

Internet Gaming Legislation in Massachusetts

February 13, 2018

By: Karl Rutledge

Senator Eileen M. Donoghue has introduced Senate Bill 2273 (“SB 2273”) into the Massachusetts legislature to regulate online gaming, daily fantasy sports, and online sports betting. While the focus of the bill is currently on daily fantasy sports, as the Legislature needs to act by July 31, which is when temporary authority allowing daily fantasy sports to operate in the state expires, the scope of the overall bill is concerning.

The bill reads like typical fantasy sports legislation, with one notable exception. The term “Online Game” is defined in the bill is as follows:

[A] game, including DFS, offered through the internet or through other communications technology that allows a person utilizing money or currency of any kind to transmit information to (i) risk something of value, (ii) on the outcome of an event, (iii) with an opportunity to win a prize.

Since the definition of “online game” is so broad, this bill could be construed to capture existing online contests of skill and also subject them to regulation. The definition also lines up with the recommendations of the Special Commission on Online Gaming, Fantasy Sports Gaming and Daily Fantasy Sports that were submitted last July:

At this time, the Special Commission recommends legalizing DFS as a subset of online gaming and enacting legislation that would put into law the proposed regulatory, governance, and taxation system described above.

As you may recall, that report specifically referenced skill gaming and eSports. Thus, there is a real concern that Massachusetts (whether intentional or not) will regulate all forms of online gaming (including skill gaming) in addition to online games of chance, daily fantasy sports and sports betting (should the Supreme Court overrule PASPA).

The Joint Committee on Economic Development and Emerging Technologies will hold a public hearing on Wednesday, February 14, 2017 to discuss SB 2273.

If this legislation is of concern and you would like to discuss further or explore the retention of lobbying representation in Massachusetts, either alone or in collaboration with other operators in the skill-gaming space, please contact Karl Rutledge at KRutledge@lrrc.com.



Karl Rutledge
Partner
650.687.8443 direct
KRutledge@lrrc.com
lrrc.com/Karl-Rutledge

Karl Rutledge is a partner in the in the firm’s Las Vegas office who focuses on promotional marketing and land-based and Internet gaming, with a particular emphasis on eSports, skill-based contests, sweepstakes, official rules, sports betting, privacy policies, and website terms and conditions.