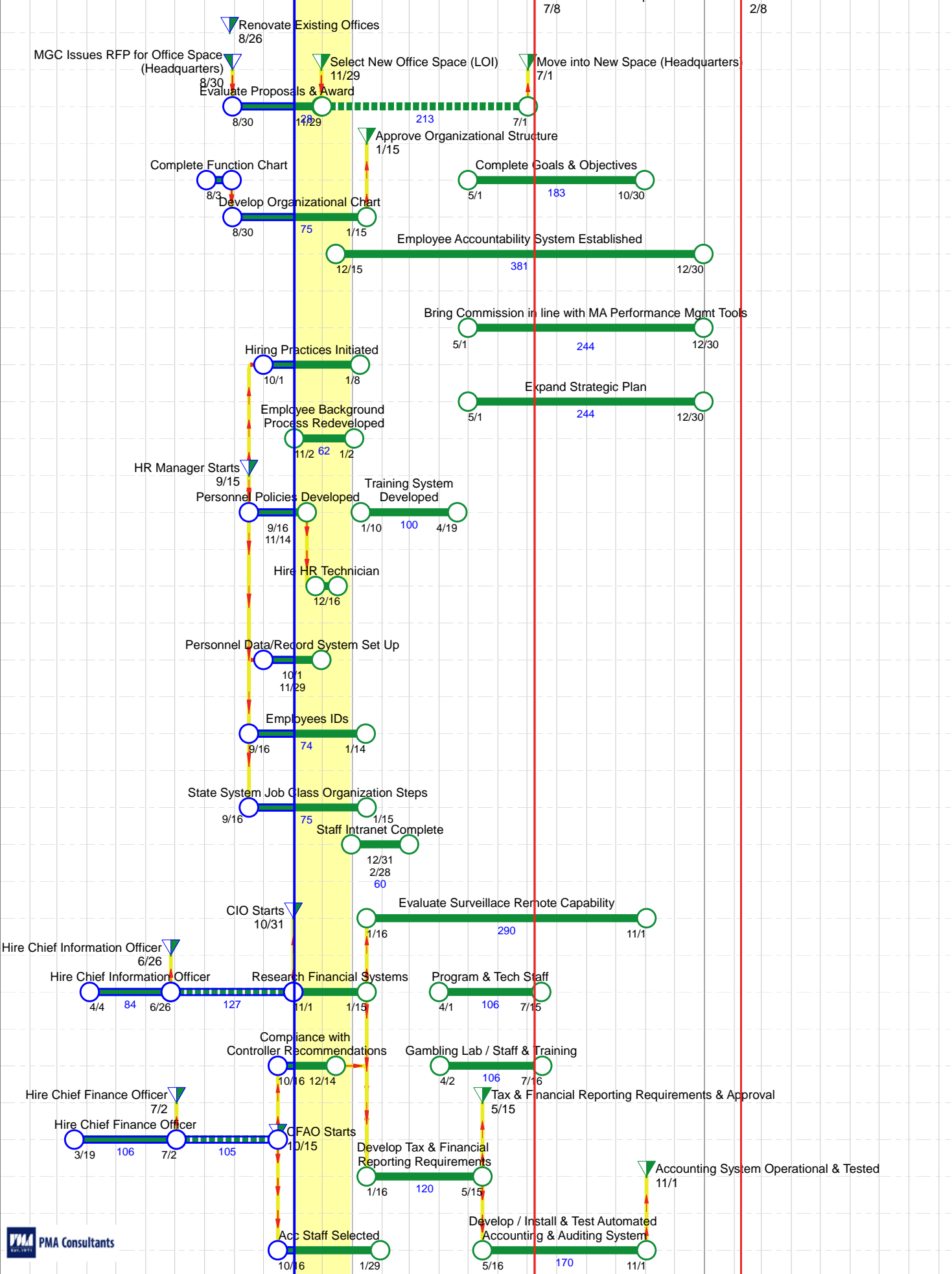
**Regulation / Enforcement
& Investigation - Operational**



LEGEND
 ACT DESCRIPTION: Start Date - End Date
 SUMMARY ACTIVITY: Start Date - End Date



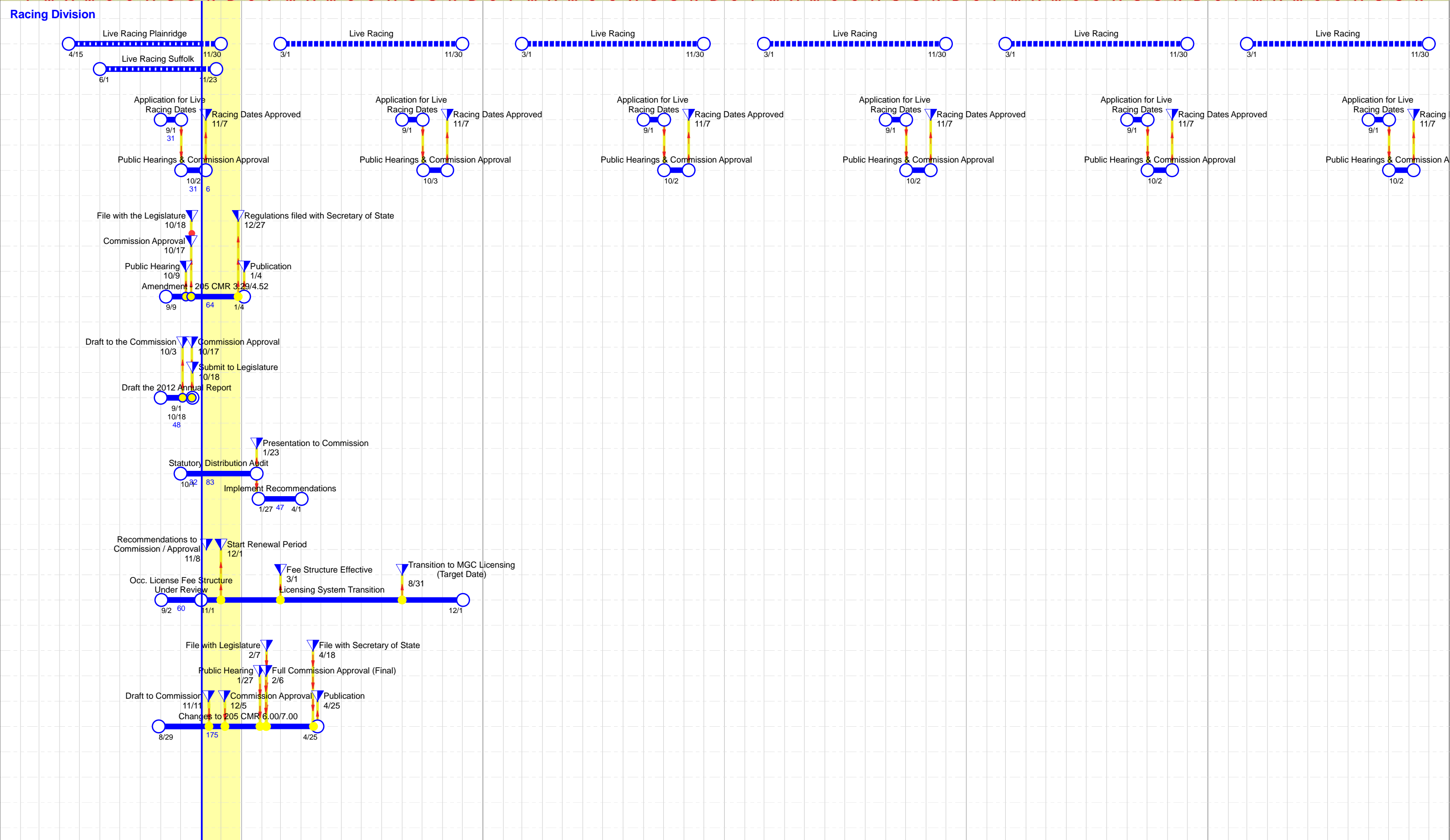
MGC General Admin



LEGEND

ACT DESCRIPTION: Start Date - End Date

SUMMARY ACTIVITY: Start Date - End Date



RFA - 2 Application for Casino Resort Licence - Draft Changes to Application

Category: Financial		
Question	Question Title	Proposed Revisions
2-11	Pro-Forma Cash Flow	Provide information in attached Income and Expenses Template. May reference response to question 2-18, 2-19, 2-20 and 2-21
2-18	Revenue Generation	Provide information in attached Income and Expenses Template. May reference response to question 2-11, 2-19, 2-20 and 2-21
2-19	Projected Gaming Revenue	Provide information in attached Income and Expenses Template. May reference response to question 2-11, 2-18, 2-20 and 2-21
2-20	Projected Non-Gaming Revenue	Provide information in attached Income and Expenses Template. May reference response to question 2-11, 2-18, 2-19 and 2-21
2-21	Projected Tax Revenue to the Commonwealth	Provide information in attached Income and Expenses Template. May reference response to question 2-11, 2-18, 2-19 and 2-20
2-28	Total Investment Outside the Property	Break out investment by: Water / Sewer / Local roads / State roads / Traffic signalization / Buffer zones / Transportation improvements / Pedestrian improvements / Lighting / Landscaping / Other
Category: Economic Development		
Question	Question Title	Proposed Revisions
3-2	Employees	Provide information in attached Job Creation Template.
Category: Building & Site Design		
Question	Question Title	Proposed Revisions
4-2	Relationship with Surroundings	Require a Locus Map illustrating relationship with surroundings. Rework questions language to remove 'if any'.
4-3	Architects, Engineers, and Designers	Require a project team matrix illustrating relationship of project team. Include previous team experience on similar projects including casino developments and LEED-certified projects.
4-4	Color Rendering	Require a legend/key be provided for materials, tied to rendered building elevations and site plans.
4-5	Schematic Design	<p>Require a Basis of Design Narrative as an attachment to Schematic Design. The BOD Narrative should not exceed 250 words (1-2 page Executive Summary) and should include at a minimum: a discussion of design intent, major site and building features, proposed exterior and interior materials, applicable codes, tabular program allocation indicating space types and proposed square footage, phasing, and approach to sustainability. The BOD should also address how the applicant views the relationship between the proposed facility, abutting properties, and the local and regional architectural character.</p> <p>As part of Schematic Design, provide a site plan which defines the boundaries of the area to be licensed.</p> <p>Require a minimum list of required drawings. The minimum Drawing list includes Site Plan (for each phase) floor plans, building elevations, building sections. Plans are to be labeled with major finishes. The Basis of Design narrative shall be consistent with drawings submitted. A complete list of drawings shall be included in the submittal.</p> <p>Require a description of proposed interior finishes and amenities for major program elements, keyed to floor plan. Note that reference images may be included to illustrate the interior design approach.</p> <p>Require that the MEP Basis of Design narrative be keyed to green building design</p>
4-6	Proposed Landscaping	Require a landscaping plan and/or rendering with legend/key explaining plantings, paving, and any site amenities.
4-7	Alternative Presentation	Require a site plan for each proposed phase.
4-8	Parking	<p>Require a comparison of parking spaces provided with 1) code or by-law requirements and 2) with comparable facilities.</p> <p>Require a Basis of Design description of the approach to way finding and/or signage plan for pedestrian route from parking lot to main entrance.</p> <p>Require applicant to demonstrate the affect of proposed parking on existing site parking, if any.</p>
4-9	Transportation Infrastructure	<p>Require a regional plan showing features and location of other attractions that proposer is relating to or collaborating with. Include transportation facilities within 1-mile of site.</p> <p>Require Site Plan to illustrates movement of pedestrian, vehicular traffic. Indicate service locations as well as vehicular/bus drop off areas.</p>
4-10	Gaming	Describe all components of the proposed gaming area, including the square feet of gaming areas, including the number and types of table games and slot machines it will contain, the number of gaming positions as defined in G.L. c 23K, §2, it will contain, and the specific location of the games and machines in the proposed gaming establishment. Further, please discuss any plans for special high limit or VIP area.
4-18	Transportation	Describe all employee facilities and amenities that will be located on the site. Please specify whether day care of minor/child babysitting services are planned. If so, what standards will be utilized in offering such services.
4-23	Egress from Gaming Establishment Site	Clearly designate what are existing public transportation facilities and what are proposed improvements.
4-24	Adequacy of Existing Transportation Infrastructure	<p>Identify projected traffic volumes for the establishment, in both average daily traffic (ADT) and peak hour(am/pm) volumes.</p> <p>Considerations include: Study area; study periods; data and the base conditions; forecasts (# of trips and patterns); potential to divert to local road; operating and safety characteristics of existing system; and does Applicant identify if the project creates new or exacerbates existing deficiencies.</p>
4-25	Traffic Mitigation - RENAME: TRANSIT ACCOMMODATION	Describe the steps, plans and measures the applicant will take, including infrastructure improvements and transportation demand management (TDM) to mitigate traffic flow in the vicinity of the gaming establishment complex by stimulating use of public transit.
4-26	Parking Facilities	Identify projected volumes in vehicle trips/hour and if any will be during am/pm peak periods. RLP COMMENT: Given discussion yesterday, this item should be distinct from 4-8 above. One will emphasize parking accommodation including vehicle trips/hour and peak AM/PM periods; the other will emphasize the design character and quality of the parking facilities and how they relate to the overall development concept, adjacent uses, and surrounding area.
4-35	Regional Water Facilities	Provide calculations demonstrating the basis for the estimated projected water demand for both the averaged and peak day demands. Include evidence of discussions with the water supplier, providing names of officials contacted, and any written documentation such as MOU's. Provide the design capacity or authorized water withdrawal for the municipal or regional water system and compare with demands on the system with and without the Project. Provide data substantiating available system pressures and fire flows at point of connection. Template to be provided.

4-36	Sewage Facilities	Provide calculations demonstrating the basis for the estimated projected waste water flows for both the average and peak day. Include evidence of discussions with the municipal or regional waste water utility providing names of officials contacted, and any written documentation such as MOU's. Provide the design capacities for the municipal or regional system, and compare with demands on the system's collection and treatment facilities with and without the Project. Template to be provided.
4-37	LEED Certification	Describe plans including all proposed baseline and improved building design elements and measures for becoming certifiable at the gold or higher level under the Leadership in Environmental and Energy Design (LEED) NC 2009 standard of the US Green Building Council (USGBC). Provide LEED NC 2009 checklist summarizing anticipated credit points.
4-38	Compliance with Environmental Standards	Describe the extent to which the building and site will be designed to comply with LEED-ND, ISI, and IGCC standards and will be operated under LEED EBOM. Provide LEED EBOM checklist and ISI Envision checklist where applicable.
4-42	Water Conservation	Provide documentation to demonstrate how water savings in building are specifically achieved, including specifications for devices or measures to be used, and include a comparison of projected water use before and after water conservation devices accounted for. Provide details including calculations and drawings as appropriate to demonstrate water saving landscaping techniques, water reuse, and water recharge.
4-48	Building Envelope and HVAC	Describe plans for building envelope design analysis and commissioning and HVAC system commissioning in all buildings, and plans for ongoing retro-commissioning of facilities.

Category: Mitigation

Question	Question Title	Proposed Revisions
5-1	Infrastructure Costs	Identify separately, infrastructure costs that are required for onsite facilities, costs for off site infrastructure improvements that support the gaming facility (including modifications for site entry points) and mitigation costs for anticipated impacts.
5-33	Traffic Control Measures	Provide expected total traffic vehicle traffic in both Average Daily Traffic (ADT) and Peak hour volumes (AM/PM)." AND define "surrounding area" in terms of distance from site. Template to be provided.
5-34	Traffic for Special Events	Provide maximum anticipated duration and total traffic vehicle traffic counts at arrival and departure from a special event.

MASSACHUSETTS GAMING COMMISSION

DRAFT REGULATIONS- **new 205 CMR 132.00 through 138.00**



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135.00: INTERNAL CONTROLS

136.00: SELF EXCLUSION OF PERSONS

137.00: INVOLUNTARY EXCLUSION OF PERSONS

138.00: ALCOHOLIC BEVERAGE CONTROL

205 CMR: MASSACHUSETTS GAMING COMMISSION
205 CMR 134.00: LICENSING AND REGISTRATION OF EMPLOYEES, VENDORS, JUNKET
ENTERPRISES AND REPRESENTATIVES, AND LABOR ORGANIZATIONS

Section

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- 134.08: Submission of application
- 134.09: Investigation, Determination, and Appeals for Gaming Establishment Employees and Vendors
- 134.10: Affirmative license standards for **the licensing of employees and vendors** of the gaming establishment
- 134.11: Affirmative registration standards for the registration of employees and vendors of the gaming establishment and Labor Organizations**
- 134.12: Temporary licenses
- 134.13: Fingerprinting
- 134.14: Identification
- 134.15: Fees
- 134.16: Term of licenses
- 134.17: Renewals
- 134.18: Duties of applicants and licensees
- 134.19: Disciplinary action

134.01: Key gaming employee licensees

(A) No person shall be employed by or perform services for a gaming licensee as a key gaming employee, as defined by G.L. c.23K, §2, unless the person has been licensed in accordance with G.L. c.23K, §30 and 205 CMR 134.00. There shall be two categories of key gaming employee licensees: key qualifiers and keys.

(1) A person holding one of the following positions at a gaming establishment, and any person in a similar or equivalent position, regardless of job title, whose employment relates directly to a gaming establishment shall be designated as a key qualifier:

- (a) Assistant General Manager
- (b) Audit Manager
- (c) Casino Manager
- (d) Chief Financial Officer
- (e) Chief of Security
- (f) Managers or supervisors of security employees
- (g) General Manager

- (h) Surveillance Manager
- (i) Chief Compliance Officer
- (j) Principal executive officer
- (k) Principal operating officer
- (l) Principal accounting officer

(2) A person holding one of the following positions at a gaming establishment, and any person in a similar or equivalent position, regardless of job title, whose employment relates directly to a gaming establishment shall be designated as a key:

- (a) Controller
- (b) Chief Information Officer
- (c) Electronic gaming device or slot machines manager
- (d) Human resources manager
- (e) Information technology manager
- (f) Table games manager/pit boss
- (g) Shift manager
- (h) Credit manager
- (i) Cage manager
- (j) Executive or managerial employees who are not identified as key qualifiers in accordance with 205 CMR 134.01(A)(1), but who have the power to exercise significant influence over a gaming establishment operator or management company including, but not limited to, a hotel manager, entertainment director, and food and beverage manager.

(B) A person employed as a key gaming employee of a gaming establishment ~~operator or management company applicant or licensee described in 205 CMR 134.01(A)(1)~~ may not be employed concurrently by a gaming related vendor applicant or licensee, except that a person holding a key gaming employee license may be employed by a licensed management company that is also licensed as a gaming vendor.

(C) Any person who is a qualifier but not otherwise performing any of the duties of the positions identified in 205 CMR 134.01(A)(1) or (2) does not have to become licensed as a key gaming employee. Such person does have to be approved as a qualifier in accordance with 205 CMR 111.00 and 116.00.

134.02: Gaming employee licensees

(A) No person shall be employed by or perform services for a gaming licensee as a gaming employee, as defined by G.L. c.23K, §2, unless the person has been licensed in accordance with G.L. c.23K, §30 and 205 CMR 134.00. A person holding one of the following positions at a gaming establishment, and any person in a similar or equivalent position, regardless of job title, whose employment relates directly to a gaming establishment shall be designated as a gaming employee:

- (1) Boxpersons

- (2) Cashiers
- (3) Change personnel
- (4) Clerks
- (5) Count room personnel
- (6) Data processing personnel
- (7) Dealers and croupiers
- (8) Floorpersons
- (9) Hosts
- (10) Internal audit and accounting personnel
- (11) A person who is directly connected to the operation or maintenance of a slot machine or game taking place in a gaming establishment
- (12) Machine mechanics, computer machine technicians, and table game device technicians
- (13) Personnel authorized to extend complimentary services, including employees performing functions similar to those performed by a junket representative
- (14) Junket representative
- (15) Personnel authorized to issue credit under \$5000
- (16) Personnel authorized to issue promotional play
- (17) Personnel with security administrator access to a slot machine tracking system
- (18) Promotional play supervisors
- (19) Security personnel, including guards and game observers, or an employee with knowledge of security procedures of the gaming establishment
- (20) Shills
- (21) Surveillance personnel
- (22) Any employee who conducts or participates in the conduct of gaming, who participates in the transfer or handling of chips, tokens or money, or who participates in audit or accounting functions
- (23) Any employee whose has access to a restricted area of a gaming establishment
- (24) A person who supervises a person required to be licensed as a gaming employee in accordance with 205 CMR 134.02.
- (25) An employee of a gaming establishment whom the Bureau deems necessary to be licensed to ensure compliance with the G.L. c.23K and 205 CMR and to protect the public and ensure the credibility and integrity of gaming in the Commonwealth.

134.03: Gaming service employees

No person shall be employed by or perform services for a gaming licensee as a gaming service employee, as defined by G.L. c.23K, §2, unless the person has been registered in accordance with G.L. c.23K, §30 and 205 CMR 134.00. A person holding a position at a gaming establishment who is not classified as a key gaming employee in accordance with 205 CMR 134.01, or a gaming employee in accordance with 205 CMR 134.02, shall be designated as a gaming service employee and shall register in accordance with 205 CMR 134.08.

134.04: Vendors

(A) No person shall conduct business with a gaming licensee unless such person has been licensed as a gaming vendor, as defined by G.L. c.23K, §2, or registered as a non-gaming vendor, as defined by G.L. c.23K, §2, in accordance with 205 CMR 134.00.

(1) Gaming vendors

(A) A person who offers to a gaming applicant or gaming licensee on a regular or continuing basis goods or services which directly relates to gaming, as defined by G.L. c.23K, §2, ~~except as they pertain to antique slot machines as described in G.L. c.271, §5A,~~ including, but not limited to a person who does any of the following, shall be designated as a gaming vendor:

- (a) Manufactures, sells, leases, supplies, or distributes devices, machines, equipment, accessories, or items that meet at least one of the following conditions:
 - (1) are designed for use in a gaming area as defined by G.L. c.23K, §2;
 - (2) are designed for use in a simulcast wagering area;
 - (3) are needed to carry out a game in the gaming area;
 - (4) have the capacity to affect the result of the play of a game in the gaming area; or
 - (5) have the capacity to affect the calculation, storage, collection, or control of the gaming revenues from a gaming establishment;
- (b) provides maintenance services or repairs gaming or simulcast wagering equipment, including slot machines;
- (c) provides services directly related to the management or administration of a gaming area;
- (d) acts as a junket enterprise; or
- (e) provides items or services that the Commission has determined are used in or are incidental to gaming or to an activity of a gaming facility.

(B) (1) A person who conducts over \$250,000 in gross sales with a gaming licensee within a 12 month period shall be designated a gaming vendor regardless of the goods or services being provided.

(2) A person who conducts over \$100,000 in gross sales with a gaming licensee within a 3 month period shall be designated a gaming vendor regardless of the goods or services being provided.

(2) Non-gaming vendors

A person who offers to a gaming establishment or gaming licensee goods or services which are not directly related to gaming, as defined by G.L. c.23K, §2, including, but not limited to any of the following, shall be designated as a non-gaming vendor:

- (a) construction company
- (b) vending machine provider

- (c) linen supplier
- (d) garbage handler
- (e) maintenance company
- (f) limousine service company
- (g) food purveyor
- (h) supplier of alcoholic beverages
- (i) a person that sells, distributes, tests, or repairs antique slot machines as described in G.L. c.271, §5A

(3) Gaming vendor qualifier

(a) The following persons shall be required to qualify as gaming vendor qualifier:

(1) If the gaming vendor applicant is a sole proprietor:

1. The owner

(2) If the gaming vendor applicant is a corporation:

1. Each officer

2. Each director

3. Any person owning more than 5 per cent of the common stock of a company applying for licensure as a gaming vendor as provided by 205 CMR 134.04(A)(1), or a holding, intermediary or subsidiary company of such company.

4. In the judgment of the Bureau in accordance with 205 CMR 134.04(3)(b):

1. each lender

2. each holder of evidence of indebtedness

3. each underwriter

4. each close associate

5. each executive

6. each agent

7. each employee

(3) If the applicant is a limited liability corporation:

1. Each Member

2. Each transferee of a Member's interest

3. Each Director

4. Each Manager

5. In the judgment of the Bureau in accordance with 205 CMR 134.04(3)(b):

- a. each lender
- b. each holder of evidence of indebtedness
- c. each underwriter
- d. each close associate
- e. each executive
- f. each agent

(4) If the applicant is a limited partnership:

- 1. Each General Partner
- 2. Each Limited Partner
- 3. In the judgment of the Bureau in accordance with 205 CMR 134.04(3)(b):
 - a. each lender
 - b. each holder of evidence of indebtedness
 - c. each underwriter
 - d. each close associate
 - e. each executive
 - f. each agent

(5) If the applicant is a partnership:

- 1. Each Partner
- 2. In the judgment of the Bureau in accordance with 205 CMR 134.04(3)(b):
 - a. each lender
 - b. each holder of evidence of indebtedness
 - c. each underwriter
 - d. each close associate

e. each executive

f. each agent

(b) In all cases, any person who, in the opinion of the commission, can exercise control or provide direction to a gaming vendor or applicant for a gaming vendor license or holding, intermediary or subsidiary companies thereof.

(c) Other Qualifiers. The commission may, at its sole discretion, require other persons or companies that have a business association of any kind with the applicant to be licensed as a gaming vendor qualifier. These affiliated companies or persons include, but are not limited to, holding, intermediary or subsidiary companies of the applicant.

(4) Waiver

Upon written petition, the commission may waive the requirement to be licensed as a gaming vendor qualifier for:

(A) 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 the commission of such intent and shall file an application and be subject to the licensing requirements of 205 CMR 134.00 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 required to apply for a license before doing business in the Commonwealth.

(B) Any person who, in the opinion of the commission, cannot exercise control or provide direction to a gaming vendor or applicant for a gaming vendor license or a holding, intermediary or subsidiary company thereof. Provided, however, a person who is not an institutional investor and who holds more than 5 per cent of the common stock of a company, or holding, intermediary or subsidiary company of such a company may not petition for waiver in accordance with 205 CMR 134.04(4)(B).

(5) Exemptions

For purposes of 205 CMR 134.04 the following entities shall not be considered the conduct of business with a gaming applicant or gaming licensee that require licensure or registration:

- (1) provision of insurance
- (2) advertising
- (3) transactions with a governmental entity

134.05: Labor organizations

- (A) Each labor organization, union or affiliate seeking to represent employees who are employed at a gaming establishment shall register with the Commission in accordance with 205 CMR 134.05.
- (B) Within 30 days of the date on which it begins organizing activities directed at the employees who are employed in a gaming establishment, a labor organization, union or affiliate shall file with the Bureau a labor organization registration in accordance with 205 CMR 134.08. Organizing activities shall include, without limitation, soliciting membership by means of any direct personal contact, or any public notices such as the posting or distribution of fliers, posters or advertisements.
- (C) Each officer, agent or principal employee of the labor organization, union or affiliate shall file a Labor Organization Individual Disclosure Form at the time the pertinent labor organization, union or affiliate registers or should register, or within 30 days of the date on which the individual is elected, appointed or hired, whichever is later, or within such additional time as the Bureau may, upon a showing of good cause, permit.
- (D) Notwithstanding 205 CMR 134.05(D)(1) a Labor Organization Individual Disclosure Form need not be filed by an officer of a national or international labor organization who exercises no authority, discretion or influence over the operation of such labor organization with regard to any employment matter relating to employees who are employed in a Massachusetts gaming establishment provided that the Bureau may direct such officer to file such form or to provide any other information in the same manner and to the same extent as may be required of any other officer of a labor organization which is required to register.
- (E) Neither a labor organization, union, or affiliate, nor its officers who are not otherwise licensed or registered as a **key gaming employee, gaming employee, or gaming service employee**, may hold any financial interest in a gaming establishment whose employees are represented by the organization.

134.06: Junket enterprises and junket representatives

(RESERVED)

134.07: Forms

(A) Multi-jurisdictional Personal History Disclosure Form For Key Qualifiers and Vendor Qualifiers

The *Multi-jurisdictional Personal History Disclosure Form For Key Qualifiers and Vendor*

Qualifiers shall contain the following information:

- (1) Name, including maiden name and any aliases or nicknames and applicable dates of use;
- (2) Date of birth;
- (3) Physical description;
- (4) Current address and residence history;
- (5) Social Security Number, which information is voluntarily provided in accordance with 5 U.S.C. § 552a;

- (6) Citizenship and, if applicable, information regarding resident alien status, including information regarding passports;
- (7) Marital history, spouse, dependents and other family data;
- (8) The gaming licensee or qualifier, gaming vendor licensee or qualifier or holding company, as applicable, with which the qualifier is affiliated, and the nature of the qualifier's position with or interest in such entity;
- (9) Telephone number at the current place of employment, and home number;
- (10) Email address;
- (11) Employment history of the qualifier and qualifier's immediate family;
- (12) Education and training;
- (13) Record of military service;
- (14) Government positions and offices presently or previously held, and the offices, trusteeships, directorships or fiduciary positions presently or previously held with any business entity;
- (15) Trusteeships or other fiduciary positions held by the qualifier and the qualifier's spouse, and any denial or suspension of, or removal from, such positions;
- (16) Current memberships in any social, labor or fraternal union, club or organization;
- (17) Licenses and other approvals held by or applied for by the qualifier or, where specified, the qualifier's spouse, in the Commonwealth of Massachusetts or any other jurisdiction, as follows:
 - (a) Any professional or occupational license held by or applied for the by the qualifier or the qualifier's spouse;
 - (b) Motor vehicle registrations and operator licenses held by or applied for the by the qualifier or the qualifier's spouse, and any revocation or suspension thereof;
 - (c) Possession or ownership of any pistol or firearm, or any application for any firearm permit, firearm dealer's license, or permit to carry a pistol or firearm;
 - (d) Any license, permit, approval or registration required to participate in any lawful gambling operation in the Commonwealth of Massachusetts or any jurisdiction held by or applied for by the qualifier; and
 - (e) Any denial, suspension or revocation by a government agency of a license, permit or certification held by or applied for by the qualifier or the qualifier's spouse, or any entity in which the qualifier or the qualifier's spouse was a director, officer, partner or any owner of a 5% or greater interest;
- (18) Any interest in or employment presently or previously held by the qualifier with any entity which has applied for a permit, license, certificate or qualification in connection with any lawful gambling or alcoholic beverage operation in the Commonwealth of Massachusetts or any other jurisdiction; and any current employment or other association by the qualifier's family with the gambling or alcoholic beverage industries in the Commonwealth of Massachusetts or any other jurisdiction;
- (19) Civil, criminal and investigatory proceedings in any jurisdiction, as follows:
 - (a) Arrests, charges or offenses committed by the qualifier or any member of the qualifier's immediate family;
 - (b) Any instance where the qualifier has been named as an unindicted party or co-conspirator in a criminal proceeding or held as a material witness;
 - (c) Any appearance before, investigation by or request to take a polygraph examination by any governmental agency, court, committee, grand jury or investigatory body, and any refusal to comply with a request to do so;

- (d) Any pardons, dismissals, suspensions or deferrals of any criminal investigation, prosecution, or conviction;
 - (e) Lawsuits to which the qualifier was or is a party;
 - (f) Any citation or charge for a violation of a statute, regulation or code or any jurisdiction, other than a criminal disorderly persons, petty disorderly persons or motor vehicle violation; and
 - (g) Any use, distribution, or possession of any narcotic, hallucinogenic, drug, barbiturate, amphetamine or other substance listed in M.G.L. c. 94C other than pursuant to a valid prescription issued by a licensed physician;
- (20) Any exclusion or barring from any casino, gaming establishment or gambling/gaming related entity in any jurisdiction;
- (21) Financial data, as follows:
- (a) All assets and liability of the qualifier, and the qualifier's spouse and dependent children as indicated on the net worth statement and supporting schedules in a format prescribed by the commission, including cash, bank accounts, notes payable and receivable, real estate and income taxes payable, loans, accounts payable and any other indebtedness, contingent liabilities, securities, real estate interests, real estate mortgages and liens, life insurance, pension funds, vehicles and other assets;
 - (b) Bank accounts, including any right of ownership in, control over or interest in any foreign bank account, and safe deposit boxes;
 - (c) Real estate interests held by the qualifier or the qualifier's spouse or dependent children;
 - (d) Businesses owned;
 - (e) Copies of Federal tax returns and related information;
 - (f) Judgments or petitions for bankruptcy, insolvency or liquidation concerning the qualifier or any business entity in which the qualifier held a 5% or greater interest, other than a publicly traded corporation, or in which the qualifier served as an officer or director;
 - (g) Any business entity in which the qualifier was an owner, director or officer which has been placed under some form of governmental administration or monitoring;
 - (h) Any garnishment or attachment of wages, charging order or voluntary wage execution, including the amount, court, nature of the obligation and the holder of the obligation;
 - (i) Any repossessions of real or personal property;
 - (j) Any guarantees, co-signatures or insuring of payments of financial obligations of any persons or business entities;
 - (k) Status as executor, administrator or fiduciary of any estate;
 - (l) Life insurance policies on the qualifier's life which name someone other than the qualifier's family as a beneficiary;
 - (m) Positions held, assets held, or interest received in any estate or trust;
 - (n) Whether the qualifier has ever been bonded for any purpose or been denied any type of bond, including the nature of the bond and if applicable, the reason for denial;
 - (o) Insurance claims in excess of \$100,000.00 by the qualifier or the qualifier's spouse or dependent children;
 - (p) Referral or finder's fees in excess of \$10,000.00;

- (q) Loans in excess of \$10,000.00 made or received by the qualifier, the qualifier's spouse or dependent children;
 - (r) Gifts in excess of \$10,000.00 given or received by the qualifier or the qualifier's immediate family;
 - (s) Brokerage or margin accounts with any securities or commodities dealer;
 - (t) Currency exchanges in an amount greater than \$10,000.00;
 - (u) Information regarding any instance where the qualifier or any entity in which the qualifier was a director, officer or holder of a five percent or greater interest has traded in foreign currencies or in a foreign commodities exchange, sold or purchased discounted promissory notes or other commercial paper, or been a party to any leasing arrangements in excess of \$50,000.00; and
 - (v) Information regarding any ownership interest or financial investment by the qualifier in any entity which holds or is an applicant for a license issued by the commission, or in any gambling venture which does not require licensure by the commission, including persons providing or reasonably anticipated to provide the qualifier with support in the financing of such investment or interest; the extent and nature of the qualifier's involvement in the management and operation of the entity; whether the qualifier has or has agreed to assign, pledge or hypothecate such interest or investment, the nature and terms of any such transaction and a copy of any such agreement.
- (22) The name, address, occupation and phone number of persons who can attest to the qualifier's good character and reputation;
- (23) A waiver of liability as to the Commonwealth of Massachusetts and its instrumentalities and agents for any damages resulting from any disclosure and publication of information acquired during the license or investigation process;
- (24) Consent to inspection, searches and seizures and the supplying of handwriting exemplars; and
- (25) A signed, dated Statement of Truth affidavit.

(B) Massachusetts Supplement Form For Key Qualifiers and Vendor Qualifiers

The *Massachusetts Supplement Form For Key Qualifiers and Vendor Qualifiers* shall contain the following information:

- (1) Name, including maiden name and any aliases or nicknames and applicable dates of use;
- (2) Date of birth;
- (3) Physical description, including a color photograph taken within the past six months;
- (4) Current address, mailing and home, if different;
- (5) Home, cell, and work telephone numbers;
- (6) Social Security Number, which information is voluntarily provided in accordance with 5 U.S.C. § 552a;
- (7) The gaming license applicant or holding company, as applicable, with which the qualifier is affiliated, and the nature of the qualifier's position with or interest in such entity;
- (8) Citizenship and, if applicable, resident alien status, including any employment authorization with expiration date; country of which the qualifier is a citizen, place of birth, port of entry to the United States, and name and addresses of sponsor(s) upon the qualifier's arrival;
- (9) Whether during the last ten years any entity in which the qualifier has been a director, officer, principal employee or a holder of 5% or more interest has:

- (a) Made or been charged with (either itself or through third parties acting for it) bribes or kickbacks to any government official, domestic or foreign, to obtain favorable treatment or to any company, employee or organization to obtain a competitive advantage;
 - (b) Held a foreign bank account or has had authority to control disbursements from a foreign bank account;
 - (c) Maintained a bank account or other account, whether domestic or foreign, which is not reflected on the books or records of the business or which is in a name other than the name of the business;
 - (d) Donated, loaned or used funds or property for the use or benefit or in opposing any government, political party, candidate or committee either domestic or foreign;
 - (e) Compensated any of its directors, officers or employees for time and expenses incurred in performing services for the benefit of or in opposing any government or political party domestic or foreign; or
 - (f) Made any loans, donations or other disbursement to its directors, officers or employees for the purpose of making political contributions or reimbursing such individuals for political contributions whether domestic or foreign;
- (10) Copies of Federal and foreign tax returns and related information for the last five years; [and]
 - (11) The name, address, occupation and phone number of persons who can attest to the qualifier's good character and reputation;
 - (12) A signed, dated and notarized release authorization which shall direct all courts, probation departments, military organizations, selective service boards, employers, education institutions, banks, financial and other institutions and all governmental agencies, Federal, state and local, both foreign and domestic, to release any and all information pertaining to the qualifier as requested by the commission, the bureau or a contractor investigator;
 - (13) A signed, dated and notarized Statement of Truth.
 - (14) A waiver of liability as to the Commonwealth of Massachusetts and its instrumentalities and agents for any damages resulting from any disclosure and publication of information acquired during the license or investigation process; and

(C) Key Employee Application Form

A *Key Employee Application Form* shall be in a format prescribed by the Commission and shall, at a minimum, require the applicant to provide the following information:

- (1) Name, including maiden name and any aliases or nicknames along with applicable dates of usage;
- (2) Date and place of birth;
- (3) Physical description;
- (4) Current address and telephone number, and residence history for the past 10 years;
- (5) Social Security Number, which information is voluntarily provided in accordance with section 7 of the Privacy Act, 5 U.S.C. § 552a;
- (6) Citizenship and, if applicable, resident alien status, including any employment authorization and expiration date, country of which the applicant is a citizen, place of birth, port of entry to the United States, and name and address of sponsor(s) upon the applicant's arrival;
- (7) Reason for filing the Key Form;

- (8) Marital history and other family data;
- (9) Employment history, including any gaming-related employment, for the past 10 years;
- (10) Education and training;
- (11) Record of military service;
- (12) Licenses and other approvals held by or applied for by the applicant or, where specified, the applicant's spouse, in this State or any other jurisdiction, including:
 - (a) Any license, permit, approval or registration required to participate in any lawful gambling operation in this State or any jurisdiction;
 - (b) Any denial, suspension or revocation by a government agency in this State or any other jurisdiction of a license, permit, approval or registration held by or applied for by the applicant or the applicant's spouse; and
 - (c) Motor vehicle registrations and operator licenses held by or applied for by the applicant or the applicant's spouse, and any revocation or suspension thereof;
- (13) Civil, criminal and investigatory proceedings in any jurisdictions, as follows:
 - (a) Arrests, charges or offenses committed by the applicant or any member of the applicant's immediate family;
 - (b) Any appearance before, investigation by or request to take a polygraph examination by any governmental agency, court, committee, grand jury or investigatory body; and
 - (c) Lawsuits to which the applicant was or is a party in the past ten years; and
- (14) Financial data, as follows:
 - (a) All assets and liabilities of the applicant, and the applicant's spouse and dependent children as indicated on the net worth statement and supporting schedules in a format prescribed by the Commission, including cash, bank accounts, notes payable and receivable, real estate and income taxes payable, loans, accounts payable, credit card debt and any other indebtedness, contingent liabilities, securities, real estate interests, real estate mortgages and liens, life insurance, pension funds, vehicles and other assets;
 - (b) Bank accounts, including any right of ownership in, control over or interest in any foreign bank account during the last ten year period as well as with regard to safe deposit boxes;
 - (c) Real estate interests held by the applicant or the applicant's spouse or dependent children in the past 10 years regardless of whether such interest was held under a recorded or unrecorded instrument;
 - (d) Any business in which the applicant has held an ownership interest for the past 20 years;
 - (e) Copies of Federal and State tax returns and related information for the last five years;
 - (f) Judgments or petitions for bankruptcy or insolvency concerning the applicant or any business entity in which the applicant held a five percent or greater interest, other than a publicly traded corporation, in the past 20 years or in which the applicant served as an officer or director;
 - (g) Any garnishment or attachment of wages, charging order or voluntary wage execution, during the past 10-year period including the amount, court, nature of the obligation and the name and address holder of the obligation;
 - (h) Positions held or interest received in any estate or trust during the last 10-year period;
 - (i). Insurance claims in excess of \$100,000 by the applicant or the applicant's

- spouse or dependent children filed within the past 10-year period;
- (j) Loans in excess of \$10,000 made or received by the applicant, the applicant's spouse or dependent children in the last 10-year period;
- (k) During the last five-year period, any gifts in excess of \$10,000, either individually or in the aggregate, given or received, whether tangible or intangible, by the applicant or the applicant's immediate family in any one-year period; and
- (l) Referral or finder's fees in excess of \$10,000 in the past 10 years;
- (15) The name, address, occupation and phone number of persons who can attest to the qualifier's good character and reputation;
- (16) A signed, dated and notarized release authorization which shall direct all courts, probation departments, military organizations, selective service boards, employers, education institutions, banks, financial and other institutions and all governmental agencies, Federal, state and local, both foreign and domestic, to release any and all information pertaining to the applicant as requested by the commission, the bureau or a contractor investigator; and
- (17) A signed, dated and notarized Statement of Truth.

(D) Gaming Employee License Form

The *Gaming Employee Form* shall be in a format prescribed by the Commission and may require the applicant to provide the following information:

- (1) Personal background information;
- (2) Employment history;
- (3) Education and training;
- (4) Record of military service;
- (5) Government positions and offices presently or previously held, and offices, trusteeships, directorships or fiduciary positions presently or previously held with any business entity;
- (6) Licenses, registrations, permits, certification and other approvals held by or applied for in this State or any other jurisdiction;
- (7) Any denial, suspension or revocation by a governmental agency of a license, registration, permit or certification held by or applied for the applicant or any entity in which the applicant a director, officer, partner or an owner of a five (5) percent or greater interest;
- (8) Any interest in or employment presently or previously held by the applicant with an entity which has applied for a permit, license, certificate or qualification in connection with any lawful gambling or alcoholic beverage operation in this State or any other jurisdiction;
- (9) Arrests, charges or offenses committed by the applicant;
- (10) Civil litigation history where the applicant was or is a party; and
- (11) Gaming regulatory history;
- (12) All governmental financial liens or judgments, including state tax liens, delinquent child support obligations, defaulted student loans, unemployment judgments, unpaid motor vehicle surcharges, welfare judgments, etc.
- (13) A signed, dated and notarized release authorization which shall direct all courts, probation departments, military organizations, selective service boards, employers, education institutions, banks, financial and other institutions and all governmental agencies, Federal, state and local, both foreign and domestic, to release any and all information pertaining to the applicant as requested by the commission, the bureau or a contractor investigator; and
- (14) A signed, dated and notarized Statement of Truth.

(E) Gaming Service Employee Registration Form

A *Gaming Service Employee Form* shall be in a format prescribed by the Commission and may require the applicant to provide the following information:

- (1) Name, including maiden name and any aliases and nicknames;
- (2) Date of birth;
- (3) Physical description;
- (4) Current address and residence history for the past five year;
- (5) Social Security Number, which information is voluntarily provided in accordance with section 7 of the Privacy Act, 5 U.S.C. § 552a;
- (6) Citizenship, and, if applicable, resident alien status, including any employment authorization and expiration date; country of which the applicant is a citizen, place of birth, port of entry to the United States and name and address of sponsor(s) upon the applicant's arrival;
- (7) Last three jobs, and any gaming-related employment during the last 10 years;
- (8) Any license, permit, approval or registration held by or applied for by the applicant and required to participate in any lawful gambling operation in this State or any other jurisdiction;
- (9) Any license, permit, approval or registration held by the applicant to work in the gaming industry suspended, revoked or denied or had any disciplinary action taken in New Jersey or any other jurisdiction;
- (10) **Arrests, charges or offenses committed by the applicant;**
- (11) All governmental financial liens or judgments, including state tax liens, delinquent child support obligations, defaulted student loans, unemployment judgments, unpaid motor vehicle surcharges, welfare judgments, etc.
- (12) A signed, dated and notarized Statement of Truth; and
- (13) A signed, dated and notarized Release Authorization which shall direct all courts, probation departments, selective service boards, employers, educational institutions, banks, financial and other institutions and all governmental agencies, Federal, state and local both foreign and domestic, to release any and all information pertaining to the applicant as requested by the Commission and/or the Bureau.

(F) Business Entity Disclosure Form – Gaming Vendor

A *Business Entity Disclosure Form Gaming Vendor (BED GV)* shall be in a format prescribed by the Commission and may require the vendor to provide the following information:

- (1) The current or former official and trade names used and the dates of use;
- (2) The current and former business addresses within the last 10-year period and dates of use;
- (3) The business telephone number;
- (4) The name, title and telephone number of the contact person;
- (5) Whether the application is for initial licensure or retention of that license and, if retention, the license number and date of last submission;
- (6) If the license applicant is other than the vendor filing this form, the reason for filing and the nature of the filing vendor's relationship to the license applicant;

- (7) The business form and, as appropriate, a copy of the certificate of incorporation, charter, bylaws, partnership agreement and all amendments, trust agreement or other documentation relating to the legal organization of the enterprise;
- (8) If a publicly traded corporation, the stock exchange its stock is traded on and its symbol;
- (9) The Federal Employer Identification Number;
- (10) A description of the present and any former business engaged in or intended to be engaged in by the vendor and any parent, holding, intermediary or subsidiary company within the past five years and similar information for former businesses for the past 10 years;
- (11) A description of the nature, type, number of shares, terms, conditions, rights and privileges of all classes of stock issued by the vendor, if any, and the amount outstanding of each, or which the vendor plans to issue;
- (12) The name, address, date of birth (if appropriate), class of non-voting stock, number and percentage of shares held by each person or entity having a beneficial interest in any non-voting stock;
- (13) The name, home address, date of birth, current title or position and, if applicable, number of shares and class of stock and percentage of ownership for the following persons:
 - (a) Each officer, director or trustee;
 - (b) Each partner whether general, limited or otherwise;
 - (c) A sole proprietor;
 - (d) Each natural person or entity that directly or indirectly holds any beneficial or ownership interest of five percent or more of the entity completing the form;
 - (e) Each sales representative or other person who will regularly solicit business from a casino licensee;
 - (f) Each management person who supervises a regional or local office which employs sales or junket representatives or other persons who regularly solicit business from a casino hotel;
 - (g) Any other person not otherwise specified in 13(a) through (f) above who has signed or will sign any agreement with a casino licensee;
 - (h) Each natural person who indirectly holds any beneficial or ownership interest of 10 percent or more of an applicant for a junket enterprise license; and
 - (i) If a junket enterprise, each junket representative who will deal directly with casino licensees and their employees;
- (14) A flow chart which illustrates the ownership of any other vendor which holds an interest in the filing vendor;
- (15) The name, last known address, date of birth, position, dates the position was held, and reason for leaving for any former officers or directors who held such office during the preceding 10 years;
- (16) The annual compensation of each partner, officer, director and trustee;
- (17) The name, home address, date of birth, position, length of time employed and the amount of compensation of each person, other than the persons identified in 13 above, who is currently expected to receive annual compensation of more than \$300,000;
- (18) A description of all bonus, profit sharing, pension, retirement, deferred compensation or similar plans in existence or to be created by the vendor;
- (19) If the vendor is a partnership, a description of the interest held by each partner, whether limited or general, amount of initial investment, amount of additional contribution, amount and nature of any anticipated future investments, degree of control of each partner, percentage of ownership of each partner, and method of distributing profits to each partner;
- (20) A description of the nature, type, terms, covenants, and priorities of all outstanding debt

- and the name, address and date of birth of each debt holder or security holder, type and class of debt instrument held, original debt amount and current debt balance;
- (21) A description of the nature, type, terms and conditions of all securities options;
 - (22) Within the last 10 years, the following information for each account held by a bank, savings and loan association or other financial institution, whether foreign or domestic, in the name of the vendor or its nominee or which is otherwise under the direct or indirect control of the vendor:
 - (a) The name and address of the financial institution;
 - (b) The type of account;
 - (c) The account numbers; and
 - (d) The dates held;
 - (23) A description of the top 10 dollar value contracts or agreements with individuals including name, address and nature of the contract or goods or service provided during the past year;
 - (24) The name and address of each company in which the vendor holds stock, type of stock held, purchase price per share, number of shares held, and percentage of ownership indicating any holding of five percent or more of ownership held;
 - (25) Information regarding any transaction during the past five years involving a change in the beneficial ownership of the vendor's securities on the part of an officer or director who owned more than 10 percent of any class of equity security either directly or indirectly;
 - (26) A description of any civil, criminal, administrative and investigatory proceedings in any jurisdiction in which the vendor or its subsidiaries have been involved as follows:
 - (a) Any arrest, indictment, charge or conviction for any criminal or disorderly persons offense;
 - (b) Any criminal proceeding in which the enterprise or its subsidiaries has been a party or has been named as an unindicted co-conspirator;
 - (c) Existing civil litigation if damages are reasonably expected to exceed \$100,000, except for claims covered by insurance;
 - (d) Any judgment, order, consent decree or consent order entered against the vendor pertaining to a violation or alleged violation of the Federal antitrust, trade regulation or securities laws or similar laws of any state, province or country; and
 - (e) Any judgment, order, consent decree or consent order entered against the vendor pertaining to a violation or alleged violation of any other state or Federal statute, regulation or code which resulted in the imposition of a fine or penalty of \$50,000 or more;
 - (27) Within the last 10 years, for the vendor and any holding or intermediary company, information regarding any judgments or petitions by or against it for bankruptcy or insolvency and any relief sought under any provision of the Federal Bankruptcy Act or any state insolvency law, and any receiver, fiscal agent, trustee, reorganization trustee, or similar officer appointed for the property or business of the vendor or its parent, any holding, intermediary or subsidiary company;
 - (28) Within the last 10 years, whether the vendor has had any license or certificate denied, suspended or revoked by any government agency in this State or any other jurisdiction, the nature of such license or certificate, the agency and its location, the date of such action, the disposition, the reasons therefore, and the facts related thereto;
 - (29) Whether the vendor has ever applied for a license, permit or authorization to participate in any lawful gaming operation in this State or any other jurisdiction, the agency and its location, date of application, the nature of the license permit or authorization, number and

- expiration date;
- (30) Within the last 10 years, whether the vendor or any director, officer, partner, employee or person acting for or on behalf of the vendor has made bribes or kickbacks to any employee, company, organization or government official, foreign or domestic, to obtain favorable treatment or to obtain a competitive advantage;
 - (31) Within the last 10 years, whether the vendor has:
 - (a) Donated or loaned its funds or property for the use or benefit of or in opposing or supporting any government, political party, candidate or committee, either foreign or domestic;
 - (b) Made any loans, donations or disbursements to its directors, officers, partners or employees for the purpose of making political contributions or reimbursing such individuals for political contributions either foreign or domestic; or
 - (c) Maintained a bank account or other account, either foreign or domestic, not reflected on its books or records, or maintained any account in the name of a nominee for the vendor;
 - (32) The names and addresses of any current or former directors, officers, partners, employees or third parties who would have knowledge or information concerning 30 and 31 above;
 - (33) A copy of each of the following:
 - (a) Annual reports for the past five years;
 - (b) If the enterprise is a corporation registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, any annual reports prepared within the last five years on Form 10K pursuant to the Securities Exchange Act of 1934;
 - (c) An audited financial statement for the last fiscal year, including, without limitation, an income statement, balance sheet and statement of sources and application of funds, and all notes to such statements and related financial schedules;
 - (d) Copies of all annual financial statements, whether audited or unaudited, prepared in the last five fiscal years, any exceptions taken to such statements by an independent auditor and the management response thereto;
 - (e) Any current report prepared due to a change in control of the vendor, an acquisition or disposition of assets, a bankruptcy or receivership proceeding, a change in the vendor's certifying accountant or any other material event, or, if the vendor is registered with the SEC, a copy of the most recently filed Form 8K;
 - (f) The most recent Proxy or Information Statement filed pursuant to Section 14 of the Securities Exchange Act of 1934; and
 - (g) Registration Statements filed in the last five years pursuant to the Securities Act of 1933;
 - (34) An organizational chart of the vendor, including position descriptions and the name of the person holding each position;
 - (35) Copies of all Internal Revenue Forms 1120 (corporate income tax return), all Internal Revenue Forms 1065 (partnership return) or all Internal Revenue Forms 1040 (personal return) filed for the last five years; and
 - (36) A copy of a business registration certificate or other proof of valid business registration in Massachusetts
 - (37) In addition to the information above, a completed BED GV shall include the following documents, which shall be dated and signed by the president, chief executive officer, partners, general partner, sole proprietor or other authorized person and notarized:

- (a) A Statement of Truth;
- (b) A Release Authorization directing all courts, probation departments, selective service boards, employers, educational institutions, banks, financial and other institutions and all governmental agencies, Federal, state and local, both foreign and domestic, to release any and all information pertaining to the vendor as requested by the Commission; and
- (c) An acknowledgment of receipt of notice regarding confidentiality, consent to search and non-refundability of filing fees.

(G) Non-gaming Vendor Registration Form

No non-gaming vendor registration shall be deemed complete unless a non-gaming vendor has filed both a completed *Non-Gaming Vendor Registration Form* and a completed Non-Gaming Vendor Registration Supplemental Disclosure Form. All non-gaming vendors shall register by filing through the casino licensee or applicant with which such non-gaming vendor intends to conduct business a Non-Gaming Vendor Registration Form in a format prescribed by the Commission, which shall include the following information attested to and certified by a person who is authorized to act on behalf of the registering non-gaming vendor:

- (1) Any official or trade name used by the non-gaming vendor;
- (2) The current address and telephone number of the non-gaming vendor;
- (3) The nature of the non-gaming vendor's business and the type of goods and services being provided to the casino industry;
- (4) The Federal Employer Identification Number;
- (5) The name, residence address and date of birth of each of the following persons:
 - (a) The sales representative(s) or other person(s) who solicit(s) business from a casino licensee or applicant and such person's immediate supervisors; and
 - (b) Any person authorized to sign any agreement with the casino licensee or applicant; and
 - (c) The name(s), address(es) and percentage of ownership held by each entity or person directly owning more than five percent of the enterprise.

Within 30 days of the filing of the Non-Gaming Vendor Registration Form, the non-gaming vendor shall file directly with the Commission a Non-Gaming Vendor Registration Supplemental Form in a format prescribed by the Commission, which shall include the following information attested to and certified by a person who is authorized to act on behalf of the registering non-gaming vendor:

- (1) Whether the non-gaming vendor or any of its entity or individual holders of an ownership interest or any of the individuals identified above has been denied, suspended, revoked or withdrawn any license, permit, approval or registration in this or any other jurisdiction and the facts related thereto; and
- (2) Whether the non-gaming vendor or any of its entity or individual holders of an ownership interest or any of the individuals identified above has been involved in any civil, criminal, administrative or investigatory proceedings in this or any other jurisdiction and the facts related thereto.

If a non-gaming vendor fails to file a completed Non-Gaming Vendor Registration Form or Non-Gaming Vendor Registration Supplemental Form within 30 days of the filing of a completed Non-Gaming Vendor Registration Form, the Commission may administratively prohibit such non-gaming vendor from conducting business with a casino licensee or an applicant without the need for a hearing before taking such action.

(H) Labor Organization Registration Statement

A *Labor Organization Registration Statement* shall be in a format prescribed by the Commission and may require the labor organization, union, or affiliate to provide the following information:

- (1) The name of the registrant as shown on its charter or in its constitution;
- (2) The current business addresses of the registrant, including the address, telephone and fax numbers of any office where matters pertaining to employees of a casino licensee will be conducted;
- (3) The name, title, email address, telephone and fax numbers of a person to be contacted in reference to the statement;
- (4) Whether the submission is an initial or biennial renewal registration;
- (5) The names of the registrant's parent organization and all affiliates of the registrant or its parent organization, whether chartered by the parent organization or governed by the same constitution or bylaws;
- (6) The name and nature of the actual or probable involvement of any affiliate which represents or is seeking to represent employees who are employed in a casino hotel, casino or slot only casino facility by a casino licensee, or which is involved or seeking to be involved in the control or direction of such representation;
- (7) Financial data, including information concerning any financial interests held in a casino hotel, casino, slot only casino facility or casino licensee; and
- (8) The name, address and, where applicable, date of birth, title or position and authority or responsibility, of the following persons or entities:
 - (a) Any pension or welfare system maintained by the registrant;
 - (b) Each officer and agent of any pension or welfare system maintained by the registrant;
 - (c) Each officer and officer-elect of the registrant;
 - (d) Each agent authorized to represent the registrant; and
 - (e) Each principal employee of the registrant.

In addition to the information above, a completed Labor Organization Registration Statement may include the following:

- (1) A notarized statement of truth, which shall be dated and signed by the registrant's president or other authorized officer;
- (2) A Release Authorization directing all courts, probation departments, selective service boards, employers, educational institutions, banks, financial and other institutions and all governmental agencies, Federal, state and local, both foreign and domestic, to release any and all information pertaining to the registrant as requested by the Commission;
- (3) A waiver of liability as to the State and its instrumentalities and agents for any damages resulting to the registrant from any disclosure or publication of information acquired during the investigation process; and

(I) Labor Organization Individual Disclosure Form

A *Labor Organization Individual Disclosure Form* shall be in a format prescribed by the Commission and may require the applicant to provide the following information:

- (1) Name, including maiden name and any aliases or nicknames;
- (2) Title or position with the labor organization;
- (3) Date and place of birth;
- (4) Physical description including photograph taken within the past 12 months and name

- printed across the front bottom border;
- (5) Current address and home telephone number, email address, and residence history for the past year;
 - (6) Social Security Number, which information is voluntarily provided in accordance with section 7 of the Privacy Act, 5 U.S.C. § 552a;
 - (7) Citizenship and, if applicable, information concerning resident alien status;
 - (8) Full name of the labor organization represented;
 - (9) Telephone number and email address at current place of employment;
 - (10) Employment history:
 - (a) All positions held with a labor organization, union or affiliate, whether or not compensated, for the past five years; and
 - (b) Last three jobs, indicating any gaming-related positions;
 - (11) Licenses or other approvals held or applied for which are required to participate in any lawful gambling operation in this State or any jurisdiction;
 - (12) Civil, criminal and investigatory proceedings in any jurisdiction as follows:
 - (a) Convictions for crimes or disorderly persons offenses; and
 - (b) Convictions for contempt for refusal to testify or cooperate with any legislative investigatory body or other official investigatory body of this state or the United States where the investigatory body was investigating crimes relating to gaming, official corruption or organized crime activity; and
 - (13) Financial data, including information concerning any financial interests held in a casino hotel, casino, casino simulcasting facility or casino licensee.

In addition to the information above, a completed Labor Organization Individual Disclosure Form may include the following:

- (1) The name, address, occupation and phone number of references;
- (2) A signed, dated and notarized statement of truth;
- (3) A signed, dated and notarized Release Authorization which shall direct all courts, probation departments, selective service boards, employers, educational institutions, banks, financial and other institutions and all governmental agencies, Federal, state and local, both foreign and domestic, to release any and all information pertaining to the officer, agent or principal employee as requested by the Commission; and
- (4) A waiver of liability as to the State and its instrumentalities and agents for any damages resulting to the officer, agent or principal employee from any disclosure or publication of information acquired during the investigation process.

134.08: Submission of application

(A) An application for the initial issuance of a key gaming employee license in accordance with 205 CMR 134.01, a gaming employee license in accordance with 205 CMR 134.02, a gaming service employee registration in accordance with 205 CMR 134.03, a gaming vendor license in accordance with 205 CMR 134.04(A)(1), a non-gaming vendor registration in accordance with 205 CMR 134.04(A)(2), a Gaming Vendor qualifier license in accordance with 205 CMR 134.04(A)(3), a Labor Organization registration in accordance with 205 CMR 134.05, and officers, agents, and principal employees of a Labor Organization in accordance with 205 CMR 134.05 shall include all of the following:

- (1) A completed application form as follows:

- (a) An applicant for a key qualifier license shall file a *Multi-jurisdictional Personal History Disclosure Form For Key Qualifiers and Vendor Qualifiers* as set forth in 205 CMR 134.07(A) and a *Massachusetts Supplement Form For Key Qualifiers and Vendor Qualifiers* as set forth in 205 CMR 134.07(B);
 - (b) An applicant for a key license shall file a *Key Employee Application Form* as set forth in 205 CMR 134.07(C);
 - (c) An applicant for a gaming employee license shall file a *Gaming Employee License Form* as set forth in 205 CMR 134.07(D);
 - (d) An applicant for a gaming service employee registration shall file a *Gaming Service Employee Registration Form* as set forth in 205 CMR 134.07(E);
 - (e) An applicant for a gaming vendor license shall file a *Business Entity Disclosure Form- Gaming Vendor* as set forth in 205 CMR 134.07(F);
 - (f) An applicant for a non-gaming vendor registration shall file a *Non-gaming Vendor Registration Form* as set forth in 205 CMR 134.07(G);
 - (g) A gaming vendor qualifier (**individual**) shall file a *Multi-jurisdictional Personal History Disclosure Form* as set forth in 205 CMR 134.07(A) and a *Massachusetts Supplement Form For Key Qualifiers* as set forth in 205 CMR 134.07(B);
 - (h) **A gaming vendor qualifier (entity) shall file a *Business Entity Disclosure Form- Gaming Vendor* as set forth in 205 CMR 134.07(F);**
 - (i) A Labor Organization shall file a *Labor Organization Registration Statement* as set forth in 205 CMR 134.07(H);
 - (j) Officers, agents, and principal employees of a Labor Organization shall file a *Labor Organization Individual Disclosure Form* as set forth in 205 CMR 134.07(I).
- (2) **A passport style photograph of the applicant, taken within the preceding 12 months, which shall be attached to the original disclosure form;**
 - (3) Proof of fingerprinting in accordance with 205 CMR 134.13;
 - (4) The documents required for identification by 205 CMR 134.14
 - (5) Any applicable fee required by 205 CMR 134.15.
 - (6) (For Key Gaming Employees, Gaming Employees, and Gaming Service Employees) Proof of an offer of employment from a gaming licensee pending licensure or registration of the applicant.

(B) An applicant for a key gaming employee license who has previously been issued a positive determination of suitability by the Commission as part of an RFA-1 investigation shall file a *Massachusetts Supplement Form For Key Qualifiers* as set forth in 205 CMR 205 CMR 134.07(B).

(C) Each applicant shall file a complete application pursuant to 205 CMR 134.05(A) with the Bureau by mail, in person at the address specified on the application form, or via the Commission's website. The Bureau shall not accept an incomplete application.

(D) Reciprocity for vendors 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.

(E) Scope of duties An employee of a gaming establishment may, where otherwise qualified, engage in the following duties without further licensure by the Commission:

- (1) A person who is licensed as a key qualifier may, where otherwise qualified, engage in the performance of duties of a key, gaming employee or gaming service employee.
- (2) A person who is licensed as a key may, where otherwise qualified, engage in the performance of duties of a gaming employee or gaming service employee.
- (3) A person who is licensed as a gaming employee may engage in the performance of duties of a gaming service employee.

134.09: Investigation, Determination, and Appeals for Gaming establishment employees and Vendors

(A) Upon receipt of an application for a key gaming employee license in accordance with 205 CMR 134.01, a gaming employee license in accordance with 205 CMR 134.02, a gaming service employee registration in accordance with 205 CMR 134.03, a gaming vendor license in accordance with 205 CMR 134.04(A)(1), a non-gaming vendor registration in accordance with 205 CMR 134.04(A)(2), a gaming vendor qualifier license in accordance with 205 CMR 134.04(B), or a Labor Organization in accordance with 205 CMR 134.05 the Bureau shall conduct an investigation of the applicant. For natural persons, the investigation shall include obtaining and reviewing criminal offender record information from the Department of Criminal Justice Information Services (DCJIS) and exchanging fingerprint data and criminal history with the Massachusetts Department of State Police and the United States Federal Bureau of Investigation. The investigation shall be conducted for purposes of determining whether the applicant is suitable to be issued a license or registration in accordance with 205 CMR 134.10 and 134.11.

- (1) Keys, Key qualifiers, and Gaming employees Upon completion of the investigation conducted in accordance with 205 CMR 134.09(A) the Bureau shall either approve or deny the application for a key license, key qualifier license or a gaming employee license pursuant to 205 CMR 134.10. If the application for a Key license or Gaming Employee license is approved, the Bureau shall issue a license to the applicant on behalf of the Commission. If the Bureau approves the application for a Key Qualifier, the decision shall be forwarded to the Commission as a recommendation along with the application materials for review and issuance of the license. If the application is denied, the Bureau shall issue a written decision to the applicant explaining the reasons for the denial. The decision shall include an advisory to the applicant that they may appeal the decision to the Bureau in accordance with 205 CMR 134.09(B). The decision may be served via first class mail or via email to the addresses provided by the applicant on the application.
- (2) Gaming service employees The Bureau shall issue a gaming service employee registration to the applicant on behalf of the Commission in accordance with 205 CMR 134.11(A). In the event that the Bureau determines upon completion of the investigation conducted in accordance with 205 CMR 134.09(A) that the applicant should be disqualified from holding a registration or is otherwise unsuitable in accordance with 205 CMR 134.11, it shall issue a written notice to the registrant revoking the registration. The notice shall include an advisory to the applicant that they shall immediately cease employment at the gaming establishment and may request an appeal hearing before the Bureau in accordance with 205 CMR 134.09(B). The notice may be served via first class mail or via email to the addresses provided by the applicant on the application.

- (3) Gaming vendors and Gaming vendor qualifiers Upon completion of the investigation conducted in accordance with 205 CMR 134.09(A) the Bureau shall either approve or deny the application for a gaming vendor license pursuant to 205 CMR 134.10. If the Bureau approves the application for a Gaming Vendor, the decision shall be forwarded to the Commission as a recommendation along with the application materials for review and issuance of the license. If the application for a Gaming vendor qualifier license is approved, the Bureau shall issue a license to the applicant on behalf of the Commission. If the application is denied, the Bureau shall issue a written decision to the applicant explaining the reasons for the denial. The decision shall include an advisory to the applicant that they may appeal the decision to the Bureau in accordance with 205 CMR 134.09(B). The decision may be served via first class mail or via email to the addresses provided by the applicant on the application.
- (4) Non-gaming vendors The Bureau shall issue a non-gaming vendor registration to the applicant on behalf of the Commission in accordance with 205 CMR 134.11(A). In the event that the Bureau determines upon completion of the investigation conducted in accordance with 205 CMR 134.09(A) that the applicant should be disqualified from holding a registration or is otherwise unsuitable in accordance with 205 CMR 134.11, it shall issue a written notice to the registrant revoking the registration. The notice shall include an advisory to the applicant that they shall immediately cease doing business with the gaming establishment and may request an appeal hearing before the Bureau in accordance with 205 CMR 134.09(B). The notice may be served via first class mail or via email to the addresses provided by the applicant on the application.
- (5) Labor Organizations The Bureau shall issue a Labor Organization registration to the applicant on behalf of the Commission in accordance with 205 CMR 134.11(A).

(B) If an application for a key gaming employee license, gaming employee license, gaming service employee registration, gaming vendor license, non-gaming vendor registration, or gaming vendor qualifier license is denied in accordance with 205 CMR 134.09(A) the applicant may appeal the decision and request a hearing before the Bureau within 30 days of service of the decision. The request for an appeal hearing must be in writing on a form provided by the Bureau and contain an explanation of the basis for the appeal.

(C) The Bureau shall appoint a hearing officer to preside over the appeal hearing requested by an applicant in accordance with 205 CMR 134.09(B). The hearing will be conducted in accordance with G.L. c.30A and 801 CMR 1.02: *Informal/Fair Hearing Rules*. The hearing officer shall issue a written decision to the applicant in a reasonably prompt manner. The hearing officer may affirm the denial of the application or revocation of the registration, reverse the decision and recommend that the license or registration be issued, or recommend that the license or registration be issued with conditions. The hearing officer may recommend any condition that is reasonably calculated to ensure faithful performance of the employee's duties or vendor's obligations. The decision shall include an advisory to the applicant that they may appeal the decision to the Commission in accordance with 205 CMR 134.09(E). The decision may be served via first class mail or via email to the addresses provided by the applicant on the application.

- (D) After a hearing conducted in accordance with 205 CMR 134.09(C) the following shall apply:
- (4) If the hearing officer recommends that a Key license, Gaming Employee license, gaming service employee registration, Gaming vendor qualifier, or non-gaming vendor registration be issued, the Bureau shall issue a license or registration to the applicant on behalf of the Commission.
 - (5) If the hearing officer recommends that the application for a Key Qualifier or Gaming vendor license be issued, the decision shall be forwarded to the Commission as a recommendation along with the application and appeal materials for review and issuance of the license.
- (E) If an application for a key gaming employee license, gaming employee license, gaming service employee registration, gaming vendor license, non-gaming vendor registration, or gaming vendor qualifier is denied or approved with conditions in accordance with 205 CMR 134.09(C) the applicant may appeal the decision and request a hearing before the Commission within 30 days of service of the decision. The request for an appeal hearing must be in writing on a form provided by the Commission and contain an explanation of the basis for the appeal. The hearing will be conducted at a public meeting solely on the record of the administrative proceedings conducted by the Bureau in accordance with 205 CMR 134.09(C). The Bureau shall forward a copy of the administrative record of the proceeding to the Commission promptly upon receipt of the notice of appeal.
- (F) After the hearing conducted in accordance with 205 CMR 134.09(E) the Commission shall issue a written decision to the applicant ~~in a reasonably prompt manner~~. The Commission may affirm the denial of the application or revocation of the registration, reverse the decision and order that the license or registration be issued, order that the license or registration be issued with conditions or remand the matter to the Bureau for further proceedings. The Commission may impose any condition that is reasonably calculated to ensure faithful performance of the employee's duties or vendor's obligations.
- (G) In reviewing the Bureau's decision in accordance with 205 CMR 134.09(F), the Commission may consider whether the decision or any condition imposed is:
- (1) In excess of the statutory or regulatory authority or jurisdiction of the Commission; or
 - (2) Based upon an error of law; or
 - (3) Made upon unlawful procedure; or
 - (4) Unsupported by substantial evidence; or
 - (5) Arbitrary or capricious, an abuse of discretion, or otherwise not in accordance with law.
- (H) The decision of the commission made in accordance with 205 CMR 134.09(F) and (G) shall be final and an applicant shall not be entitled to further review.

134.10: Affirmative license standards for the licensing of employees and vendors of the gaming establishment

- (A) An applicant for a key gaming employee license, gaming employee license, gaming vendor license, and a gaming vendor qualifier license shall establish its individual qualifications for licensure by clear and convincing evidence.

(B) In determining whether an applicant for licensure is suitable for purposes of being issued a key gaming employee license, gaming employee license, gaming vendor license, or gaming vendor qualifier license, or having a license renewed, or possessing a gaming service employee registration, the Bureau shall evaluate and consider the overall reputation of the applicant including, without limitation:

- (1) the integrity, honesty, good character and reputation of the applicant;
- (2) the financial stability, integrity and background of the applicant; including whether the individual has filed or had filed against it a proceeding for bankruptcy or has ever been involved in any formal process to adjust, defer, suspend or otherwise resolve the payment of any debt
- (3) whether the applicant has a history of compliance with gaming licensing requirements in other jurisdictions;
- (4) whether the applicant, at the time of application, is a defendant in litigation;
- (5) whether the applicant is disqualified from receiving a license under 205 CMR 134.10(C).
- (6) whether the applicant has been convicted of a crime of moral turpitude
- (7) whether and to what extent the individual has associated with members of organized crime and other persons of disreputable character
- (8) the extent to which the individual has cooperated with the Bureau in connection with the background investigation

(C) The Bureau and Commission shall deny an application for a key gaming employee license, gaming employee license, gaming vendor license, or gaming vendor qualifier license if the applicant:

- (1) has been convicted of a felony or other crime involving embezzlement, theft, fraud or perjury;
- (2) submitted an application for a license under G.L. c.23K, §30 and 205 CMR 134.00 that contains false or misleading information;
- (3) committed prior acts which have not been prosecuted or in which the applicant was not convicted but form a pattern of misconduct that makes the applicant unsuitable for a license; or
- (4) has affiliates or close associates that would not qualify for a license or whose relationship with the applicant may pose an injurious threat to the interests of the commonwealth in awarding a gaming license to the applicant.

(D) Rehabilitation

- (1) An applicant for a gaming employee license or a gaming vendor qualifier license may provide proof of rehabilitation from a criminal conviction as part of the application for licensure.
- (2) An applicant for a Key gaming employee license may not appeal a decision made by the Bureau to the Commission in accordance with 205 CMR 134.09(F) that was based upon a disqualifying prior conviction in accordance with 205 CMR 134.10(C)(1) on the basis that they wish to demonstrate rehabilitation.
- (3) An applicant for a Gaming employee license or gaming vendor qualifier license or ~~Gaming service employee registration~~ may appeal a decision made by the Bureau based upon a disqualifying prior conviction in accordance with 134.10(C)(1) on the basis that they wish to demonstrate rehabilitation only if the conviction occurred before the 10 year period immediately preceding the date of submission of the application for licensure or registration.

- (4) In its discretion, the Bureau and/or Commission may issue a Gaming employee license or **Gaming vendor qualifier license** to an applicant who can affirmatively demonstrate the applicant's rehabilitation. In considering the rehabilitation of an applicant the Bureau and Commission shall consider the following:
- (a) the nature and duties of the position of the applicant;
 - (b) the nature and seriousness of the offense or conduct;
 - (c) the circumstances under which the offense or conduct occurred;
 - (d) the date of the offense or conduct;
 - (e) the age of the applicant when the offense or conduct was committed;
 - (f) whether the offense or conduct was an isolated or repeated incident;
 - (g) any social conditions which may have contributed to the offense or conduct; and
 - (h) any evidence of rehabilitation, including recommendations and references of persons supervising the applicant since the offense or conduct was committed.
- (5) Any applicant may appeal a decision made by the Bureau based upon a conviction for a crime of moral turpitude as set forth in 205 CMR 134.10(B)(6). In its discretion, the Bureau and Commission may issue a Key gaming employee license, Gaming employee license, or **gaming vendor qualifier license** or ~~Gaming service employee registration~~ to an applicant who can affirmatively demonstrate the applicant's rehabilitation. In considering the rehabilitation of an applicant, the Bureau and Commission shall consider the factors outlined in 205 CMR 134.10(D)(4).

(E) An applicant for a license or registration shall be at least 18 years of age at the time of application.

134.11: Affirmative registration standards for the registration of employees and vendors of the gaming establishment and Labor Organizations

- (A) Registrations for gaming service employees, non-gaming vendors, and Labor Organizations shall be presumptively issued by the Bureau on behalf of the Commission in accordance with 205 CMR 134.09(A)(2) upon submission of an administratively complete application. A registration may be subsequently revoked if it is determined that the applicant is disqualified in accordance with 205 CMR 134.11(B) or unsuitable for any criteria identified in 205 CMR 134.11(C).
- (B) The Bureau and Commission shall deny and revoke a registration as a gaming service employee or non-gaming vendor registrant if the **individual**:
- (1) has been convicted of a felony or other crime involving embezzlement, theft, fraud or perjury;
 - (2) submitted an application for a license under G.L. c.23K, §30 and 205 CMR 134.00 that contains false or misleading information;
 - (3) committed prior acts which have not been prosecuted or in which the applicant was not convicted but form a pattern of misconduct that makes the applicant unsuitable; or
 - (4) has affiliates or close associates that would not qualify for a license or whose relationship with the applicant may pose an injurious threat to the interests of the commonwealth in awarding a gaming license to the applicant.
- (C) In determining whether an applicant for registration is suitable for purposes of being issued a gaming service employee registration or non-gaming vendor registration, or having a registration renewed, the Bureau may evaluate and consider the **overall reputation** of the applicant including,

without limitation:

- (1) the integrity, honesty, good character and reputation of the applicant;
- (2) the financial stability, integrity and background of the applicant; including whether the individual has filed or had filed against it a proceeding for bankruptcy or has ever been involved in any formal process to adjust, defer, suspend or otherwise resolve the payment of any debt
- (3) whether the applicant has a history of compliance with gaming licensing requirements in other jurisdictions;
- (4) whether the applicant, at the time of application, is a defendant in litigation;
- (5) whether the applicant is disqualified from receiving a license under 205 CMR 134.11(B).
- (6) whether the applicant has been convicted of a crime of moral turpitude
- (7) whether and to what extent the individual has associated with members of organized crime and other persons of disreputable character
- (8) the extent to which the individual has cooperated with the Bureau in connection with the background investigation

(D) Rehabilitation

- (1) The holder of a Gaming service employee registration or non-gaming vendor registration may appeal a decision made by the Bureau based upon a disqualifying prior conviction in accordance with 134.11(B) on the basis that they wish to demonstrate rehabilitation only if the conviction occurred before the 10 year period immediately preceding application for licensure or registration.
- (2) In its discretion, the Bureau and/or Commission may issue a Gaming service employee registration or a non-gaming vendor registration to an applicant who can affirmatively demonstrate the applicant's rehabilitation. In considering the rehabilitation of an applicant the Bureau and Commission shall consider the following:
 - (a) the nature and duties of the position of the applicant;
 - (b) the nature and seriousness of the offense or conduct;
 - (c) the circumstances under which the offense or conduct occurred;
 - (d) the date of the offense or conduct;
 - (e) the age of the applicant when the offense or conduct was committed;
 - (f) whether the offense or conduct was an isolated or repeated incident;
 - (g) any social conditions which may have contributed to the offense or conduct; and
 - (h) any evidence of rehabilitation, including recommendations and references of persons supervising the applicant since the offense or conduct was committed.
- (3) Any applicant may appeal a decision made by the Bureau based upon a conviction for a crime of moral turpitude as set forth in 205 CMR 134.11(C). In its discretion, the Bureau and Commission may issue a Gaming service employee registration or non-gaming vendor registration to an applicant who can affirmatively demonstrate the applicant's rehabilitation. In considering the rehabilitation of an applicant, the Bureau and Commission shall consider the factors outlined in 205 CMR 134.11(D)(2).

(E) An applicant for a registration shall be at least 18 years of age at the time of application.

(F) The Bureau may deny an application for registration as a non-gaming vendor if it determines that the applicant formed the applicant entity for the sole purpose of circumventing 205 CMR 134.04(A)(1)(B).

134.12: Temporary licenses

- (A) Upon petition to the Commission 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:
- (1) the applicant for a key gaming employee license or gaming employee license has filed a completed application with the commission; and
 - (2) 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.
- (B) Unless otherwise stated by the Commission, a temporary license issued in accordance with 205 CMR 134.12 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.
- (C) Standard to be met Reasonable likelihood of being issued the license applied for?

134.13: Fingerprinting

Each applicant for a key gaming employee license, gaming employee license, gaming service employee registration, gaming vendor license, or non-gaming vendor registration shall be fingerprinted under the supervision of the Bureau. The Bureau may, for good cause shown, permit an applicant to alternatively submit three sets of classifiable fingerprints on fingerprint impression cards provided by the Bureau.

134.14: Identification

- (A) Every natural person applicant for a license or registration shall establish his or her identity to a reasonable certainty.
- (B) An natural person applicant for a license or registration may establish their identity pursuant to 205 CMR 134.13(A) by providing either:
- (1) One of the following authentic documents:
 - (a) A current and valid United States passport;
 - (b) A Certificate of United States Citizenship, or a Certificate of Naturalization, issued by the United States Department of Homeland Security, Citizenship and Immigration Services (USCIS); or
 - (c) A current and valid identification card issued by the USCIS containing a photograph or fingerprints and identifying information such as name, date of birth, sex, height, color of eyes and address; or
 - (2) A certified copy of a birth certificate issued by a state, county or municipal authority in the United States bearing an official seal, and any one of the following authentic documents:
 - (a) A current and valid driver's license containing a photograph or identifying information such as name, date of birth, sex, height, color of eyes and address;
 - (b) A current and valid identification card issued to persons who serve in the United States military or their dependents by the United States Department of Defense containing a photograph or identifying information such as name, date of birth, sex, height, color of eyes and address;
 - (c) A current and valid student identification card containing a photograph, an expiration date, the seal or logo of the issuing institution, and the signature of the card holder;

- (d) A current and valid identification card issued by a Federal, state or local government agency containing a photograph or identifying information such as name, date of birth, sex, height, color of eyes and address; or
- (3) A current and valid foreign passport with an employment authorization issued by the USCIS, and any one of the following authentic documents:
 - (a) A current and valid driver's license containing a photograph or identifying information such as name, date of birth, sex, height, color of eyes and address;
 - (b) A current and valid identification card issued to persons who serve in the United States military or their dependents by the United States Department of Defense containing a photograph or identifying information such as name, date of birth, sex, height, color of eyes and address;
 - (c) A current and valid student identification card containing a photograph, an expiration date, the seal or logo of the issuing institution, and the signature of the card holder;
 - (d) A current and valid identification card issued by a Federal, state or local government agency containing a photograph or identifying information such as name, date of birth, sex, height, color of eyes and address; or

(C) Any person whose current legal name is different from the name on his or her certified birth certificate (for example, maiden name) must show legal proof of the name change. Such proof includes a certified marriage or civil union certificate, divorce decree or court order linking the new name with the previous name, provided that, a divorce decree may be used as authority to resume using a previous name only if it contains the new name and permits a return to use of the previous name.

(D) Any person required to establish his or her identity pursuant above who is not a United States citizen shall also be required to demonstrate that he or she is authorized to work in the United States.

(E) Any natural person may request that the Commission change the name designated on his or her application, license or registration by establishing identity pursuant above or by providing a certified copy of certificate of marriage, a divorce decree or court order from this or any other state, which evidences the requested name change.

134.15: Fees

(A) The following base fees shall be paid at the time of application for licensure, registration, or renewal:

- (1) Key Gaming Employee Initial fee: \$1000.00, submitted with the application, which shall be credited to the total fee. Payment for the efforts of the Commission and the Bureau on matters directly related to the applicant at hourly rates to be set by the Commission in G.L.c.23K, §30(i). Payment for all unusual or out of pocket expenses incurred by the Commission and/or the Bureau on matters directly related to the applicant or licensee. Timely Renewal fee: \$1000.00
- (2) Gaming Employee Initial fee: \$300.00 Renewal fee: \$300.00
- (3) Gaming Service Employee Initial fee: \$75.00 Renewal fee: \$75.00
- (4) Gaming vendor Initial fee: \$10,000.00, submitted with the application, which shall be credited to the total fee. Payment for the efforts of the Commission and the Bureau on

matters directly related to the applicant at hourly rates to be set by the Commission in G.L.c.23K, §30(i). Payment for all unusual or out of pocket expenses incurred by the Commission and/or the Bureau on matters directly related to the applicant or licensee.
Timely Renewal fee: \$10,000.00

- (5) Non-gaming vendor Initial fee: \$100.00 Renewal fee: \$100.00
- (6) Labor organization Initial fee: \$200.00 Renewal fee: \$200.00
- (7) Replacement/Name or address changes \$10.00
- (8) Late fee

(B) The application fee for a license or registration may be increased to the extent that the cost of the background investigation relating to an applicant exceeds the application fee set forth in 205 CMR 134.14(A). The Bureau shall advise the applicant in writing that an additional application fee is required and the manner in which the additional fee was calculated. Once an applicant is directed to submit an additional application fee, the Bureau will take no additional steps with respect to the application until the increased application fee is paid.

(C) All fees must be submitted to the Bureau in the form of a certified check, cashier's check or electronic funds transfer payable to the *Commonwealth of Massachusetts*.

(D) A processing fee of \$30 will be assessed for return of dishonored checks.

134.16: Term of licenses

(A) Licenses and registrations issued in accordance with 205 CMR 134.00 shall be valid for the following terms:

- (1) Key gaming employees Key Gaming employee licenses shall be for an initial term of 3 years. The initial term of a key gaming employee license shall expire and be renewable on the last day of the month on the third anniversary of the issuance date. Key gaming employee license renewals shall be for a term of 3 years. The renewal term of a Key gaming employee license shall expire and be renewable on the last day of the third anniversary of the issuance date.
- (2) Gaming employees Gaming employee licenses shall be for an initial term of 3 years. The initial term of a gaming employee license shall expire and be renewable on the last day of the month on the third anniversary of the issuance date. Gaming employee license renewals shall be for a term of 3 years. The renewal term of a Gaming employee license shall expire and be renewable on the last day of the third anniversary of the issuance date.
- (3) Gaming service employees Gaming service employee registrations shall be for an initial term of 5 years. The initial term of a Gaming service employee registration shall expire and be renewable on the last day of the month on the fifth anniversary of the issuance date. Gaming service employee registration renewals shall be for a term of 5 years.

- (4) Gaming vendors and gaming vendor qualifiers Gaming vendor licenses and gaming vendor qualifier licenses shall be for an initial term of 3 years. The initial term of a Gaming vendor license and gaming vendor qualifier license shall expire and be renewable on the last day of the month on the third anniversary of the issuance date. Gaming vendor license and gaming vendor qualifier license renewals shall be for a term of 3 years. The renewal term of a Gaming vendor license and gaming vendor qualifier license shall expire and be renewable on the last day of the third anniversary of the issuance date.
- (5) Non-gaming vendors Non-gaming vendor registration shall be for an initial term of 5 years. The initial term of a Non-gaming vendor license shall expire and be renewable on the last day of the month on the fifth anniversary of the issuance date.
- (6) Labor organizations Labor organization registrations shall be for an initial term of 1 year. The initial term of a Labor organization registration shall expire and be renewable on the last day of the month on the first anniversary of the issuance date.

(B) Notwithstanding 205 CMR 134.16(A), licenses and registrations issued in accordance with 205 CMR 134.00 may be issued with a conditional expiration date to coincide with any employment authorization issued by the United States which is less than the term of the license or registration. A license or registration that is issued with such a conditional expiration date may be extended upon the presentation of proof of United States citizenship or authorization to work in the United States beyond the previous expiration date. Provided, however, no expiration date shall be extended beyond the term for which such a license would have been issued in accordance with 205 CMR 134.16(A).

(C) If a licensee or registrant has, in accordance with 205 CMR 134.17, made timely and sufficient application for a renewal, their license or registration shall not expire until the Bureau has issued a decision on the application.

(D) A person who is rehired or transferred shall maintain the license expiration date in accordance with the original license issue date, unless the license has expired before rehire or transfer.

(E) A license for a person for whom a positive determination of suitability was issued in accordance with 205 CMR 115.05(3) as part of the RFA-1 process and who filed *a Massachusetts Supplement Form* in lieu of the complete application for the position for which they seek licensure shall be issued *nunc pro tunc* to the date of the suitability finding.

(F) All licenses and registrations issued in accordance with 205 CMR 134.00 shall be valid for employment with any Massachusetts gaming licensee.

134.17: Renewals

(A) At a minimum of one hundred fifty (150) days prior to expiration, each Key gaming licensee, gaming licensee, gaming vendor licensee, and gaming vendor qualifier licensee shall submit a new and updated application in accordance with 205 CMR 134.08.

(B) At a minimum of thirty (30) days prior to expiration, each gaming service employee registrant and non-gaming vendor registrant shall submit a new and updated application in accordance with 205 CMR 134.08.

(C) It shall be the responsibility of the licensee or registrant to ensure that their license or registration is

current.

134.18: Duties of applicants and licensees

(A) All applicants, licensees, and registrants shall have the continuing duty to provide any assistance or information required by the commission or the Bureau and to cooperate in any inquiry or investigation conducted by the commission or the Bureau. Refusal to answer or produce information, evidence or testimony by an applicant, licensee, or registrant may result in denial of the application or suspension or revocation of the license or registration.

(B) No applicant, licensee, registrant shall willfully withhold information from, or knowingly give false or misleading information to, the commission or the Bureau. If the commission or Bureau determines that an applicant, or a close associate of an applicant, has willfully provided false or misleading information, such applicant shall not be eligible to receive a license or registration under 205 CMR 134.00. Any licensee or registrant who willfully provides false or misleading information shall have its license conditioned, suspended or revoked by the commission.

134.19: Disciplinary action

(A) Grounds for Disciplinary Action Any license or registration issued under 205 CMR 134.00 may be conditioned, suspended, or revoked, if the commission finds that a licensee or registrant has:

- (1) been arrested or convicted of a crime;
- (2) failed to comply with G.L. c.23K, §13; or
- (3) failed to comply with any provision of G.L. c.23K or 205 CMR pertaining to licensees and registrations.

(B) Complaints

Any person may file a complaint against a licensee or registrant. All complaints relative to a licensee or registrant must be in writing on a form provided by the Commission. All complaints must be received by the Commission within one year of the date of the alleged wrongdoing. The Commission may itself initiate a complaint at any time notwithstanding the date of the alleged wrongdoing.

(C) Basis of Complaint

A complaint must allege wrongdoing by a licensee or registrant in the form of a violation of 205 CMR 134.18(A), G.L. c. 23K.

(D) Review and Investigation of Complaints

- (1) Every complaint filed shall be reviewed by the Bureau. **A hearing may be convened in the discretion of the Bureau.** The Bureau may, if it elects, investigate a complaint prior to scheduling a hearing. Failure of a complainant to cooperate in the investigation shall be grounds for dismissal of a complaint.
- (2) Upon receipt of a complaint, the Bureau shall send a letter acknowledging receipt to the complainant and the licensee or registrant being complained of. A copy of the complaint and all attachments shall be forwarded to the licensee or registrant with the

acknowledgment letter. The licensee or registrant may be offered an opportunity to respond in writing to the complaint.

(E) Notice of Hearing

If the Bureau determines that a hearing shall be held to resolve a complaint, reasonable notice shall be provided to the complainant and the licensee or registrant. Mailing of notice to the address on record with the Commission, or emailing the notice to the address provided by the licensee or registrant on their application for licensure or registration, shall be deemed satisfactory notice. The notice of hearing shall contain.

- (1) The name of the complainant.
- (2) The date, time and place of said hearing.
- (3) The location of the incident giving rise to the complaint

(G) Hearing

Hearings convened pursuant to 205 CMR 134.18 shall be conducted pursuant to 801 CMR 1.02 (Informal/fair hearing rules) and M.G.L. c. 30A. Any party may be represented by legal counsel. All parties shall be permitted to present an opening statement, testify on their own behalf, cross-examine all witnesses, present any relevant witness testimony, present any relevant documentary evidence, and offer a closing argument. The Bureau may question any witness and include any records kept by the Commission as exhibits. The Bureau may conclude the hearing at any time and issue a decision based on the evidence presented.

If a licensee or registrant does not appear for the hearing, the Bureau may conduct a hearing in his or her absence and render a decision based upon the evidence presented, but only after making a finding that the licensee was provided notice as required by 205 CMR 134.18(E).

The Bureau may designate a hearing officer to convene a hearing and either make a recommendation or issue a decision on its behalf.

(G) Subpoenas

The Bureau may issue a subpoena in accordance with M.G.L. c. 30A, §12 requiring the attendance and testimony of witnesses and the production of any evidence, including books, records, correspondence or documents, relating to any matter in question in the proceeding.

(H) Decisions and Discipline of License and Registration Holders

The Bureau shall issue a written decision after the hearing. Decisions shall be issued in a reasonably prompt manner. The Bureau may suspend a license for a fixed period of time, revoke a license permanently, or issue a reprimand the licensee. In conjunction with these disciplinary measures, pursuant to M.G.L. c. 23K, §, the Bureau may assess a fine of up to \$X per violation. Any license or registration that is suspended or revoked shall be forwarded to the Bureau immediately. A person whose license is revoked may apply in writing to the Commission for reinstatement no sooner than two years from the date of the revocation.

(I) Appeals

- (A) Any person aggrieved by a decision of the hearing officer may, in writing, request review of said decision by the Commission. The filing of such a petition shall not serve to stay any disciplinary action taken by the hearing officer.
- (B) The Commission may review such decision at its discretion. Such review is an administrative review that shall be based solely on the administrative record and is not to be construed as a second Hearing on the same complaint(s). After review, the Commission may either deny the petition or remand the matter to the hearings officer for further proceedings as directed. The filing of an appeal with the Commission shall serve to toll the timing provisions of M.G.L. c. 30A, §14 until such time as a final decision is rendered by the Commission.
- (C) Any person aggrieved by a decision of the hearings officer or the Commission may appeal such decision in conformance with M.G.L. c. 30A, §14.

REGULATORY AUTHORITY

205 CMR 134: M.G.L. c. 23K, §§3, 12, 16, 30 and 31

MASSACHUSETTS GAMING COMMISSION

DRAFT REGULATIONS- **UPDATES TO 205 CMR 101 and 112**



205 CMR: MASSACHUSETTS GAMING COMMISSION
205 CMR 101.00: M.G.L. c.23K ADJUDICATORY PROCEEDINGS

101.02: Hearings Before the Bureau

(1) Except as set forth in M.G.L. c. 23K and 205 CMR 101.00, the bureau will conduct the following types of hearings in accordance with the procedures in 801 CMR 1.01: *Formal Rules:*

(a) Hearings before the bureau pursuant to M.G.L. c. 23K, § 30(g) to contest the findings of the bureau relative to a key gaming employee license or a renewal application with respect thereto; and

(b) Hearings before the bureau pursuant to M.G.L. c. 23K, § 31(n) to contest the findings of the bureau relative to a gaming vendor license application or renewal.

(2) Except as set forth in M.G.L. c. 23K and 205 CMR 101.00, the bureau will conduct the following types of hearings in accordance with the informal procedures in 801 CMR 1.02:

Informal/Fair Hearing Rules:

(a) Hearings before the bureau pursuant to M.G.L. c. 23K, § 30(g) to contest the findings of the bureau relative to a gaming employee license, or a gaming service employee registration or a renewal application with respect thereto; and

(b) Hearings before the bureau pursuant to M.G.L. c. 23K, § 31 to contest the findings of the bureau relative to non-gaming vendor registration.

101.04: Special Procedures for Hearings Before the Bureau

Formal Hearings. For hearings before the bureau pursuant to 205 CMR 101.02(1), the following provisions of M.G.L. c. 23K and 205 CMR 101.00 shall supersede any conflicting provisions of 801 CMR 1.01: *Formal Rules:*

(a) Standing: Same as 205 CMR 101.03(a).

(b) Presiding Officer: The deputy director shall appoint a presiding officer to preside over the hearing who may be any of the following:

1. An attorney from the commission, the bureau, or the attorney general's office;
2. An outside counsel;
3. An administrative law judge from the Massachusetts Division of Administrative Law Appeals;
4. A retired Massachusetts or Federal judge.

(c) Burden of Proof: Same as 205 CMR 101.03(c).

~~(d) Decision: Pursuant to M.G.L. c. 23K, § 4(15), in its decision after the hearing, the bureau may approve, deny, limit, condition, restrict, revoke or suspend such finding of suitability, license or renewal as the bureau deems reasonable to effectuate the purposes of M.G.L. c. 23K. Any orders by the bureau denying an application, determination of suitability, license, or renewal shall be accompanied by an explanation of the reasons that an applicant did not meet the qualifications for licensure under M.G.L. c. 23K.~~

~~(e) Notice of Decision: The bureau shall notify the applicant in person or by mail of the decision, of the applicant's right to appeal the decision to the commission and of the 30-day time limit on the right to appeal.~~

~~(f) Appeal to Commission from Bureau Decision: An applicant aggrieved by a decision of the bureau after a hearing pursuant to 205 CMR 101.04 may appeal that decision to the commission by filing a notice of appeal within 30 days of the date of the bureau's notice of decision under 205 CMR 101.04(e). The notice of appeal shall be filed with the commission at its main office and a copy shall be simultaneously transmitted to the bureau.~~

~~(g) Record Review: The commission shall hear and decide any appeal under 205 CMR 101.04(f) on the record of the bureau's hearing under 205 CMR 101.04(1).~~

~~(h) No Further Review: The decision of the commission on any appeal under 205 CMR 101.04(f) shall be final and the applicant shall not be entitled to further review.~~

~~(i) Waiver: If no hearing is timely requested concerning the bureau's decision under 205 CMR 101.02, or if no appeal is timely filed from the bureau's decision after a hearing under 205 CMR 101.04(f), then the bureau's decision shall be the final decision of the commission and the applicant shall not be entitled to further review.~~

205 CMR: MASSACHUSETTS GAMING COMMISSION
205 CMR 102.00: CONSTRUCTION AND APPLICATION

102.02: Definitions

Record means a book, paper, map, photograph, recorded tape, financial statement, statistical tabulation, or any other documentary material or data, regardless of physical form or characteristics.

Restricted area means a part of the gaming establishment in which gaming operations are conducted.

Rewards Card is defined in M.G.L. c.23K, §2.

205 CMR: MASSACHUSETTS GAMING COMMISSION
205 CMR 112.00: REQUIRED INFORMATION D APPLICANT COOPERATION

112.01: Additional information

(1) The commission, the bureau or their agents and employees may request additional information and documents from an applicant **for a gaming license including all qualifiers, key gaming employee license, gaming employee license, gaming service employee registration, any vendor license or registration, or any other license or registration required in accordance with G.L. c.23K or 205 CMR** throughout the application review process including after the application has been deemed administratively complete under 205 CMR 111.00: *Phase I Application Requirements* and 205 CMR 118.03: *RFA-2 Administrative Completeness Review*. Failure by the applicant to timely submit the additional information as requested by the commission, the bureau or their agents and employees may be grounds, in the discretion of the commission, for denial of the application.

(2) All applicants, licensees, registrants and qualifiers under M.G.L. c. 23K and 205 CMR shall comply with all requests of the commission, the bureau and their agents and employees for information and documents as authorized by M.G.L. c. 23K and 205 CMR.

112.02: Obligation to Cooperate

(1) Applicants, licensees, registrants and qualifiers shall respond within ten days or within the time specified in an information request by the commission, the bureau and their agents and employees under 205 CMR 112.01 to said information request.

(2) All applicants, licensees, registrants and qualifiers under M.G.L. c. 23K shall have a continuing duty to provide all information and documents requested by the commission, bureau, and their agents and employees and to cooperate in any investigation or hearing conducted by the commission, bureau, and their agents and employees, as authorized by M.G.L. c. 23K. Without limitation, an applicant, licensee, registrant and qualifier shall have a continuing duty to provide updated information to the commission, the bureau and their agents and employees in connection with the Phase 1 investigation by the bureau pursuant to 205 CMR 115.03: *Phase I Investigation*

and Recommendations by the Bureau, the Phase 2 application review conducted in accordance with 205 CMR 118.00: Phase 2 Administrative Proceedings, an investigation commenced after submission of an application for licensure or registration in accordance with 205 CMR 134.00 and any hearing by the commission or the bureau pursuant to 205 CMR 101.00: M.G.L. c. 23K Adjudicatory Proceedings.

(3) If the commission determines that an applicant, licensee, registrant, or qualifier has knowingly withheld information, knowingly failed to provide information or documents requested by the commission, bureau, or their agents and employees, or knowingly failed to cooperate with any investigation or hearing conducted by the commission, bureau, or their agents and employees, the commission may, with respect to such person:

- (a) Find that person ineligible to hold a license or registration or be qualified in connection with a license;
- (b) Suspend the relevant license, registration or qualification; or
- (c) Revoke the relevant license, registration or qualification.



Report on the Research Agenda of the Massachusetts Gaming Commission

Prepared in collaboration with UMASS Amherst Social
and Economic Impacts of Gambling in Massachusetts
(SEIGMA)

11/4/2013

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Executive Summary

Note: We are currently working on this. Final content will change based on reviewer comments.

Introduction

Background

Massachusetts Expanded Gaming Act

In November 2011 an [Act Establishing Expanded Gaming in the Commonwealth](#) was passed by the Legislature and signed by the Governor (Chapter 194 of the Acts of 2011). This new legislation permits casinos and slot parlors to be introduced to Massachusetts for the first time under the regulatory auspices of the newly created Massachusetts Gaming Commission (MGC). Three casino licenses are available, with one allocated for the Greater Boston area, one for Western Massachusetts, and one for Southeastern Massachusetts.

Section 108 of Chapter 194 of the Acts of 2011 requires a report of research activities required under Section 71 of chapter 23k of the General Laws be submitted not later than two years after the effective date of the Act (November 22, 2011).

Massachusetts Gaming Commission

The mission of the Massachusetts Gaming Commission is to create a fair, transparent, and participatory process for implementing the expanded gaming law. In creating that process, the Commission will strive to ensure that its decision-making and regulatory systems engender the confidence of the public and participants, and that they provide the greatest possible economic development benefits and revenues to the people of the Commonwealth, reduce to the maximum extent possible the potentially negative or unintended consequences of the new legislation, and allow an appropriate return on investment for gaming providers that assures the operation of casino-resorts of the highest quality.

The Commissioners and all employees are committed to a set of **core values**:

- We value an unyielding commitment to a participatory, transparent and fair process for the licensing of expanded gaming in Massachusetts
- We value an environment with a free-flowing and open exchange of ideas in which all are encouraged to question and participate, with the understanding that all will use their best efforts to implement the resulting decisions
- We value an uncompromising commitment to the integrity of the licensing and regulatory process, and strict adherence to the letter and spirit of our Enhanced Code of Ethics, with a thoughtful balance between the need for rigorous regulation and the burden of compliance
- We value a diverse workforce and supplier base, and an inclusive culture internally and among our partners in the Massachusetts Gaming Industry
- We value a deep commitment to customer service that assures a respectful and professional experience for all with whom we come in contact, no matter their point of entry or point of view

MGC Research Mandate

Section 71 of the Gaming Act requires the Massachusetts Gaming Commission to establish “an annual research agenda” to assist in understanding the social and economic effects of casino gambling in Massachusetts and to minimize the harmful impacts. With the further requirement that the Commission and its Gaming Policy Advisory Committee make annual, scientifically-based recommendations to the Legislature, the new law is unique in enshrining the role of research in enhancing responsible gambling and mitigating problem gambling in Massachusetts.

Section 71 shows there to be three essential elements to this research agenda:

1. The first is **“to understand the social and economic effects of expanded gambling”**. Although there have been hundreds of socioeconomic impact studies of gambling (Williams, Rehm, & Stevens, 2011), almost all of these studies were initiated *after* gambling had already been introduced. The present situation provides a rare opportunity to establish a pre-casino baseline and to conduct world-class research on the true economic and social impacts of casino gambling in Massachusetts.
2. Investigating the socioeconomic impacts of casino gambling requires a comprehensive baseline of the pre-casino levels of the social and economic indices that could be potentially impacted. This includes the baseline level of problem gambling.¹ This fits well with the second element of MGC’s research agenda which is to implement a **“baseline study of ... problem gambling.... and the existing programs ... that prevent and address the harmful consequences of problem gambling.”** Associated with this mandate is the requirement **“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.”**
3. The final element of MGC’s research agenda is to commission independent studies to **“obtain scientific information relative to the neuroscience, psychology, sociology, epidemiology and etiology of gambling.”** This involves facilitating **“individual studies conducted by academic institutions and individual researchers ... to study topics which shall include... (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. Collaboration among researchers both within Massachusetts and outside Massachusetts is encouraged. The ultimate goal of facilitating this type of broad-based research is to identify methods to enhance responsible gambling and mitigate the impacts of problem gambling in Massachusetts (similar to MGC’s second mandate).**

MGC Director of Research and Problem Gambling

To oversee the research mandate the Commission hired Mark Vander Linden as the Director of Research and Problem Gambling in June 2013. Director Vander Linden has extensive experience in managing state systems to address gambling disorders. Prior to joining the Commission, he worked for the Iowa Department of Public Health where he directed state Office of Problem Gambling Treatment and Prevention and oversaw state-wide problem gambling treatment, prevention, workforce and research efforts. Additionally, Director Vander Linden has provided consultation and training on the development and improvement of problem gambling service systems throughout the United States. He serves on the Board of Directors of the National Center for Responsible Gaming and the Association of Problem Gambling Service Administrators.

Gaming Research Advisory Committee

¹ Various terms have been used to describe disordered gambling, including ‘compulsive gambling’, ‘addictive gambling’, ‘problem gambling’, and ‘pathological gambling’. Problem gambling’ has become the preferred term amongst researchers and most clinicians because it has fewer etiological connotations and because it is inclusive of less severe forms where the person has still suffered significant harm. (A search of Google Scholar shows that the term ‘problem gambling’ is now used in scholarly articles 8 times more frequently than either ‘pathological gambling’ or ‘compulsive gambling’). The terms ‘compulsive gambling’ and ‘pathological gambling’ are now primarily used to refer to the most severe forms of problem gambling.

Gaming Research Advisory Committee

To help guide the Commission and the Gaming Policy Advisory Committee on research matters, an informal Gaming Research Advisory Committee (GRAC) was convened at the direction of Chairman Steve Crosby and Director Mark Vander Linden. The GRAC functions as an informal peer review committee for research efforts currently under way as well as make recommendations to advance the ongoing agenda. The GRAC convened initially on August 1, 2013 and again on September 18, 2013 and November 12, 2013.

Research Team Selection Process

In October 2012, the MGC issued a Request for Information (RFI) and received six responses. In November 2012, the MGC followed up by issuing a Request for Response for Research Services (RFR) and received four responses, including a research team from the University of Massachusetts Amherst (UMass). In January 2013, the MGC invited two teams, including the UMass team, to give oral presentations of their proposed research plans. In March of 2013, the MGC announced that the UMass Amherst team had been selected to carry out a comprehensive research agenda. The project, titled the Social and Economic Impacts of Gambling in Massachusetts will be referred to as SEIGMA throughout the rest of this report.

The SEIGMA Research Team

The executive management of the SEIGMA team is comprised of several experts in research and the gambling studies field. These experts include Dr. Rachel Volberg (Co-Principal Investigator), Associate Professor at the UMass School of Public Health and Health Sciences (SPHHS); Dr. Robert Williams (Co-Principal Investigator), Research Coordinator at the Alberta Gambling Research Institute; Dr. Edward Stanek (Co-Principal Investigator), Professor and Chair of the UMass Department of Public Health; and Daniel Hodge (Economic Impacts Lead), Director of Economic and Public Policy Research at the Donahue Institute. The Executive Management Team collaborates with a larger group of thirteen researchers with backgrounds in economics and econometrics, gambling research, psychology, public health, statistical analysis, sociology, public policy, and hospitality and tourism. Several team members have direct experience in both researching and conducting socioeconomic analyses of gambling. SEIGMA Team Members contribute variously to three different prongs of the project:

- Social Impacts Analysis
- Economic Impacts Analysis
- Problem Gambling Services Evaluation

This report contains a summary of progress made in these areas to fulfill the activities and deliverables specified in the SEIGMA Research Plan.

Features of the SEIGMA Project

The multidisciplinary, Massachusetts-based team addresses all three of the elements contained in the MGC research agenda using a collaborative orientation, a state of the art analytical framework, a mixed methods research strategy, and a comprehensive analysis that establishes the impacts of casino gambling at state, regional, and local levels. The team will collect data from both primary and secondary sources, including:

- General Population Surveys (primary)
- Online Panel Surveys (primary)
- Targeted Sample Surveys (primary)
- Focus Groups and Key Informant Interviews (primary)
- Economic Impact Data (primary and secondary)
- Social Impact Data (primary and secondary)

- Problem Gambling Services Evaluation (primary and secondary)
- Venue Surveys (primary and secondary)

This research plan will create a first-of-its-kind gambling monitoring system that will provide stakeholders with a neutral database for analysis and decision-making, generate early warning signs of changes in social and economic impacts associated with new and existing forms of gambling in Massachusetts, and aid in refining services for problem gamblers.

The SEIGMA Approach to Studying the Impacts of Expanded Gaming

Theoretical Framework

Williams, Rehm, and Stevens (2011) have established a set of principles for measuring the social and economic impacts of gambling. The SEIGMA team has used this theoretical framework to guide their research agenda. The principles of the Framework are as follows:

- Measure ‘impacts’ rather than ‘costs and benefits’.
- Comprehensively assess all potential economic and social impacts.
- Avoid applying arbitrary monetary values to non-monetary impacts.
- Apply basic economic principles to evaluate the positive or negative nature of economic impacts.
- Recognize that assessing overall nature of the observed impacts is sometimes a qualitative assessment that often involves some subjectivity.
- Identify how much money is involved, where it is coming from, and where it is going.
- Establish both the micro and macro geographic impacts.
- Compare changes to those observed in control communities/regions.
- Speculate on what the situation would have been without the introduction of the new form of gambling.
- Assess impacts for years before and for years after the introduction of new gambling venues/opportunities.
- Report the limitations and parameters of these results.

Activities to Date

Social Impacts Analysis

Primary Data Collection

SEIGMA Principal Investigators developed a questionnaire for the general population survey, online panel survey, and targeted population survey. The questionnaire for the General Population Survey, Online Panel Survey, and Targeted Survey was extensively reviewed, edited, and pre-tested by the SEIGMA Research Team, the National Opinion Research Center (NORC), and Ipsos. The questionnaire and all of the survey materials were included in ethics protocols submitted to and approved by the NORC Institutional Review Board and the University of Massachusetts Amherst Institutional Review Board. After approval by both ethics boards the questionnaire was translated into Spanish and both English and Spanish language versions were converted to an online format, computerized telephone format, and paper and pencil format. The General Population Survey was launched on September 11, 2013. Currently, NORC is ahead of its anticipated target for survey completion. The online survey was launched on October 23, 2013.

Secondary Data Collection

The Social Impacts team crafted a refined set of **social measures and health care services utilization indicators** for analysis. The team also met with representatives from the Massachusetts Department of Public Health to discuss secondary data sharing efforts and collaboration. Additionally, the team created a matrix of social measures and health indicators to be collected.

Economic and Fiscal Impacts Analysis

The Economic and Fiscal Analysis team began by crafting a refined set of **economic/fiscal measures** for the research study. They have worked extensively on creating a detailed matrix of the full-range of economic/fiscal measures that will be collected, tracked, monitored and presented over the course of this multi-year project. Additionally, the Economic and Fiscal Analysis team has worked closely with the Social Impacts Analysis Team to coordinate data collection methods, shared database development, and documentation. This has included multiple meetings to present and discuss data collection and documentation efforts to date. The Economic and Fiscal Analysis team has discussed various options defining regions that surround the host communities, with emphasis on the most appropriate regional definition for economic impacts related to the labor market, suppliers, and consumer spending. Furthermore, the Economic and Fiscal Analysis team has begun collecting secondary data across all the measures presented in the data matrix (described above), and is organizing and documenting the data for a seamless integration into the project's data management center.

Problem Gambling Services Evaluation

The Problem Gambling Services Evaluation Team created a study protocol and a questionnaire for treatment providers. These materials were submitted in an application to the UMass Amherst Institutional Review Board (IRB). The study protocol has been approved by the IRB. The team also established a Memorandum of Understanding (MOU) between UMass and the Massachusetts Council on Compulsive Gambling (MCCG) to establish guidelines and roles to facilitate review and analysis of helpline and online-chat services.

Data Management

The Data Management Team established procedures for receiving, reviewing, preparing, and accessing data. They also created a public website to highlight research activities and related content of interest.

Next Steps

Social Impacts Analysis

Primary Data Collection

Once the location of the slots parlor has been determined, the SEIGMA team will launch the Baseline Targeted Population ABS Slot Parlor Community Survey. Similarly, once the locations of casinos have been determined, Baseline Targeted Population ABS Casino Community Surveys will begin. One year after all of the casino locations have opened, the Follow-up General Population ABS + Online Panel Survey and the Follow-up Targeted Population ABS Surveys will begin.

Secondary Data Collection

The Social Impacts Team will continue collecting and analyzing secondary data on social indices throughout the course of the study.

Economic and Fiscal Impacts Analysis

Six months after the new slot parlor opens, the Economic and Fiscal Impacts Team will collect government data and gambling venue data from the slot parlor. Six months after each of the casinos has

opened, the Economic and Fiscal Impacts Team will collect government data and venue data from casinos. They will also conduct Gambling Employee Surveys, Patron Surveys, and License Plate Surveys at that time.

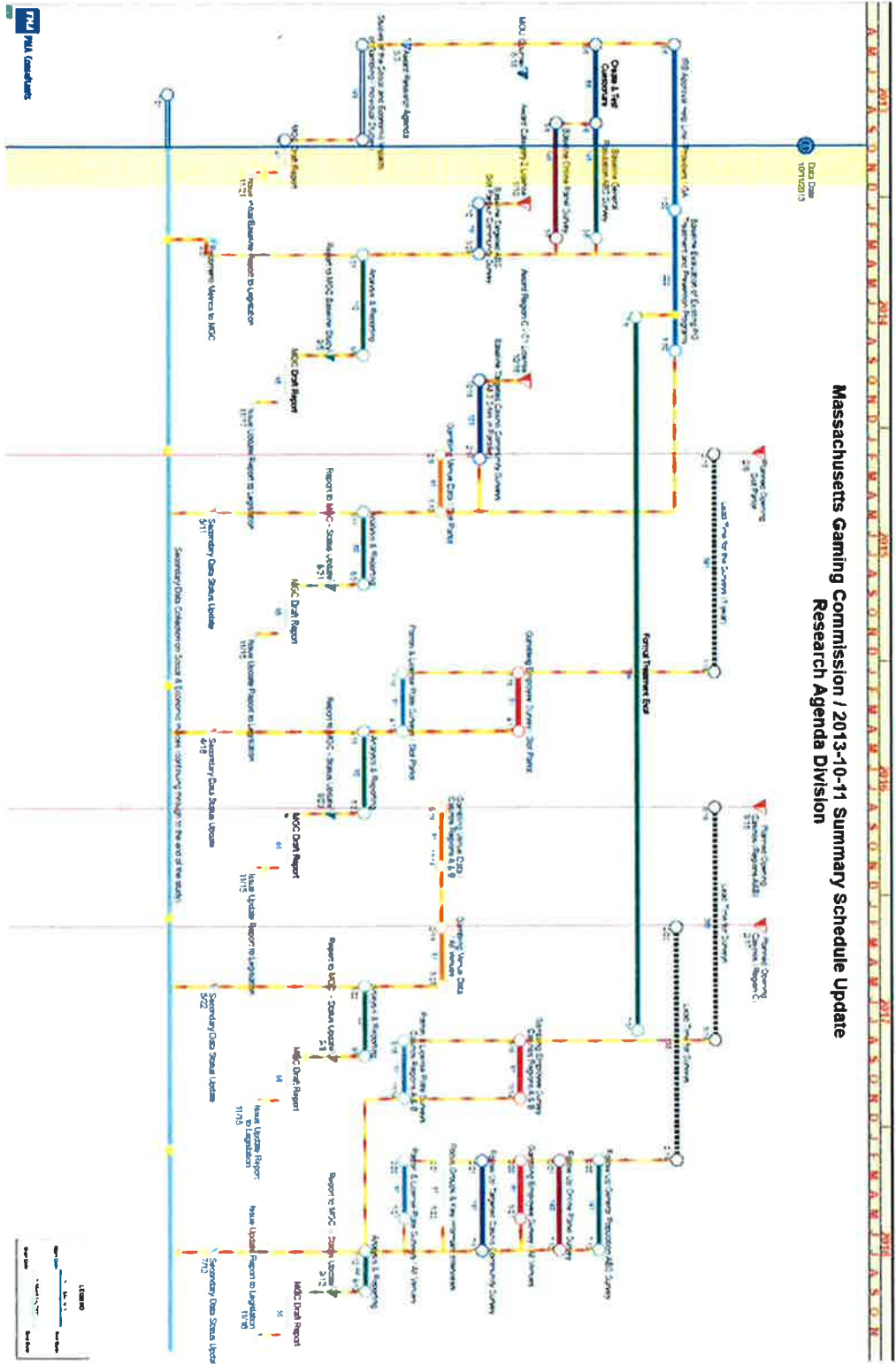
Problem Gambling Services Evaluation

After obtaining IRB approval, the Problem Gambling Services Evaluation Team will develop an online survey and request the participation of treatment providers in Massachusetts with problem gambling treatment certification. The Evaluation Team is also in the process of obtaining de-identified data on helpline calls from MCCG for analysis. Using the results of their analysis, the investigators plan to report utilization trends of helpline and online-chat services and describe the characteristics of callers, geographic locations of callers, common days and times of service utilization, common gambling types and venues used by callers, and the reasons callers contacted service providers.

Data Management

A SEIGMA public website will go live on November 6, 2013. The Data Management Team is currently in the process of hiring a SEIGMA Web Designer, who will maintain the site and design future additions to it.

Master Schedule



Outline of Report

Following an Executive Summary, this report is organized into four sections: social impacts analysis, economic and fiscal impacts analysis, problem gambling services evaluation and data management services. Each section contains an introduction to the team of researchers working on each topic, an overview of their approach, a discussion of methodological considerations and data sources, a summary of their progress to date, and a timeline for their future activities. The report closes with a set of recommendations for future research activities, with a focus on planning cohort studies of gambling and problem gambling.

Social Impacts

Primary Data Collection (Population Surveys)

Purpose

The SEIGMA Research Team is collecting primary data through population surveys that will uniquely capture several sources of information relevant to the impact of expanded gambling in Massachusetts:

- One of these is public **attitudes**. An argument can be made that the general public's current support or non-support of gambling (and the introduction of new casinos) is as important as its objective beneficial or detrimental effects.
- **Current gambling behavior** of the general public is another critical piece of information that can be determined through population surveys. To understand the impacts of gambling we need to know who patronizes the various forms of gambling; where they live; what specific games they spend their money on; how much they spend; how frequently they gamble; and whether they have developed problems as a result of their gambling. This data is directly relevant to the nature and magnitude of gambling impacts; the demographic features of these impacts (age, gender, ethnicity, socioeconomic class); their geospatial distribution; and how impacts vary as a function of game type.
- Current gamblers' reported **motivations for gambling** shed light on whether people are engaging in this activity for entertainment, to make money, to escape problems, or for other reasons.
- The perceived value of **gambling as recreational activity** will be assessed by asking people to rate how important it is to them and whether it has replaced other leisure pursuits.
- **Awareness of existing efforts to prevent problem gambling** will be captured.
- We will also assess the overall population **prevalence of problem gambling**, a particularly important impact of gambling. Two instruments will be used for this purpose: the Canadian Problem Gambling Index (Ferris & Wynne, 2001) and the Problem and Pathological Gambling Measure (Williams & Volberg, 2010, 2013). Worldwide, the CPGI is currently the most common instrument for the assessment of problem gambling (surpassing both the South Oaks Gambling Screen and the DSM-IV criteria for pathological gambling) (Williams, Volberg, & Stevens, 2012). The PPGM is a relatively new instrument with superior sensitivity, positive predictive power, diagnostic efficiency, and overall classification accuracy compared to the CPGI, DSM-IV, and SOGS (Williams & Volberg, 2010, 2013).

- In assessing problem gambling we will also ask questions that will serve an important triangulating function in establishing the **discrete social impacts of gambling** (many of which will also be assessed in our secondary data collection). Whenever a gambler reports financial problems deriving from their gambling, they receive an additional question about gambling-related bankruptcy. Similarly, if they report committing illegal acts because of their gambling, they receive several additional questions asking about type of crime, conviction, incarceration, etc. If they report mental health problems deriving from their gambling, they are asked additional questions about suicide attempts. If they identify relationship problems deriving from gambling, they are asked additional questions about domestic violence, separation and divorce, and child neglect. The data obtained in this matter allows for much stronger causal inferences than our secondary data, as the person is making a direct attribution that the behavior occurred *because* of his/her gambling. This data is also not limited by the need to detect the behavior (i.e., crime). Assuming that the sample is large enough and representative of the population, the figures obtained can be projected to the entire population to obtain an estimated state-wide rate for each index.
- Of final note, the associated **comorbidities** of gambling and problem gambling in the areas of health, mental health, and substance use will also be assessed.

Methodological Considerations

The first essential element in a population survey is that the obtained sample is **representative of the population**. This can only occur if everyone in the population has an equal chance of being sampled. Traditional landline random digit dialing no longer accomplishes this due to the fact that an estimated 25% of Massachusetts households only have cell phones (Blumberg, Luke, Ganesh, Davern, & Boudreaux, 2012). A related concern is the decline in response rate to telephone surveys that has occurred in the past ten years (Massey & Tourangeau, 2013; Peytchev, 2013; Volberg, 2007; Williams et al., 2012).

Door-to-door interviews conducted in households that are randomly selected on the basis of geography is one approach that has been used to address these issues. While door-to-door surveys do typically achieve higher response rates than telephone surveys, they have problems of their own. For one, they are several magnitudes more expensive. For another, their response rates have also declined significantly in the past 10 years. However, the most serious problem is that the methodology does not work well in jurisdictions where a significant portion of the population lives in multi-family dwellings (i.e., apartment or condominium complexes). These dwellings are often excluded or under-sampled in household surveys, as getting access to these buildings can be very difficult (especially for non-government agencies). Because residents of multi-family dwellings are much more likely to be in lower income groups, this can create a systematic sampling bias, as low income groups have significantly higher rates of pathology, including problem gambling (Williams et al., 2012).² In Massachusetts the most recent U.S. Census found that 41.8% of households lived in multi-unit structures, which is significantly higher than the U.S. average of 25.5%.

² Low income households (particularly in impoverished neighborhoods) also tend to have lower response rates with door-to-door surveys.

In the present study we have contracted with the Boston office of NORC at the University of Chicago (NORC) to administer an **Address-Based Sampling (ABS)** methodology, which typically achieves higher response rates than telephone sampling (reducing the potential for bias) but without the same degree of problems associated with a pure door-to-door methodology. ABS is a relatively new approach that has been made possible by the recent development of a comprehensive listing of most residential addresses in the United States by the U.S. Postal Service (Iannacchione, 2011).³ A random sample of addresses is first selected. These addresses are then matched with landline telephone numbers (as best as possible). The next step is to mail a letter with a monetary incentive that identifies a website that the survey can be taken online. People who do not respond are sent a copy of the questionnaire along with return postage. Everyone who fails to complete the survey via mail or online and whose household has been matched with a landline telephone number is then called and given the opportunity to complete the survey over the phone or reminded of the online option. This overall approach is called a web -> mail -> telephone approach. Under this data collection approach, approximately 50% of interviews are anticipated to be completed by web, 35% by mail, and 13% by phone (with an overall response rate ~45%).

The second important methodological consideration in population surveys is that they **contain a sufficient sample size** for the purposes of determining (a) the true prevalence of problem gambling in Massachusetts with some degree of confidence; (b) the levels of gambling-related harm associated with problem gambling; (c) whether there are statistically significant changes from one survey to the next; and (d) regionally specific impacts.

After comprehensive analysis of the rates in 202 studies that have ever assessed problem gambling prevalence, with particular attention to rates in recent provincial and state surveys, we estimate that the current past year prevalence rate of problem gambling in Massachusetts is likely in the **1% to 2%** range (which will likely increase to some extent after the new gambling venues open). Such a low prevalence rate makes it very difficult to detect statistically significant changes from Baseline to Post-Opening. As illustrated in the table below, a doubling of rates can be detected with as few as 1,826 people. However, based on prior research (Williams, Rehm, & Stevens, 2011), the state-wide increase in problem gambling rates is more likely to be in the 25% to 50% range, which could require up to 22,006 people in order to detect statistical significance. If we wanted to detect changes in each of the three regions, then the total sample size would have to be three times higher.

Table 1 Sample Size Required at Each Time Period to Detect Significant Changes in PG Prevalence

25% change		50% change		100% change	
1.0% to 1.25%	22,006	1.0% to 1.5%	6,104	1.0% to 2.0%	1,826
1.5% to 1.875%	14,587	1.5% to 2.25%	4,043	1.5% to 3.0%	1,208
2.0% to 2.5%	10,877	2.0% to 3.0%	3,013	2.0% to 4.0%	899

One-sided test, with alpha = .05 and power = .80

A sufficient sample size of problem gamblers in the population studies is also needed to conduct some other important analyses. One analysis mentioned earlier is that we wish to identify the social impacts profile of problem gamblers in terms of the proportion who report bankruptcy, report committing gambling-related crimes, attempt suicide, divorce/separate, etc. These proportions, if statistically

³ There is comprehensive coverage of urban residences, but less comprehensive coverage of rural addresses and people living in group quarters (dormitories, army barracks, etc.) (Iannacchione, 2011).

reliable, could then be used to extrapolate to the Massachusetts population of problem gamblers as a whole. A second planned analysis is to conduct logistic regressions to identify the demographic, game play, and comorbidity variables that maximally differentiate problem gamblers from non-problem gamblers in Massachusetts. Both of these endeavors will require that several hundred problem gamblers be included in the sample.

If we assume a mid-range prevalence rate of 1.5% at Baseline, then it would require a sample size of 13,333 people to identify 200 problem gamblers. If we assume a mid-range change (1.5% to 2.25%) in region-wide problem gambling from Baseline to Post-Opening, then we would need a sample size of $4,043 \times 3 \text{ regions} = 12,129$.

To address these sample needs we have planned for three separate samples administered at different times as follows:

Table 2: Survey Sampling Strategy

	General Population ABS	General Population Online Panel	Targeted Population ABS	Total
Sep 2013 – Feb 2014	10,000	5000		15,000
Dec 2013 – Feb 2014			1,000	
~Apr 2015			3,000	4,000
Nov 2017 – Apr 2018	10,000	5000	4,000	19,000

During the current Baseline Phase of this study we are administering a **General Population ABS** sample of 10,000 people. The four counties in Western Massachusetts are being oversampled to ensure they make up 25% of the sample rather than the 12% of the population that they constitute.

This is supplemented by a **General Population Online Panel** sample of 5,000 people administered by Ipsos Public Affairs. Online panels, in which people are recruited and then asked to respond to a number of survey requests regularly, are gaining prominence and are now commonly used in market research, and increasingly in academic studies (Görizt, Reinhold, & Batinic, 2002; Goritz, 2007).⁴ Online panels are composed of tens of thousands (sometimes hundreds of thousands) of individuals who have agreed to receive email solicitations to participate in various online surveys in return for compensation (usually a collection of points that have some cash value). Sociodemographic and behavioral information is collected from participants so that the panel can be stratified to match the sociodemographic characteristics of the particular jurisdiction.

⁴ The Massachusetts Council on Compulsive Gambling administered an Online Panel survey in Oct/Nov 2012 ($n = 1,054$) to assess attitudes toward problem gambling and problem gambling services in Massachusetts. A lifetime SOGS 5+ prevalence rate of 5.0% was obtained.

The advantages of online panel surveys are that (a) the validity of answers to 'sensitive questions' (e.g., gambling) tends to be higher in self-administered formats (Tourangeau & Smith, 1996; van der Heijden, Van Gils, Bouts, & Hox, 2000); (b) everyone has agreed to be and expects to be contacted (unlike most population surveys); (c) the results can be obtained in a much shorter period of time; and (d) they are roughly one-third the cost of telephone surveys.

However, online panels have some problems. The main issue is the non-representative nature of the online panel population. Despite a rapid increase in the proportion of people who use the Internet, a minority of people do not have online access. These individuals are not randomly distributed in the population; they tend to be older, with lower educational attainment and household incomes (Zickuhr, 2013). Furthermore, although online panelists are carefully structured to be demographically representative in terms of age, gender, and geographic residence (and sometimes education, income, and other basic demographic variables), other important differences have been found to exist (as might be expected considering that only a very small minority of people invited to be part of an online panel agree to participate; Sparrow, 2006). One of the SEIGMA Co-Investigators (Williams) has conducted four separate investigations that have compared data obtained from a random sample of online panelists within the jurisdiction to a comparable random sample of people contacted via random digit dialing. In all four studies, the overall rates of substance use, mental health problems, and addictions were significantly higher in the online panel, which also produced significantly higher rates of problem gambling (4.6% versus 2.1% in Alberta in 2008; 5.6% versus 3.1% in Alberta in 2009; 11.4% versus 1.0% in South Korea in 2011; 8.3% versus 1.0% in Ontario in 2011).

Hence, because of their imperfect representativeness, online panels cannot be used to establish precise estimates of population prevalence (the General Population Survey will be used for this purpose). However, the much higher 'yield' of people with problem gambling in online panels does provide larger samples to investigate issues specific to problem gamblers (i.e., social impacts profile of problem gamblers and characteristics differentiating problem gamblers from non-problem gamblers). This is how the online panel sample will be used in the present study (i.e., if we assume a problem gambling prevalence rate of 6.0%, then a sample of 5,000 individuals should yield 300 problem gamblers). Depending on their similarity or dissimilarity to the problem gamblers identified in the General Population Survey, these problem gamblers may be analyzed separately (to replicate the ABS sample results) or potentially combined with the ABS sample

The third and final sample consists of a **Targeted Population ABS** sample of 1,000 people within an approximately 10-mile radius of each of the four localities where the new venues will be located. The specific geographic radius for each community will be determined once each community is confirmed and it is possible that the radii may be different between communities. The Targeted Population surveys will be administered approximately six-months to one year prior to the projected opening of the venue and these 'baselines' will be compared to an identical targeted survey of 1,000 people in each of these communities at least one year after all four venues have opened, coincident with the General Population ABS and the General Population Online Panel surveys (anticipated to be in late 2017 and early 2018).

The purpose of the Targeted Population ABS survey is to ensure that there is a sufficient sample size in the communities hosting the new venues to be able to potentially identify *community specific* impacts. Community-specific impacts include, but are not limited to, patronizing the new venue, obtaining employment at the new venue, and effects of increased traffic, crime and demands on local services.

A 10-mile radius was chosen for two reasons. The first was to decrease the likelihood that the boundary of each 10-mile radius area would overlap the boundary of any other 10-mile radius area (which could happen for venues in the Greater Boston versus Southeastern regions respectively). The second reason is that the most recent research on the socioeconomic impacts of casinos shows that the bulk of the impacts now tend to occur within a five or ten mile distance of new venues (Williams, Belanger, & Arthur, 2011; Williams, Rehm et al., 2011).⁵ Of final note, the content of all three surveys (Targeted Population ABS; General Population ABS; General Population Online Panel) will be virtually identical. Additional questions will be added in 2018 to assess the perceived impacts of the new venues.

Progress to Date and Timelines

Two of the SEIGMA Co-Principal Investigators developed a questionnaire for the general population survey, online panel survey, and targeted population survey. Following this, the SEIGMA Research Team extensively reviewed, edited, and pre-tested the questionnaire for the NORC ABS General Population Survey, Ipsos Online Panel Survey, and NORC Targeted Survey. Once finalized, the questionnaire was translated into Spanish and both English and Spanish language versions were converted to an online format, computerized telephone format, and paper and pencil format. The General Population Survey was launched on September 11, 2013. The Online Panel Survey was launched on October 23, 2013. As of October 29, there were 2,182 completed interviews in the General Population Survey and 508 completed interviews in the Online Panel Survey. Data collection for both the General Population Survey and the Online Panel Survey is expected to be completed by March 2014.

Table 3 Primary Data Collection Timeline

Date	Activity
April 2013	Kick-off meeting
April 2013 – May 2013	Draft and revise questionnaire
June 2013 – Sept 2013	Questionnaire programming
June 2013 – Oct 2013	NORC and UMA IRB approval
Sept 2013	Pretest survey systems
Sept 2013 – Feb 2014	Baseline General Population ABS + Online Panel Survey
Dec 2013 – Feb 2014?	Baseline Targeted Population ABS Slot Parlor Community Survey (Worcester, Plainville, or Raynham) (1 year prior to anticipated opening)
Dec -2014 - Feb 2015?	Slot Parlor Opens? (1250 slot machines) (1 yr after announcement)
Apr 2015?	Baseline Targeted Population ABS Casino Community Surveys (3 communities) (Boston, Everett, Springfield, Palmer, Milford, Taunton) (minimum 1 year before anticipated opening)
Apr 2016?	Boston (\$1B) and Western Massachusetts (\$800M) casinos opening? (2 years after announcement)
Oct-Nov 2016?	Southeastern Massachusetts casino (\$500M) opening? (2 years after announcement)
Nov 2017 - Apr 2018?	Follow-up General Population ABS + Online Panel Survey? (1 year after all casinos have opened)
Nov 2017 - Apr 2018?	Follow-up Targeted Population ABS Surveys? (1 year after all casinos have opened)

⁵ Research in the 1980s, 1990s, and early 2000s tended to find larger regional impacts due to the fact that many fewer casinos/racinos existed at that time compared to currently.

Other MA Surveys

There are three additional sources of information about gambling and problem gambling in the Massachusetts population, two of which were released in the past six-months. These included a module of five questions added to the 2012 Brief Risk Factor Surveillance Survey (BRFSS); an online panel survey funded by the National Center for Responsible Gaming (Nelson, Kleschinsky, LaPlante, Gray, & Shaffer, 2013); and an online panel survey funded by the Massachusetts Council on Compulsive Gambling (Massachusetts Council on Compulsive Gambling, 2013). One concern is how to account for likely differences in estimates of gambling participation and problem gambling prevalence across these different studies.

Table 4 Features of Other MA Surveys

	2012 BRFSS	NCRG Panel	MCCG Panel
Sample size	~15,000	511	1,054
Sample source	N/A	GfK Knowledge Networks	Survey Sampling International
Survey mode	Telephone (landline & cell)	Web-based	Web-based
Problem gambling measure	BBGS (3 items)	AUDADIS-IV (16 items)	SOGS (20 items)

As the table makes clear, each of the three surveys has unique features that will make direct comparisons with the SEIGMA Baseline Population Survey difficult. The vast majority of problem gambling prevalence surveys have used telephone administration, have been described to respondents as ‘gambling’ surveys, and used any past year gambling as the criterion for eligibility for the problem gambling questions. In contrast, the SEIGMA Baseline Population Survey uses a multi-modal approach, is described to respondents as a ‘health and recreation’ survey, and includes the 9-item CPGI as the main measure of problem gambling. Each of these features—survey description, administration format and problem gambling measure—has substantial impact on the identified problem gambling prevalence rate (Williams & Volberg, 2009, 2010, 2013).

So, for example, we expect that gambling participation and problem gambling prevalence in the 2012 BRFSS will be substantially lower than the rates obtained in the Baseline Population Survey. The 2012 BRFSS was conducted by telephone, was not specifically introduced as a ‘gambling’ survey, and used endorsement of two questions about gambling participation as the criterion for asking three problem gambling questions. The excellent response rate generally obtained in the BRFSS, the fact that the survey was not focused on gambling, and the use of relatively few gambling items will likely have contributed to low rates of gambling participation and problem gambling.⁶ This is because (a) higher response rates are associated with recruitment of individuals in the population with low rates of gambling participation and problem gambling; (b) gambling surveys completed by telephone have lower rates of endorsement of sensitive items due to a reduced sense of anonymity among respondents as well as likely social desirability bias; and (c) use of one or two global gambling participation questions predictably yields under-reports of actual gambling participation (Volberg, 2011).

⁶ The 2012 BRFSS data has not yet been publicly released.

Secondary Data Collection

Purpose

A team of researchers from the UMass School of Public Health and Health Sciences (SPHHS) is leading secondary data analysis of the social and health impacts of expanded gaming in Massachusetts for the SEIGMA project. The Social and Health Impacts Team began by crafting a refined set of social measures and health care services utilization and cost indicators, including more specific information about readily available secondary data sources. Additionally, the Social and Health Impacts Team met with representatives of the MA Department of Public Health (MDPH) to discuss secondary data sharing efforts and possibilities for collaboration. The Social and Health Impacts Team expressed interest in two secondary data sources. The first of these is the Massachusetts Behavioral Risk Factor Surveillance System (BRFSS) datasets from 2007-2012, which contain state-added sections related to suicide, cognitive impairment and gambling. These sections are particularly relevant to the social and health impact analysis of the prevalence of gambling in Massachusetts. The second of these is the Center for Health Information and Analysis (CHIA) Case Mix Datasets, which are maintained by the Health Care Financing Division.

The objectives of the social and health impacts secondary data analysis are twofold:

1. To measure and track changes in social and health measures over time.
2. To identify risk factors for gambling and gambling-related comorbidities and associations across study measures.

This section of the report describes the social and health data research plan, and the measures and health indicators that will be collected and tracked over time. This section also includes a detailed description of each of the available secondary data sources, highlighting the strengths and limitations of each source. Finally, the section briefly describes the research methodology, including the research design, sampling strategy, data collection procedures and analysis plan for assessing the social and health impacts of gambling.

Background

Several previous studies have assessed the social and economic impacts of problem and pathological gambling (Lesieur, 1998; Thompson, Gazel, & Rickman, 1996; Volberg, Moore, Christiansen, Cummings, & Banks, 1998). Studies have found that males have a higher risk of developing gambling-related disorders (Blanco, Hasin, Petry, Stinson, & Grant, 2006; Desai & Potenza, 2008). Racial/ethnic disparities also exist for developing gambling-related disorders; African Americans, Native Americans and Asians had higher overall gambling prevalence rates than Whites or Hispanics (Alegria et al., 2009; Johansson, Grant, Kim, Odlug, & Götestam, 2009; Potenza, Kosten, & Rounsaville, 2001; Welte, Wieczorek, Tidwell, & Parker, 2004). Problem gambling is associated with marital status and family structure; being separated, widowed or divorced, and having lower levels of social support are associated with increased prevalence of gambling (Afifi, Cox, Martens, Sareen, & Enns, 2010; Petry, Stinson, & Grant, 2005). Additionally, increased educational attainment is associated with reduced risk of developing gambling-related disorders (Scherrer et al., 2007). Furthermore, unemployment and low socioeconomic status are associated with increased risk for developing gambling-related disorders (Johansson et al., 2009; Potenza et al., 2001; Welte et al., 2004). Lesieur (1998) found that between 69% and 76% of pathological gamblers have missed work at some point in order to gamble. Various studies in his review found that 21% to 36% of gamblers in treatment have attributed a lost job to their gambling problems. These studies suggest that gambling addiction has a strong impact on the quality of life of family members and friends (Wenzel, Øren, & Bakken, 2008).

Studies found that pathological and problem gambling is correlated with an overall decline in health and elevated rates of illness (Lesieur, 1998). For example, 33.8% of pathological gamblers reported that they were in poor or fair health, while 14% of low-risk gamblers reported poor or fair health. Authors also estimated that annual health care expenditures were \$750 higher for pathological gamblers, with an estimated annual expenditure of about \$3,800 per capita.

Psychiatric comorbidities are common among pathological gamblers. The most prevalent gambling-related mental and physical health comorbidities include nicotine and alcohol consumption, substance use and misuse, and mood, anxiety and personality disorders (Ibañez et al., 2001; Johansson et al., 2009; Petry et al., 2005). There are also gender disparities in the risk for developing gambling-related comorbidities; males are more likely to drink or smoke heavily (Blanco et al., 2006) while females are more likely to have co-occurring mood and anxiety disorders (Blanco et al., 2006). Females have a higher overall prevalence of major depression, dysthymia, panic disorder, and nicotine dependence (Desai & Potenza, 2008).

Increased availability of gambling venues is associated with increased numbers of problem gamblers (Ladouceur, Jacques, Ferland, & Giroux, 1999; Raylu & Oei, 2002; Welte et al., 2004). Further, casino gambling is associated with the highest risk for developing gambling related comorbidities (Welte et al., 2004). The Commonwealth of Massachusetts is currently fielding applications to build and operate three licensed casinos and a slots parlor. There is renewed interest in examining the potential effects of situating casinos in specific locales given the potential social, health and economic impact on communities across the state.

Methodological Considerations

The Social and Health Impacts Team has worked extensively on creating a detailed matrix of the full-range of social measures and health indicators that will be collected, tracked and analyzed over the course of this multi-year project (Table 10). For each data-driven measure, the matrix includes information about the specific data source, metrics, geographic level of coverage, years available, frequency of data collection and frequency of updates. The Social and Health Impacts Team has worked closely with the Economic and Public Policy Research group at the UMass Donahue Institute to coordinate data collection methods, shared database development, and documentation.

Secondary Data Collection and Tracking

The Social and Health Impacts Team will use three main datasets for the social and health impact secondary data analysis:

1. the American Community Survey
2. the Behavioral Risk Factor Surveillance System
3. the Acute Hospital Case Mix Database

Each survey provides annual estimates for selected measures by specific geographies. Individual measures have been subdivided into two principal classifications; (1) social impact, and (2) health impact.

The American Community Survey (ACS) provides individual and population-level data on communities across the United States (US). ACS provides social, economic, housing, and demographic data (e.g. educational attainment, family structure, income level, and labor force and poverty status). In addition, the ACS survey includes data related to social welfare programs and health insurance coverage.

The 2011 ACS data for the state of Massachusetts contains 69,009 individuals (1.09% of total population in MA) and 31,684 households (MA population according to Census 2000 was 6,349,097). Each record has an individual weight, which allows users to produce population estimates. Each record also includes replicate weights to produce standard errors and to do statistical testing. Data are representative of the population in each state.

The Census Bureau divides each state into a series of Public Use Microdata Areas, or PUMAs, each of which has a minimum population of 100,000. PUMA boundaries can cross county boundaries and a PUMA can be made up of parts of several different counties. Thus, one PUMA may contain multiple cities and towns.

Results from ACS are disseminated on an annual basis. ACS data are available through 2011 and accessible on-line. The 2011 ACS survey was sampled using the 2000 Decennial Census; the 2010 Census will first be used to sample the 2013 ACS survey. The ACS is a sample of the US census specifically designed to show within census period estimates.

The Behavioral Risk Factor Surveillance System (BRFSS) produces individual and population-level data including; demographic information, comorbidities, health behaviors, health care coverage, health status, mental illness, perceptions of health/health-related quality of life, and suicide. In addition, the BRFSS includes data related to gambling prevalence and associated familial, financial, and mental health impact. The BRFSS is a nationwide annual telephone survey of approximately 400,000 adult individuals aged 18 and older. Each State conducts its own telephone interviews using Random Digit Dialing (RDD) of landlines and, as of 2011, cell phones. In 2011, the landline sample size was 20,482 and the cell phone sample size was 1,836. A standardized questionnaire is utilized, with optional modules. The survey is comprised of fixed core (every year) and rotating core (every other year) questions. Individual States may also add additional questions. In 1999 the Commonwealth of Massachusetts elected to add additional questions related to gambling.

Each survey respondent is assigned a weight to be utilized in order to draw inferences about the population. From 1984-2010, the CDC used post stratification to weight survey responses to known population proportions (i.e. age, race and ethnicity, sex, and geographic region). In 2011, the CDC began using iterative proportional fitting or raking procedures. Raking allows for the introduction of more demographic variables in the weighting process. Given the change in methodology, trend analysis cannot be conducted using survey data from 2010 and earlier with data from 2011 and later.

BRFSS provides state-level data, in addition to data for selected metropolitan and micropolitan statistical areas (MSAs) with 500 or more survey respondents. In the Commonwealth of Massachusetts, reports are available for the cities of Boston, Springfield, Worcester, Lawrence, Lowell, New Bedford, and Fall River.

The **Acute Hospital Case Mix** database includes cost data by payer source for specific diagnostic and procedural codes. Data are specific to acute care settings at the inpatient, emergency department, and outpatient level. In the Commonwealth of Massachusetts, acute-care hospitals report patient-level data to the Center for Health Information and Analysis (CHIA). Information is collected on a quarterly basis, with the fiscal year beginning on October 1st. Information is contained in three databases; (1) an emergency department database, (2) an inpatient discharge database, and (3) an outpatient observation database. Each database contains comprehensive patient-level data, including socio-demographic characteristics, services provided, and related charge data. Other data elements include hospital and

practitioner information. Files are specific to each database and fiscal year (i.e. October 1st through September 30th).

Rationale for Selecting Secondary Data Sources

Several other state and federal data sources are available for describing demographic features of communities in Massachusetts (Table 2). Federal datasets include the US Census Bureau's Population Division's annual estimates of the population and the Centers for Disease Control and Prevention's (CDC) Vital Statistics System, including the CDC WONDER database. State data sources include the Commonwealth of Massachusetts' Vital Statistics System, and marriage and divorce publications, which are obtained through marriage certificate registrations and certifications of divorce.

The Decennial Census is collected by the US Census Bureau every ten years (i.e. '00 & '10). Intercensal population figures are estimates produced annually by the US Census Bureau's Population Division. Intercensal estimates adjust the most recent Decennial Census population figures by the number of births, deaths and domestic and international migrants. Population figures are available for each State, county, and city/town. Breakdowns are additionally available by age, race, ethnicity, and sex.

The Centers for Disease Control and Prevention's (CDC) Vital Statistics System also produces demographic data of Massachusetts communities. Vital Statistics provides census based aggregated cause of death, marriage, and divorce data. Cause of death data is available through the CDC WONDER on-line database; whereas marriage and divorce data are available through annual reports. In addition, the CDC produces population estimates through its Bridged Race Population Statistics program. Likewise, the Commonwealth of Massachusetts also produces death, marriage and divorce data.

Different data sources could better serve the various purposes of the social and health impact analysis of gambling in Massachusetts. For example, Census data is well suited to measure and track demographic changes in Massachusetts communities over time because it is a representative sample of the State's population. The **US Census Bureau's Population Division** offers detailed estimates of the population by age, race, ethnicity, and sex. However, little data is available beyond these metrics. As a result, researchers would need to link data at the population level with other census and survey-based data to identify associations. Survey respondents and census data would not reflect the same population of individuals across examined datasets. Thus, identified associations could be ecologic fallacies.

For the purpose of creating snapshots of communities or tracking trends in death, marriage, and divorce metrics, the **Center for Disease Control and Prevention's (CDC) and Massachusetts' Vital Statistics Systems** could be a useful source of information. However, only the Federal CDC cause of death data is readily accessible to researchers. Unlike the CDC, the Commonwealth of Massachusetts does not have an on-line query system by cause of death. Death, marriage and divorce data are made available through a series of annual reports. The inaccessibility of raw data is a major limitation for State-specific data sources. In addition, both the Federal and Massachusetts' Vital Statistic Systems do not publish reports in a manner that is useful to the study. For example, the ACS is current through 2011 while the Federal and Massachusetts Vital Statistics System datasets are available through 2010. Similar to the US Census Bureau's Population Division, researchers would also need to link data at the population level with other census and survey-based data to identify associations. Data sources would not reflect the same individuals, potentially subjecting the analysis to an ecologic fallacy.

Individual-level data that can be linked across all metrics in a dataset allow researchers to assess specific features of the population of interest –and identify associations across study measures. Being able to link the same individuals across a breadth of relevant study variables would serve to avert any ecologic fallacies in the analysis. Using weights in the analysis of the ACS survey data would be possible to make inferences about a population from a relatively small number of observations. The Social and Health Impacts Team will aggregate ACS data by specific population group. The team will apply published prevalence rates of gambling-related disorders (obtained through a literature review) to better understand the potential effects of gaming on the development of gambling-related disorders in specific populations. ACS individual-level data will also allow the research team to further examine associations with social welfare programs and health insurance coverage. Likewise, the Social and Health Impacts Team will use BRFSS data to identify associations between gambling prevalence and other health-related comorbidities and health impact factors. We will perform regression analysis to identify associations between study metrics.

Lastly, the Social and Health Impacts Team selected the Acute Hospital Case Mix Database because it allows the research team to quantify the economic burden of specific gambling-related comorbidities . Gambling-related comorbidities will be identified through a literature review, ICD-9 codes and BRFSS data analysis. These data will support our analyses of such issues as health care services utilization and costs of gambling related comorbidities in Massachusetts, assess costs and outcomes disparities among acute care hospitals across the state, preventable hospitalizations and potential costs savings. Analysis of this dataset will additionally permit us to understand the scope of treatment reimbursable by public and private insurers to further understand the financial impact of a potential increase in gambling related disorders on social welfare and public health programs.

Progress to Date and Timelines

The team has crafted a refined set of social measures and health care services utilization indicators for analysis. The team also met with representatives from the Massachusetts Department of Public Health to discuss secondary data sharing efforts and collaboration. Additionally, the team created matrix of social measures and health indicators to be collected.

Table 5 Secondary Data Collection and Analysis Timeline

Date	Activity
Jul 2013	Beginning of Ongoing Collection of Secondary Data on Social & Economic Indices (continuing through to the end of the study)
Dec -2014 - Feb 2015?	Slot Parlor Opens? (1250 slot machines) (1 yr after announcement)
Apr 2016?	Boston (\$1B) and Western Massachusetts (\$800M) casinos opening? (2 years after announcement)
Oct-Nov 2016?	Southeastern Massachusetts casino (\$500M) opening? (2 years after announcement)

Economic and Fiscal Impacts Analysis

Purpose

This section of the report provides a status update on the economic and fiscal impact research with a refined and more detailed plan for data collection, measures of impact, and methodologies. Thus, this

report further defines and refines methodologies; establishes a methodical and efficient data collection plan and standardized templates and databases; and refines key measures for the economic and fiscal analysis for the SEIGMA project.

The objective of the economic and fiscal research plan is to measure and assess the economic and fiscal impacts of casino facilities⁷ at the local, regional, and state level through primary and secondary data collection in addition to the creation of estimates. *Primary data* is information gathered directly by the research team, while *secondary data* is gathered by a public or private source, such as the Census Bureau. The research will assess how the introduction and ongoing operations of new casino facilities impact economic and fiscal conditions including government finance, business dynamics, and labor market conditions. The plan includes tracking and quantitatively assessing a wide range of economic and fiscal metrics. Data to be collected and analyzed will include a variety of secondary data measures, including public data sets, along with primary data collected directly from operators and government entities. The quantitative analysis will be complemented by a process to integrate qualitative findings obtained from key informants in a number of settings. Another component will involve the use of primary data to conduct economic impact modeling activities to estimate direct and secondary impacts related to the presence of the new gambling facilities.

The report that follows provides information on: 1) background research to confirm best practices and methodological approaches, 2) a refined research approach and specific methodologies to be utilized in the study, and 3) establishing an organized plan for data collection and tracking. A special focus has been on secondary data sources. Additional planning activities are being conducted to organize and prepare for later work on components that will commence once casino facilities have been selected and approved, such as setting economic impact modeling parameters and identifying key informants within a qualitative data collection plan.

Background—Findings from Other Research Studies

The research team has conducted background research on best practices related to the economic assessment of casinos and other gambling facilities to refine/confirm our research approach, and ensure our methods and data measures are consistent with peer reviewed, high-quality industry studies and published research. Based on input from the SEIGMA team, and in consultation with Economic Advisor Dr. Mark Nichols, the team targeted a group of best practice studies for review along with additional best practice studies identified through other means. The focus of this review was on useful theoretical approaches to economic research, key measures and data sources, methodological techniques applied to particular measures, and particular limitations and challenges.

Consistent with the theoretical framework developed by Williams and colleagues (Williams, Belanger et al., 2011) (see also Williams, Rehm et al., 2011), the research is designed to examine a wide variety of economic and social measures. The economic analysis, in parallel with the social side of the research, lists impacts in several separate measures to create a profile. The analysis avoids assigning arbitrary money values to non-monetary impacts to result in any overall cost-benefit aggregate value. Instead, multiple measures of impact are tracked over time, and the resulting data and outcomes can be interpreted and their importance appropriately weighted by decision makers. The methodology

⁷ We use the term casino facilities to refer to the full-range of activities at gambling-based casinos (up to three resort casinos and one slots parlor), including hotels, retail, restaurants, and other mixed uses for the planned development projects.

assesses monetary transfers, such as casino contributions to the private sector and to the local community and government, examining the geographic destination of payments for operating expenses and equipment, and downstream effects of spending. The objective is to measure net new spending and economic activity in Massachusetts. This approach is therefore designed to examine economic activity which actually results in monetary transfers and changes in wealth, as opposed to counting any measurable spending regardless of origin or possible displacement of other economic activity. The research design accounts for costs induced by new activity in addition to measuring positive impacts. Employment and unemployment rates, business climate, and population changes are the key focus of many studies concerned with economic impacts of gambling, as well as those focused on economic development and resurgence. As will be detailed later in this report, specific series of these measures have been developed to create a picture of economic well-being and economic change before and after casinos are introduced, in order to track potential casino impacts. These measures are consistent with prior research in the field. Although casino economic impact research can sometimes be a contentious field, many studies include examination of several economic variables or concepts in common: economic impact (often using regional modeling), government revenue, employment, and local business dynamics examined over time. Many reputable studies also track additional economic measures that reflect possible areas of change pursuant to the introduction of casinos. These include: examining tourism impacts vs. local spending, and noting recapture of dollars that might have otherwise traveled with residents visiting casino locations elsewhere; an analysis of potential substitution effects in spending on leisure and other industries, as well as tracking substitution between existing versus new gambling types; evaluating the level of compensation of the new casino jobs; and making sure that in addition to potential positive impacts, costs associated with the introduction of casinos are recorded, so that a view of the whole becomes possible. The use of both primary and secondary data sources and qualitative sources of information are also common across many high-quality studies.

Best-practice research techniques to be used

The literature review supplemented the team's own research expertise and helped to determine research techniques that will be utilized in the study. The following range of techniques will be used to elicit a full economic picture of the effects of the introduction of casinos and other gambling:

- The use of a defined set of economic and fiscal indicators to monitor and track trends in economic measures, gathered from the most reliable sources of secondary data, primarily through government and administrative sources.
- Economic impact analysis using directly measured data from the casino's actual spending, and employing a REMI model of how that money flows through regional and statewide economies.
- Key informant interviews employed to verify and enrich the quantitative analysis and selected questions in the surveys to get direct measurements of economic activity.
- For selected measures, construction of comparison communities to create the counterfactual 'what-if' scenario: what would have happened economically had casinos not been introduced to these communities?
- Further in-depth analysis of phenomena of particular interest, such as workforce changes, property values, business dynamics and local indicators of economic well-being.

Overview of Economic Research Approach

Phases of research

The economic and fiscal impact research will be conducted over time from (1) baseline analysis to (2) development/construction analysis to (3) the operations phase when gambling operations are fully up

and running. Current research is focused on the baseline analysis, to take place in the first one or two years, and involves an analysis of existing conditions within the Massachusetts economy, its regions and the host communities themselves. Once the gaming facilities have been selected, an analysis of pre-development, development and construction impacts (the development/construction analysis) will take place. In subsequent years of the research, gaming facilities will be fully operational, and data will be available to estimate and track current and ongoing impacts made by gaming facilities (the operational analysis).

This research plan is careful to distinguish between economic and fiscal impacts. This is consistent with some of the original objectives of introducing casinos to Massachusetts, which included the potential for economic development benefits (jobs, investment), and revenue generation (new source of government revenue). The assessment of *fiscal* impacts (costs and revenues of governmental units that occur with the introduction of new gambling facilities) will provide a direct estimate of the effects of new gambling facilities in the state since spending and revenue data will be collected directly from operators and government agencies. Assessing changes in *economic* conditions (including local employment, business activity/revenues, personal income and earnings) will involve tracking broader economic activity before and after the start of new gambling activities in the state.

Dimensions of the economic and fiscal analysis

A comprehensive economic analysis of newly introduced casino facilities is complex and requires an organized framework and accounting of various economic benefits and costs. Unlike many casino economic analyses that are based on forecasts of predicted economic impacts, the research agenda in Massachusetts allows the opportunity to measure the *actual* spending and economic activity of the planned casino facilities. The economic evaluation will thus recognize the following dimensions:

Time – as mentioned, we will first develop a baseline of economic conditions prior to casino construction, followed by measurement of a construction phase and, finally, a focus on impacts related to the ongoing operations of the new facilities.

Geography – casino-related impacts will be measured and estimated at multiple levels of geography from the casino facility itself to the local municipality (host community), to the surrounding region, and ultimately statewide.

Impact Concepts – impacts will be grouped as economic impacts (changes to the economy) and fiscal impacts (changes to government revenues and expenditures).

Direct and Secondary Impacts – some impact concepts are measured through primary data collected directly from the casino-related operations such as their employees, wages, construction investment, and expenditures back to the local/regional economy. Other impacts are measured through secondary data sources including public government data sets and will reflect broader economic conditions such as the unemployment rate, household income, and property values.

Net New Impacts and Sources of Spending – this research focuses on net impact, reflecting the potential for a redistribution of economic activity within a region or the state. For example, one of the most fundamental determinants of the net economic impacts of casinos is the amount and geographic distribution of spending by visitors to casino facilities. New visitor trips to Massachusetts or the recapture of casino trips from Massachusetts residents (e.g., instead of visiting Foxwoods, going to a Massachusetts casino) represent *new* economic activity for the state. Changing the spending pattern of

Massachusetts residents from one activity (movies, sports) to a casino or from one area of the state to a casino reflect *re-distribution* of economic activity within the state.

Data collection plan

Due to the complexity and long time frame of the effects being analyzed, data will be collected and analyzed in a multi-pronged and multi-phased approach. Activities are currently underway to customize and enhance in-house data systems for use in the baseline analysis with metrics to be tracked throughout the project. We have developed a detailed data tracking plan for secondary data measures to enable us to collect and organize economic and fiscal variables over the course of the project. Working from the initial economic concepts described in the RFR and proposal documents, we have identified a precise set of economic and fiscal measures that can credibly and reliably be used to track economic conditions for host communities, regions of Massachusetts, the state, and possible non-Massachusetts “control” areas. The secondary data plan identifies specific sources for the most relevant and current data measures available. These data measures will be shared and coordinated with the SEIGMA team’s Data Management Center to develop detailed parameters for data collection, statistical analyses, the creation of linking variables among data sets, documentation, security and confidentiality, storage, and the sharing and dissemination of files.

Use of primary and secondary data – two complementary approaches

Through the inclusion of both primary and secondary data, the data plan involves two complementary approaches towards measuring economic and fiscal impact. Measuring and tracking economic and fiscal measures from secondary data sources will allow us to assess impacts over time over standard levels of geography. The use of various comparison methods (for example, comparisons with Massachusetts, the U.S., and specially selected control locations), will allow analysis to isolate and estimate the impacts of casinos over time.

In addition to the collection of secondary data, primary data will be collected from new gambling facilities, from host communities, and from employee and patron surveys to provide direct measures of impacts. Some important primary data measures to be collected directly from gambling facilities include construction-related spending, ongoing operations, total numbers of employees hired, payroll spending, spending by visitors and other variables. These “direct” effects will be used as inputs to the REMI model which will be used to estimate total economic impacts at regional and state level.

These two approaches will provide two different methods to measure economic impact of casinos, allowing for comparison, more detailed assessments, and more refined estimates of the actual impacts of introducing casino facilities to Massachusetts.

Economic and Fiscal Secondary Data Measures

As shown in the data tables located below, the research team will conduct secondary data collection and analyses related to a variety of economic outcome measures. These measures have been chosen to provide a comprehensive, yet detailed view of the economic and fiscal conditions of a community and its residents, both before and after the introduction of a casino and related facilities. Measures range from numbers of employees and wages, to property taxes and revenues, and have been divided into two major categories: *economic*, or those factors that reflect the overall economy and the economic well-being of area residents and businesses, and *fiscal*, or those factors that are directly tied to government revenues and expenditures (local and/or state).

The tables cover the secondary data measures that will be collected and analyzed over time, with text below covering their relevance to the introduction of a casino into a community, as well as the choice of the best data source for each measure, when multiple sources were available. The data tables and

discussion address all of those measures included in the team's original proposal, and some new ones determined to be of value to the analysis. It is worth noting that while geographic issues are addressed in the tables and discussion below (i.e. whether data are available for municipalities, counties, etc.) the specific areas to be studied will be identified more clearly after casino applications for specific sites have been approved. Finally, the tables refer to the categorization of each data measure discussed in the original proposal. Some measures originally considered "social" in nature have been determined to fit better within the economic framework for both analytical and practical data collection reasons. These include employment and some housing and income measures.

Economic Measures

Economic measures have been organized into four major categories:

- 1) Economic indicators for businesses,
- 2) Economic indicators for residents,
- 3) Housing and real estate markets, and
- 4) Tourism and visitation.

(See economic measures table, next page)

Table 6: Economic Measures

<u>Economic / Fiscal</u>	<u>Category</u>	<u>Measure</u>	<u>Geography</u>	<u>Source</u>
Economic	Business Indicators	Employment (Total and by 2-digit NAICS and selected 4-digit NAICS)	Municipality, County, State	Massachusetts Office of Labor and Workforce Development, Labor Market Information, ES-202/QCEW
		Business Establishments (Total and by 2-digit NAICS and selected 4-digit NAICS)	Municipality, County, State	Massachusetts Office of Labor and Workforce Development, Labor Market Information, ES-202/QCEW
		Wages (Total and by 2-digit NAICS)	Municipality, County, State	Massachusetts Office of Labor and Workforce Development, Labor Market Information, ES-202/QCEW
		Business Bankruptcies	County, State	United States Courts, Administrative Office of the U.S. Courts on behalf of the Federal Judiciary, Bankruptcy Division. OR Federal Judiciary Public Access to Court Electronic Records (PACER) if historical data required
	Resident Indicators	Unemployment Rate	Municipality, County, State	Massachusetts Office of Labor and Workforce Development, Labor Market Information, Local Area Unemployment Statistics (LAUS)
		Labor Force	Municipality, County, State	Massachusetts Office of Labor and Workforce Development, Labor Market Information, Local Area Unemployment Statistics (LAUS)
		Employment	Municipality, County, State	Massachusetts Office of Labor and Workforce Development, Labor Market Information, Local Area Unemployment Statistics (LAUS)
		Household Income (Median, Quintiles)	Municipality (some), County, State	U.S. Census American Community Survey
		Poverty Rates	Municipality (some), County, State	U.S. Census American Community Survey
		Per Capita Transfer Payments	County, State	U.S. Department of Commerce Bureau of Economic Analysis Personal Income Accounts
	Housing / Real Estate	Assessed Property Values, Commercial and Residential	Municipality, County, State	Massachusetts Department of Revenue (MA DOR) Division of Local Services
		Residential Building Permits	Municipality (some), County, State	Massachusetts State Data Center/U.S. Census Building Permit Survey
		Rental Housing Costs (by type of unit)	Municipality (some), County, State	U.S. Census American Community Survey
		Property Sales Value	Parcel	Warren Group
		Net Market Absorption (retail and commercial)	Municipality (some)	C.B. Richard Ellis
		Vacancy Rate	Municipality (some)	C.B. Richard Ellis
		Lease Rate Per Square Foot	Municipality (some)	C.B. Richard Ellis
	Tourism/ Visitation	Tourism spending	Municipality (some), County, State	Patron surveys; Massachusetts Office of Travel and Tourism; Chambers, RPAs (qualitative)
		Number of visitors	Municipality (some), County, State	Patron surveys; Massachusetts Office of Travel and Tourism; Chambers, RPAs (qualitative)
		Leisure/Hospitality Jobs at Non-Casino Gaming Facilities	Municipality, County, State	Employee surveys, Massachusetts Office of Labor and Workforce Development, Labor Market Information, ES-202/QCEW

Economic Indicators for Businesses

Measures for businesses speak to a region or community's ability to retain, grow and attract businesses and in turn create jobs for area residents, generate tax revenues, and create vibrant local economies. The data in this category are explicitly based on the location of businesses and industries (as opposed to where employees reside). Measures will include total employment down to the municipal level, industry-specific analysis of employment, number of establishments, and wages, with a specific focus on industries likely to be impacted by the siting of a casino (food and entertainment, retail, accommodation, etc.).

Data for employment, number of establishments, and wages will come from the Bureau of Labor Statistics Quarterly Census of Employment and Wages (QCEW), also known as ES-202. The QCEW, produced as a collaborative effort between the federal Bureau of Labor Statistics and state employment agencies, provides a frequently updated (quarterly) source that accounts for the largest number of employers and provides data at the municipal level. All establishments covered under the Unemployment Insurance (UI) Program are required to report wage and employment statistics quarterly. While other sources (notably the Current Employment Statistics, or CES) provide updates as often as monthly, they are based on survey samples and therefore can be considered less accurate. QCEW is widely recognized as the most timely, trustworthy data source for employment and establishment data.

The research team has considered a range of public and proprietary data sources to obtain information on business start-ups and closings, but unfortunately, there does not exist a readily available data source on that exact concept. However, we can track the total number of establishments at the municipal level (e.g., host communities) over time from QCEW data. Additionally, we plan to measure business distress by tracking business bankruptcies using the U.S. Courts' business bankruptcy data or the Federal Court System PACER database. These data measures will be complemented by qualitative research and findings from interviews with local development experts.

Economic Indicators for Residents

Measures for residents will show how broad changes in the business environment or overall economy impact those who live in the community or region where a casino is established. These measures include unemployment rate, employment and labor force, household income, poverty rate and transfer payments. This category of data is explicitly based on the location of residence of people and employees (as opposed to where businesses are located).

Unemployment rate, labor force and employment data are available from Local Area Unemployment Statistics (LAUS) program from the U.S. Bureau of Labor Statistics. The LAUS program is a Federal-State cooperative effort to release monthly estimates of total employment and unemployment in small areas such as counties, cities and towns, and is the official source for unemployment data. This series is a household data series – pertaining to individuals and relating to where they reside. Labor force and employment data will also be collected from this source to provide context and interpretation for unemployment data.

Household income measures (median and distributive measures, such as quintiles) and poverty rates for selected municipalities and/or regions will be collected from the American Community Survey. The research team is particularly interested in poverty rates and income effects of casino introduction at the

bottom or middle of the income scale. The American Community Survey is conducted by the U.S. Census Bureau, and provides reliable multi-year estimates for smaller geographical areas than are available from similar surveys (such as the Current Population Survey). Transfers payments data, which represent income from entitlement programs like welfare, will be collected at the county level from the Bureau of Economic Analysis.

Housing and Real Estate (Residential and Commercial)

The establishment of a casino in a community may influence property values and real estate activity (including building permits and sales or lease activity), with important consequences for local municipalities, businesses and residents. Included in this analysis will be measures of property values (residential and commercial), housing starts or residential building permits, rental housing costs, and commercial real estate measures (e.g., net market absorption, vacancy rates).

Assessed property values for commercial and residential properties are tracked by the state of Massachusetts at the municipal level. Though there are occasionally changes in assessment levels, changes in assessed values are expected to largely track with change in the actual (sales) values.⁸ Assessed property values determine the level of property tax, the major source of revenues for cities and towns, and are an important source of economic stability and wealth for residents. The research team considers analysis of the effects of casino introduction on area residential property values as a likely idea for more in-depth study as the impacts to property value will likely not be uniform across a community. Thus, we plan to do additional data collection based on the parcel-level tax assessor databases that most (if not all) municipalities maintain. While detailed methodological and data issues related to such an analysis still need to be considered, we anticipate some form of customized geographic analysis of property values at the sub-municipal level to better understand if and where property value impacts are most prevalent.

Residential building permit data are available by municipality through the U.S. Census Bureau. Rental housing costs, as an indicator of affordability, will be collected from the American Community Survey and are available for select municipalities and/or regions as multi-year estimates. For commercial properties (office and retail, possibly industrial), we are currently investigating proprietary data sources such as CB Richard Ellis to obtain customized real estate data on vacancy rates, lease rates and net market absorption as these kinds of real estate data are not readily available for most cities/towns in Massachusetts.

Tourism and Visitation

Measures for the effects of casinos on tourism will include tourism spending and number of visitors to casinos and independent facilities, including leisure and hospitality establishments and employment (available from QCEW as mentioned above). There is no publicly available data source that provides tourism data at a municipal or similar level. The research team will collect county-level data from the Massachusetts Office of Travel and Tourism (MOTT). Primary data for the number of visitors and related spending will be available from the patron and employee surveys, and the team will also conduct stakeholder interviews to understand the impacts to tourism and visitation due to the introduction of casino facilities.

⁸ These data are generated by each municipality and are supposed to track changes in property value market conditions over time, informed by property sales and re-evaluations of assessed values.

Fiscal Measures

Fiscal measures focus on government revenues and expenditures; including where revenues and expenditures come from, and whether they are in balance. These occur in three major categories:

- 1) Gambling revenue,
- 2) Non-gambling revenue, and
- 3) Government expenditures.

Table 7: Fiscal Measures

<u>Economic/ Fiscal</u>	<u>Category</u>	<u>Measure</u>	<u>Geography</u>	<u>Source</u>
Fiscal	Gambling-Related Revenue	Gambling Fees, Tax	Municipality, County, State	Operators, Massachusetts Gaming Commission
		Lottery Sales	State	U.S. Census Department, Annual Survey of State Government Finances
		Lottery Revenue Distributed Locally	Municipality	Massachusetts State Lottery Commission
		Charitable Gambling Revenue	State	Massachusetts State Lottery Commission
		Horse Racing Revenue	State	Massachusetts Gaming Commission
	Non Gambling Revenue/ In-Kind Received	Sales Tax	Municipality, County, State	Massachusetts Department of Revenue (MA DOR) Division of Local Services
		Personal Income Tax	State	U.S. Bureau of Economic Analysis, Regional Data, Annual State Personal Income and Employment
		Property Tax	Municipality, County, State	Massachusetts Department of Revenue (MA DOR) Division of Local Services
	Government Expenditures	Services spending (Police, Fire, Ambulance, Sewer & Water Maintenance, etc.)	Municipality	Massachusetts Department of Revenue (MA DOR) Division of Local Services
		Built Infrastructure Costs	Municipality	Massachusetts Department of Revenue (MA DOR) Division of Local Services, Agreements
Regulatory Costs, including offset of fees within gambling-related revenue		State	Massachusetts Gaming Commission	

Gambling Revenue

Measures of gambling revenue include regulatory fees and taxes, lottery sales, lottery revenue distributed as local aid, charitable gambling revenue, and horse racing revenue. A key element of the state legislation allowing for casino facilities in Massachusetts is a specific requirement that 25 percent of gross gaming revenues will be allocated to the Commonwealth. Analyzing revenues for the full spectrum of gambling and similar activities will allow the research team to determine whether spending in casinos is to some degree offset by decreases in lottery, charitable gaming or horse racing spending. We expect to collect state-level lottery sales data from Census data and lottery revenue disbursements to local communities from the Massachusetts State Lottery Commission. The research team will collect additional data such as horse racing revenue from the Massachusetts Gaming Commission.

Non-Gambling Revenue

Sources of non-gambling revenue will track how the largest sources of revenue for the state and municipal areas change over time. These measures will likely be related to but indirectly affected by the introduction of a casino. For instance, changes in local property values or wages after the introduction

of a casino would affect property taxes or income taxes, respectively. Proposed measures include state sales tax, state personal income tax, local property taxes, and in-kind infrastructure improvements.

Sales tax and property tax data for municipalities are available from the Massachusetts Department of Revenue, Division of Local Services Data Bank. Personal income tax data are available from the Bureau of Economic Analysis. The value of any in-kind infrastructure improvements made in local communities by casino developers will be collected from host community agreements, developer's plans (as available), or from casino operators or developers directly.

Government Expenditures

It is possible, or perhaps likely, that the introduction of casino facilities will result in higher levels of government expenditures (services, investment, maintenance) for host communities based on the activity directly at the facilities but also to serve potential new residents or other activity (e.g., greater need for police services due to increased tourism). Government expenditure measures include expenditures for services (including police, fire, ambulance, road maintenance, and sewer and water maintenance), and built infrastructure (building, operations and maintenance). Municipal expenditure data are available from the Massachusetts Department of Revenue Division of Local Services. Related primary data will be collected on municipalities as needed.

There are also state expenditures made to regulate gambling, namely, the costs associated with running the Massachusetts Gaming Commission. We will collect expenditure data directly from the Massachusetts Gaming Commission.

Additional Research

In addition to collecting and tracking the secondary data described above, there are other economic research steps and analyses needed to determine and measure economic and fiscal impacts of casino facilities.

REMI Model

For this project, the research team proposes to include a customized Regional Economic Models, Inc. (REMI) PI+ model for the state with appropriate sub-state regions to capture the casino facility regions and the rest of the state. Using REMI allows for dynamic, multi-year modeling, and the REMI PI+ software is specifically customized to generate realistic year-by-year estimates of the total regional effects of specific initiatives, such as casinos.⁹ A further strength of this analysis is that it will be based on real data from the casino operators and patrons reflecting actual conditions, measuring impacts as they occur over time. This approach is unique as most gaming facility studies are done in advance of the development and operation meaning that actual data are not yet available and the resulting estimates are based on prospective assumptions. Obtaining the REMI model also allows for a unique opportunity to measure the *predicted* economic impacts once the casino locations are selected and then compare these economic impact predictions with actual outcomes measured in this research and evaluation project.

Over the coming months, the team will work to finalize an economic modeling plan focused on the acquisition, configuration and use of a REMI model for Massachusetts. This plan will describe our planned uses of the model, geographic configuration, and options for purchasing the model, and then

⁹ More information on PI+ can be found on the Regional Economic Models, Inc. web page at: <http://www.remi.com/products/pi>

determine the best approach based on feedback from the SEIGMA team and MGC. We will then work with REMI to obtain and customize the model and complete initial testing and review of the model data, functionality, etc.

Several considerations have emerged during preliminary planning phases for the REMI analysis, which impact the time frame for purchasing the model and finalizing the methodology. The time frame for purchase of the model must take into account that selection and awards for licensees is not scheduled to be complete until 2014 (phased in over time with the slots parlor first, and the Southeast region facility later in 2014). The model needs to be customized according to clear specifications about the geographic regions needed in the analysis. Thus, we recommend that we wait for the final specifications and purchase of REMI until spring 2014. Based on our investigation to date, we will likely recommend purchase of a 70 industry sector model rather than the 160 sector model as it will provide the level of industrial detail necessary (in particular within the leisure and hospitality sector) for planned research purchases. We also now anticipate a model that configures one region surrounding each of the four anticipated casino facilities, likely built up from municipalities, and then a "rest of state" region to compose the full state.

Local/regional informant interviews

We will supplement our quantitative analysis with qualitative information provided by local informants. Once the casino facilities are selected and host communities are identified, our team will identify a selected group of 'key' contacts from each location. Likely key informant types include officials from local economic development offices, chambers of commerce, casino liaisons, local government, and real estate developers. Over the course of the project, interviews will be conducted with key informants to gain information on a variety of possible effects related to the presence of the new gambling establishment in their community. Information from local experts with on-the-ground knowledge of economic and fiscal conditions will provide contextual information on expected and actual impacts. Also, since many official data sets lag behind immediate conditions, key informants will function as a useful source of up-to-date information on observed economic and fiscal impacts in the host community. The economic analysis team will develop questions and protocols for the key informant interviews in coming months. Interview topics may include changes observed in the business community, changes in the amount of tax revenue collected, impacts on property values, changes in the utilization of public services, effects on numbers and types of visitors to the community, and impacts on the perceived overall direction of the economy.

Obtaining official information providers

The REMI analysis will rely on several types of primary data to be collected from the new gambling facilities. Important types of primary data for the model include information on construction spending during the construction phase, information on operating and capital expenditures during regular operating years, information on their employment and payroll spending (including the residential location of employees), and information related to patrons, their origins and their spending patterns. In the coming months, the team will undertake a process to identify which data measures will be obtained via surveys and which data measures will be obtained via officially designated data and information providers for host communities and gambling facilities. Ideal data contacts will have the authority to release the data and will be able to quickly identify and delegate data collection activities to fiscal administrators who can pull together the necessary data. Ideal fiscal administrators will have full access to and knowledge about the various types of fiscal data needed as inputs for the analysis. The fiscal administrators must also be available to answer follow-up questions about the data released.

Establishing official information providers for the project will be a key step in setting up the primary data collection plan for the REMI modeling process.

Review of relevant host city agreements and casino developer applications

Once casino proposals are awarded (phased in over time), the team plans to undertake a review of the host city agreements and applications by the successful candidates. Careful review of these documents will help the team develop a framework for data collection related to the new casino facilities, and the range and scale of activities proposed in each development project. This information will be used to do the “predictive” REMI modeling mentioned above. Host city agreements will provide information on the types of fiscal and other arrangements to be created between host communities and the new facilities.

Planning for statistical analysis

As secondary data is collected, organized and analyzed, it will be important to separate economic effects related to the new gambling facilities from those caused by other factors. In order to present analyses that make this distinction, the team will utilize methods which will allow some distinction to be made between effects that are likely related to the presence of the new facility and those that would likely have happened without the casino. In doing this type of analysis, researchers typically create a comparison of the region of interest (e.g., the host community or surrounding region) as the ‘treatment group,’ with a comparison region as the ‘control group.’

Special attention will be paid to defining appropriate control jurisdictions, and the team plans to conduct both more simple comparisons (such as trends in host communities compared to Massachusetts statewide or to the U.S.) and more complex statistical methods. In Massachusetts, comparisons could be made between casino jurisdictions and non-casino jurisdictions and non-neighboring-a-casino jurisdictions. In other cases, comparison regions could be chosen using various social and demographic variables for casino and non-casino jurisdictions, choosing control jurisdictions that are most similar to the casino jurisdiction. Analysis at the county level will be conducive to choosing control jurisdictions (counties) outside of Massachusetts since many of the variables analyzed and/or used in our matching model will be more typically available from secondary sources (e.g., U.S. Census, BEA, etc.). In some cases, simply comparing trends over time in the treatment region against behavior of the same measures in the control region will allow a distinction to be made. In other cases, more robust methodologies like regression analysis will be warranted. These methods will continue to be investigated by the research team with more detailed recommended approaches still to be developed.

Progress to Date and Timelines

The Economic and Fiscal Analysis team participated fully in the two-day project kick-off meeting in late April. In preparation for that meeting, they began crafting a refined set of economic/fiscal measures for the research study, including more specific information and discussions about data sources. At the meeting, the Economic and Fiscal Analysis team provided input to the larger SEIGMA Research Team regarding primary data collection procedures that will be critical for economic and fiscal analysis, with emphasis on including cooperation from the casino developers/operators in providing data on visitors, employees, and expenditures.

Since the project’s kickoff, the Economic and Fiscal Analysis team has worked extensively on creating a detailed matrix of the full-range of economic/fiscal measures that will be collected, tracked, monitored and presented over the course of this multi-year project. For each data-driven measure, the matrix includes information about the specific data source, geographic-level of coverage, frequency of updates,

and other relevant information. Additionally, the Economic and Fiscal Analysis team has worked closely with the Social Impacts Analysis Team to coordinate data collection methods, shared database development, and documentation. This has included multiple meetings to present and discuss data collection and documentation efforts to date. The Economic and Fiscal Analysis team has also discussed various options defining regions that surround the host communities, with emphasis on the most appropriate regional definition for economic impacts related to the labor market, suppliers, and consumer spending. The team met with Tim Brennan of the Pioneer Valley Planning Commission and spoke on the phone with John Ziembra, Ombudsman for MGC.

To plan data analysis, the Economic and Fiscal Impacts team has started investigating options for the REMI model purchase and learned that it is possible to develop sub-county regional models (e.g., based on municipalities), which is likely more appropriate for Massachusetts. The team has elected to delay the purchase of that model until the commission awards licenses to slot parlor and casino operators. The team has developed a technical memorandum describing their refined approach with greater detail about how they will conduct economic and fiscal impact research for this project, including a refined matrix of secondary economic and fiscal measures, a discussion of more complex analytical methods needed to establish control/comparison groups to isolate the effects of casinos, and anticipated primary data collection needs. Furthermore, the Economic and Fiscal Analysis team has begun collecting secondary data across all the measures presented in the data matrix (described above), and is organizing and documenting the data for a seamless integration into the SEIGMA team’s data management center.

Table 8 Economic and Fiscal Data Collection and Analysis Timeline

Date	Activity
Dec -2014 - Feb 2015?	Slot Parlor Opens? (1250 slot machines) (1 yr after announcement)
Jun 2015?	Collection of Gambling Venue data from Slot Parlor and Gov’t data regarding the new Slot Parlor (6 months after opening)
Jun 2015?	Gambling Employee Survey of Slot Parlor (6 months after opening)
Jun 2015?	Patron Survey & License Plate Survey of Slot Parlor (6 months after opening)
Apr 2016?	Boston (\$1B) and Western Massachusetts (\$800M) casinos opening? (2 years after announcement)
Oct 2016?	Collection of Gambling Venue data from the 2 new casinos and Gov’t data regarding the 2 new casinos (6 months after opening)
Oct 2016?	Gambling Employee Survey of the 2 new casinos (6 months after opening)
Oct 2016?	Patron Survey & License Plate Survey of the 2 new casinos (6 months after opening)
Apr 2016?	Boston (\$1B) and Western Massachusetts (\$800M) casinos opening? (2 years after announcement)
Oct-Nov 2016?	Southeastern Massachusetts casino (\$500M) opening? (2 years after announcement)
May 2017?	Collection of Gambling Venue data from the Southeastern casino and Gov’t data regarding the new Southeastern casino (6 months after opening)
May 2017?	Gambling Employee Survey of the new Southeastern casino (6 months after opening)
May 2017?	Patron Survey & License Plate Survey of the Southeastern casino (6 months after opening)

Problem Gambling Services Evaluation

Primary Data—Treatment Provider Survey

A team of researchers from the UMass School of Public Health and Health Sciences (SPHHS) is leading an evaluation of problem gambling treatment providers. The team began their work by identifying the number of people in Massachusetts who have been trained to treat problem gamblers. They identified 46 such treatment providers. The study aims to describe characteristics of problem gambling treatment providers, existing problem gambling treatment services, and problem gambling treatment client populations. The study will also collect and summarize treatment providers' recommendations for the most effective treatment approaches and organization of services for problem and pathological gamblers in Massachusetts.

All trained treatment providers (n=46) will be asked to voluntarily participate in this study. Those who are willing to participate will give informed consent and provide answers to the online survey questions. The research team will then analyze the data and prepare a study report. We anticipate that the results of the proposed study will be useful in improving current services.

Secondary Data—Helpline/Chat-room

In addition to individual treatment services, the Massachusetts Council on Compulsive Gambling (MCCG) offers free and confidential helpline and online chat services. Through these venues, service providers offer necessary information and referrals for self-help, treatment providers, and other community resources to people experiencing problems with gambling and to those concerned about someone else's gambling. Service providers record the characteristics of the clients, including their socio-economic information, residence (ZIP code), type and venues of gambling, reasons for the call/chat, and other information. In addition to the primary data collection strategies outlined above, the Treatment Provider Evaluation Team will collect and analyze secondary data from the MCCG's helpline and online-chat databases.

Progress to Date and Timelines

To date, the Treatment Services Evaluation Team has already prepared a study protocol and a questionnaire. They have submitted an application to the UMass Institutional Review Board (IRB) for approval. After obtaining IRB approval, they will develop the online survey and invite treatment providers to participate in the study.

UMass and the MCCG have signed a Memorandum of Understanding to establish guidelines and roles to facilitate the review and analysis of the helpline and online-chat services databases. The study protocol has been approved by the UMass IRB. UMass investigators are in the process of obtaining de-identified data from MCCG for analysis. Using the results of the analysis, the investigators plan to report trends in the utilization of helpline and online-chat services and describe the characteristics of the clients of these services, geographic locations of the clients, common days and times of the service utilization, common gambling types and venues used by the clients, and the reasons they contacted service providers. We anticipate that the results will be useful in improving current services.

Table 9 Problem Gambling Services Evaluation Timeline

Date	Activity
Aug 2013 – Jul 2014	Baseline Evaluation of Existing PG Treatment and Prevention Programs & beginning of ongoing collection of prevention/treatment stats
Dec -2014 - Feb 2015?	Slot Parlor Opens? (1250 slot machines) (1 yr after announcement)
Apr 2016?	Boston (\$1B) and Western Massachusetts (\$800M) casinos opening? (2 years after announcement)
Oct-Nov 2016?	Southeastern Massachusetts casino (\$500M) opening? (2 years after announcement)
Nov 2017 - Apr 2018?	Follow-Up Evaluation of Existing PG Treatment and Prevention Programs (1 year after all casinos have opened)

Data Management

The Data Management Center (DMC) is the central repository and coordination center for data and research reports generated by the SEIGMA Research Team. This section will describe the process for the DMC to receive data, review and prepare data, and make data accessible to the SEIGMA Research Team and the general public.

Receive Data

As mentioned in previous sections of this report, the SEIGMA Research Team will be collecting both primary and secondary data. Primary data will be collected by the team members, using the following tools: population surveys, treatment and prevention provider surveys, key informant interviews, focus groups, patron surveys, license plate surveys, employee surveys, and gambling venue operator surveys. Secondary data have been collected by sources outside the SEIGMA team and made available to the SEIGMA team.

Tables 9 and 10 display the social and economic impact indicators that the SEIGMA Research Team will collect. The units for the data records will typically be municipality, county and state. For some of the primary data, the record unit will be individual or household, with appropriate weighting variables included. The metrics used for each indicator are shown in these tables, along with the party responsible for collecting the data and the metric's data source.

Primary data

All primary data collection efforts will seek human subject ethics approval from the UMass Amherst Institutional Review Board (IRB) prior to collecting data. Documentation of applications and approvals will be stored with the DMC. The DMC will be responsible for assuring that all applications have been approved and are up-to-date before any data collection begins. Changes in any aspect of the primary data collection tool (for example, project design, procedures, consent forms, advertising materials, additional key personnel or subject population) will be submitted to the IRB for approval before instituting the changes. At this point, applications have been submitted to the UMass IRB for the *Baseline Population Survey*, *Online Panel Survey*, and *A Survey of Substance Abuse and Mental Health Treatment Providers* and approval is pending on all three applications.

Once the primary data has been collected and prepared, final data files will be delivered to the DMC electronically, together with a description of the collection methods, sampling and weighting activities,

and codebooks. The DMC will record the date of receiving files and store them on the School of Public Health and Health Sciences (SPHHS) secure server. Only SEIGMA Research Team members within the SPHHS will have access to said files.

Secondary data

Both the social and economic analysis teams will be collecting secondary data. This data will be delivered to the DMC in excel format. The Excel file will contain four worksheets: *source data* which contains the final dataset in excel format; *label* which lists all the variable names and their corresponding labels and formats; *description* which includes information about the description of series, data source, metric used, link to data, geographic basis, availability of data outside of Massachusetts, periodicity of updates, years included and available, time basis, date of download, alterations, and additional notes; and *code-A* which provides any coding information for variables. The DMC will record the date of receiving files and store them on the School of Public Health and Health Sciences (SPHHS) secure server.

Review and Prepare Data

Once data has been received and recorded by the DMC, each data file will be assigned a name, based on the source of the data and the type of the data. A naming convention will be used to allow for useful sorting and version control. The DMC will have a list of all data files accessible for the SEIGMA Research Team on the team web page and the U-drive, which are described in more detail in the data accessibility section.

A SAS program will be created to read in the data; labels formats and names will be applied. Within each data file, linking variables, such as state, county, municipality, DOR code, fiscal year, sex, ethnicity, race and age will be assigned the same name across data files. The remainder of the variables will be given a name XYNNN_MMM (where XYNNN= name of file, MMM=sequential numbering).

Variables will be checked for outliers and understanding. Any questions about the data will be referred back to the person who the DMC received the data from. Once the data has been cleaned and verified, it will be exported to an ASCII file and setup files for SAS and SPSS will be created. A flowchart describing the process will be provided, along with a list of the variables included in the data file.

Table 10: Social Impact measures

Measurement	Primary Data										Secondary data source	responsible for 2nd data	metric used for 2nd data	
	P	P	P	I										
Prevalence of PO												(n) if use secondary data at the individual level to estimate at MCS level		
	X			X	X									
Treatment provision		MCS		X	X									
Treatment/prevention costs											S	Kristna	Training expenses, treatment/prevention, material expenses, helpline/online chat service expenses, Helpline data (monthly # calls, demographics, type of gambling)	Massachusetts Council on Compulsive Gambling
Personal bankruptcy rates											S (check to see if can get at MC)	DMC	Total filings, total chapter 7 filings, business chapter 7 filings, non business chapter 7 filings	US Bankruptcy Court; Bankruptcy Abuse Prevention and Consumer Protection Act
Suicide rates											CS	Rosa	Cause of death, considered suicide, attempted suicide, attempted suicide that resulted in multiple injury, spoken to someone about suicide	CDC - Vital Statistics, BRFSS
Divorce rates	X										MCS	Rosa	Divorced in past 12 months	ACS
Marriage rates	X										MCS	Rosa	Marital status, married in past 12 months	ACS
Age	X										MCS	Rosa	Age	ACS; US Census Bureau; CDC -Vital Statistics
Race	X										MCS	Rosa	Race	ACS; US Census Bureau; CDC -Vital Statistics
Ethnicity	X										MCS	Rosa	Hispanic origin	ACS; US Census Bureau; CDC -Vital Statistics
Sex	X										MCS	Rosa	Male or female	ACS; US Census Bureau; CDC -Vital Statistics
Veteran status											MCS	Rosa	Veteran service disability rating, military service, veteran period of service	ACS
Household											MCS	Rosa	Household type, average household and family size, percentage of householders living alone	ACS
Health status											MCS	Rosa	Disability, immunization, women's health, body mass index, mental health status	BRFSS
Co-morbidities											MCS	Rosa	Arthritis, asthma, cardiovascular disease, cholesterol awareness, colorectal cancer screening, diabetes, hypertension awareness, oral health, prostate cancer	BRFSS
Income											MCS	Rosa	Household income, family income, retirement income, self-employment income, public assistance income, supplementary security income, social security income, yearly food stamps	ACS
Child welfare involvement rate											X	ibid		

	Measurement	Primary Data										Secondary data	responsible for 2nd data	Secondary data source (RFT) Behavioral Risk Factor Surveillance System (BRFSS) American Community Survey (ACS)			
		P o p u l a t i o n	T e r r i t o r y	K e y f e a t u r e s	P e r s o n s	P r o f e s s i o n s	L i f e s t y l e	E m p l o y m e n t	G a m b l i n g	S e c o n d a r y	S e c o n d a r y						
PUBLIC HEALTH	Health care services utilization and cost of purchasing related commodities												X	Rosa	Inpatient, outpatient and ED provision of health services and charges	Commonwealth of Massachusetts - Acute Hospital Case Mix Database; MA All Payer Claims Database	
	Health care facilities												X	Rosa	Inpatient psychiatric hospitals, outpatient physician or practitioner offices, or mental health clinics	MA: Employment and Training Administration (ETA); BLS Quarterly Census of Employment and Wages (QCEW)	
	Health care professionals												X	Rosa	Psychiatrists, psychologists, mental health and substance abuse social workers	MA: Employment and Training Administration (ETA); BLS Quarterly Census of Employment and Wages (QCEW)	
	Social welfare programs and unemployment insurance												X	Rosa	Supplemental Security Income (SSI); Temporary Assistance for Needy Families (TANF); State Unemployment Insurance (SUI)	US Social Security Administration; US DHHS, Agency for Children and Families; US and MA DOL, Employment and Training Administration	
QUALITY OF LIFE	Happiness and life satisfaction	X		X	X									MCS	M.C.S	Satisfaction with life	BRFSS
	Health habits													MCS	Rosa	Self-reported physical activity; fruits and vegetables consumption; tobacco & alcohol consumption	BRFSS
	Perception of health status													MCS	Rosa	Self-reported health status	BRFSS
	Perception of mental health status													MCS	Rosa	Self-reported mental health status (i.e. mentally unhealthy days)	BRFSS
SOCIAL CAPITAL/VALUES	Perceived social capital	X		X	X												
	Personal values	X		X	X												
ENVIRONMENTAL	Environmental attributes (e.g., noise, traffic congestion, etc.)	X		X													

Table 11 Economic Impact measures

[=Individual, H=Household, M=municipality, n=some municipality, C=county, S=State, X=to be determined	Measure	Primary Data										responsible for 2nd data	measures used for 2nd data	Secondary data source			
		P	T	P	L												
GOVERNMENT REVENUE	Gambling related revenue				X												
	Gambling Fees, Tax										X	X					
	Lottery Sales										MCS	MCS					
	Lottery Revenue										S	UMDX	Lottery Sales	Census of Governments			
	House racing revenue										M	UMDX	Lottery Revenue distributed locally	MA State Lottery Commission			
	Charitable Gambling Revenue										S	UMDX	House racing revenue	MA Gaming Commission			
	Non gambling revenue/in kind received				X												
PUBLIC SERVICES	Sales Tax												X	X			
	Personal Income Tax												S	UMCX	Sales Tax	U.S. Bureau of Economic Analysis, Regional Data, Annual State Personal Income and Employment Series	
	Property Tax												MCS	UMDX	Personal Income Tax	Massachusetts Department of Revenue (MA DOR) Division of Local Services	
	Govt expenditure on public services				X								M	UMDX	Property Tax	Massachusetts Department of Revenue (MA DOR) Division of Local Services	
REGULATORY COSTS	Public provision of public services				m												
	Regulatory Costs				X							X	S	UMDX	Services spending (Police, Fire, Ambulance, Sewer & Water Maintenance, etc)	Massachusetts Department of Revenue (MA DOR) Division of Local Services	
BUSINESS STARTS AND FAILURES	Change in private business revenue from gambling operations (gambling & nongambling)				X								X	UMDX	Regulatory Costs, including offset of fees within gambling related revenue	MA Gaming Commission	
	Business Bankruptcies				X									CS	UMDX	Business spending (Police, Fire, Ambulance, Sewer & Water Maintenance, etc)	Massachusetts Department of Revenue (MA DOR) Division of Local Services
BUSINESS REVENUE	Business Establishments													MCS	UMDX	Business Starts and Closings	United States Courts, Administrative Office of the U.S. Courts on behalf of the Federal Judiciary, Bankruptcy Division, OR Federal Judiciary Public Access to Court Electronic Records (PACER) Historical data are required
	Change in revenue levels in industries most typically affected by the introduction of gambling				X								X	UMDX	Business Establishments (Total and by 2-digit NAICS and selected 4 digit NAICS)	Massachusetts Office of Labor and Workforce Development, Labor Market Information, ES-2020QCEW	
TOURISM	Tourism spending						X							mCS	UMDX	Change in private business revenue from gambling operations (gambling & nongambling)	Massachusetts Office of Travel and Tourism, Chambers, RPAs (qualifier)
	Number of visitors						X							mCS	UMDX	Change in revenue levels in industries most typically affected by the introduction of gambling	Massachusetts Office of Travel and Tourism, Chambers, RPAs (qualifier)
	Leisure/Hospitality Jobs at Non-Casino Gaming Facilities													MCS	UMDX	Leisure/Hospitality Jobs at Non-Casino Gaming Facilities	Massachusetts Office of Labor and Workforce Development, Labor Market Information, ES-2020QCEW
PERSONAL INCOME	Average personal & household income	X												MCS	UMDX	Wages (Total and by 2-digit NAICS)	Massachusetts Office of Labor and Workforce Development, Labor Market Information, ES-2020QCEW
	Household Income (Median, Quartiles)													mCS	UMDX	Household Income (Median, Quartiles)	U.S. Census American Community Survey
	Per capita Transfer Payments													CS	UMDX	Per capita Transfer Payments	U.S. Department of Commerce Bureau of Economic Analysis Personal Income Accounts
	Poverty rates	X												mCS	UMDX	Poverty Rates	U.S. Census American Community Survey
HOUSING	Assessed Property Values													MCS	UMDX	Assessed Property Values for Commercial and Residential	Massachusetts Department of Revenue (MA DOR) Division of Local Services
	Housing starts													mCS	UMDX	Residential Building Permits	MA State Data Center/U.S. Census Building Permit Survey
	Average rental cost													mCS	UMDX	Rental Housing Costs (by type of unit)	U.S. Census American Community Survey
	Property Sales Value													personal	UMDX	Property Sales Value	C.B. Richards EIS
	Vacancy Rate													m	UMDX	Vacancy Rate	C.B. Richards EIS
	Lease Rate Per Square Foot													m	UMDX	Lease Rate Per Square Foot	C.B. Richards EIS
Net Market Absorption (retail and commercial)													m	UMDX	Net Market Absorption (retail and commercial)	C.B. Richards EIS	

	Measurement	Primary Data												responsible for 2nd data	source used for 2nd data	Secondary data source	
		P	P	I													
INFRASTRUCTURE VALUE	Ball Infrastructure Costs									X			M	UMDI	Risk Infrastructure Costs	Massachusetts Department of Economic (MA DOR) Division of Local Services	
	Casino Construction Expenditures																
	Casino Payroll Operator Expenditures																
	Casino Employment																
GAMING & COSTS OF GAMING SUPPLIES	Gaming Infrastructure Contributions																
	Services Utilization																
EMPLOYMENT	Wages paid by businesses													MCS	UMDI	Business Establishments (Total) and by 2-digit NAICS and selected 4 high NAICS)	Massachusetts Office of Labor and Workforce Development, Labor Market Information, IS-2000CEW
	Employment													MCS	UMDI	Employment	Massachusetts Labor and Workforce Development, Local Area Unemployment (LAI)
	Unemployment Rate													MCS	UMDI	Unemployment Rate	Massachusetts Labor and Workforce Development, Local Area Unemployment (LAI)
	Labor Force													MCS	UMDI	Labor Force	Massachusetts Labor and Workforce Development, Local Area Unemployment (LAI)

Data Accessibility

SEIGMA team website

The SEIGMA Research Team website is used to share information and data between team members. It is not meant for public use; hence, the layout is not elaborate. The web site is extremely secure, with a multi – level process to access the web site and frequent changes to logon information. This web site is accessible to all SEIGMA Research Team members, but files can only be uploaded by the DMC.

There are five areas included on this website; conversations, meeting notes, methods, data and results. *Conversations* include links to articles in regional newspapers, along with summaries of discussions SEIGMA team members have had with other key players involved in this research project. *Meeting notes* will include minutes from SEIGMA team meetings and *methods* will contain research methods and surveys used for primary data collection. *Data* displays the data that will be collected for social and economic indicators. Team members will be able to download ASCII files and a SAS or SPSS setup file to use the data for analyses. *Results* will display the results and reports of analyses.

U-drive

The U-drive is UMass Amherst’s Web-based file storage and sharing system. The DMC created an account on the U-drive for SEIGMA team members to share files. This is the best way to share files online and maintain a high level of security and confidentiality. Permission has been granted to SEIGMA Research Team members who are on UMass campus to access the SEIGMA folder on the U-drive. For SEIGMA Research Team members who are not located on UMass campus, electronic tickets have been sent to them to allow them access to the folder.

This account will be used for works in progress (ex: reports, timelines, questionnaires, etc.). Data files will not be stored on this account. SEIGMA Research Team members are able to upload and download files to/from this account. Editing of files cannot be done on the U-drive.

SPHHS Secure Server

The SPHHS secure server is a networked UMass data storage system, overseen by the Office of Information Technology at UMass. The SEIGMA Research Team has been dedicated space on this secure

server to store information. This information will be only accessible by School of Public Health and Health Sciences SEIGMA Research Team members through the on-campus network.

SEIGMA public website

The SEIGMA public website will be used to share information and data with the general public. Since this will be accessible to the public, attention has focused on the look and feel of this site. A more detailed description of the development of the website follows. Projection of a live date for this site is November 6, 2013. The SEIGMA team will publicize this website to ensure a wide and varied audience.

In addition to the six content areas described below (the homepage, the news page, the people page, the publications page, the links page, and the contact page) more pages will be added in the future to share the data and reports generated by the SEIGMA team. The data will be displayed in both numerical and graphical form.

Development of SEIGMA Public Website

The SEIGMA website utilizes a template created by UMass University Relations on the Drupal content management system (CMS). The website is being developed through close collaboration between researchers Rachel Volberg and Martha Zorn and web content manager Matt Medeiros.

The process began when Medeiros and Zorn took a training course with University Relations. After this introduction to the CMS platform, the website team began outlining the overall organization of the site. The process began with a discussion of constituencies likely to use the site, including: activists for and against gambling, Massachusetts Gaming Commission (MGC) representatives, and other researchers. With a defined audience the next step was brainstorming content areas of the website. The website team determined key content areas of the site, which are divided amongst six areas: the homepage, news page, people page, publications page, links page, and contact page. The homepage is a nexus for recent notable project activity and basic information on the study. The news section will showcase media coverage of the study, other research findings, and other relevant new academic studies from outside researchers. Sidebars in the news section provide links to other media coverage relating to gambling in Massachusetts. The people page provides biographies of SEIGMA Research Team members. The publications page provides links to publications that are relevant to the study, including the SEIGMA Research Plan and a 2011 Social and Economic Impacts of Gambling Report that provides the theoretical framework for the SEIGMA study. Once initial data is ready to share with the public, this page will also showcase research findings. The links section is divided into three sections: research links, for information on academic and governmental studies of gambling and its impacts; regulator links, for links to regulatory agencies in New England and elsewhere; and problem gambling links, which includes links to the National Council on Problem Gambling as well as to all of the New England councils. Content areas will likely evolve through the course of the study. The contact page features contact information for general and media inquiries.

In terms of overall look and feel of the site, one chief visual component is the project logo, created by contractor Heidi Stevens of On Design Studio in Leeds, Massachusetts. This logo is present on all pages on the SEIGMA website, along with text in a footer specifying that SEIGMA is funded by the MGC. Additional visual flare is added through a series of header images on the six content pages: home, news, people, publications, links, and contacts. The series of photos, used from copyright-free image libraries, illustrate positive, negative, and neutral images relating to legalized gambling. Positive photos include images evocative of cash winnings of gamblers and construction jobs and development related to gambling venues. Neutral photos include gambling imagery such as cards, horse races, and slot

machines. Negative photos include automobile congestion and images evocative of increased crime related to gambling.

The project timeline is projecting a live date for the site of November 6, 2013. The URL for the site is: www.umass.edu/seigma.

Recommendations for Future Research Activities

The methodology of the current cross-sectional research agenda, while robust in many regards, can only provide a population-based “snap shot” of the dynamic process of behavior change during a time of gaming expansion. In other words, it can give you detailed information at a given point in time but cannot tell you the process of change along the way.

In contrast, a longitudinal cohort study follows a group of people with a shared experience (exposure to expanded gaming) at intervals over time. This type of study can provide detailed etiological information of how gambling and problem gambling develops, progresses, and remits. The information collected through a cohort study has significant value as it will highlight risk and protective factors important in developing effective prevention, treatment, and recovery support services.

On October 21, 2013 the MGC with the advice of the Gaming Research Advisory Committee recommended to the Gaming Policy Advisory Committee that a longitudinal cohort study be added to the MGC Research Agenda. Additionally, in order to capitalize on an opportunity to collect prospective baseline information in advance of expanded gaming in the Commonwealth, the MGC recommended the cohort study be launched in the near future and well in advance of slot parlor operations.

The Gaming Policy Advisory Committee voted unanimously to support this recommendation.

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