

Massachusetts Legislature Mulls Sports Betting Proposals

Written by Jeremy W. Meisinger, Cloe Pippin, Jared Kadich

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Massachusetts legislators are currently considering proposals to legalize sports betting in Massachusetts, which would permit individuals 21 and over to place bets on professional and college sports and similar events through a variety of in-person and electronic means.

The leading proposal – [H.B. 3993](#) – passed the Massachusetts House of Representatives with near unanimity on July 23, 2021, moving the action to the Senate Ways and Means Committee. The Senate has been working on its own set of bills, including [S. 269](#), which would legalize sports betting in the Commonwealth along similar lines to the House Bill.

While the House and Senate proposals differ somewhat in their particulars, they share common features that are likely to emerge in any legislative compromise:

Three Main Licensure Categories

Both bills envision three main types of licensed sports betting activities:

1. **Category 1** licenses, which would permit licensed gaming establishments to conduct betting activities both in person as well as through individually-branded mobile apps. This category would include the Commonwealth’s casinos – such as MGM Springfield – and slots parlors licensed by the Gaming Commission.
2. **Category 2** licenses, which would permit establishments that conduct live horse or greyhound racing (or that are authorized to conduct simulcast wagering on horse or greyhound racing) to offer betting either in-person or through an individually-branded app.
3. **Category 3** licenses, which permit sports betting through free-standing mobile apps that are not tied to a particular gaming establishment, racetrack, or simulcast facility.

Thorough Licensee Evaluation by the Gaming Commission

Both bills also lean heavily on the Gaming Commission’s existing practice of conducting suitability investigations of potential gaming licensees, envisioning that the Commission will examine, among other factors, integrity and good character of the applicant, the applicant’s financial stability and background, and its operational history in other jurisdictions.

Significant Requirements Around Security and Betting Integrity

The security and integrity of betting activity is top of mind for both the House and Senate. Both proposals intend to put in place substantial restrictions on betting by employees, owners, and family members of licenses, as well as individuals involved in sporting contests.

Broad Potential Participation

Both bills would permit participation in sports betting by individuals physically located in Massachusetts who are at least 21 years of age. As with the Commonwealth’s current laws concerning gaming, the Gaming Commission would promulgate rules to facilitate self-exclusion by self-identified problem gamblers.

Significant Levels of Taxation

The bills differ in their specifics as to taxation. The House bill calls for a 12.5% excise on gross receipts for in-person sports betting, and 15% on betting through mobile applications. The Senate bill is more aggressive, looking to impose excise rates of 20% and 25%, respectively.

Potential Future Developments

Both bills contemplate that legalization will be the first, but not the last, step in regulated sports betting, calling for additional study and consideration of possible future initiatives. The House bill specifically calls for studies of allowing sports wagering kiosks in restaurants and bars, as well as permitting professional sports teams in Massachusetts to permit sports betting through either mobile apps or sports facilities (i.e., a professional football team could be permitted to offer betting either at its home stadium or through an app). The Senate bill calls for a study of the burgeoning e-sports industry and e-sports betting, with particular attention to the potential impacts of e-sports betting on young people.

We will continue to monitor these legislative developments closely.

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