



## Massachusetts Gaming Commission Issues Final Regulations on Gaming Vendor Licensing and Registration

On January 31, 2014, the Massachusetts Gaming Commission published final regulations governing the licensing and registration of employees, vendors, junket enterprises and representatives and labor organizations in the Massachusetts Register issued by the Secretary of the Commonwealth.

Vendors are divided into three categories:

### 1. Gaming Vendor – Primary

A person who conducts business with a gaming applicant or gaming licensee on a regular or continuing basis for provision of goods or services which directly relates to gaming, including, but not limited to a person who:

- Manufactures, sells, leases, supplies, or distributes devices, machines, equipment (except gaming table layouts), accessories, or items that meet at least one of the following conditions:
  - are designed for use in a gaming area or simulcast area;
  - are used in connection with a game in the gaming area;
  - have the capacity to affect the calculation, storage, collection, electronic security, or control of the gaming revenues from a gaming establishment;
- Provides maintenance services or repairs gaming or simulcast wagering equipment, including slot machines;

- Acts as a junket enterprise; or
- Provides items or services that the Commission has determined are used in or are incidental to gaming or to an activity of a gaming facility.

An exception may be sought by written petition by a person on the grounds that they are not providing services on a regular or continuing basis or that they do not directly relate to gaming.

Initial and renewal fees are \$15,000 for 3-year license terms. There are no individual fees for gaming vendor qualifiers.

## 2. Gaming Vendor – Secondary

Any person who regularly conducts more than \$250,000 in gross sales with any one gaming licensee within a 12-month period or a person who conducts more than \$100,000 in gross sales with any one gaming licensee within a 3-month period, and who does not otherwise qualify for designation as a Gaming Vendor-primary. Initial and renewal fees are \$5,000 for 3-year license terms.

## 3. Non-Gaming Vendor

Vendors of goods or services which are not directly related to gaming including the following: construction company; vending machine provider; linen supplier; garbage handler; maintenance company; limousine service company; food purveyor; supplier of alcoholic beverages; a person that sells, distributes, tests, or repairs antique slot machines; and suppliers of gaming table layouts. Initial and renewal fees are \$100.00 for 5-year license terms.

Once a Non-Gaming Vendor has met the monetary thresholds for the Gaming Vendor – Secondary level of licensure, it shall have 45 days from receipt of notice from the Commission of this status to either: (1) submit a Business Entity Disclosure Form – Gaming Vendor – Secondary Form; (2) discontinue providing the goods and services; or (3) file a written request for reconsideration of the determination on the grounds that it is not providing goods or services on a regular and continuing basis.

Other noteworthy vendor licensing provisions:

- *Reciprocity*: The Commission may enter into a reciprocal license agreement with an applicant to allow for an abbreviated licensing and registration process so long as such applicant is licensed or registered in another U.S. gaming jurisdiction with comparable requirements.
- *Temporary Licenses*: A vendor license applicant may formally request issuance of a temporary license of six months which may be renewed at the Commission's discretion for an additional 6-month period.
- *Rehabilitation*: Applicants for Gaming Vendor Qualifier licensure with a conviction of a felony or other crime involving embezzlement, theft, fraud or perjury which occurred less than 10 years prior to the date of application submission will be denied licensure and are not entitled to establish rehabilitation until the conviction is at least 10 years old.
- *Confidentiality*: Certain certifications are anticipated to be included in the application forms to preserve the confidential nature of disclosed information.

- *Investigation fees:* The vendor license application fees may be increased to the extent that the cost of the background investigation relating to an applicant exceeds the initial or renewal application fee.

**Timing**

The Massachusetts Gaming Commission is anticipated to make Vendor License application forms available in early February 2014.

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