Massachusetts Budget & Policy Center

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Payouts and Risks in Massachusetts's Gambling Revenue

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Key Takeaways

- The Lottery, casinos, and sports betting together generate $1.5 billion in annual taxes, the state's fourth largest source of revenue. The Lottery is the largest source, but has fallen by a third since 2002, when adjusted for inflation.
- Problem gambling disproportionately harms lower-income and non-white bettors.
- Lottery revenue is used for local aid, which is somewhat targeted to lower-income communities. State spending of casino revenue has changed over time and concentrated in a few programs.
- Growing online sports betting may be replacing some casino gambling. It pays lower tax rates on profits and poses new dangers for problem gambling.
- Strategies are available to ensure gambling operators contribute more revenue without worsening gambling harm. The Commonwealth can do more to protect against gambling harm, ensure gambling revenue is spent to benefit those who need it most, and improve information to inform bettors and guide regulators about who gambles and how operators target problem gamblers to increase profit.

Introduction

Massachusetts casinos, the Lottery, and state sports betting together generated over $1.5 billion in state revenue in Fiscal Year (FY) 2025. These gambling activities support a wide range of public programs and infrastructure for the Commonwealth and its municipalities. This growth, however, is not without tradeoffs, as many bettors and their families incur gambling related harms. Less widely recognized, those with lower incomes tend to lose a larger percentage of their income gambling – resulting in wider inequities of income and race.

With the Lottery scheduled to start taking bets next year through people's phones and other internet devices and proposals under consideration for additional forms of online state casino gambling, this paper examines the money trail: how much revenue is generated, how the amounts have changed over time, how public investment of gambling revenue has evolved; who pays these dollars; and how current policies impact economic and racial inequality.

There is tension between the policy goal of increasing public revenue and the competing goal of mitigating the social harms and widened inequality caused by gambling losses, which are the basis of

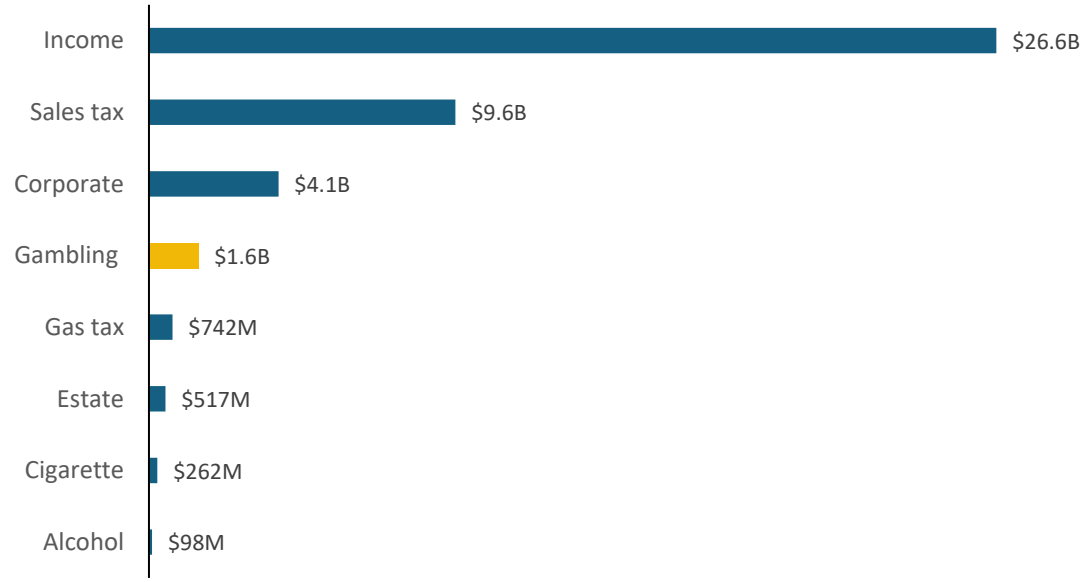
that revenue. The Commonwealth has taken steps to mitigate the harms but could do more. Policy makers should recognize that revenue generation from gambling worsens inequality. If nothing else, they can be deliberate about ensuring that the way these funds are spent reduces inequity.

$1.5 Billion Annual Revenue from State-Sanctioned Gambling

State-sanctioned gambling in Massachusetts began 53 years ago with the introduction of the state Lottery. More recently, casinos and a slot machine parlor were introduced following a 2011 law, and legalized sports betting was introduced in 2023.[1] Each of these activities is designed so that the expected value of winnings is less than the cost to place the bets, resulting in substantial and steady profits to the gambling operator.[2] As a state entity, the Lottery contributes it profits directly into public funds, while the private entities licensed to operate casinos, a slot parlor, and sports betting are taxed at rates from 15 to 49 percent on their gross profits from wagers.

Taken together, gambling revenue can be seen as the fourth largest tax collected by the state of Massachusetts. The $1.5 billion in revenue from gambling far exceeds tax collections for cigarettes, alcohol, or even motor fuels and wealthy estates. Gambling revenue is far less than is collected by the income tax, or the sales tax; and a bit more than a third of the amount collected from corporations (see chart below).

Gambling is the Fourth Largest Source of State Revenue



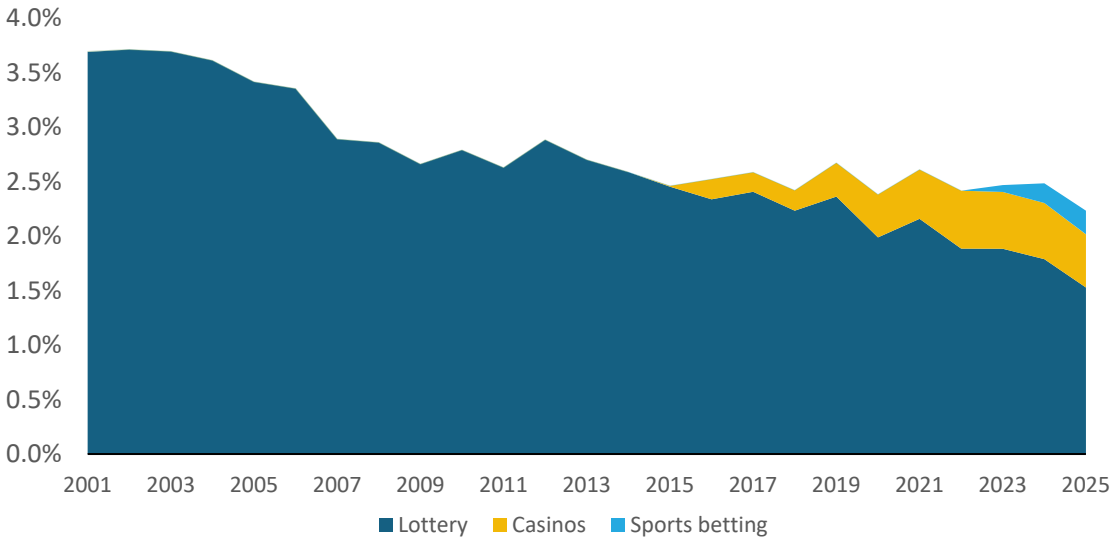
Analysis of Section 1A, FY 2026 General Appropriations Act. Income tax Income tax includes Fair Share surtax. Sales tax includes regular, meals, and motor vehilce tax. Gambling includes lottery, casino, and sports betting.

As a percentage of the state budget, gambling revenue has declined over the last 25 years. In FY 2025, gambling revenue represented 2.23 percent of the state budget.[3] This is slightly smaller than the 2.48 percent of the budget collected in the previous fiscal year (FY 2024). The FY 2025 figure is a considerably smaller share of the state budget than the 3.71 percent collected in 2002 solely by the Lottery. The percent of state revenue collected by the Lottery declined to 1.53 percent in FY 2025.

Lottery

The amount wagered on the Massachusetts Lottery per-capita far exceeds the per-capita betting for any other state Lottery. This is not just because Massachusetts is a relatively high-income state. Measured as a percent of personal income, Massachusetts residents spend more playing the lottery than residents in any other state by far. Analysis by the Federal Reserve Bank of Boston found that in 2022 Massachusetts residents spent well over twice the national average of the 45 states with lotteries.[4]
Impressively large as the Lottery may be, its growth has slowed considerably in recent decades. Adjusting for inflation, the value of state revenue generated by the Lottery peaked in 2002 and has fallen by a third since (see figure below). A Federal Reserve Bank of Boston analysis in 2024 similarly finds that Massachusetts Lottery revenue fell considerably as a portion of state revenue, from 2.6 percent of state revenue in 2005 to 1.8 percent of state revenue in 2022.[5]

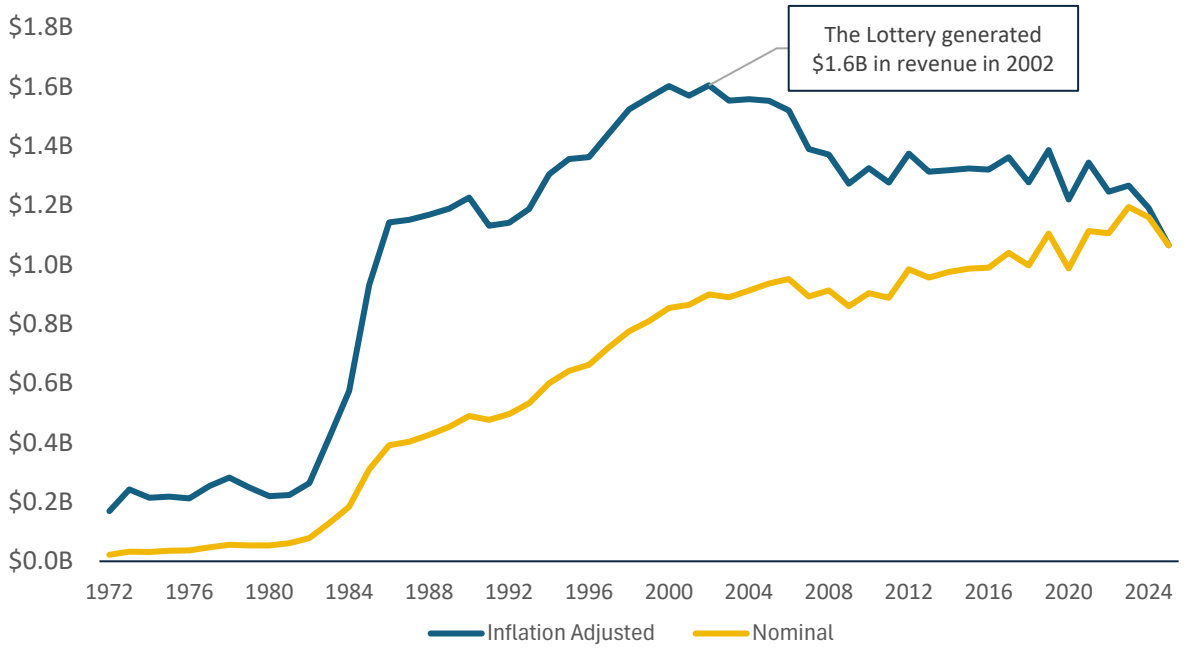
Gambling Revenue Declines as a Percent of the State Budget



Sources: Massachusetts Lottery, Massachusetts Gaming Commission

Adjusting for Inflation, Lottery Revenue Peaked in 2002

FY 1972 to FY 2025 nominal and inflation-adjusted



Source: Massachusetts Lottery Data. 2025 data not yet audited

There's some evidence that the Lottery may be generating its revenue from a shrinking group of Massachusetts residents who buy tickets more frequently. Two large-scale surveys of Massachusetts gambling behavior were conducted before and after the opening of casinos.[6] In the first survey (2013-2014), 61 percent of Massachusetts adults reported having gambled with a Lottery product during the past year. In the second survey (2021-2022), annual Lottery participation declined to 47.6 percent. [7] Likewise, in the first survey 33.5 percent of people reported gambling with a Lottery product over the previous month, which declined to 21.6 percent in the second survey. This decline may have been in part due to COVID.[8]

Despite a declining percentage of adults saying they gambled on the Lottery, – and reporting no increase in the median spending amount,[9] total spending on Lottery products increased from $4.86 billion in FY 2014 to $5.86 billion in FY 2022 – a billion dollar increase in absolute terms during the period between the surveys.[10]

The FY 2025 budget introduced "iLottery" gambling, enabling individuals to place bets on scratch tickets, Powerball, or other Lottery wagers from their phone or other internet-connected device. The FY 2025 budget anticipated that $100 million in revenue generated by the iLottery would be used to support grant programs for early education, but launch of this new form of state gambling was delayed. Revenue from iLottery is now forecast for FY 2027.

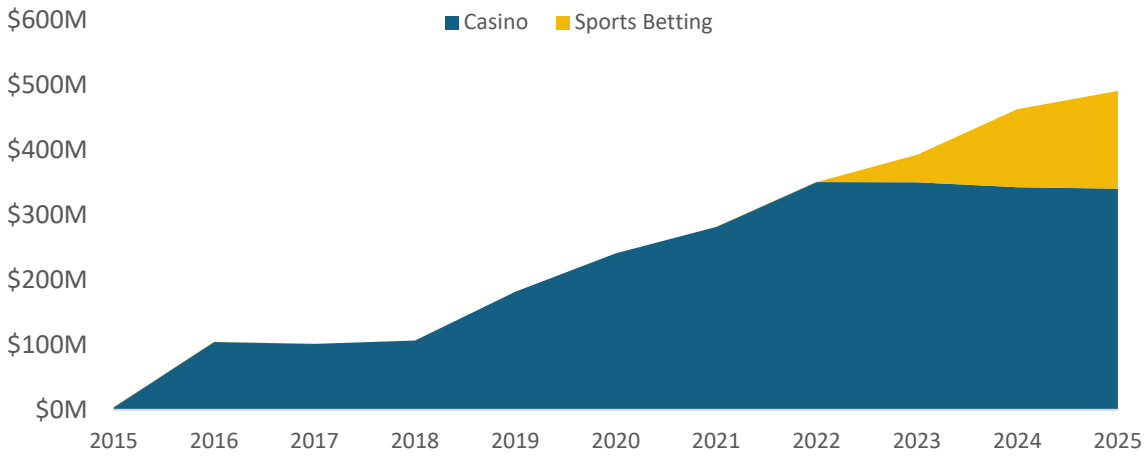
Casinos

The 2011 passage of "Act Establishing Expanded Gaming in the Commonwealth" led to the opening of a slot parlor and two casinos in Massachusetts. Casino gambling revenue from the slot machine parlor at the Plainridge Park slot parlor is subject to 49 percent tax and casino betting revenue from the two resort-style casinos is taxed at 25 percent.

Revenue initially increased as new facilities opened. The slot parlor at Plainridge Park Casino opened in the town of Plainville at the very end of FY 2015. For the first three full fiscal years the slot facility generated about $80 million in annual taxes. Revenue then climbed with the opening of the MGM Springfield casino in August 2018 and the Encore Boston Harbor Casino in the City of Everett in June 2019. Combined, this tax revenue reached $340.6 million in FY 2025. But growth in casino revenue has slowed considerably in the last three years, increasing by less than $7 million between FY 2024 and FY 2025.

As the chart below shows, when adjusted for inflation, the value of casino taxes peaked in FY 2022 and has declined almost 3 percent over the last three years. This period coincided with the introduction of sports betting.

Sport Betting Revenue Increases While Casino Revenue Plateaus



Source: Massachusetts Gaming Commission

The chart above suggests that sports betting may simply take the place of casino betting. This is consistent with research on the interaction of different types of gambling revenue in seven states that introduced sports betting before the COVID pandemic. The research finds that the introduction of online sports betting in these states was associated with a significant decrease in casino revenue.[11] On the other hand, sports betting may tend to have different demographics, with it being particularly popular among young men.[12]

Massachusetts casino revenues may also be impacted by the opening of casinos in New Hampshire, especially along the border with Massachusetts. More such casinos are slated to open in coming years.[13]

Sports Betting

A 2018 U.S. Supreme Court decision overturned the federal ban on sports betting. Most states followed by rapidly legalizing a new industry, especially focused on *online* sports betting. In 2022 Massachusetts enacted an "Act to Regulate Sports Wagering" and state-regulated sports betting began in early 2023.[14] Sports betting is taxed more lightly than casino revenue. Gross wagering revenue (the amount bet minus the amount paid out for winning bets) is taxed at a rate of 15 percent for in-person sports betting that takes place at casinos and 20 percent for online bets. Revenue from sports betting has grown robustly, nearly tripling from $40.0 million in FY 2023 to $117.4 million in FY 2024, then growing another 28 percent to $150.7 million in FY 2025.

To the extent that sports betting may be replacing casino patronage or cannibalizing casino revenue, this could pose problems. As a recent study from the University of Massachusetts makes clear, sports betting generates very few direct jobs or contracts with Massachusetts businesses compared to casinos.[15] If sports betting is substituting for casino betting and profits are taxed at lower rates then either an ever-expanding pool of bettors must lose money betting on online sports or revenues will flatten. In other words, if somebody wagers $200 on the Celtics instead of losing that sum playing slots, the Commonwealth receives $30 or $40 in revenue instead of $50 at a resort casino, or $98 at the slot parlor. Put differently, the sports betting companies would need to extract a lot more betting losses from Massachusetts residents to support the same amount of public investment by the Commonwealth.

Charitable Gambling

The Treasury also oversees the relatively small amount of charitable gambling, hosted mostly by religious or fraternal organizations, who must obtain special temporary licenses for their charitable events. In 2024, Charitable Gaming licensees collected $45.2 million in revenue - from raffles, Bingo games, charity game ticket sales, and a small number of casino nights.

These activities are taxed lightly and generate relatively little revenue. Taxes on Bingo in 2024 generated $757,959 in tax, 40 percent of which went to the Lottery to reimburse the cost of regulating these games. The remaining 60 percent was transferred to the General Fund. For licenses for charity games, $1,067,042 was charged by the state, though up to half could be deducted for the expenses of purchasing and selling tickets. Raffle taxes generated $972,364. Revenues collected on nonprofit organizations' casino functions totaled $3,416. Assuming fully allowable deductions from tax for expenses related to charity games, together these various activities netted the Commonwealth about $2 million in 2024. *Source*: Massachusetts State Lottery Commission, "Charitable Games 2024", Annual Report, page 2.

How State-Sanctioned Gambling Widens Inequality in Massachusetts

Having a multi-pronged gambling industry that annually delivers $1.5 billion in public revenue entails both upsides and downsides. In terms of where this revenue comes from, a broad and overwhelming body of research demonstrates that the downsides of gambling disproportionately harm the most vulnerable families and individuals.

This section considers the evidence from Massachusetts and elsewhere on the incidence of harm from gambling. The next section examines the degree to which the way the Commonwealth's spending of

gambling revenue may restore equity by targeting its benefits to households and communities that are most vulnerable and disadvantaged.

The downsides of gambling are measured in different ways by different research – as "problem gambling," or clinical gambling disorders, or simply from survey results where respondents identify different harms they suffer from their gambling behavior. The various studies consistently note that lower-income individuals and people of color or Latinos are more likely to suffer from gambling problems and tend to be harmed more from those problems. Similarly, people in less affluent communities or who are vulnerable due to mental health, alcohol, and drug problems are more likely to suffer harm from gambling.

Problem gamblers have impaired control over their gambling that is also associated with significant negative consequences for themselves or others.
At-risk gamblers report some signs of problem gambling and/or are gambling at levels equivalent to that seen in problem gamblers.

Greater harm from gambling is associated with being low income, Latino, or a member of a non-white racial group. For instance:

- A study following 1,164 Maryland adults over five years found the risk of gambling disorders among Black individuals was more than twice that of whites. A lower income was associated with a higher risk of gambling disorders, regardless of race.[16]
- According to analysis of one nationally representative survey, "people with household income under $50,000 spend 29 percent more on the lottery than people with household income above $100,000."[17] Other state-specific studies have found similarly disproportionate lottery gambling by income and race.[18]
- Several cross-sectional studies find an inverse relationship between income level and gambling disorder.[19]
- A meta study evaluating data from dozens of other studies finds gambling problems were associated with several poverty measures including employment/unemployment, housing instability, homelessness, low income, and neighborhood disadvantage.[20]
- Some analysis has found that living in a disadvantaged neighborhood is associated with problem gambling over and above the individual income, race-or other characteristics associated with problem gambling.[21]
- A National Institute of Health survey reported that Black people are less likely than whites to participate in 15 types of surveyed gambling. Blacks and Hispanics, however, were *more* likely to be impacted by problems from their gambling.[22]

Other characteristics which tend to be associated with lower incomes that make individuals socially or economically vulnerable also appear to correspond to a greater likelihood of gambling problems. For instance, studies have found that those with psychiatric problems are more likely to develop gambling disorders.[23] Alcoholism and drug abuse have been found to be associated with gambling disorders.[24] A recent study finds that men are particularly likely to engage in sports betting if they are behaviorally impulsive, which tends also to correspond with substance use or other addictive disorders.[25] Another analysis of nationally representative survey data in relation to differences in state lottery design finds that lottery spending is strongly associated with measures of innumeracy and poor statistical reasoning, which the study also finds is more common among those with lower income.[26] Analysis of lottery data in

California indicates both that people in low-income areas spend disproportionately larger shares of their income on the lottery and also that low-income players lost more for each dollar wagered because of their choice of which games to gamble on and the timing of when to bet on them.[27] A New Mexico study found substance use behaviors and adverse childhood traumas were strongly associated with problem gambling, as was identifying as Latino or Native American, having lower educational attainment, or experiencing housing instability – and risk increases considerably with the accumulation of these risk factors.[28]

While many people occasionally play the lottery, studies from a variety of places indicate that a majority of lottery revenue comes from a far smaller group of the most frequent players. Analysis of surveys in Texas and Indiana, supported by Gallup polling, finds that the most frequent 10 percent of players account for 58 percent of total spending, and the top 20 percent of players account for 73 percent of total spending. People with lower educational attainment are more likely to play the lottery, a pattern that corresponds to higher gambling rates for Hispanics in these states.[29] Similarly, in Finland, which has some of the highest per-capita gambling expenditure in Europe, analysis of 2016 and 2017 surveys indicate that just 4 percent of gamblers accounted for 50 percent of gambling expenditures. A majority of this group met the definition of at-risk or problem gambling.[30] Some recent studies suggest online gambling has a particularly high concentration of losses among a relatively small group of players who disproportionately suffer from gambling problems.[31]

Legalized sports betting is relatively new, but research has already identified patterns of harm concentrated among those who may be more vulnerable. Using a massive database on anonymized households' finances, a recent study found sports bettors tend to erode household financial stability, especially for lower-income bettors.[32] Upon the legalization of sports betting, researchers observed that sports bettors tended to run up credit cards and overdraw bank accounts. Betting tends to crowd out investment and savings, especially for more financially constrained households. Bettors with lower incomes and with less savings tend to bet a larger portion of their income. Another national survey in 2024 found that sizeable portions of those who place sports bets online describe their habits in ways that match common signs of compulsive gambling, including 38 percent who said they gambled more than they should have and 18 percent who bet money meant for financial obligations."[33]

Gambling Harms in Massachusetts Worsen Inequality

Massachusetts has been particularly deliberate about how it has designed its gambling systems. The Commonwealth has also made investments in harm prevention and treatment. However, the high levels of gambling participation also correspond to serious harms, particularly among gamblers who are not white and have lower income and education levels.

According to the large-scale Massachusetts survey in 2021-2022:

- 43.3 percent of those suffering problems from gambling were not white, a percentage that far exceeded the 29.6 percent of Massachusetts' adult population as a whole.[34]

- The survey asked respondents to self-identify their income level within eleven ranges from low to high income. Whereas the average score among all adults in the survey was 5.6, problem gamblers had an income score of 3.1 (corresponding to income between $30,000 to $50,000).

- **Problem and at-risk gamblers represented 9.9 percent of those who gamble and accounted for 88 percent of all gambling expenditures** in 2021-2022, up sharply from 68 percent in 2013-2014.

Large majorities of Massachusetts residents believe the harms from gambling outweigh the benefits, according to the 2021-2022 general population survey in Massachusetts by SEIGMA taken before the rapid proliferation of online sports betting. Sixty-four percent believed the harms outweighed the benefits, compared to 8 percent who thought the benefits outweighed the harms, and 28 percent who thought harms and benefits were equal.[35] Likewise, the survey found 68 percent of residents thought gambling was "too widely available."

How is Public Revenue from Gambling Invested?

The Lottery, casinos, and sports betting all provide a portion of gambling profit to the Commonwealth of Massachusetts for investment in public programs. As a publicly operated entity, the Lottery directs all of its gambling profit – minus the cost of its own operations and incentives paid to local Lottery vendors – to the state budget. Private corporations licensed to operate casino gambling or sports betting meanwhile pay taxes to the Commonwealth based on their gambling profits: the difference between the wagers they collect from individual bets and the winnings they pay out on successful bets.

The revenue from each type of gambling supports a different mix of public programs. These programs all have public benefits, though the programs differ in how much their benefits are targeted to households and communities in greater need. In other words, while state-sanctioned gambling widens economic and racial inequality, the public spending of revenue collected from gambling can have the opposite impact.

Lottery Revenue

Lottery profits are used by the Legislature to support general purpose funding for municipalities known as **Unrestricted General Government Aid** (UGGA). The amount of Lottery profits transferred to the Commonwealth budget each year is not directly linked to annual state spending on UGGA. An additional dollar of state Lottery profit doesn't result in an additional dollar of UGGA. But it is understood that Lottery revenue is meant to support UGGA and is not directly dedicated to any other spending item. A portion of casino revenue and sports betting revenue also contribute funding for UGGA.

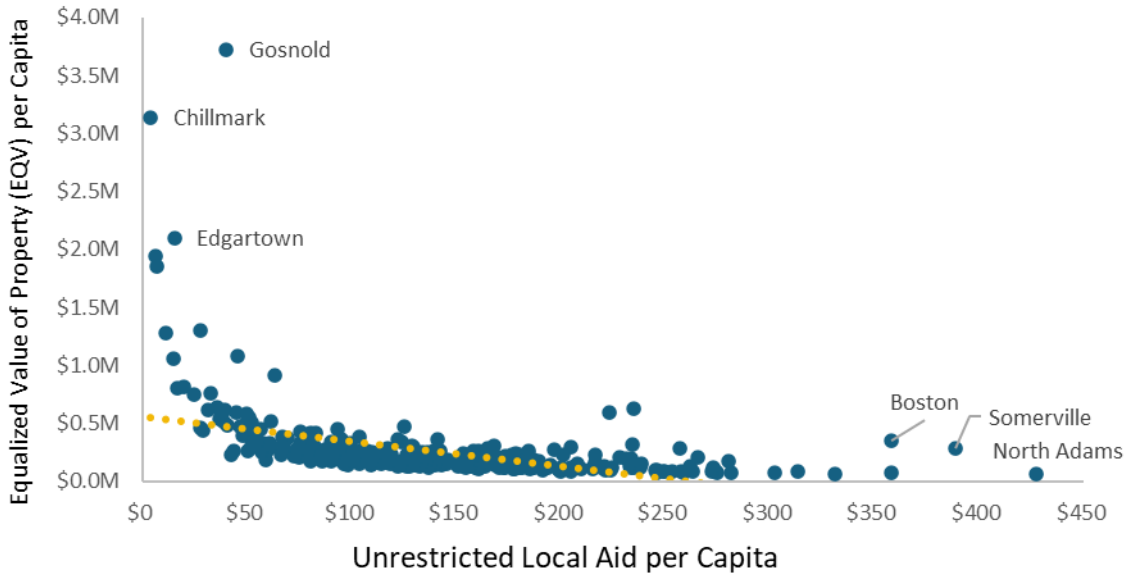
Total UGGA funds in the FY 2026 budget are $1,338 billion, a 2.2 percent increase over the FY 2025 allocation.[36] Cities and towns use the UGGA funds as a flexible source of revenue for fire departments, parks, public works, or virtually any other municipal expense. For small municipalities in particular, UGGA may be the chief source of non-education funds.

Local aid is particularly important for poorer cities and towns because the main source of revenue for municipal government is the property tax. A municipality with less expensive homes has less capacity to raise money for local priorities like schools, parks, libraries, and social services. For instance, the average single family property tax bill in Weston is over $25,000 compared to about $4,000 in Chelsea and Lawrence.[37] In the absence of targeted local aid, these fiscal disparities translate into vast differences in the capacity of communities to support local services and amenities for their residents.

The degree that local aid can reduce disparities between the capacity of poorer and richer communities to raise their own revenue depends on the degree to which local aid is targeted to the historically under-resourced communities with greater needs. The distribution of UGGA funds between Massachusetts's 351 municipalities is a legacy of the precursor local aid programs that were consolidated to create

UGGA. Lottery Aid was the local aid program that applied a formula to divide Lottery funds. In FY 2010 Lottery Aid was consolidated with Additional Assistance, another form of general local aid, to form UGGA.[38] The resulting division of UGGA funds between specific cities and towns is a blend of the Lottery Aid formula, the distribution of Additional Assistance and other adjustments that were made in UGGA's first years. The percentage of UGGA distributed to particular municipalities has not been updated since. How much is UGGA targeted to support historically under resourced communities? Displayed below is a comparison of per capita UGGA with average per-capita income for each city and town in Massachusetts. There is a tendency for municipalities with lower incomes to receive more UGGA. As the absence of municipalities in the upper right quadrant of the chart demonstrates, there are no municipalities with very high per capita incomes that also receive very high per capita amounts of UGGA. However, there are 15 municipalities with both above average income and above average UGGA.[39] Moreover, UGGA does not clearly and consistently vary with income. The chart shows many municipalities with similar amounts of UGGA per capita that vary greatly in the amount of income per capita. Likewise, there are many municipalities which receive very different amounts of UGAA per capita despite very similar incomes per capita.

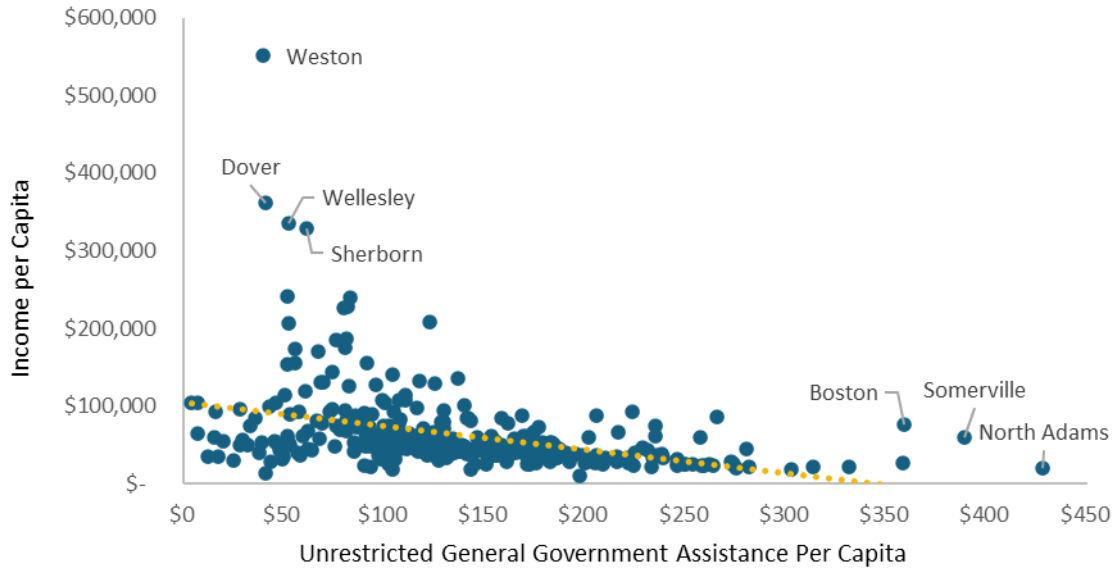
Municipalities with lower property values most often receive more local aid



Source: Massachusetts Department of Revenue. Equalized taxable value of property (EQV) from Division of Local Services. Local aid (UGGA) from FY 2025 General Appropriations

Local aid can also be targeted based on the fiscal capacity of a municipality to raise their own revenue. Municipalities in Massachusetts raise most of their revenue through the property tax. Therefore, fiscal capacity is typically measured by a municipality's taxable property value. The Massachusetts Department of Revenue provides data on the "equalized value" (EQV) of the property assets in municipalities.[40] The chart below shows that EQV per capita and average UGGA amount per capita have a similar, loose relationship as UGGA's relationship with income per capita.

Municipalities with lower resident income most often receive more local aid



Source: Massachusetts Department of Revenue. Income from Division of Local Services cherry sheets data. Local aid (UGGA) from FY 2025 General Appropriations Act.

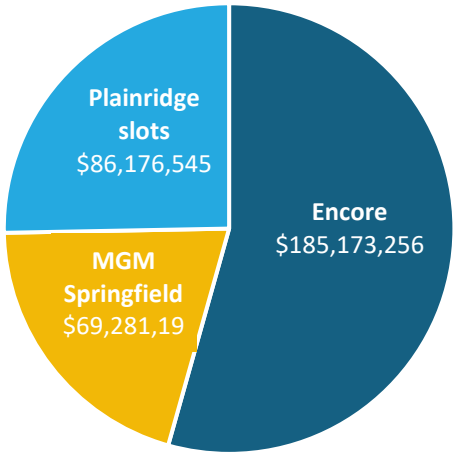
All in all, state support for municipalities associated with Lottery revenue – Unrestricted General Government Assistance (UGGA) – can be regarded as mildly economically progressive. A low-income or low-property-wealth community is more likely to receive a relatively larger share of UGGA per resident. However, the connection between economic need and local aid is loose and inconsistent.

Casino Revenue

Distribution of casino revenue has evolved over time. The share of revenue going to some uses has grown, the share going to some activities has remained unchanged, and some uses for casino funds have been eliminated entirely.

The large majority of casino revenue comes from Massachusetts' two Category 1 casinos, the MGM casino in Springfield and the Encore Boston Harbor casino in Everett. After winning bets have been paid, these facilities pay 25 percent of the remaining "gross gaming revenue" to the Commonwealth. The Encore casino generated $185.2 million in state revenue while the MGM Springfield casino generated $69.3 million. Separately, the slot parlor in Plainridge Park, a Category 2 casino, pays 49 percent of its gross gaming revenue in taxes to the Commonwealth. It generated $86.2 million in revenue to the Commonwealth in FY 2025. Together, the three casinos generated $340.6 million in state revenue in FY 2025.

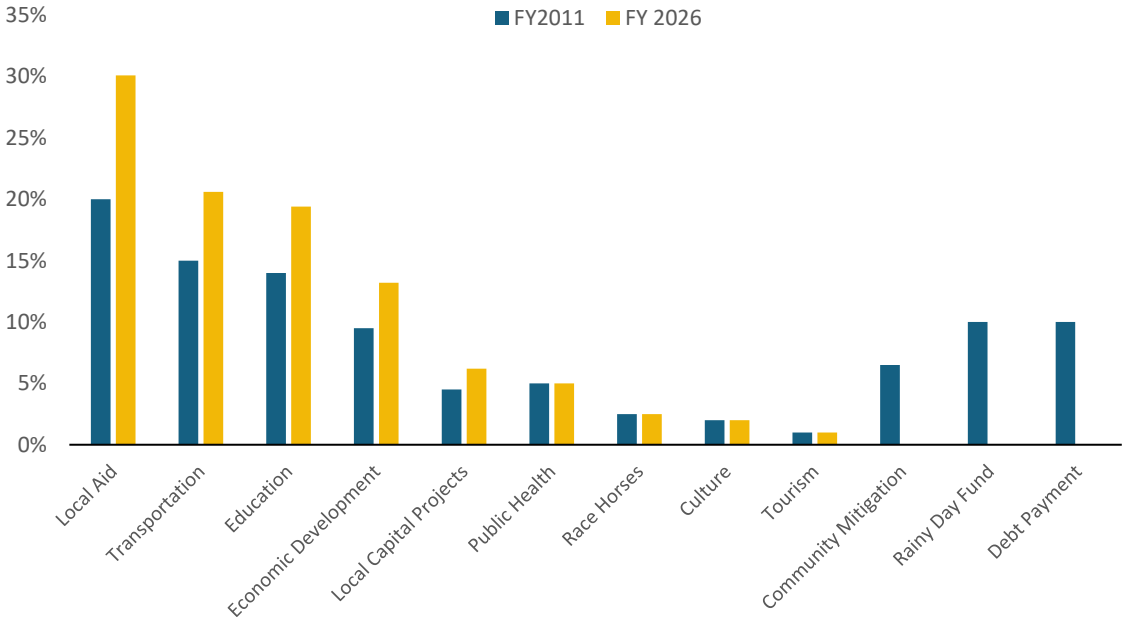
Encore Casino Provides over Half of Casino



Fiscal Year 2025

Casino Revenue Spending Has Concentrated in a Few Areas

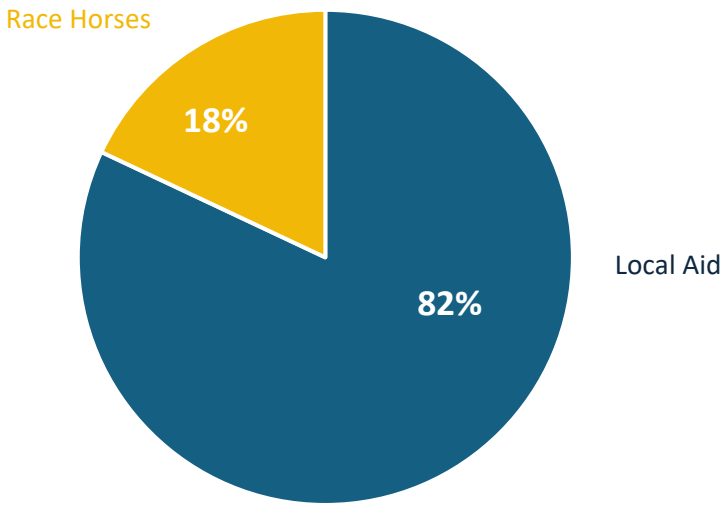
Class 1 Casino Percent Distribution FY 2011 and FY 2026



Spending for different programs using this Category 1 revenue has been adjusted multiple times since the initial 2011 Expanded Gambling law, including most recently in the FY 2026 budget. Each of the current casino spending areas and their evolution are discussed separately below:

Local Aid – 30.1 percent of Category 1 casino revenue is directed to the state's Unrestricted General Government Assistance (UGGA). Local Aid was also the largest single recipient of casino revenues under the original 2011 casino law, when it received 20 percent of casino revenue. As discussed above, UGGA spending is mildly targeted toward communities in greater need. For the Category 2 gambling at Plainridge Park, 82 percent of revenue is directed to UGGA.

Distribution of Category 2 Casino Revenue (Plainridge Park)



Transportation – 20.6 percent of Category 1 funds are directed to transportation. At the outset of casino gambling in 2015, 15 percent of funds were directed to a Transportation Infrastructure and Development Fund, of which at least half was meant to support construction of municipal ways. As of FY 2019, casino funds have instead been transferred to the Commonwealth Transportation Fund, which is Massachusetts's largest transportation fund and supports a wide variety of programs.

Education – 19.4 percent of Category 1 casino funds are directed to the Education Fund, which directs up to 65 percent of its funding to supplement K-12 school funding through the Chapter 70 program. Chapter 70 spending is the Commonwealth's largest state program providing aid to local school districts. The program closely targets state support to the needs of students in a district in relation to the community's own fiscal capacity to cover that spending. The progressivity of this program was increased with passage of the landmark Student Opportunity Act in 2019. For instance, Chapter 70 aid in 2025 provided approximately 75 percent of the amount necessary to meet a basic foundation budget for the students enrolled in the gateway city of Worcester and 91 percent in Springfield, compared with 18 percent provided in aid in the

affluent suburb of Weston.[41] By statute, at least 35 percent of outlays from the Education Fund is dedicated to supplement higher education spending.

Economic Development – The Gaming Economic Development Fund receives 13.2 percent of Category 1 casino revenue in FY 2026, up from 10 percent in the initial Massachusetts casino law. The Gaming Economic Development Fund supports a variety of economic development programs, including: a Workforce Competitiveness Trust Fund to support skill building for individuals who might otherwise not succeed in employment in partnerships with employers with high demand for skills; support for a workforce development and supportive services program for formerly incarcerated individuals; a youth-at-risk program providing employment in high-risk areas; a training program for unemployed young adults with disabilities; and for operating one-stop career centers, including for emergency assistance shelter clients.

Local Capital Projects – The Local Capital Projects Fund receives 6.2 percent of Category 1 funds. It presently supports programs operated by the Department of Housing and Community Development.

Public Health – The Public Health Trust Fund receives 5 percent of Category 1 funds. The Fund supports programs aimed at gambling addiction and problem gambling, as well as research on gambling in Massachusetts. The fund, which is overseen by the Executive Office of Health and Human Services (EOHHS), is a major supporter of the Office of Problem Gambling Services (OPGS), that is overseen by the Department of Public Health.

Race Horses – The Race Horse Development Fund receives 2.5 percent of Category 1 funds and 18 percent of Category 2 casino funds. According to the Massachusetts Gaming Commission's most recently published (2024) annual report, $14.5 million (78 percent) went to subsidize purses for racing winners; another $2.5 million went to standardbred horse owners; and the remainder (about $1.6 million) to thoroughbred breeders and horsemen and breeders associations.[42]

Culture -- Massachusetts Cultural and Performing Arts Mitigation Trust Fund receives 2 percent of Category 1 funds and is provided to the Massachusetts Cultural Council. By law, three-quarters of the fund supports a competitive grant process to subsidize the fees paid to touring shows or artists by not-for-profit and municipally-owned performing arts centers harmed by the operation of gambling facilities. The Council also receives a separate line item through the state budget.

Tourism – The Massachusetts Tourism Trust Fund, which also receives a portion of the state's room occupancy excise tax, receives 1 percent of Category 1 funds. Forty percent of the Trust Fund is directed to the Massachusetts marketing partnership and 60 percent to regional tourism councils.

Community Mitigation – The Community Mitigation Fund is a grants program that had received 6.5 percent of Category 1 funds until the FY 2026 budget which did not include new funds. The grants administered by the Massachusetts Gaming Commission were created with the specific purpose of helping communities and other entities offset costs related to the construction and operation of gambling establishments. Grant awards totaled nearly $22.8 million in FY 2025 and included support for a broadly defined spectrum of community needs. The recipients were

largely casino host communities or adjoining communities, as well as some broader regional grants.[43] For FY 2026, unspent money remaining in the fund was made available for an attenuated version of the grant program.[44]

Rainy Day Fund – As of the FY 2026 budget, the Commonwealth's Stabilization Fund no longer receives casino revenue. The reserve fund for the Commonwealth's budget has grown in recent years and currently stands at $8.58 billion.[45]

Debt Payment – The Debt and Long-Term Liability Reduction Trust Fund did not receive casino funds in the FY 2026 budget. The fund provides payments and prepayments for Commonwealth debt and long-term liabilities, such as for the Massachusetts Department of Transportation and for unfunded pension liabilities. In the last presently reported year (FY 2024), the fund received a little over $25 million and had no expenditures.

The Massachusetts Gaming Commission itself, including approximately $40.8 million for gaming control, is funded by assessments and fines issued to gambling licensees. Among others, these include a $600 per slot machine annual fee as well as additional assessments and fees on casino, sports betting, simulcast race betting licensees and applicants.[46]

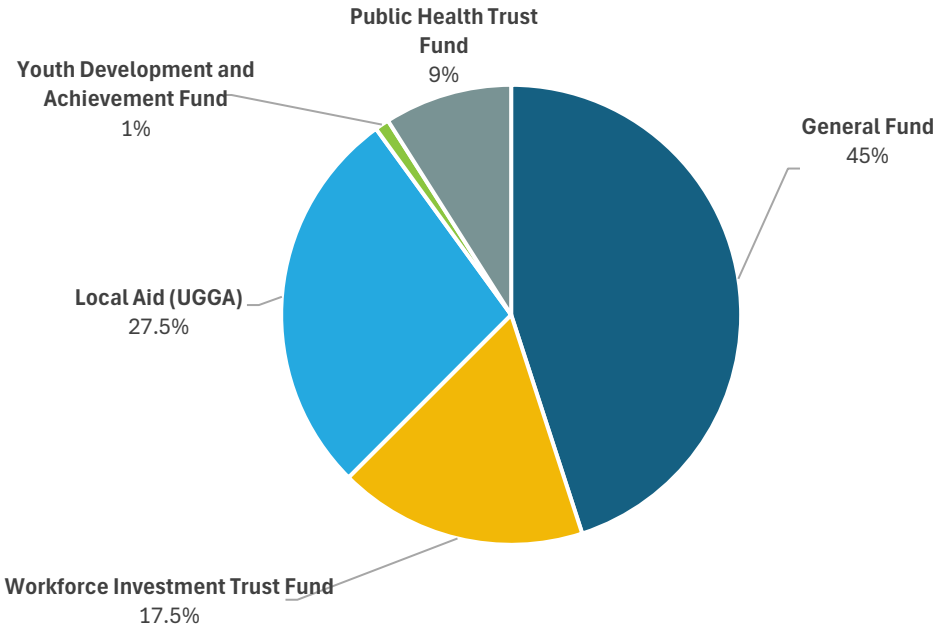
Sports Betting Revenue

Sports betting revenue is relatively new. Unlike casino or Lottery funds, almost half of revenue (45 percent) is explicitly not dedicated, providing budget writers with the flexibility to invest where revenue is most needed. More than a quarter of sports betting revenue (27.5 percent) is made available for Unrestricted General Government Assistance (UGGA), the flexible local aid that is mildly targeted toward greater community need. Like a portion of Category 1 casino revenue, funding (9 percent) is directed to the Public Health Trust Fund which conducts research and seeks to reduce problem gambling.

The 2022 legislation launching sports betting also created two new state funds for distributing sports betting revenue. Both can be seen as seeking to counterbalance the particular harm suffered by youth sports betting. The legislation created the Workforce Investment Trust Fund, which receives 17 percent of sports betting revenue and is administered by the Secretary of Economic Development. According to the legislation, the outlays "shall be competitively granted to develop and strengthen workforce opportunities for low-income communities and vulnerable youth and young adults in the Commonwealth, including providing opportunities and strategies to promote stable employment and wage growth."

Likewise, the sports betting legislation created a **Youth Development and Achievement Fund** to advance three kinds of goals: (1) To provide financial assistance to youth seeking higher education; (2) To improve youth access to out-of-school and after-school education and enrichment programs; and (3) To provide matching grants to elementary and secondary youth to attend cultural events.

Where Does Sports Betting Revenue Go?



Policy Changes Could Improve Gambling Tradeoffs

This paper began by describing a tradeoff between the harms wrought by the gambling industry and the public benefits made possible by its revenue. The conflict may be unavoidable; but the terms of this tradeoff are the result of public policy and can be altered. The Commonwealth should pursue opportunities to increase public revenue without intensifying gambling harm, and to make the extraction of gambling profits less harmful. Four policy strategies to improve the tradeoff are offered below.

1. **Collect more revenue from private operators** – Lawmakers should consider raising the taxes and fees on the companies that are licensed to operate gambling. These companies are given select access to a Massachusetts population with the highest personal income per capita in the 50 states.[47] The industry has seen continuous years of record profits.[48] The division of gambling profits between the industry and the Commonwealth is set by law and changing it is a legitimate way to raise revenue without increasing gambling harms. One revenue improvement that would require no change in law would be to increase the annual $600 per slot machine fee paid by casino operators by adjusting for inflation. In fact, the 2011 casino law empowered the Commonwealth to start raising the fee, at the rate of inflation, five years after casino licenses were awarded, but officials have not done so.[49] With all three casino licenses awarded in the first half of 2014, the inflation-adjusted annual fee would rise to $805 per slot machine next July.[50]

2. **Ban or disincentivize practices that foster problem gambling** – Lawmakers can look to change practices so that less gambling revenue is drawn from problem and at-risk gamblers. It is not yet apparent the degree that the Lottery's new five-year contract with a private iLottery operator,

Aristocrat Interactive, contains greater safeguards or will instead prevent rules that would infringe on company profits. With better data sharing by gambling operators and rules requiring players to answer questionnaires, additional fees or taxes could be levied when profits are drawn from a concentrated number of frequent gamblers or when gamblers exceed their self-expressed limits, for instance. Likewise, gambling operators could be required to pay additional fees on revenue they take from players with low credit ratings on their credit card. Offers from online betting operators for "free bets", bonus bets, or other player incentives and promotions have emerged as a major instigator of problem gambling. Studies indicate that uptake of these offers are associated with problem gambling behavior.[51] In 2023 Massachusetts decided that gambling companies could not deduct the "free value" of these offers as deductions from their taxable gross revenue.[52] This change, which most other states also follow, eliminates the tax incentive for companies to make these offers. Gambling operators still offer these promotions because they are effective at inducing people to gamble more often. Massachusetts could also disallow gambling operators from deducting players' winnings connected to promotional wagers from the gambling revenue that is subject to the gambling tax. In other words, if online companies dispense "imaginary money" for people to bet with on their platforms, then they must treat any real player winnings from those bets as costs of advertising and promotion rather than reduced gambling revenue.

3. **Spending programs funded by gambling revenue should be more targeted to advancing equity** – Increased inequality and other harms caused by gambling can be counterbalanced by targeting public spending of gambling revenue more toward benefiting low-income households and communities of color. Many programs funded by gambling revenue already appear focused on addressing problems that are suffered disproportionately by less privileged groups. It would be worthwhile to scrutinize each program under this lens – to examine, for instance, whether public benefits for race horse owners or tourism boards reinforce or reverse socio-economic inequalities. The program that receives the largest component of gambling funds is the Unrestricted General Government Assistance (UGGA), which receives funds from the Lottery, casinos and sports betting. As described above, the UGGA distribution formula has not been updated for decades and only loosely corresponds to communities' level of need or their own fiscal capacity. Unlike UGGA, local aid for education (known as "Chapter 70") has been reformed to become more equitable and further Chapter 70 reforms will be considered by a commission this year. It makes sense to convene a similar process to update and phase in a new UGGA formula. There have been calls to link the amount spent on Lottery tickets from vendors in a municipality directly to the amount of UGGA dollars a municipality receives. This would not necessarily improve the economic or racial equity of UGGA,[53] but it does highlight the absence of coherent goals underlying the current distribution of UGGA spending.[54]

4. **Better information for better decision making –** There should be better information in the hands of potential gamblers and more information available about the demographics and habits of people losing money. Lottery products should clearly and prominently disclose their expected value and the odds of winning, including for iLottery and in all advertising. For online gambling

especially, there is potential to require gamblers to declare limits on their own gambling activity and to use algorithms to protect against problem gambling.[55] Likewise, standard financial literacy curricula for children and adult learners in Massachusetts should perhaps include information about gambling. There should be regular data collected about Lottery gamblers, which could occur by requiring winners of large prizes to fill out demographic information when they complete the forms required by the IRS in order to collect their prize. The 2011 law legalizing casino gambling stipulates that gambling operators must provide detailed demographic and behavioral data – a requirement that licensed operators have failed to meet.[56] The law states:

> "a gaming establishment shall supply the Massachusetts gaming commission with customer tracking data collected or generated by loyalty programs, player tracking software, player card systems, online gambling transactions or any other information system. …The data shall retain information on player characteristics including, but not limited to, gender, age and region of residence, player behavior including, but not limited to, frequency of play, length of play, speed of play, denomination of play, amounts wagered and, if applicable, number of lines or hands played and characteristics of games played …The commission shall convey the anonymized data to a research facility which shall make the data available to qualified researchers for the purposes of: (1) conducting analyses that improve understanding of how gambling addiction develops and progresses; (2) developing evidence-based harm minimization strategies; and (3) developing evidence-based systems to monitor, detect and intervene in high-risk gambling."[57]

Holding gambling operators accountable for harmful practices is challenging without data on their practices and the data on characteristics and behavior of the bettors they draw profit from. Unfortunately, the Act did not provide a timetable or spell out a mechanism to enforce compliance with this requirement. Fourteen years later the purposes sought by these rules have become even more pressing with the advent of online gambling.[58] Regulators should promptly utilize whatever fines or assessments necessary to bring operators into arrangements that will fully comply with the law.[59]

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Endnotes

[1] Massachusetts legalized sports betting with enactment of the Massachusetts Sports Wagering Act in August 2022, and legal sports betting began in January with retail betting in casinos in January and online and mobile betting launched in March 2023.

[2] The Lottery pays out 74.07 percent of revenue in the form of prizes See page 1 at https://assets.ctfassets.net/45roy5e8ztfd/0pygp0L2cwd3caSp4o9uH/5434fd0c1b9f2bfcb707ce104363a781/July_2025_Executive_Director-s_Report.pdf

[3] Figures for the state budget include final annual spending, not only appropriations determined in the annual General Appropriations Act. It includes supplemental budgets and cuts as well as pre-budget transfers of revenue such as sales tax transfers to the MBTA and Massachusetts School Building Authority. Fiscal Years 2006 to 2025 can be viewed at MassBudget's online Budget Browser.

[4] Riley Sullivan, "New England's Lotteries: Trends in State Revenues and Player Spending" Federal Reserve Bank of Boston, New England Public Policy Center, Regional Brief | 2024-6 | December 3, 2024, page 3, Table 1 https://www.bostonfed.org/publications/new-england-public-policy-center-regional-briefs/2024/new-englands-lotteries-trends-in-state-revenues-and-player-spending.aspx

[5] Riley Sullivan, "New England's Lotteries: Trends in State Revenues and Player Spending" Federal Reserve Bank of Boston, New England Public Policy Center, Regional Brief | 2024-6 | December 3, 2024, Table 3 https://www.bostonfed.org/publications/new-england-public-policy-center-regional-briefs/2024/new-englands-lotteries-trends-in-state-revenues-and-player-spending.aspx

[6] The Baseline General Population Survey (BGPS) in September 2013 – May 2014 with 9,578 respondents, and the Follow-up General Population Survey (FGPS) in September 2021 – April 2022 with 6293 respondents. Both were random representative samples weighted to reflect population characteristics. See SEIGMA Research Team (2024). Social and Economic Impacts of Casino Introduction to Massachusetts.
Amherst, MA: School of Public Health and Health Sciences, University of Massachusetts Amherst. October 2024 https://www.umass.edu/seigma/media/583/download

[7] SEIGMA Research Team (2024). Social and Economic Impacts of Casino Introduction to Massachusetts. Amherst, MA: School of Public Health and Health Sciences, University of Massachusetts Amherst. October 2024, p. 57 https://www.umass.edu/seigma/media/583/download

[8] People travelled less during the pandemic and were more reluctant to go inside stores, especially for discretionary purchases. On the other hand, the decline in the inflation-adjusted value of Lottery products started long before COVID. One theory is that a contributing factor for declining sales is the spread of pay-at-the pump practices at gas stations. Instead of people entering a gas station to pay for their gas and casually deciding to buy a Lottery ticket above the counter, patrons tend to pay by credit card outside.

[9] Median past-year spending on the traditional lLottery drawing decreased from $58.40 to $51.60 with a high level of statistical significance. Spending on daily lottery tickets decreased by $4.10, but without strong statistical significance; and spending on instant games increased by $0.70 without strong statistical significance. These sums are not adjusted for inflation. See SEIGMA Research Team (2024). Social and Economic Impacts of Casino Introduction to Massachusetts: School of Public Health and Health Sciences, University of Massachusetts Amherst. October 2024, Table 19, p. 58 https://www.umass.edu/seigma/media/583/download

[10] These are gross revenue sales, not net profits directed to the Commonwealth. Data is provided by the Massachusetts Gaming Commission upon request.

[11] By contrast, increases in sports betting that takes place *on-site* at casinos is positively associated with casino gambling revenue. The study finds that the introduction of sports betting coincided with an increase in lottery spending in these states. Can, Ege and Nichols, Mark W. and Pavlopoulos, Vasileios, "The Effect of Sports Betting on Casino Gambling and Lottery" (December 9, 2023). Available at SSRN: https://ssrn.com/abstract=4659440 or http://dx.doi.org/10.2139/ssrn.4659440

[12] St. Bonaventure University, "St. Bonaventure/Siena Research survey reveals almost 1 in 5 Americans have an online sports betting account," Feb. 5, 2024.

[13] See State House News Service, "Lawrence Sounds Alarms Over New Hampshire Casino Plan," Dec. 9, 2024.

[14] The Gaming Commission's sports betting operations are funded through the Sports Wagering Control Fund under statute. It is funded through fees it charges sports wagering operators, including for investigations. Operators who are not casinos or slot parlors also contribute a $1 million annual fee into the Public Health Trust Fund used for the costs of services and public health programs.

[15] Economic modeling indicates that only 118 net jobs are supported by mobile sports gambling in Massachusetts. Examining economic output, the study concludes that only 2.0 percent of economic activity in Massachusetts generated by legalized gambling is generated by mobile sports betting, a small share is likely a result of its limited in-state vendor spending and limited direct employment. Peake, T., Breest, K., McKenzie, R., (2025). Sports Betting

in Massachusetts: 2023 Economic Impacts Report. University of Massachusetts Donahue Institute, Economic and Public Policy Research Group.

[16] Brendan Day, Geoffrey Rosenthal, Fiyinfolu Adetunji, Andrea Monaghan, Christina Scheele & J. Kathleen Tracy, "Evaluating for Differences by Race/Ethnicity in the Association Between Income and Gambling Disorder," *Journal of Gambling Studies* (2020).

[17] Benjamin B Lockwood, Hunt Allcott, Dmitry Taubinsky, Afras Sial, What Drives Demand for State-Run Lotteries? Evidence and Welfare Implications, *The Review of Economic Studies*, 2024;, rdae086, https://doi.org/10.1093/restud/rdae086. An earlier version of this research is also viewable through the National Bureau of Economic Research at: https://www.nber.org/system/files/working_papers/w28975/w28975.pdf

[18] A Kansas study found per-capita lottery spending is similar between counties but represents a higher portion of income among lower-income counties. See P. Mobilia, "A little bit more evidence of lottery regressivity: The Kansas State Lottery," *Journal of Gambling Studies* (1992 Dec) at doi: 10.1007/BF01024123 . https://pubmed.ncbi.nlm.nih.gov/24242019/ A Texas study finds similar patterns and also disproportionate lottery spending Black and Hispanic individuals. Donald I. Price and E. Shawn Novak, "The Tax Incidence of Three Texas Lottery Games: Regressivity, Race, and Education," *National Tax Journal* (June 2025).

[19] Alegria AA, Petry NM, Hasin DS, Liu SM, Grant BF, Blanco C., "Disordered gambling among racial and ethnic groups in the US: results from the national epidemiologic survey on alcohol and related conditions," *CNS Spectrums* (2009 Mar); Caler, K.R., Vargas Garcia, J.R. & Nower, L. "Problem gambling among ethnic minorities: results from an epidemiological study," *Asian J of Gambling Issues and Public Health* **7**, 7 (2017); Gerstein, D., Hoffman, J., Larison, C., Engelman, L., Murphy, S., Palmer, A., … Hill, M. A. *Gambling impact and behavior study: Report to the National Gambling Impact Study Commission* (1999); Shinogle, J., Norris, D. F., Park, D., Volberg, R., Haynes, D., & Stokan, E. (2011). "Gambling prevalence in Maryland: A baseline analysis" Baltimore, MD.

[20] Hahmann, T., Hamilton-Wright, S., Ziegler, C., & Matheson, F. I., "Problem gambling within the context of poverty: a scoping review," *International Gambling Studies* (Dec 2002).

[21] Grace Barnes, John Welte, Marie-Cecile Tidwell and Joseph Hoffman, "Effects of neighborhood disadvantage on problem gambling and alcohol abuse" Journal of Behavioral Addictions (2013). One study using surveys of people gambling in Massachusetts found that Lottery sales were not higher in lower-income places, but this may have been because such sales corresponded to places of commerce where Lottery sales tend to be located, and which may be different from where people live. See Pugh, Kendra E., "Neighborhood and Environmental Predictors of At-Risk and Problem Gambling in Massachusetts" (2022). Graduate Doctoral Dissertations. 796.

[22] Welte JW, Barnes GM, Wieczorek WF, Tidwell MC, Parker J. "Gambling participation in the U.S.--results from a national survey," Journal of Gambling Studies (2002 Winter). Similarly, a large, nationally representative survey in 2011-13 that oversampled Black and Native Americans indicated that Black and Native Americans are at greater risk for problem gambling, despite having similar rates of participation in all kinds of gambling activity. See Grace M Barnes, John W Welte, Marie-Cecile O Tidwell, "Gambling Involvement among Native Americans, Blacks and Whites in the United States," American Journal of Addiction (2017 Aug).

[23] Petry, N. M., Blanco, C., Jin, C., & Grant, B. F. (2014). Concordance between gambling disorder diagnoses in the DSM-IV and DSM-5: Results from the national epidemiological survey of alcohol and related disorders. Psychology of Addictive Behaviors, 28(2), 586–591. https://doi.org/10.1037/a0034661.

[24] Petry, N. M., Stinson, F. S., & Grant, B. F. (2005). Comorbidity of DSM-IV pathological gambling and other psychiatric disorders: Results from the Nationa Epidemiologic Survey on Alcohol and Related Conditions. The Journal of Clinical Psychiatry, 66(5), 564–574. https://doi.org/10.4088/JCP.v66n0504. See also Alex Kresovich, Mateusz Borowiecki, Sherry L. Emery, Phoebe A. Lamuda, Bruce G. Taylor, Harold A. Pollack, John A. Schneider, "High stakes: Associations between substance use and gambling behaviors by race in the United States," *Drug and Alcohol Dependence*, Volume 268, 2025.

[25] Valenciano-Mendoza, E., Mora-Maltas, B., Mestre-Bach, G. *et al.,* "Clinical Correlates of Sports Betting: A Systematic Review," *Journal of Gambling Studies* (2023). https://doi.org/10.1007/s10899-023-10196-0

[26] Benjamin B Lockwood, Hunt Allcott, Dmitry Taubinsky, Afras Sial, What Drives Demand for State-Run Lotteries? Evidence and Welfare Implications, *The Review of Economic Studies*, 2024. Similarly, a study of the multi-state Mega Millions game finds that when payoffs become very large and the odds improve, more high-income players join and the impact of the lottery game becomes less regressive. https://www.ubplj.org/index.php/jgbe/article/view/1373/ and NBER version: https://www.nber.org/system/files/working_papers/w28975/w28975.pdf

[27] Parker, Paul and Albuquerque, Paulo and Bart, Yakov, The Lottery Gap: Unraveling Income-Driven Differences in Lottery Play Choices and Earnings (September 26, 2023). Available at SSRN: https://ssrn.com/abstract=3660130 .
[28] Monique N. Rodríguez, Kristopher M. Goodrich, Lindsey M. Bell, Martha W. Waller, Lei Zhang, Elizabeth Lilliott, The Prevalence and Predictors of Problem Gambling Among Adults in New Mexico: A Sociodemographic Analysis, Journal of Gambling Studies, 10.1007/s10899-025-10380-4, (2025).
[29] Garibaldi S, Frisoli K, Ke L, Lim M (2015) Lottery Spending: A Non-Parametric Analysis. PLoS ONE 10(2): e0115730. https://doi.org/10.1371/journal.pone.0115730. They cite a 1989 study by Clotfelter and Cook that similarly concluded that, "Among those who do play, the top 10 percent of players in terms of frequency account for 50 percent of the total amount wagered, while the top 20 percent wager about 65 percent of the total." Clotfelter CT, Cook PJ (1989) *Selling hope: state lotteries in America*. Harvard University Press, p. 92.
[30] Grönroos, T., Kouvonen, A., Kontto, J. *et al.* Socio-Demographic Factors, Gambling Behaviour, and the Level of Gambling Expenditure: A Population-Based Study. *Journal of Gambling Studies* (2022).https://doi.org/10.1007/s10899-021-10075-6. Similarly, analysis based on surveys of gamblers in France, Germany, and Québec indicate a high concentration of spending among a few gamblers with a high proportion suffering from problem gambling. They recommend that a high or rising concentration of spending should be treated as an indication of high (or rising) incidence of problem gambling. Ingo Fiedler, Sylvia Kairouz, Jean-Michel Costes, Kristina S. Weißmüller, "Gambling spending and its concentration on problem gamblers," *Journal of Business Research*, Volume 98, 2019, https://doi.org/10.1016/j.jbusres.2019.01.040
[31] Data provided by an online gambling platform with screening questions about gambling and life habits. See Tom, M., LaPlante, D., & Shaffer, H. (2014). Does Pareto Rule Internet Gambling? Problems among the "Vital Few" and "Trivial Many."*The Journal of Gambling Business and Economics*,*8*(1), 73–100.
[32] NBER, "Gambling Away Stability: Sports Betting's Impact on Vulnerable Households" (2024).
[33] Report link: https://www.sbu.edu/news/news-items/2024/02/05/st.-bonaventure-siena-research-survey-reveals-almost-1-in-5-americans-have-an-online-sports-betting-account
[34] SEIGMA Research Team (2024). *Social and Economic Impacts of Casino Introduction to Massachusetts.* School of Public Health and Health Sciences, University of Massachusetts Amherst. October 2024, p. 68.
[35] The survey included 6,293 adults surveyed between September 2021 to April 2022. Among respondents who believed harms outweighed benefits, views were split between those who chose "harms far outweigh benefits" and those who chose "harms somewhat outweigh benefits." Among those thinking benefits outweighed harms, only one-quarter thought "benefits far outweigh harms." SEIGMA Research Team (2024). *Social and Economic Impacts of Casino Introduction to Massachusetts.* School of Public Health and Health Sciences, University of Massachusetts Amherst. October 2024, p.48.
[36] "Unrestricted General Government Local Aid," Department of Revenue, Commonwealth of Massachusetts.
[37] Division of Local Services, Department of Revenue, "Massachusetts Average Single Family Tax Bill,"
[38] An account of the consolidation of these funds, the impact on overall local aid and its distribution among wealthier and lower-income communities appears in Massachusetts Budget and Policy Center, "Demystifying Local Aid in Massachusetts" (January 2012).
[39] Municipalities that are above average income and UGGA: Arlington, Boston, Cambridge, Chelmsford, Dedham, Hanover, Harvard, Ipswich, Melrose, Milton, Mount Washington, Nahant, Newburyport, North Reading, and Reading. Analysis of per capita 2025 income by municipality from Department of Revenue, Division of Local Services, 2025 Data for Cherry Sheets, Income+2023, EQV=2024; Census pop =2023 https://dls-gw.dor.state.ma.us/reports/rdPage.aspx?rdReport=DOR_Income_EQV_Per_Capita. Data for UGGA municipal totals from: https://dls-gw.dor.state.ma.us/reports/rdpage.aspx?rdreport=cherrysheets.cherrysheetdetail_main
[40] The equalized value (EQV) per capita is the full and fair cash value of all property divided by the number of residents. Massachusetts's Commissioner of Revenue is responsible for determining an equalized valuation for each city and town in the Commonwealth every two years. EQV in the chart below is from the Department of Local Services, 2025 Data for Cherry Sheets at https://dls-gw.dor.state.ma.us/reports/rdPage.aspx?rdReport=DOR_Income_EQV_Per_Capita
[41] See the amount of foundation budget covered with and without Student Opportunity Act funding for each district using the online tool provided by MassBudget here: https://massbudget.org/2024/11/08/interactive-school-district-funding/
[42] Massachusetts Gaming Commission, 2024 Annual Report, p. 39.

[43] Massachusetts Gaming Commission, "Massachusetts Gaming Commission Awards $22.8 Million in Grants from Community Mitigation Fund," press release, July 30, 2025.
[44] Massachusetts Gaming Commission, "FY 2026 Community Mitigation Fund Guidelines," approved by the Commission November 2024.
[45] The $8.583,200,000 sum would be the largest-ever ending balance for the fund. See Massachusetts Comptroller, CTHRU Stabilization "Rainy Day" Fund, as of August 8, 2025, viewed August 20, 2025.
[46] Massachusetts Gaming Commission, "Budget"; and for greater detail see the Massachusetts Gaming Commission budget posted August 1, 2025 at https://massgaming.com/wp-content/uploads/Budget-8-1-2025.pdf .
[47] According to Bureau of Economic Analysis data on 2024. Comparison does not include the District of Columbia. Accessed at Federal Reserve Bank of St. Louis, Release Tables, "Per-Capita Personal Income by State, Annual per Capita by State."
[48] American Gaming Association, "2024 Commercial Gaming Revenue Reaches $71.9B, Marking Fourth-Straight Year of Record Revenue," February 19, 2025.
[49] M.G.L. Part I, Title II, Chapter 23K, section 56(a) states, "In addition to any other tax or fee imposed by this chapter, there shall be imposed an annual license fee of $600 for each slot machine approved by the commission for use by a gaming licensee at a gaming establishment; provided, however, that not sooner than 5 years after award of an original gaming license, the commission may annually adjust the fee for inflation. The fee shall be imposed as of July 1 of each year for all approved slot machines on that date and shall be assessed on a pro rata basis for any slot machine approved for use thereafter." The continuance of a $600 present fee was confirmed by the Massachusetts Gaming Commission by information request August, 22, 2025..
[50] For dates of license awards, see Massachusetts Gaming Commission, Frequently Asked Questions, "What facilities are licensed and regulated by the Gaming Commission?".
[51] For a Massachusetts context, see Volberg, R.A., Zorn, M., Williams, R.J., Evans, V. "Impacts of Advertising on Gambling Behavior in Massachusetts," Amherst, MA: School of Public Health and Health Sciences, University of Massachusetts Amherst." See also Di Censo G, Delfabbro P, King DL. "Examining the Role of Sports Betting Marketing in Youth Problem Gambling," *Journal of Gambling Studies* (Dec 2024); Hing N, Russell AMT, Li E, Vitartas P. "Does the uptake of wagering inducements predict impulse betting on sport?" *Journal of Behavioral Addictions* (2018 Mar); Hing, N. *et al.* "Do advertising and promotions for online gambling increase gambling consumption? An exploratory study'" *International Gambling Studies* (2014); Wardle H, Critchlow N, Brown A, Donnachie C, Kolesnikov A, Hunt K. "The association between gambling marketing and unplanned gambling spend: Synthesised findings from two online cross-sectional surveys," *Addictive Behaviors* (2022 Dec); Australian Gambling Research Centre, Research Snapshot, "Gambling Participation, Experience of Harm, and Community Views" (March 2023).
[52] Mass Gaming Commission, "Promotional Play Presentation," (Dec 2022); Sports Handle, "Massachusetts Betting Regulator Keeps Tax on Promotional Play" May 23, 2023. See also
[53] The amount of Lottery tickets purchased in a municipality does not necessarily correspond to where Lottery purchasers reside. According to an analysis using non representative surveys, ticket sales depend greatly on where gas stations, convenience stores, and similar commerce is located. Sales are also often concentrated along state borders where residents of other states buy Lottery tickets. For a study of the determinants of where Lottery tickets are sold, and the correspondence to income, race, commerce and other factors, see, Kendra E. Pugh, "Neighborhood and Environmental Predictors of At-Risk and Problem Gambling in Massachusetts" (2022). *Graduate Doctoral Dissertations*. 796 at https://scholarworks.umb.edu/doctoral_dissertations/796/ If the amount of UGGA was directly linked to Lottery sales in a municipality, it would create an odd incentive for municipal leaders to encourage Lottery sales in their community.
[54] Reforming the distribution of UGGA would be far easier if UGGA is growing rapidly because many municipalities depend on UGGA support for their own local program stability and will be highly adverse to cuts. UGGA growth, however, has not outpaced inflation since FY 2020. Inflation-adjusted levels remain well below the combined value of the Lottery Aid and Additional Assistance programs that were consolidated into UGGA starting in FY 2010. It may simply not be possible to "hold all communities harmless" in a meaningful reform.
[55] For a list of recommendations, see SEIGMA Research Team (2024). "Social and Economic Impacts of Casino Introduction to Massachusetts," School of Public Health and Health Sciences, University of Massachusetts Amherst. October 2024, p. 175.
[56] For discussions of these unmet license requirements and the ongoing lack of a firm timeline or casino operator consequences for continued noncompliance, see meeting minutes and video of the Massachusetts Gaming

Commission, discussion with Director of the Research and Responsible Gaming Division and the Commission on Section 97 of Chapter 194 of the Acts of 2011, September 26, 2024 (Agenda Item 7) and November 21, 2024 (Agenda Item 4b). While the casino operators may have an interest in a lack of full transparency about how vulnerable gamblers might be targeted and induced to bet, or an interest in limiting data merely to loyalty programs, the Massachusetts Gaming Commission has since 2014 sought to resolve a process and systems that would be acceptable to all stakeholders. In the Commission's November 21, 2024 meeting, the Research and Responsible Gaming Division conveyed the intent to contract with the University of Massachusetts Donahue Institute to work with idPair, Inc. and the UMass Data Science and Software Engineering Corp. on this project.

[57] The full text of Section 97 of An Act Establishing Expanded Gaming in the Commonwealth reads, "Notwithstanding any general or special law or rule or regulation to the contrary, a gaming establishment shall supply the Massachusetts gaming commission with customer tracking data collected or generated by loyalty programs, player tracking software, player card systems, online gambling transactions or any other information system. The commission shall contract with an experienced nonprofit research entity to develop an anonymizing system that automatically removes from the data: (a) personally identifying information, including player name, street address, bank or credit information and the last 4 digits of a player's zip code, in compliance with section 2 of chapter 93H of the General Laws; and (b) game identifying information, including game name and device manufacturing company, in protection of corporate intellectual property. The data shall retain information on player characteristics including, but not limited to, gender, age and region of residence, player behavior including, but not limited to, frequency of play, length of play, speed of play, denomination of play, amounts wagered and, if applicable, number of lines or hands played and characteristics of games played including, but not limited to, reel configuration, return-to-player or RTP, volatility index and denomination. The commission shall convey the anonymized data to a research facility which shall make the data available to qualified researchers for the purposes of: (1) conducting analyses that improve understanding of how gambling addiction develops and progresses; (2) developing evidence-based harm minimization strategies; and (3) developing evidence-based systems to monitor, detect and intervene in high-risk gambling. The commission shall request reports on researcher analyses of the behavioral data, which could provided informed recommendation to the general court relative to more effective regulation of gambling operations. The commission may directly initiate studies assessing the effectiveness of any specific measures, programs or interventions which the commonwealth has implemented in gaming operations and which might be illuminated through the behavioral data in question."

[58] Additional data on Massachusetts gambling will require additional research to examine and interpret. The Commonwealth should make anonymized data available to researchers and provide resources to ensure ongoing focus on how the data connects to policy questions. Since 2013 the Massachusetts Gaming Commission has engaged the University of Massachusetts Amherst School of Public Health & Health Sciences in an ongoing project, the Social and Economic Impacts of Gambling in Massachusetts (SEIGMA).

[59] One challenge is that some gamblers may seek to register multiple accounts to circumvent limits on dangerous betting. Account information can be required to have two factor protection linked to a mobile phone number and no more than one account can be permitted per number.