



Gaming Policy Advisory Committee Meeting Minutes

(The minutes are posted for informational purposes but were not voted on during the Feb 9, 2021 meeting due to membership changes/quorum limitations.)

Date/Time: November 12, 2019 @ 2:00 p.m.

Place: State House, Room 437, Boston, Massachusetts

Members Present:

Karen Sawyer Conard, GPAC Chair	Brian Lang
Representative Angelo L. D'Emilia	Senator Eric. P. Lesser
Representative Ann-Margaret Ferrante	Victor Ortiz
Helen Caulton-Harris	Paul Picknelly
Cathy Judd-Stein, MGC Chair	Senator Dean Tran

Call to Order

Chair Karen Sawyer Conard called the meeting of the Gaming Policy Advisory Committee ("GPAC") to order. She welcomed all and turned the meeting to MGC Chair Cathy Judd-Stein.

Chair Judd-Stein thanked Jill McCarthy Payne for her role on the GPAC and as Chair to the Local Community Mitigation Advisory Committee ("LCMAC") for Region B. Chair Judd-Stein noted that this would be Chair Conard's last GPAC meeting and thanked her for her service as Chair of the Committee. Chair Judd-Stein discussed her recent attendance of the Summit on Diversity In Construction that was held in October at Smith College in Northampton, then turned the meeting back over to Chair Conard.

Chair Conard then mentioned the main items on the agenda, which would be presented by Massachusetts Gaming Commission ("MGC") staff: an update on sports gambling by Justin Stempeck, MGC Associate General Counsel; an administrative update from Ed Bedrosian, MGC Executive Director; a presentation by MGC Director of Racing Doctor Alex Lightbown regarding the status of Region C and the racing deadline; and an update from MGC Ombudsman John Ziembra and MGC Construction Oversight Manager Joe

Delaney about the proposed 2020 Community Mitigation Fund (“CMF”) Guidelines.

Chair Conard then directed the members to vote whether to approve the previous meeting’s minutes. Mr. Picknelly moved to approve the minutes. Upon being seconded, the members voted.

Roll call vote:

Ms. Conard: Aye.

Mr. D’Emilia: Aye.

Ms. Ferrante: Aye.

Ms. Harris: Aye.

Ms. Judd-Stein: Aye.

Mr. Lang: Aye.

Mr. Lesser: Aye.

Mr. Ortiz: Aye.

Mr. Picknelly: Aye.

Mr. Tran: Aye.

The motion passed 9:0.

Sports Gambling Update

Chair Conard introduced Mr. Stempeck for the presentation on sports gambling. Discussion commenced on how to maintain the integrity of sports, how sports betting has been getting organized and refined over the past six months, and the fact that very few states have enacted sports betting. Mr. Lang asked about where the revenue made from sports betting goes, to which Mr. Stempeck answered that it does not go to the athletic teams but its tax revenue tended to go to their states.

Mr. Stempeck explained that the term “handle” is the total amount of money bet and the portion of every wager kept by the sportsbook after winnings are paid out is the “revenue”. He also noted that “hold” is another term for this revenue, usually referring to the percentage held.

Chair Judd-Stein asked whether holds are dictated by statute, to which Mr. Stempeck replied that there is a wide range of taxes taken by states on betting. Ms. Ferrante asked if all of the state do collegiate betting. Mr. Stempeck answered that various states have different approaches. Ms. Ferrante also asked if there is any state that has an outright ban on sports gaming. Mr. Stempeck said he would need to get back to her regarding that question.

The question of whether there were different services by different sportsbooks was raised. Mr. Stempeck answered that in jurisdictions with sport betting there is more competition among different sportsbooks.

Mr. Stempeck noted statuses of other states: 80% of New Jersey's sports betting revenue comes from online operations, and New Hampshire just passed its sports betting law.

Mr. Lang asked whether there were any studies about impacts on compulsive gamblers. Mr. Stempeck answered that he had not seen anything but it is being studied. He also noted that there was no confirmed data as there haven't been a lot of studies (especially because sports betting had previously been done on the black market). Mr. Stempeck noted that people want to get rid of the black market in order to provide protections and a framework, which legalizing would enable.

Administrative Update- Status of Region C

Chair Conard then noted that Mr. Bedrosian would be giving a brief presentation, after which the Committee would hear an administrative update of the status of Region C and racing by Dr. Lightbown.

Mr. Bedrosian explained how the expanded gaming law sectioned Massachusetts into three regions named A, B, and C. He noted that Encore Boston Harbor was in Region A, MGM was in Region B, but Region C did not have a licensee. Region C has had no commercial licensee application since 2016. In addition, the Mashpee Wampanoag people's tribal gaming status is currently still tied up in litigation, as the previous ruling of their land as a federal trust, and therefore their right to build on the land, was revoked by the federal government during the current administration. There was a question at the September 12, 2019 Commission meeting about whether MGC had the authority to reconsider its denial of a license to Massachusetts Gaming and Entertainment ("MG&E") and if so, whether there were sufficient grounds to do so. The Commission decided that they did have the authority to reconsider its denial, but denied doing so based on lack of grounds. The Commission then would continue to deliberate on Region C's licensure status.

Mr. D'Emilia asked what a sufficient amount of time would be for the Commission to decide what to do to allow Region C's license. He understood the complications surrounding the tribal casino but opined that they should have definitive dates. Mr. Lang asked whether the Commission should set up a timeline to get a casino for Region C. Mr. D'Emilia feared a loss of income for the region. Ms. Ferrante asked about the loss to Region C incurred by not going forward with casino plans. Mr. Lesser inquired about the reasons the Commission could not move forward with licensing while the tribe's land status legislation is still being decided in the federal government. Ms. Ferrante wondered if Region C received prejudice because of the tribal application, and whether the Mashpee Wampanoag tribe is being treated differently from any other prospective licensee. Mr. Bedrosian reminded members that during the legislation review there had been an initially different legal status of that region. Mr. D'Emilia felt that a sufficient amount of time had passed to now go

forward in Region C. Mr. Lesser wondered if there was a reason they couldn't go on a parallel track, if there's anything preventing the Commission from going forward at the same time as the tribal legislation was being deliberated.

Next came a discussion around different casino models. Ms. Ferrante noted that with only two casinos in the state, there wouldn't be enough competition. Mr. Bedrosian said that he has been trying to look at the economic results of the casinos. Ms. Ferrante then asked if they could have any information on retention of casino dollars. Mr. Bedrosian commented that he could provide information on this and on recapturing revenue to the Committee.

Administrative Update- Racing Deadline

Mr. Bedrosian reminded the Committee that simulcasting and racing would become technically illegal if the racing statute is not extended by January 15th. The Commission did approve Plainville to continue harness racing last year if racing is still viable. Dr. Lightbown noted that the Plainridge harness racecourse had 80 employees, including 50 on simulcast and ancillary employees such as veterinarians and farm owners.

Community Mitigation Fund Guideline Review

Chair Conard then turned the meeting over to Mr. Ziemba and Mr. Delaney to discuss the CMF 2020 guidelines.

Mr. Ziemba noted the Commission's plans to publish requests for responses ("RFRs") in December and that as part of it, the guidelines had been open for public comment and will close on November 25th. The first change from the prior year was the new overall funding limit of \$11.5M. He noted that the next revenue figures will be available on November 15th and he will have to reconsider the \$11.5M figure.

Mr. Delaney then explained the Section 61 look-back traffic studies. For the next ten years Encore has one every 6 months while MGM has one a year. Those have not yet been completed. A question arose about if CMF funds could be used for transportation system construction. Mr. Delaney explained that even small transportation projects can be large dollar figures, so they would still need studies. He also explained trying to find a way to resolve the issue of whether to spend on construction projects. The guidelines proposed a target spending amount but did not entertain multi-year grants. Mr. Lang asked if there was input from MassDOT on how to maximize their funds.

Chair Conard then turned the meeting to Chair Judd-Stein, who presented a plaque to Chair Conard as a token of appreciation.

3:30 p.m. Having no further business, the meeting was adjourned by Chair Conard.

List of Documents and Other Items Used

1. Massachusetts Gaming Commission, notice of meeting and agenda dated November 12, 2019
2. Massachusetts Gaming Commission, minutes from July 11, 2019 GPAC meeting
3. Massachusetts Gaming Commission, list of members
4. Massachusetts Gaming Commission, "Massachusetts Sports Betting: Update Fall 2019" PowerPoint presentation
5. Massachusetts Gaming Commission, discussion memorandum on Region C
6. Massachusetts Gaming Commission, 2020 Community Mitigation Fund Draft Guidelines