

The Commonwealth of Massachusetts

THE COMMONWEALTH OF MASSACHUSETTS

EXECUTIVE DEPARTMENT

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WILLIAM F. WELD  
GOVERNOR

ARGEO PAUL CELLUCCI  
LIEUTENANT-GOVERNOR

May 20, 1996

To the Honorable Senate and House of Representatives:

I am today signing House Bill No. 5608, "An Act Relative to the Implementation of the Lottery Game Called Keno."

By providing cities and towns with authority to object to the issuance of Keno licenses within their borders, this bill grants municipalities much needed local control. I, therefore, support this bill and commend the Legislature for granting communities a choice in determining whether to host Keno facilities.

I am, however, simultaneously filing corrective legislation to address a shortcoming in House Bill No. 5608 regarding the distribution of increases in local aid deriving from Keno revenues. Under the bill, no growth in Keno revenues would go to communities without Keno, even if they have never rejected a Keno application, unless such communities have no licensed lottery agents or persons licensed to sell alcoholic beverages on premises in the community. This provision affects ninety-two communities in Massachusetts. Under the proposed correction I am filing, only those communities that take affirmative steps to reject Keno will not share in local aid deriving from the growth in Keno revenues, that is, only where Keno is prohibited by local bylaw or ordinance or where the local licensing body has objected to the granting of three or more Keno license applications. This is a concept proposed to me by the Massachusetts Municipal Association, and I think it more fairly apportions Keno revenues than the provisions in House Bill 5608.

Respectfully submitted,

William F. Weld  
Governor

## The Commonwealth of Massachusetts

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In the Year One Thousand Nine Hundred and Ninety-Six.

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AN ACT RELATIVE TO LOCAL AID FROM THE LOTTERY GAME CALLED KENO.

*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. Section 27A of chapter 10 of the General Laws is  
2 hereby amended by striking out subsection (c) and inserting in  
3 place thereof the following subsection:—

4 (c) For the purposes of this subsection, “Keno growth  
5 revenues” shall be defined as the difference in the amount of net  
6 revenues generated by the Keno game in each fiscal year begin-  
7 ning on July first, nineteen hundred and ninety-six and thereafter,  
8 minus the amount of net revenues generated by the Keno game in  
9 the fiscal year beginning on July first, nineteen hundred and  
10 ninety-five, which shall be known as the base year. “Net  
11 revenues” shall be defined as revenues less prizes, sales agent  
12 expenses, and allocated administrative expenses incurred relative  
13 to Keno operations. In the fiscal year beginning on July first,  
14 nineteen hundred and ninety-six, and in every fiscal year there-  
15 after, said Keno growth revenues shall be distributed through the  
16 lottery aid formula to all cities and towns except those in which  
17 there has been adopted and approved by the attorney general,  
18 when required, a bylaw or ordinance prohibiting the operation of  
19 Keno; or in those cities and towns where no Keno license has  
20 been approved by said commission and the local licensing board  
21 has objected under the provisions of paragraph (b) to the granting  
22 of three or more licenses (hereinafter, referred to as a “non-Keno  
23 municipality”). After the fiscal year beginning on July first,  
24 nineteen hundred and ninety-six, if a municipality becomes a non-  
25 Keno municipality within the meaning of this subsection, said  
26 municipality shall receive in the subsequent fiscal years in which  
27 it remains a non-Keno municipality, an amount of Keno growth  
28 revenues equal to the amount it received during the fiscal year it  
29 became a non-Keno municipality; provided, however, that if such

30 a non-Keno municipality later elects to participate in Keno either  
31 by repealing an ordinance or bylaw prohibiting the operation of  
32 Keno or by granting a Keno license, the base year for calculating  
33 subsequent Keno growth revenues to be distributed to such munic-  
34 ipality shall be the fiscal year during which the municipality  
35 became a non-Keno municipality.

