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SECTION 5C

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Section 5C: Account wagering system; betting accounts; licensee's duties; penalties

[Text of section effective until July 31, 2017. Repealed by 2011, 194, Sec. 39. See 2011, 194, Sec. 112 as amended by 2014, 165, Sec. 192 and 2016, 176, Sec. 12B. See also, 2001, 139, Sec. 45 as amended by 2005, 176, Sec. 13; 2006, 54, Sec. 12; 2006, 449, Secs. 19 and 21; 2008, 290, Sec. 12; 2009, 167, Sec. 12; 2010, 203, Sec. 12; 2011, 77, Sec. 12; 2011, 194, Sec. 84; 2014, 264, Sec. 11; and 2016, 176, Sec. 11.]

Section 5C. Notwithstanding section 17A of chapter 271, each person licensed to conduct a running horse, harness horse or dog racing meeting, not including racing meetings held or conducted at a state or county fair, may establish and maintain betting accounts with individuals for use in connection with account wagering on races offered by the licensee, as the licensee is otherwise authorized to accept in accordance with this chapter and chapter 128C, including those fees, payments, commissions and premiums. As used in this section, "account wagering" shall mean a form of pari-mutuel wagering in which an individual may deposit money to an account established through an agreement with a person licensed to conduct a running horse, harness horse or dog racing meeting and use the account balance to make and pay for wagers by the holder of the account which wagers may be made in person, by direct telephone call or by communication through other electronic media by the holder of the account to the licensee. An individual who has established a betting account with a racing meeting licensee may deposit money into said account through the use of a credit card or debit card issued by a federal or state-chartered bank and a racing meeting licensee may collect and deposit money received in such a manner at the licensee's racetrack or through the telephone, Internet or other telecommunications media. Only those persons who have established a betting account with a person licensed to conduct a running horse, harness horse or dog racing meeting in accordance with this section shall place bets by telephone or by communication through other electronic media with such licensee. No credit shall be extended to a betting account by a running horse, harness horse or dog racing meeting licensee.

A person licensed to conduct a running horse, harness horse or dog racing meeting, not including racing meetings held or conducted at a state or county fair, shall accept and maintain betting accounts directly, or through an agreement with an authorized and licensed service provider, in the name of a natural person only. The licensee may refuse to establish or maintain a betting account and may refuse deposits to any such account if the licensee deems such refusal appropriate; provided, however, that such licensee shall not establish or maintain a betting account for any person who has been banned or prohibited from entering the premises of a racing meeting licensee in the commonwealth pursuant to section 10A. The licensee may suspend or close any account at any time; provided, however, that the licensee shall return to the account holder any funds that are on deposit in the account at the time it is closed.

The distribution of monies collected from wagers made under this section shall be in compliance with this chapter and chapter 128C.

Each betting account maintained by a person licensed to conduct a running horse, harness horse or dog racing meeting shall contain a minimum balance, the amount of which the commission shall prescribe by regulation.

Each licensee shall, with respect to each betting account established with such licensee, make tax withholdings and provide tax and revenue reporting, all as otherwise required for wagers placed at a racing meeting licensee.

The balance in any betting account maintained by a person licensed to conduct a running horse, harness horse or dog racing meeting, which account has been inactive for a period of 3 years, shall be presumed to be abandoned and paid to the state treasurer pursuant to the provisions of chapter 200A.

No race shall be telecast live to a public location outside of a guest track if used in conjunction with the operation of the account wagering system in a manner that creates an off-track betting center. This section prohibits any contract or other agreement of a person licensed to conduct a running horse, harness horse or dog racing meeting that facilitates or encourages off-track betting as well as any arrangement involving dedicated or direct telephone lines or other electronic connections between the licensee's facility and a public location outside the area of the licensee's facility at which live telecasts of races are presented. This section shall not prohibit television display of races at public locations when account wagering is incidental to the presentation of such races and the telecasting does not occur in conjunction with the operation of an off-track betting center within the commonwealth.

Betting accounts authorized by this section shall be established, maintained and operated in accordance with rules and regulations promulgated by the commission. The commission shall conduct annual audits of each racing meeting licensee within 90 days of the end of each calendar year with respect to all monies attributable to account wagers. The commission shall report the findings of each such audit within 30 days of the completion of the audit to the house and senate chairs of the joint committee on government regulations.

A licensee failing to comply with this section shall be punished by a fine of not more than \$10,000 or by imprisonment in the house of correction for not more than 2 years, or both. A licensee failing to comply with the requirements of the section shall also be subject to civil penalties imposed by the commission of not more than \$10,000 if, after notice and a hearing, the commission finds that a violation has occurred.

No racing meeting licensee shall rebate any money to a bettor based on a wager made under this chapter or chapter 128C. Whoever violates this section shall be subject to a revocation of his license or shall be punished by a fine or not more than \$10,000, or both. For the purpose for this section, each day on which a horse or dog racing meeting shall be held or conducted in violation of this chapter shall be considered a separate and distinct offense.

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