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By Mr. McGee of Lynn (by request), petition of Elmer F. Keller that provision be made for a state sweepstake and for establishing the Massachusetts sweepstakes commission. Ways and Means (Joint).

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## The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Sixty-Five.

AN ACT PROVIDING FOR A STATE SWEEPSTAKE, ESTABLISHING THE MASSACHUSETTS SWEEPSTAKES COMMISSION AND DEFINING ITS POWERS AND DUTIES.

*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. Chapter 10 of the General Laws is hereby  
2 amended by inserting after section 21 the following five sec-  
3 tions:—

4 *Section 22.* There shall be in the department of the state  
5 treasurer, but not subject to his supervision or control, a board  
6 to be known as the Massachusetts sweepstakes commission, in  
7 this and the four following sections called the commission. The  
8 commission shall consist of three members who shall be ap-  
9 pointed by the governor with the advice and consent of the  
10 council, one of whom shall be appointed for a term of one year,  
11 one for a term of two years and one for three years, and upon  
12 the expiration of the term of office of any member, his suc-  
13 cessor shall be appointed for three years. In the event of the  
14 death or resignation of any member, prior to the expiration of  
15 such term, the resulting vacancy shall be filled by appointment  
16 for the remainder of the unexpired term, made in the same  
17 manner as an original appointment. The chairman of the com-  
18 mission shall be elected by the commission. No person shall be  
19 appointed as a member of the commission who shall be an  
20 employee of or have any financial interest in any licensee  
21 licensed to conduct horse or dog races in this commonwealth.  
22 The members of the commission shall receive an annual salary  
23 of twenty-four hundred dollars and shall be reimbursed for  
24 their necessary expenses incurred in the performance of their

25 duties, including transportation. The written approval of  
26 the chairman of the commission of bills or vouchers for neces-  
27 sary expenses incurred by the commission shall be sufficient  
28 to authorize the comptroller to certify such bills or vouchers.  
29 The commission may employ an executive director, secretarial  
30 and clerical assistants and such other assistants, including  
31 technical experts, as may be required in the performance of its  
32 duties, and may acquire suitable office space within the com-  
33 monwealth together with necessary furniture, equipment, and  
34 supplies necessary to operate the same; provided, however,  
35 that all expenses of the commission, including salary expenses,  
36 shall be paid out of funds derived from the sale of sweepstakes  
37 tickets. The commission shall annually, on or before the first  
38 day of February, report to the governor, giving a full and com-  
39 plete account of its actions, its receipts and recommendations  
40 for legislation advisable to promote the application of the  
41 sweepstakes.

42 *Section 23.* The sweepstakes commission is hereby author-  
43 ized to contract with any licensee, to conduct within the en-  
44 closure of any race track licensed to conduct horse or dog races,  
45 but not elsewhere, not over two sweepstakes races in each  
46 calendar year. The commission shall make the rules and regu-  
47 lations for the holding and conducting of such sweepstakes races  
48 and the sales of tickets thereon and shall be empowered to  
49 make such provisions as it may deem necessary for the licensing  
50 of vendors of such tickets as well as to employ such technical  
51 assistants and employees to carry out the objects of the com-  
52 mission. The commission shall establish and fix the purses, not  
53 to exceed in the aggregate for a single calendar year the sum of  
54 two hundred thousand dollars, to be awarded to horses par-  
55 ticipating in such sweepstakes races; shall establish the price  
56 of sweepstakes tickets, to be not more than three dollars each;  
57 shall establish the method whereby tickets sold upon said sweep-  
58 stakes races shall be determined to be winning tickets; shall  
59 establish the method whereby tickets shall be sold; and shall  
60 establish the money or prizes to be awarded holders of winning  
61 tickets. In establishing the money or prizes to be awarded the  
62 holders of winning tickets and the purses for the horses, the  
63 commission shall be governed by the fact that the primary  
64 purpose of the sweepstakes is to raise revenue for the purpose of  
65 relieving real estate taxation. They shall conduct such studies,

66 and make such investigations, either directly or through their  
 67 agents, as will apprise them of the prizes and money awarded  
 68 to the holders of winning tickets in similar drawings whenever  
 69 held. They shall consider the size of the purses for horses as  
 70 bearing on the question of gaining public confidence in the  
 71 sweepstakes races. They shall fix the prizes and amounts of  
 72 money to be awarded winners as well as the purses for the  
 73 horses in such manner as will yield the largest net revenue for  
 74 the benefit of real estate taxpayers, bearing in mind the ex-  
 75 penses to be incurred, and all other factors which tend to in-  
 76 fluence net revenue.

77 *Section 24.* The sweepstakes commission shall collect and  
 78 hold the proceeds of ticket sales in a special fund, from which it  
 79 shall pay all expenses incident to the administration of the  
 80 commission, including, but not limited to, printing expenses,  
 81 distribution and sale of tickets, the purses to be awarded, the  
 82 prize money to be paid to holders of winning tickets, all of the  
 83 expenses, including salaries, of the commission and its em-  
 84 ployees and the necessary expenses of the licensee conducting  
 85 such races. Any funds remaining shall be paid over to the  
 86 state treasurer who shall keep the same in a separate fund  
 87 which shall be distributed on December fifteenth of each year  
 88 to the cities and towns of the commonwealth on a pro rata  
 89 basis for the purpose of reducing the real estate taxes of the  
 90 cities and towns. The amount payable to each city and town  
 91 shall be a per centile amount equal to the per centile amount of  
 92 real estate taxes paid in each city and town of the common-  
 93 wealth to the total amount of real estate tax paid by all of the  
 94 cities and towns of the commonwealth.

95 *Section 25.* Sweepstakes tickets shall not be sold in any city  
 96 or town unless a majority of the registered voters in each such  
 97 city or town voting on the question of permitting such sales  
 98 when said question was last submitted to them, as hereinafter  
 99 provided, shall have voted in the affirmative. The secretary of  
 100 state shall cause to be placed on the official ballot to be used  
 101 in the cities and towns at the biennial state election in the year  
 102 nineteen hundred and sixty-six, and in every second year  
 103 thereafter, the following question:—“Shall the  
 104 tickets of the state sweepstakes be sold in this city  
 105 or town?”

YES.	<input type="checkbox"/>
NO.	<input type="checkbox"/>

106 If a majority of the votes cast in any city or town in answer to

107 this question are in the affirmative, such city or town shall be  
108 taken to have authorized the sale of sweepstakes tickets therein.

109 *Section 26.* If the governor and the council so authorize, the  
110 sweepstakes commission may add to the selling price author-  
111 ized, an amount not in excess of the amount of any tax levied  
112 against the proceeds from the sale of sweepstakes tickets in the  
113 hands of said commission, and the commissioner may pay such  
114 taxes out of such proceeds, but only under protest. In paying  
115 any such tax the commission is instructed to assert with its  
116 protest, in addition to such other reasons as it may deem to be  
117 appropriate, the contention of the commonwealth of Massa-  
118 chusetts, that taxes may not lawfully be imposed upon the type  
119 of state revenue measures as is represented by the provisions  
120 of this act.

1 SECTION 2. All laws, general or special, which may be in-  
2 consistent with the provisions of this subdivision are hereby  
3 amended by the extent of the provisions of this act.

1 SECTION 3. The provisions of this act are severable, and if  
2 any of its provisions shall be held unconstitutional by any court  
3 of competent jurisdiction, the decision of such court shall not  
4 affect or impair any of the remaining provisions.