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**Vice en Masse:
The History and Trajectory of Major Vice Regulations in Massachusetts**

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Clark University School of Professional Studies
Capstone Practicum MPA3999-02-S23

May 5th, 2023

It has been my experience that folks who have no vices have very few virtues.
-Abraham Lincoln

Abstract

Vice has long been a lightning rod in American politics. The government's desire for revenue and commercial activity weighed against the impact on public safety and welfare has caused regulations to tighten and loosen over time criss crossing political movements, ideologies, parties, and campaigns. Every culture has vice interwoven and interspersed into its customs, dogmas and taboos. This project will explore the path certain commercial vice products took to legalization in Massachusetts and the state of current efforts to further reform and/or regulate their use as well as examine the inherent conflicts between stakeholders in the system.

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Literature Review Part 1

Research Topic:

Zlotnik - Vice in Massachusetts

Research Topic Definition:

We will examine the regulatory framework around certain areas of vice, focusing on alcohol and sports betting. We may also bring in other areas such as casino gambling, or cannabis for reference and/or comparison purposes. Our objectives are to examine the competing interests that go into creating and maintaining the regulatory framework for these substances or activities.

The groups and interests concerned are both state/government and private. The state collects revenue from vice, and is simultaneously responsible for addressing addiction. Private individuals are also similarly divided by business interests and public welfare.

Questions:

- What is the proper balance of regulations to allow for business opportunities, consumer choice while protecting the public to the greatest extent possible?
 - How are other states approaching that balance? What federal laws impact individual states' ability to regulate vice independently?
 - Where does public opinion come into play?

Introduction to Literature Review:

I reviewed newspaper articles concerning proposed regulatory changes as well as databases comparing laws by state. I reviewed studies concerning negative health impacts from consumption. I also reviewed publications put out by various trade groups representing different sectors of the industry. The purpose is to ascertain what areas are subject to proposed changes, as a means to look at possible areas of contention.

Literature Review Components:

I'm starting with the assumption that vice inherently has both positive and negative consequences for both the government and society as a whole. Furthermore, this being self evident, is a central component to the formation of regulatory frameworks and public policy.

Several of the proposed changes concern discounting alcohol. This can be done through coupons, loyalty programs, or through the use of designated discount timeframes, commonly referred to as "happy hour". This is one area where public health arguments are still prevalent. So I used articles from medical journals examining those public health aspects.

Types of Published Documentation

I used newspaper articles to document various proposals and how they are presented to the public. Because alcohol regulations, like any regulation impacting the consumer, have public opinion and political aspects, how those items are covered by the media have an important part in the discussion of regulator reform.

I used journals covering medical and public health topics to reference those areas. Most alcohol regulations boil down to controlling how much alcohol is available to the public. The main reason for this is alcohol can have a negative impact on an individual's health. Medical research and public health studies are therefore a crucial aspect of reviewing reform proposals.

I used databases to examine nationwide trends and timelines to compare and contrast laws between states and over time. The core of my research is examining why certain changes happen and why others don't, being able to make broad comparisons is an important part.

Investigation: Theories, Models and Research Studies

Covid-19 spurred several temporary changes to liquor laws. Some of those changes are being proposed for permanent laws and others referencing those changes. The article in the Berkshire Eagle covering a public hearing on a group of these bills shows where different commercial interests are not always aligned. Massachusetts has long restricted the sale of alcohol on certain days, or during certain hours. (Young) Over time these restrictions have changed, generally towards less prohibition. As detailed in that article, many retailers do not want those restrictions loosened. On its face, it would seem counter intuitive that retailers would prefer to be prohibited from making sales during specific times. However, those retailers see it as a level playing field, where everyone has to close so no one has an advantage. As opposed to if those restrictions were not in place for say, Thanksgiving day, as they are currently, retailers would have to decide if they wanted to be open, if it would be advantageous to be open, and if it would be possible to open. This seeming contradiction is largely explainable by the growing coalescence into two groups being small retailers that are family owned and larger corporate concerns.

Another common conflict pushing reform proposals is between producers and distributors. Because by law, the production and distribution of alcohol is segmented, distributors of alcoholic beverages are different from any regular transportation enterprise. This conflict is exacerbated by changing consumer trends. Years ago when consumption was dominated by large national and international producers there was less interest in sidestepping this system. However, as small producers have gained popularity and market share there has been more pressure to change that system. The article from the legal blog referred to the current system in Massachusetts as a "byzantine set of laws". (Rossi) This is often the tact taken in arguments in favor of reform and similar verbiage can be found in many articles on the topic.

Most people who order an alcoholic beverage at a restaurant or bar are unaware that the license that establishment holds in order to provide that service likely took an act of the legislature. This process, which is steeped in tradition, also embodies another key component to vice regulation, once it's legal, who's in control? As it stands in Massachusetts, if it's vice, the answer is always the State. This is a regular source of debate between the state government and municipalities. Cities and towns see liquor licenses as an economic development tool and a means to spur growth in the local tax base. The Commonwealth sees its review of the business and individuals purveying vice

as equally important. The push and pull on this issue generates a great many column inches annually.

Conclusion

Proposed changes, even if they are presented primarily as otherwise, are underpinned by economic factors. Consumer trends influence industry trends who in turn attempt to assure the most favorable regulatory environment given those factors. Furthermore the public health arguments have receded from almost all reform calls. For example, the most recent flashpoint in alcohol regulation in Massachusetts was around so-called “beer gardens” and the proposals were concerning making the system fair from a commercial point of view. The increase in public consumption was barely referenced except to point out the inequity in regulations compared to traditional establishments. Some other efforts have outright argued for less restrictions, or less state control without acknowledging the health factor at all such as the push for home delivery of cocktails as a pandemic measure. This is very significant because the points made in arguments around vice regulations over the last 200 years, especially alcohol, were primarily concerned with the public health aspect and related societal ills.

The competing interests can be classified as follows:

Underage impact,

Commercial Interests v Commercial Interests

Alcohol: Commercial Interests V Commercial Interests:

- competitor/competitor limiting of competition
- Beer Gardens, Grocery Stores, nashoba valley winery

Marijuana: Commercial Interests V Commercial Interests:

- Competitor/ competitor,, regs to protect market share
- Home delivery, territorial exclusivity, black market/legal market

Sports Wagering: Commercial Interests V Commercial Interests

- competitor /competitor limiting of competition
- Brick & mortar V digital, amount of market share (skins), black market/legal wagering

Business interests use the regulatory framework to their advantage, and argue against changes to protect the status quo.

Commercial Interests v Public Welfare

Alcohol: medical issues/addiction, public safety concerns (oui), societal taboos?

Marijuana: gateway drugs/addiction, public safety concerns (oui), societal taboos?

Sports Wagering: addiction component, advertising pros/cons (kids), athletic corruption

There is money to be made in vice. However, it comes at a cost for those who overindulge, or become addicted.

Commercial Interests v Political Interests

Alcohol: legal business/the kennedy’s (prohibition), revenue to be had via regulations, ideological philosophy

Marijuana: hippie movement (counter culture element), revenue to be had via regulations, ideological philosophy

Sports Wagering: legal business/the mafia, revenue to be had via regulations, ideological philosophy

Business interests, and the associated revenue for the government can come into conflict with political beliefs or ideology.

Public Welfare v Economic Development

Alcohol: investment, jobs, commercial activity...does it mean public good?

Marijuana: investment, jobs, commercial activity...does it mean public good?

Sports Wagering: investment, jobs, commercial activity...does it mean public good?

Tax revenue, job creation and development can be at odds with usual governmental objectives for public welfare. This is why vice expansion tends to gather momentum during harder economic times.

Methods

I started by looking through the National Conference of State Legislatures databases to narrow down common reform issues. From there I gathered related newspaper articles primarily covering Massachusetts but also elsewhere.

Lessons Learned

In many of the articles I reviewed, industry publications are referenced. These documents and other materials are something I felt would be very interesting in studying the factors around proposed reforms. However, they have not been easy to find, other than ones I have personally received as material from trade groups lobbying for or against bills before committees on which I have served. I think this viewpoint is a missing component that I will need more of to fully include.

Literature Review Part 2

Muradian Research Topic: Vices within the Commonwealth

The state of Massachusetts currently does not allow sports gaming in any capacity. However, last session in an economic development bill, the House of Representatives did pass a version and followed that up with another, updated, version this session.

Should the Senate not act on meaningful legislation, the Commonwealth will continue missing out on sorely needed revenue. Even if the Senate does move towards a vote on sports gaming, the inclusion of collegiate sports in any omnibus bill is paramount to viable success in the Commonwealth. If passed with the inclusion of collegiate sports, estimates say Massachusetts stands to receive \$70 million dollars or so in additional revenue each year.

Questions: While this highlights the most pressing of vices, our thesis will explore the regulatory complexities vices present in Massachusetts, specifically alcohol and sports betting. I do believe that as our research evolves it may bring other vices into scope, especially cannabis and casino gambling.

I believe our attention will focus on the harmony and balance of legalizing and regulating vice industries to ensure business growth, while ensuring the utmost public safety.

- What drives public support or opposition to vice?
- How does Massachusetts compare to other states in regulating vice?
- What role does the federal government play in regulating vice?

Introduction to Literature Review

Researching vices proved to be a somewhat daunting task, as there was no dearth of information. While that might be viewed as an ease to my efforts, it in fact was a detriment as ensuring sound, quality information was gathered and reviewed. The purpose of this literature review is to provide background and context on vices, with a specificity on sports gaming (both online and in person) in the Commonwealth. As stated above, I do believe this may morph to include alcohol, but the vast majority of my prior research (solely focused on gaming) will be found below.

Literature Review Components

This literature review encompassed many means of research, some of which dated back to my first visit to Clark University's campus. One of the first pieces of advice I received was to visit the library and utilize their star, Andrew Haggerty, for research assistance. From doing this before, I recalled how Andrew taught me to actually understand researching, and even exposed me to my first experience with an amazing tool, Google Scholar.

Google and Google Scholar provided me with several sources to reference, including an Ohio State University Bachelor of Science in Business Administration Thesis, as did prior testimony from panelists to the Joint Committee on Economic Development and Emerging Technology, of which I am the Ranking Member.

My prevailing presumption was that legalized sports gaming is not just logical, but frankly late to market. Speaking of markets, the black market is as strong as ever, and legalized the vice of sports wagering will help bring this out of the shadows and into a

regulated industry.

Types of Published Documentation – Academic and Commercial

The vast majority of the publications I chose to review were of the Commercial nature, as I found those publications to be more readily accessible and wide-ranging. A sampling of these would be the American Gaming Association Site, which through its many links provides a bountiful amount of data. A post found on Legal Sports Report outlined revenue and handle, whereas Action Network looked at states and their potential revenue streams.

Legal Sports Betting had data on how much Americans actually do bet on sports and Fee.org targeted the academic benefits. The Maryland Reporter provided a great summary of typical pros and cons of the American sports betting industry, while the Wall Street Journal tackled the elephant in the room; would legalized sports betting help states get out of the hole?

Lastly the prior referenced thesis provided 104 pages of insight to the economic and social effects of legalized sports gambling.

Investigation: Theories, Models and Research Studies

While I thought I had a firm grasp on the magnitude of influence gaming has on budget bottom lines, the first set of data discovered pretty much confirmed what I thought all along- gaming could be a ‘game changer’ for states. The United States sees a \$261 billion-dollar annual economic impact, with \$41 billion dollars in tax revenue generated on an annual basis (currently, that number will undoubtedly grow). It most certainly increase as only 44 states have some form of legal casino gaming, and those states show 1.8 million jobs supported by the U.S. gaming industry. (*Home*, n.d.) While one might think they are driven by greed and solely the bottom line, it is abundantly clear they are working to ensure a safe gaming environment for those that want to partake. To that end, The American Gaming Association and its members pledge to prioritize responsible gaming as an integral part of their industry’s daily operations, and further go on to provide a pledge to their patrons which includes promoting responsible gaming, preventing underage gambling and unattended minors in casinos, to serve alcoholic beverages and advertise responsibly. They also make pledges to their employees and to the public to provide oversight and review. (*Responsible Gaming Code of Conduct*, n.d.) Its no wonder why 73% of adults are supportive of legalized gaming in their state. (*American Attitudes on Casino Gaming 2021*, n.d.)

As we continue, it is important to understand key terms in the wagering industry:

Handle- amount wagered over the time period

Revenue- amount of money kept by sportsbooks out of the amount wagered

Hold %- how much revenue sportsbooks keep as a function of handle

Taxes/state revenue- taxed collected by state and local jurisdictions*

*(or state share of proceeds in revenue-sharing markets)

Legal Sports Report provided a mind-spinning amount of data on each state, broken down by the terms listed above. Looking at our ‘little sister to the south’ Rhode Island, who started sports betting in late 2018, and passed a 2019 law to authorize online betting, we see that in October of 2021 (the most recent data compiled) their handle was over \$60

million, their revenue was just over \$3.6 million, their hold was 6% and their state revenue was \$1.84 million. In total over \$828 million has been bet in Rhode Island, with the state seeing almost \$38 million dollars since its inception. (*Sports Betting Revenue Tracker - US Betting Revenue & Handle By State*, n.d.) I have to wonder how many of those dollars come from Massachusetts residents crossing the state lines?!

Speaking of Massachusetts residents, Action Network looked at Massachusetts' population of 7 million and, using potential tax revenue based on the same parameters of New Jersey, a state that has full online betting and a competitive market of operators, they estimate over \$59 million dollars of revenue. Heck, even North Dakota with their 780,000 population would stand to see over \$6 million dollars in revenue. (*How Much Tax Revenue Is Every State Missing Without Online Sports Betting?*, 2021)

Another site that covered some of the same data as referenced above was Legal Sports Betting. While researching and sifting through their data, and understanding that the vast majority of betting is still handled via the black market, this stood out to me: "Sports betting is seen to be a \$150 billion industry and this is assumed to be a conservative estimate". ("How Much Money Do Americans Bet On Sports," n.d.) Again, the economic impact is almost limitless when considering the market operates everywhere already, just within the shadows and not out in the public, regulated.

Americans flock to high-profile events to place wagers, and Super Bowl 52 was no exception. This Super Bowl, which took place on February 4th, 2018, saw an estimated \$4.76 billion dollars bet on the game, with only three percent of that fortune gambled legally...the other 97 percent was mostly wagered using international betting applications. (Hauf, 2018) When reading the Fee.org story on the economic benefits to sports wagering, I was intrigued by a report that was included (and linked) referencing a 2017 Oxford University report that can to the conclusion that the legalization of sports betting would contribute between \$11.6 billion and \$14.2 billion to U.S. gross domestic product (GDP) annually. (Hauf, 2018) This is clear evidence of something we had discussed in one of our first meetings; that your exploration of information will open doors not anticipated and lead you down paths certainly worth exploring.

While the Maryland Reporter outlined some of the viable pros to licensing American sports betting, it is the cons that stand out and deserve consideration. While someone could make a lengthy list of potential harmful outcomes, it is their second and third points that bare repeating: it changes the nature of American sports, as sports would become more commercialized as it involves more money.... and it can lead to addiction. ("Legalizing Gambling," 2020) While this site references the battle with addiction, the IndyStar included a quote that honestly stopped me in my tracks. The following is from Chris Gray, Executive Director of the Indiana Council on Problem Gambling.

"You can do it in the dark, no one is watching. One of the signs with a problem gambler is isolation, so it's easier for them to gamble online. Their family and friends may not know. They do it at work, they can do it

at home, they can go to a place and just sit on their phone and gamble. That is a real problem. Addicts are born.” (Benbow, n.d.)

Conclusions

Upon my review of the referenced research and sites listed throughout this literature review, it is quite easy to fall in love with the intoxicating vision of dollars flowing freely into the Commonwealth. While I believe the benefits firmly outweigh the negatives, it is not without concern. Any sports wagering and online betting platform must include proper safeguards to ensure support for those in need. Freezing of accounts, setting daily, weekly, and monthly limits on wagering and opt-out provisions seemingly would have to be included for this to become a reality in Massachusetts.

That said, it is abundantly clear that our economic loss is an economic windfall to our neighbors to the North, South and West. Millions of dollars in economic activity travels across our state borders and makes its way to other cities and towns. Massachusetts is always viewed to be a leader in practically every industry... while we are certainly not first to the table on sports wagering, we can undoubtedly be the ones who set up a robust industry that reaps all of the benefits envisioned, while safeguarding those who are vulnerable to addiction.

Methods for Investigating My Research Topic

While my method for research began with a call to Clark, it expanded to encompass several media outlets, journals, and opinion pieces. Having heard testimony from proponents and opponents firsthand as the Ranking Member of the Economic Development Committee, my knowledge allowed me to seek out certain sites that I thought would prove useful in this literature review. I then cross referenced many articles, allowing myself to critically think about the statistics provided, stories told, and information presented.

Lessons Learned

I believe one of the greatest lessons learned stems back to the IndyStar quote centered around problem gambling. I know of the addiction complexities, but hearing about the loneliness and isolation, coupled with the ease of access to sit practically anywhere and within minutes, if not seconds, place a wager is eye-opening. It becomes crystal clear that any legislation moving forward and signed into law needs to have a practical component to it.

The opposite end of this equation would be the benefits to the Commonwealth. Circling back to the figures referenced earlier under Investigations, a \$261 billion-dollar annual economic impact, \$41 billion annual generated tax dollars, and 1.8 million jobs proves that this industry is here to stay, and we must do what we can to embrace it, regulate it and legislate it.

Introduction

The Continental Congress, and individual states had racked up tens of millions in debt fighting the revolutionary war. The new national government was having trouble paying it back; its creditors abroad were growing impatient. (Chernow 297) They desperately needed revenue. In the spring of 1791 President Washington signed the Excise Whiskey Tax Act of 1791 which levied the first national tax on domestic goods: distilled spirits. (Chernow 327) Social reformers hoped this ‘sin tax’ would have a positive public health impact. Hamilton viewed it as a luxury tax believing it to be the least distasteful of the options before them. (Slaughter 100) They were wrong. Farmers resisted, especially those further in the interior who were accustomed to making additional money distilling their excess produce. (Slaughter 97) Resistance became serious when tax collectors were driven away with force. America’s first rebellion followed and would have broad impacts on the nascent democracy, how its government would handle dissent, resolve competing interests, and how they would regulate vice.

The history of vice in America parallels the myriad groups and ideologies who settled and sought to develop and rule the new world. Free of the structure of the old world, settlers experimented with a range of regulations over time from strict controls to tolerance and began to have many of the same debates that still play out today.

Puritans in 1638, passed a law - based on the Idleness Statute of 1633 - which outlawed possession, even in one’s home, of cards, dice, gambling devices and every other game of chance at the time. As the Proverb 16:27 of the Living Bible says, idle hands are the devil’s workshop, and Puritans thought that man would gamble when idle, whereas no one was supposed to be idle or unproductive with their time. (Fenich, 1996)

The Quakers in Pennsylvania enacted a similar law in 1682 against gambling, and 1721 found New Hampshire prohibiting gambling in order to prevent the unnecessary impoverishment of the gambler's family, a concept grounded in English Common Law. In 1748 New Jersey passed a similar act to that of the Quakers, condemning gambling as an idle activity. Their statute mentioned that gaming leads to fraud and corruption of youth.

A brass "honor box", or original type of slot machine, was brought to inception around 1770. Colonial taverns had this "honor box" which contained either snuff or pipe tobacco, and the patron inserted a half-penny to unlatch the box. It was then that they were honor bound to reclose the lid after filling their pipe. A year later, in 1771, the General Assembly of Rhode Island passed a law prohibiting horse racing. This action was taken, presumably, to ensure that all 'horsepower' was devoted to the simmering tensions surrounding the revolutionary war effort. (Fenich, 1996)

While the first authorized lottery in Colonial America took place in Boston, Massachusetts in 1745 as an act that was passed by the General Court for the payment of debt "in the manner the least burdensome to the inhabitants" (Swain, 2019), it was 1776 when the Continental Congress organized a five million dollar lottery to partially finance the American Revolutionary War. Ticket #1889 from the first lottery in Massachusetts has been preserved and provides a literal and figurative blueprint for future offerings.¹

¹ In 1964 New Hampshire was the first state to reintroduce the lottery, and by 1983 seventeen state lotteries were operational across the United States. Within this timeframe the President's Commission on the Review of the National Policy toward Gambling produced a report highlighting the \$17.7 billion wagered legally every year from 1974-1976, thus highlighting the immense popularity this vice had amongst the masses. Then in 1972 when Massachusetts reintroduced a public lottery, a Gardner man named Donald Consentino won the first prize of \$50,000. "It was



In 1806 Louisiana established a prohibition against gambling, except for the city of New Orleans. As one could imagine, this led to proliferation of gambling within the city, since it was the only place in the state where it was legal at the time. Only nine years later, New Orleans licensed and taxed casinos, with proceeds donated to charity. (Fenich, 1996)

In 1832 the first casino in Washington D.C. opened two years after Congress banned all lotteries; a prohibition that would stand until 1860. The years that followed saw the Louisiana Legislature pass a law making the operation of gaming establishments a felony. Pennsylvania law incorporated a statement that gamblers were “parasites and thieves,” and the New York Association for Suppression of Gambling was established.

The immediate antebellum and postbellum years brought a flurry of activity with riverboat gambling gaining popularity in the late 1850’s, betting booths appearing at baseball parks in 1860, and the territorial government of Nevada outlawed gambling in 1861. The state government of Nevada would reverse that law in 1869. (Fenich, 1996)

purely luck of the draw,” he would say, but he also “went into church and thanked the lord.” (Gardner News 4/5/1972) (Appendix A)

The politics of postbellum America in the shadow of the Second Great Awakening saw a marked increase in the fervor to reign in vice. It blended with racist, xenophobic, anti-catholic, nativist political sentiments. Immigrants were depicted as hard drinking newcomers who did not possess desirable qualities. Undesirables with incompatible un-American customs. To the establishment, still more threatening was their impact on the political system.

Vice spanned political ideologies. Progressives worried alcohol could undermine the good work of the abolitionist movement by debilitating newly emancipated slaves. Conservatives worried the forces of changing demographics, harnessed by political machines, fueled by alcohol could upend the established order. Half of the New York City aldermen in 1884 owned bars. Patrick Kennedy started his political dynasty from a Haymarket saloon. (Okrent 47) City politics across America felt the pressure from these shifting sands. Everyone worried that alcohol consumption would erode the fabric of American society.

Those forces had some success at the city/town, county and even state level, passing increasingly strict prohibition laws. However, they could not bring about national prohibition. For one, the federal budget was dependent on revenue from the liquor excise tax. Collectively brewers and distillers were a powerful political lobby. The German American Brewers Association led by Adolphus Busch pushed back just as fervently and called the prohibition movement “an attack on the natural joviality of the German people.” The tipping point would come when the United States entered The Great War.

Suddenly, German brewers and even beer itself were enemy collaborators. Their organizations were suspect. The grains they used to brew beer were undermining the war effort and intoxication was sapping the fighting strength of the army. Congress sent the 18th Amendment to the states for ratification a few months after war was declared, and it was approved by the requisite number of states months after the armistice.

Behind this ultimately successful push was Wayne Wheeler and his Anti-Saloon League and the Women's Christian Temperance Union. (Okrent 2-3) These organizations were the first to understand how a small group could utilize democratic systems to push what arguably were proposals that would not enjoy majority support. What they had come to understand was that in the two-party system, they did not need to win an absolute majority, or even a majority in the majority party. All they needed to do was swing enough voters in the middle that each side would need to win. What we now call wedge issues, and single issue voters, these groups discovered as successful levers in American democracy.

To understand the current state of vice in the United States, and Massachusetts specifically, it is imperative to understand the rise and fall of the prohibition movement, the ebb and flow of gambling restrictions, and the long staggered path of marijuana legalization. Not only are the basis of most vice laws and regulations grounded in these past movements, but so too are the politics.

The rise and fall of the prohibition movement, the passage and repeal of the Volstead Act, and the 18th and 21st Amendment to the Constitution pushed vice onto the national political stage. While vice was a frequent topic from the pulpit and on the campaign trail from the time of the first European settlements, prohibition made vice a mainstay of American political discourse. It would spawn federal agencies, the war on drugs, military interventions, sweeping criminal justice changes, and national political debates that reflect the changing face of America. Public safety, public health, revenue, and competing commercial interests would continue to compete for political support to allow, deny, restrict, or regulate the array of vices.

With Competitors Like These

When manufacturers saw prohibitionists gaining ground, they turned on each other. Beer brewers and vintners sought to paint distillers as the real enemy. Wine was classy, sophisticated, capable of solemnity, and beer was basically liquid bread as many ads purported. This type of survivalist mindset can be seen today in many of the arguments put forth from many sectors.

These arguments can be seen on full display in an advocacy document distributed to Massachusetts state legislators in July of 2019 by the Massachusetts Package Store Association, Inc. According to them, the current system, and their place in it, is the best safeguard of public safety. (Appendix C)

One issue that has been near the top of the pile for concern among package store owners is the expansion of supermarkets and box stores into beer, wine, and liquor sales. The

chief advantage large stores and chains have over smaller ones is their economy of scale. They can buy in bulk, and pass those savings onto the consumer. That economic reality has driven countless retailers out of business but law and regulations have so far kept these large entities mostly out of the vice business. According to MPSA, they oppose further efforts by big box retailers because of their ability to offer lower prices that constitute “predatory pricing schemes that entice people to overconsume.”² One common thread among vice purveyors is that the routine admittance that vice has some inherent danger, but they and their place in the current system are the best way to mitigate those dangers.

To that end, look to the summer of 2019, the Greater Boston area saw new venues popping up in plazas and parks. They were not permanent structures, nor were they on their own full fledged businesses. They were “Beer Gardens,” usually an arm of a craft brewer that utilized successive one-day licenses issued by the municipality to operate. An individual must apply for the one-day license, and no individual may be issued more than thirty such licenses in a calendar year. However, another person can start being issued licenses for the next thirty days and so on. (Appendix D)

Opponents argue that this is a derivation of the one-day license system. They contend that the sole legitimate purpose for these licenses is for special events, like festivals or fairs.

This is not specified in the law, something the MPSA declared then to be a loophole. A

² In 2009 Massachusetts ended the sales tax exemption liquor stores had previously enjoyed, subjecting their sales to the state sales tax of 6.25%. Opposition to this change was led in part by MSPA who was one of the largest financial contributors to the \$3 million successful repeal effort. MSPA argued the increased cost to consumers would cause sales to plunge.

sub-committee of the Joint Committee of Consumer Protection and Professional Licensure was convened in late 2019 to go deeper into this issue.

A Boston Globe article that covered the sub-committee sole hearing pulled no punches as titled “I love beer too, but the state needs to regulate beer gardens.” That hearing found that both sides were dissatisfied with the current system and process. Furthermore local authorities were voicing legitimate difficulties with regulating this sudden and dramatic influx on what had typically been a seldom and sporadic issue in the past.

In 2019, the City of Boston had nine beer gardens, up from six the year before. Each one required a fresh one-day license for each day they operated, most doing so dozens, if not over a hundred times. This creates some consternation on the part of the brewers. If something is wrong with their application, if it is late, or encounters another snag, they will not be able to open on that day, perhaps with very little notice. “We have to constantly pull these one-day licenses — you wonder if you are going to get the permit in time,” stated Rob Burns, operator of two such beer gardens.

On the other hand, purveyors based in brick and mortar establishments feel like these pop ups are getting all the breaks. Fixed locations have to undergo far more rigorous steps to be licensed and operate. On top of having to pay in some municipalities due to license scarcity, more than \$100,000 to purchase the license in the first place. In some cases, beer gardens utilize public spaces. This all has led to various adversarial complaints with different state and local entities alleging one violation or another. Among other

arguments, established entities held they were better positioned to enforce controls and maintain public safety.

Still, there may not be a more simple example of one of the fundamental questions regarding liquor regulations and vice regulations more generally: do they serve the consumer, or commercial interests first? There was no doubt that there was demand and appeal of these locations. As that same Globe article surmised, consumers, especially younger crowds, seem to be fans of “a laid back appeal: beer in plastic cups, tacos, pizza, and lobster rolls from outdoor stalls, along with live music. Real bathrooms? Try porta potties.” (Leung 2019) Covid-19 shelved the issue temporarily, but by 2022, beer gardens were back and their outdoors locations were exactly what many covid conscientious consumers were looking for.

In the spring of 2016 most headlines concerned the parallel Democratic and Republican presidential nomination processes. However, sliding in between is one of the most significant developments in Massachusetts liquor law in decades. It is a story in which a licensee took on the Alcoholic Beverage Control Commission and won. Winning in dramatic fashion with stunning expediency. What may appear to be a one off issue, will when viewed with greater hindsight, be correctly viewed as a turning point in alcohol regulation.

Sixteen years before, the state had granted the Nashoba Valley Winery a license to produce and pour wine at their location in the Town of Bolton. Then a technicality

occurred to the ABCC. Nashoba Valley Winery was producing wine in one building, then pouring it at their restaurant in a different building, albeit on the same property. It hinged on the word ‘premises’ in the enabling statute. The regulators were now saying that meant the one building. (Murtishi 2016)

"So in 2017 we will be able to serve wine in the winery building, beer in the brewery and spirits in the distillery building but we will not be able to serve anything in our restaurant since it is not attached to any of these buildings," owner Rich Pelletier summarized, who filed suit against the ABCC. (Murtishi 2016) In just a few short months they garnered support from Governor Charlie Baker in what the State House News Service at the time called “a somewhat unusual step of intervening on behalf of a single business owner contesting an administrative decision by alcohol license regulators.” State Treasurer Deb Goldberg, whose office oversees the ABCC, echoed the Governor’s support for changing the law. (Murphy 2016)

This culminated in a new law passed in the waning hours of the biennial session as it closed in July 2016. It allowed Nashoba Valley to continue operating as they had under a refashioned farmer-vintner statute. Their attorney at the time said “the fact that such a vibrant existing operation had to fight for its life to survive shows that there is a lot of room to loosen up the liquor license laws and their interpretation in general.” (Adams 2016)

The ABCC that spring had told Nashoba Valley Winery they could not continue their operations as usual, but not because a new law had been passed, or a court case had altered the regulatory landscape. It was because they had internally determined that they, the ABCC, were in error in the past by issuing that license and they were going to correct that error by not issuing the license going forward. Nashoba Valley for their part seemed to base their case to the media and the legislature on the unfairness of this change. That the ABCC had erred, and they should be able to continue doing business essentially under a de facto grandfathering based on that error.

Everyone seemed to agree from the Governor on down that the ABCC was right in their then current interpretation and therefore had erred in their previous license issuance. However, everyone also seemed to agree that there was nothing wrong with how Nashoba Valley was doing business and that for the sake of that business, and its customers, the law needed to change with all deliberate speed. In the end that is what ended up happening.

Every brewer in the Commonwealth has a decision to make once they have a product to sell. How to get it to market? That market might be hotels, restaurants, bars, or package stores but in any case, those bottles, cans, casks, kegs, cases, or barrels need to get from the brewery to the customer. In every case, brewers can choose between two options. Contracting with a distributor, or self distributing. There is one exception: pub breweries.

The number of pub breweries in the Commonwealth have fluctuated between 20 and 30 over the last several decades. Most of their patrons may not even be aware of this intricacy of Massachusetts liquor laws in which they are dining and drinking. To the casual observer they appear like any other restaurant with an emphasis on craft beer.

Most start up breweries follow a similar pattern. Initially it is a very small operation. Many will relate stories of the owners brewing, selling, and delivering their product while they grow. Over time if they are successful they grow and expand in some cases continuing self distribution, in others opting to work through a wholesale distributor.

Because that option is not available to pub brewers they have limited options for expansion as that initial stage when they are small is the least advantageous for a partnership with a wholesale distributor. Without large quantities being produced, the economics are fundamentally different. However, an argument often made against changing this rule is the fact that pub brewers can hold a section 12 pouring license which allows them to serve alcoholic beverages they do not produce on site giving them the option for a full service bar and restaurant.

In 2017 commercial brewers were granted by legislative action a new ability with their license. Previously they could sell the products they brew on site for off premises consumption, and have “tap rooms” for tasting. This change allowed them to sell their products they produce for on premises consumption. What this spawned was the numerous “brew yards” that have been, and still continue to be, built across the state.

It's a Gamble

But how do other vices factor into all of this? Historic gambling trends in the

Commonwealth can be traced to colonial times when private lotteries were common. In 1719 gambling laws were introduced that banned all lotteries, however 1745 saw the state authorize its first public lottery. Shortly after Boston's famed Faneuil Hall burnt down in 1761, town leaders (including John Hancock) put together a series of successful lotteries where proceeds funded a reconstruction and rehabilitation of the building. (Charlestown & Us, n.d.)

Massachusetts in 1971 saw the legislature establish the Massachusetts State Lottery Commission in response to the need for revenues for all 351 cities and towns of the Commonwealth. While sales began in 1972, it wasn't until 1974 when the Lottery introduced the industry's first instant scratch ticket with a game called The Instant Game that it soon gained in popularity. This revolutionary new product transformed the entire lottery industry. (*Massachusetts State Lottery Commission | NASPL Members | NASPL*, n.d.) Since the first sale of a ticket in 1972, the Massachusetts State Lottery has returned more than \$31 billion dollars in net profit to the Commonwealth, and in fiscal year 2022 returned \$1.105 billion in net profit, split by formula, to all 351 cities and towns. (*About the Massachusetts State Lottery | Mass.Gov*, n.d.)

While gambling and gaming have been woven into the fabric of our culture and history, it wasn't until 'An Act Establishing Expanded Gaming in the Commonwealth' was passed in 2011 did the process start of casinos in the Bay State. Promoted as a solution to

provide sorely needed revenue amid the 2008 financial crisis, the arrival of expanded gaming was a welcomed addition. The legislation allowed for up to three destination resort casinos located in three geographically diverse regions across the state, as well as a single slots facility competitively awarded to one location statewide. (*Expanded Gaming Act*, n.d.)



Under the Expanded Gaming Act up to three casinos, as well as one slot parlor, can be constructed. 2015 saw the unveiling of Plainridge Park Casino, a slot parlor, in Plainville Massachusetts, while 2018 and 2019 brought to market MGM Springfield and Encore Boston Harbor, respectively. While there is still one license available, within Region C, it remains to be seen if there is an interest or appetite to construct such a facility. It is not without interest, as the Mashpee Wampanoag Tribe in 2012 negotiated a pact with then Governor Deval Patrick to allow it to proceed with plans to develop a \$500 million resort casino, but in 2013 the Massachusetts Gaming Commission (who oversees expanding

gaming within the Commonwealth) unanimously voted to open that region up to commercial competition. (Dan Ring, 2013)

While it seemed at the time a forgone conclusion that this industry would be a success, it was not without historic challenges. Gambling on the ballot, a header through Ballotpedia which refers to a ballot measure that refers to any form of gambling such as casinos, table games, raffles and lotteries, shows that Massachusetts has tried to act on four different occasions towards the industry. (*Gambling on the Ballot*, n.d.)

At the time of legislative approval, casinos were being billed as job-creators for Massachusetts. While this was true to a certain extent, both opponents and proponents alike quickly pointed to economic uncertainty as the catalyst for final approval. As part of the citizen opposition in Holyoke that led to Hard Rock abandoning its plans, resident John Epstein quipped “under any other economic situation, it (passage of the proposal, as well as jockeying for potential sites) never would have flown. The crash of 2008 and subsequent turmoil opened the door.” (“FEATURE-Casino Hopefuls Clash in Massachusetts Sweepstakes,” 2012)

However, a report released in 2005, tells a story that counters the opponents, and proponents. The report, *The Casino Gamble in Massachusetts*, is still respected within the industry, and states in part:

“Our analysis – which compares the experience of counties in the United State that house casinos with those that do not- suggests that both sides are wrong... instead, the introduction of a casino

does appear to produce a few modestly positive effects, a few modestly negative impacts, and in several areas, no statistically significant effects at all.”

This report then goes on to state that they found the introduction of casinos was associated with more jobs being dispersed among more people (population growth and employment kept pace), negligible impacts to unemployment rates, a limited positive effect on some local house prices, a modest increase in filed bankruptcies, more total crime but less per-capita crime (total crimes reported does rise because of population increases, but crime rate actually declined), no impact on total revenues or expenditures (spending by local governments on roads, public safety, and education was unaffected), a decline in per-capita spending and revenues. (Baxandall & Sacerdote, n.d.)

As casinos gained in popularity around the country, it was only a matter of time before expanded gaming provisions were explored. The Sicilian-American Mafia, known by names including the mob, Good fellas, and Wise Guys, has always had its prints on sports betting since its inception. Odds makers, or ace pickers, in sports betting go by names as well, including Sharps, professional handicappers, and wise guys. It is no coincidence that these names match up, given the long, storied, and intertwined history of organized crime and athletics. While early sports betting was centered around horse racing, it wasn't until the Black Sox Scandal of 1919, when a grand jury discovered that several disgruntled Chicago White Sox players were bribed into throwing the 1919 World Series, (Goodwin, 2022) that compromised athletics was considered. Eight baseball players took bribes of roughly \$10,000 a piece to ensure the heavily favored White Sox lost to the Cincinnati Reds. Major League Baseball, in response to the scandal, instituted its first

commissioner, Judge Kenesaw Mountain Landis, who became the first commissioner of all the major U.S. sports leagues. (Smiley, 2017a) In an effort to restore the integrity of the game, the Commissioner established the basis for what many leagues use a version of today; the “integrity of the game” statute which is used in a litany of avenues.

While the Mafia was long suspected of interference with the athletes, it took quite a while to actually prove this theory. It happened, however, at the expense of local higher education bastion Boston College, and their point-shaving scandal.

“If you’re not a gambler, you’ll never understand”

Notorious mobster-turned government informant Henry Hill spoke those words when asked why he involved members of the Boston College men’s basketball team in the late 1970s. Hill, one may recall, was the streetwise troublemaker to made man...who went from a nobody to a flashy mafia underboss and ended up raking in millions via fraud schemes, robbery, and even murder, as the main character to Martin Scorsese’s six Oscars nominated film, *Goodfellas*. While barely mentioned in the movie, Henry Hill was the mastermind behind one of the most notable scandals in sports. He was introduced to Tony Perla, whose friend on the Boston College basketball team was Rick Kuhn, someone who Perla thought would “do business” (*Inside the Boston College Basketball Point-Shaving Scandal*, 2023). The long and short of it was that fixing college games seemed too suspicious, and too difficult to guarantee the loss. Instead, they devised a plan to have the Eagle players shave points off of the spread, not wanting them to actually lose the game. Kuhn sought the services of guard Jim Sweeney, and they squared away final details on

the betting scheme. The players would pick games from their schedule where they thought they could impact the point spread and were paid \$2,500 per game to do so. Hill, in turn, would use his mob connections to identify bookies in several cities to funnel bets through. Nine games within the 1978-1979 season were impacted, thanks in part to the acquired service of Boston College's top scorer Ernie Cobb, who became a partner in the scheme. (*Inside the Boston College Basketball Point-Shaving Scandal*, 2023)

Drug trafficking charges in 1980 brought down Henry Hill, causing him to flip and become an informant. Details of each of his crimes began to unravel, including the point shaving scandal. In short order, Perla, Kuhn, Sweeney and Cobb were charged for their part in the racket. Kuhn suffered the harshest penalty, 10 years in prison, but ended up seeing his sentence reduced to 28 months. Sweeney and Cobb, somehow without much evidence against them proving they accepted money or did anything to impact the outcome of games, were not charged, and acquitted, respectively. (*Inside the Boston College Basketball Point-Shaving Scandal*, 2023)

While the Boston College point shaving scandal was a shock that rocked the sports industry, there were telltale signs letting the world know that it possibly wasn't quite that taboo. Just prior to the scandal, the final report of the Commission on the Review of the National Policy Toward Gambling, issued in 1976, was unequivocal on gambling in the United States. The introduction states that "Gambling is inevitable. No matter what is said or done by advocates or opponents of gambling in all its various forms, it is an activity that is practiced, or tacitly endorsed, by a substantial majority of Americans."

(Smiley, 2017a) As for what to do, Chairman of the Commission, Charles. H. Morin, wrote in the forward:

“Most Americans gamble because they like to, and they see nothing ‘wrong’ with it. This being so, they see no real distinction between going to the track to place a bet and backing their favorite horse with the local bookmaker. And this truly free-wheeling logic so consistent with the free enterprise philosophy of most Americans permeates the country’s judicial system: police, prosecutors, and courts. The Report of the Commission contains a hard statement: ‘Contradictory gambling policies and lack of resources combine to make effective law enforcement an impossible task under present conditions.’ Not ‘difficult’ not ‘frustrating’ not even ‘almost impossible’ but impossible. And why not? How can any law which prohibits what 80 percent of the people approve of be enforced.”

Found within the conclusion, it is stated that said Commission believes the issue of legalized wagering on sports events should be the subject of extensive debate to allow the voting public to form an educated opinion... in the event that a state does legalize sports wagering it should incorporate into its enabling legislation a prohibition against wagering on amateur sporting events. (Morin 178).

The Commission wasn’t all that far off in foreshadowing, as just four decades later, on May 14, 2018, the Supreme Court struck down the Professional and Amateur Sports Protection Act (PASPA), allowing options and opportunity for sports betting across the United State to bloom. The original PASPA was passed in 1992, but the Supreme Court ruling in favor of the state of New Jersey in *Murphy vs. NCAA* cleared the way for individual states to determine whether and how to legalize sports betting. (Dorson, 2020) Following the toppling of PASPA, the first full year saw Delaware, New Jersey, Mississippi, West Virginia, Pennsylvania, Rhode Island, New York, and Arkansas all

launch some form of legal sports betting. While Delaware was first to launch, New Jersey followed suit shortly thereafter. (Dorson, 2020)

PASPA was created as a reaction to the growing concern about the morality of sports betting in the United States, and how it affected the integrity of college and professional sports leagues. Notably, PASPA has its roots in the Dowd Report, which was published in 1989 and described the gambling activity of Pete Rose, a Major League Baseball player and manager. Among other things, Rose was found to have bet on games involving the Cincinnati Reds while he himself was manager, and was subsequently banned from baseball for life. (*PASPA Supreme Court Decision*, n.d.) Given the negativity received, public hearings were convened and ultimately, PASPA was passed in 1992.

Shortly after PASPA was passed, Mega Millions (multi-state lottery) was created, and has since grown to be available in 44 states. As the popularity of state lotteries increased immensely, so did the popularity of amateur and professional sports, especially fantasy sports. Much like casinos and the outright ban felt on gambling, the ban on sports wagering led the market to seek outlets which included offshore access and the illicit black market. As of a 2022 report, Americans gamble an estimated \$511 billion each year with illegal and unregulated sportsbooks, iGaming websites and so-called “skill games”, according to the American Gaming Association. (*New AGA Report Shows Americans Gamble More Than Half a Trillion Dollars Illegally Each Year*, n.d.) That half a trillion dollars, annually, is broken down into almost \$64 billion in sports wagering, almost \$338 billion in online slots and table games, and \$109 billion in unregulated machines. Using

these numbers, governments throughout the United States stand to lose \$13.3 billion in tax revenue, annually.

Seemingly within minutes or days of the May 2018 Supreme Court decision, states were considering proposals towards many aspects of sports wagering. In Massachusetts, the month that followed saw four bills filed, none making it out of committee for action to be considered. The following session, the 191st General Court, saw 19 bills drafted in some form towards implementation. While the House of Representatives (House) included sports wagering within a comprehensive Economic Development Committee bill, the Senate did not follow suit. With glaring differences, the bills went to a Conference Committee, made up of three members from each branch, with the goal of attempting to hash out any differences and come to an agreement. This was not the case, as the two proposals were vastly different, and frustratingly the thought of sports wagering within the Commonwealth faded.

However, as the 192nd General Court convened and committees were established, the House put in place a strong Economic Development team led by Chairman Jerry Parisella, Vice Chair Andy Vargas, and Ranking Minority Member David Muradian. The three legislators knew the task at hand; to pass meaningful legislation that would keep Massachusetts on par with its neighbors. Through countless hours of testimony, committee hearings and meetings, the House put forth a proposal on July 23, 2021, that was passed 156 Yea to 3 Nay. Given the magnitude of the legislation, it seemed that the Senate would take the legislation up for consideration in a timely manner, however they

did not act on the bill for roughly ten months, until April 28, 2022. The Senate, in an effort to protect their members and possibly not show growing support for the House Bill, passed this legislation on a voice vote without a roll call. Shortly thereafter, the House produced their Conference Committee members on May 17th, the Senate on May 19th.

Such is the case with comprehensive pieces of legislation, negotiations and conversations take time to unfold. With the looming deadline of August 1, 2022, fast-approaching and knowing that bills requiring a roll call, some 90+ percent including this one, must be completed, the Conference Committee came to an agreement on July 31, 2022. While the House version was widely lauded as the more complete bill, the final agreement did not let perfect be the enemy of good. The following is a side-by-side comparison relative to a select number of differences:

City or Town	House Version	Senate Version	Conference Committee Version
License Categories	3	2	3
Collegiate Sports	Included	Excluded	Included*
Tax Rate, In Person Wager	12.5%	20%	15%
Tax Rate, Mobile Wager	15%	35%	20%
Estimated Revenue	\$60-70M	\$35M	TBD

** the inclusion of Collegiate wagering prohibits wagers on Massachusetts’ based teams, unless they are in a sanctioned tournament with 4 or more teams*

The most glaring difference between the two bills, collegiate sports, ended up being a compromise that both the House and Senate could stand behind. While wagering on colleges is allowed on every team except ones from within the Commonwealth, residents would be able to place a wager “[if] they are involved in a collegiate tournament”.

(cvanbuskirk@masslive.com & akuznitz@masslive.com, 2022) March Madness or the Beanpot would be two examples of permitted wagering.

At the time of passage, Massachusetts was behind Rhode Island (2018), New York (2019), New Hampshire (2019), and Connecticut (2021) for the legalization of sports betting. The Commonwealth was in a virtual tie with Maine for legalization, and Vermont had a committee of nine lawmakers and state officials unanimously conclude, in a report years in the making, that Vermont should legalize sports betting and establish a state-controlled betting market. (Mearhoff, 2022) For a state that prides themselves on being industry leaders in basically every facet of life, why was there such a delay in implementation within Massachusetts? What could have been done differently?

The Supreme Court's ruling established a dash for the cash, as states jockeyed one another to be first to market. Massachusetts, needing both branches of the legislature to act on meaningful legislation, was behind the proverbial 8-ball, with Senate President Karen Spilka, someone who voted against the legalization of brick-n-mortar casinos back in 2011, noncommittal several times when asked about sports wagering. Articles surrounding the time leading up to debate referenced that Senate President Spilka "continued to duck questions on legalizing sports betting" and made mention of her "it honestly doesn't matter where I stand" rhetoric. (akuznitz@masslive.com, 2022)

The honest part of politics is that the leader has the say, always, and it would be disingenuous to think otherwise. Having leadership create friction on issues of importance to both the

constituency and the legislative body serves as nothing more than an impediment to progress. It is why news outlets surveyed sitting legislators and found that at least 60 percent of Massachusetts Senators at the time of survey supported legalized sports betting. That being said, a crucial component of politics is having the cards to play, knowing when to play them, and maneuvering to strengthen your position. As Senate President Spilka allowed her chamber to pass this landmark legislation on a voice vote, without much fanfare or action on amendments, it allowed the Senate to maintain some form of negotiating tools to take into Conference Committee, as neither side could point to how Senate members felt, and what they supported or opposed.

In an effort to ‘protect the student-athlete’, the Massachusetts Senate banned wagering on college sports. Given the stark contrast between the House version and theirs, this ultimately proved to be the hardest obstacle to overcome. The National Council on Problem Gambling issued their suggested guidance to states regarding protections, and most notably included the charge to ‘not offer incentives, especially monetary incentives to colleges based on sign ups, registrations, gambling participation, revenue, handle or profits... and provide dedicated funds to prevent and treat gambling addiction.’ (*Sports Gambling*, n.d.) The Massachusetts legislation created the Workforce Investment Trust Fund & the Youth Development and Achievement Fund, which will receive 17.5% and 1%, respectively, of the revenue generated by the taxes and licensing fees. The rest of the funds will go to the existing Gaming Local Aid Fund (27.5%, the Public Health Trust Fund (9% and where addiction services are found) and the General Fund (45%).

While the argument can be made that providing services and support systems would alleviate the concern towards collegiate athletics and athletes, one would think that opposition would still be organized. Short of a few fringe industry voices, as well as some of the Massachusetts Athletic Directors, there wasn't really an organized opposition. The Boston Globe, in an effort to understand the delay and inaction of the Senate, ran a story titled 'There's no organized opposition to sports betting in Mass. So why isn't it legal?' where they accurately pointed out that all major sports franchises and casinos in the Commonwealth were supportive, as was Governor Charlie Baker, and the House of Representatives...the hesitation lives in the state Senate. (Staff et al., n.d.)

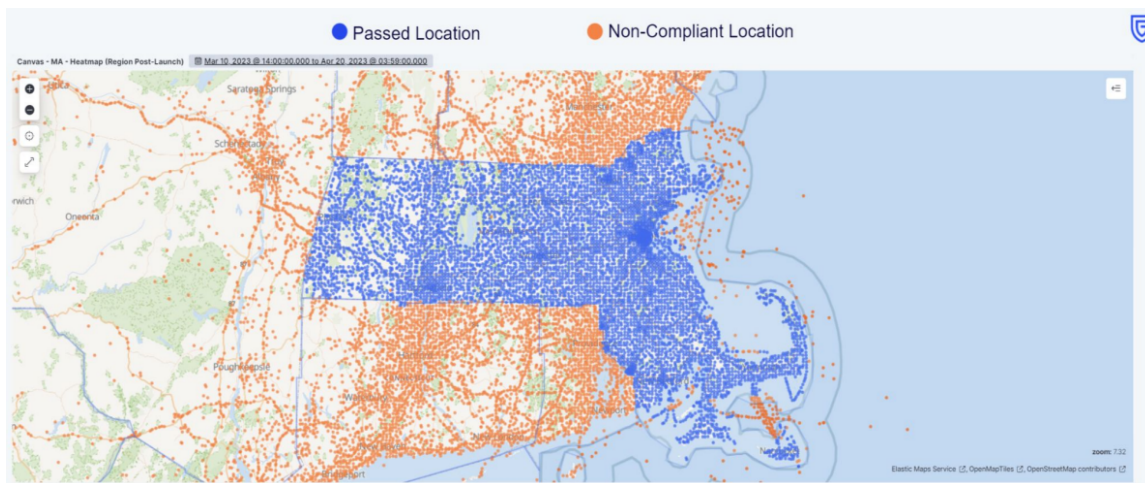
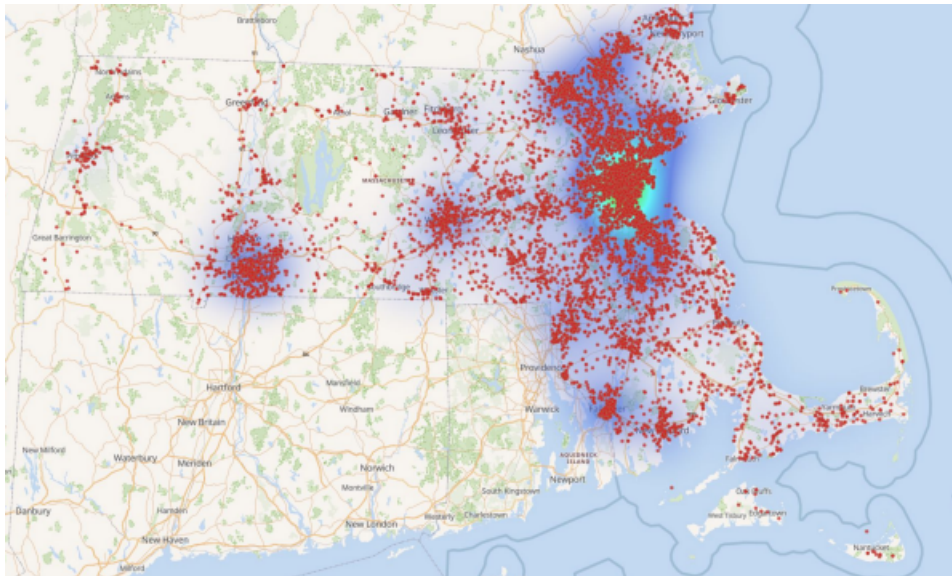
A final hurdle to the sports wagering being live in Massachusetts was the delay in implementation of regulations from the Massachusetts Gaming Commission (MGC). As the entity tasked with the regulatory oversight of this industry, the MGC had to promulgate over 220 regulations. As sports wagering's final bill sat on Governor Baker's desk awaiting his signature, the MGC already set a tone of tempered excitement in the corresponding meeting. Commissioner Brad Hill was quoted as saying "I want the public to understand, as we as commissioners are starting to understand, that this isn't something that's going to happen overnight...this is going to take a little longer than people probably anticipate, and I'm OK with that. I want to do it right." (*If Baker Signs Sports Betting Bill, Regulators Say It Could Take Months to Set Operator Rules*, n.d.)

As comprehensive pieces of legislation tend to do, they certainly take time to fully implement. That being said, many people thought that this sort of industry could just be

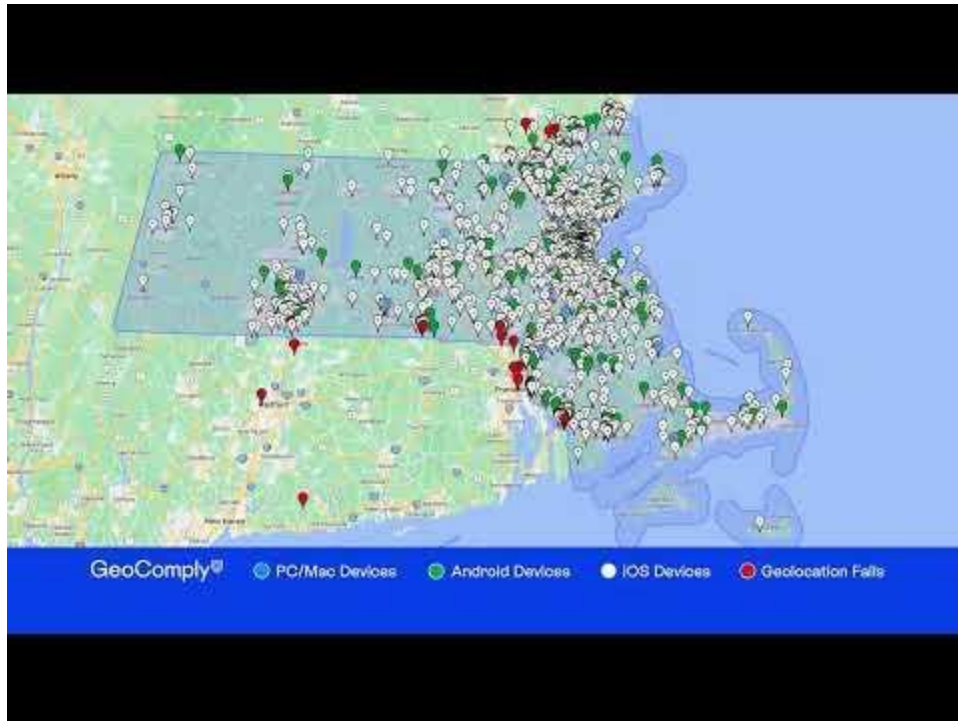
switched on, which understandably was not the case. As all forms of media clamored for more information and immediate movement, including popular sports talk radio station 98.5 FM, Commissioner Hill's frustration settled in. "Today I actually got a little frustrated with it because they had a guest on, and they were talking about sports betting and they made a comment that some think that we might be able to make a bet in three weeks at our brick and mortar casinos and our simulcasting facilities. And, obviously, that's not going to happen...it was frustrating because of the hundreds and thousands of people that listen to that show and think that they might be able to place a bet here in Massachusetts; it was frustrating." (Young, 2022)

In the end, Massachusetts joined with over half the country in having a version of sports wagering legalized. It wasn't without trials and tribulations, triumphs and defeats, or heartache and hoorays. But then again, it is said that nothing worth fighting for is easy. Did the final outcome produce a perfect bill? Some may say yes, some would certainly say no. What is unquestioned is that the residents of the Commonwealth of Massachusetts have something in place the overwhelming majority wished for, and are utilizing. The roll out in Massachusetts was in two-waves: January 31st allowed for in-person wagers, and March 10th saw all digital or mobile wagering go live. One of the industry leaders in providing fraud prevention and cybersecurity solution that detect location fraud and help verify a user's true digital identity, GeoComply, identified that there have been more than 52.6 million transactions from nearly, 77,000 unique player account accessing licensed online sports books operators in Massachusetts, since wagering was launched. Additionally, GeoComply has blocked nearly 1.5 million transactions from players

outside of Massachusetts. (*GeoComply | Leader in Geolocation Security & Compliance, n.d.*) These transactions can be seen below:



To reinforce the support found in Massachusetts, the following video shows geolocation checks in Massachusetts on Saturday, March 11th from 11 am until 1 pm. Opening with 6 operators, the Bay State saw 406,400 player accounts created and 8.1 million geolocation transactions between Friday, March 10th at 12:01 am until Sunday, March 12th, at 11:59 pm.



Only New Jersey, Ohio, Pennsylvania, and New York sports betting exceeded the numbers captured within Massachusetts for the opening weekend. The Massachusetts Gaming Commission reported more than \$25.7 million in sports wagering handle (amount of money wagered by bettors) in limited February action. (Leonard, 2023)

The Question of Revenue

Revenue has always been hand in hand with the regulation of vice in America. The first rebellion the new nation faced was tied to this debate. To pay for the civil war, the tax was raised to \$2 a gallon from 20 cents and was only lowered to 50 cents after the war. It would be raised and lowered frequently over the following decades. Some years in the late 1800's this accounted for anywhere from twenty to forty percent of the entire federal budget. This rose to nearly seventy percent in 1913. After the US entry into the war, the tax was raised to \$8.40 a gallon.

Every casino legalization has centered on the need for revenue, often done so during economic downturn. State lotteries were created with the specific purpose of raising revenue. When Massachusetts ultimately took the plunge into legalized casinos, revenue was frequently cited by supporters as a key justification. It's important to remember that in 2010 when that debate occurred, Massachusetts and the country were still deep in the Great Recession. Governor Deval Patrick and Speaker DeLeo may have disagreed on the specifics along the way, but they were unified by that point.

A pillar of the cannabis legalization effort in Massachusetts was the potential for revenue. In the end, those taxes would be a 10.75% excise tax, the regular 6.25% sales tax, and the option for the host municipality to impose an additional 3% tax. The taxes on liquor funded federal government operations.

The Question of Public Health and Safety

This need for revenue clashing with social reformers and public safety advocates caused one of the seismic shifts in the federal government in the 20th century. By 1913 advocates for prohibition had success at the local, county, and state level but the goal had always been a federal constitutional amendment. At that time, a constitutional amendment had never been repealed and it was seen as the best and maybe only way to settle the liquor question for all time. However, that need for revenue prevented all but the most ardent dries in Congress from seriously pursuing this remedy because of the dependency on the revenue it generated.

This is the source that created the federal income tax. It was correctly predicted that if the federal government could wean off liquor taxes by generating steady revenue elsewhere, then federal prohibition would become possible. Like falling dominoes over the next decade, this is exactly what happened. When the prohibition amendment would be repealed by the 21st amendment it was again the need for revenue and economic development cited among the primary reasons. Although, they also kept the federal income tax in place as well.

Revenue and public safety/public health are inseparable when it comes to vice. It is rare to find a debate on the topic where the issue is not woven together. Despite the repeal by ballot initiative of alcohol sales tax in Massachusetts³, there is a bill filed during this session proposing to bring them back. “Alcohol Taxes Saves Lives” declares an article's headline covering a briefing at the State House in early 2023. (Saunders 2023) Politicians and others have made the same arguments from time to time about alcohol, tobacco products, and cannabis that increasing taxes on these products have a dual positive impact. Increased revenue, and improved public health. (Deehan 2023)

“If we can raise those prices, that will also deter young people, particularly from binge drinking. And with the additional revenues that the state will bring in, we can be using those revenues as well for further public health investment, including for addressing substance use disorder and addiction.” - Senator Jason Lewis

Ballot Questions

Vice sporadically appeared on the ballot throughout our history. In 1944 Question 5 asked voters to uphold the law permitting nonprofit organizations to conduct games of chance.

³ In Massachusetts, food and beverages are generally exempt from the state sales tax with prepared foods being subject to the state meals tax, and possible local option meals tax. This exemption was ended in 2009 before being reestablished by a 2010 citizens initiative petition.

It passed with 68% of the vote. Question 4's passage on the 1950 ballot would have created a monthly state lottery, but it only garnered 42% of the vote. Since 1990 Massachusetts voters have been asked to weigh in ten times on various vice regulations on the ballot. Four times voters opted towards greater prohibition and six times voters took a step towards greater legalization.

The path towards legalization of adult use marijuana was almost entirely driven by ballot initiatives. Decriminalization passed in 2008, followed in 2012 by legalization of marijuana for medical purposes, and finally adult use in 2016. The legislature only stepped in after the passage of the 2016 referendum.

Public sentiment as seen through these ballot questions regarding gambling has been mixed. Twice voters have been asked to outlaw betting on dog racing. Petitioners failed in 2000, but prevailed in 2008. While gambling was a part of the campaign in both instances, the animal rights aspect was the cornerstone of both campaigns. As a result it is less clear how much these results should be viewed as a referendum principally on gambling given the other overarching theme. Just six years after in 2014 voting to ban betting on dog racing, the voters -by a larger margin- voted against a ballot question that would have stopped the issuance of gaming licenses to casinos. Then two years later voters rejected another question to allow an additional casino license by the largest margin in this sample.

The marijuana questions illustrate growing and steady public tolerance and support of legal marijuana use over time. Whereas, the group of gambling petitions show a much more discerning electorate concerning gambling

In 1994 petitioners sought to repeal some of the last blue laws on the books, these concerning broad commercial prohibitions on Sundays, specifically left alone Sunday prohibitions on alcohol sales in their proposal. This indicates two things. First, the petitioners were keen to avoid their question being conflated with the politics of vice regulations. Second, they accurately predicted that voters would be more apt to vote to allow retail establishments to open on Sundays than to allow for increased alcohol availability on Sundays.

Then in 2010 voters repealed the state's liquor tax by a slim majority. Massachusetts used to place an additional tax at the point of sale on alcohol products. This 'sin tax' like others was designed to discourage the products' use by artificially increasing its cost to the consumer.

In 2000 the Coalition for Fair Treatment led the effort for Question 8 which, had it passed, would have created a 'Drug Treatment Trust Fund' funded by fines and forfeitures related to drug crimes. The opposition was led by then Middlesex District Attorney Martha Coakley who argued the proposal only benefited drug dealers and that it was a major step towards decriminalizing drug dealing.(Chesto 2011) While the initiative petition did fail at the ballot box, the 48% in support showed a major shift away

from treating substance abuse as a criminal matter and more towards a public health issue.

Year	Question	Vice	Outcome	Yes	No
1994	Repeal Sunday Blue Law for Retail (Liquor Still Restricted)	Alcohol	Prohibition	52.70%	47.30%
2000	Prohibit Dog Racing	Gambling	Prohibition	49.00%	51.00%
2000	Creation of Drug Treatment Trust Fund	Drugs	Legalization	47.80%	52.20%
2008	Prohibit Dog Racing	Gambling	Prohibition	56.00%	44.00%
2008	Decriminalize Marijuana	Drugs	Legalization	65.20%	34.80%
2010	Repeal Liquor Tax	Alcohol	Legalization	51.90%	48.10%
2012	Medical Marijuana	Drugs	Legalization	63.30%	36.70%
2014	Prohibit Gaming Licenses	Gambling	Legalization	40.00%	60.00%
2016	Adult Use Marijuana	Drugs	Legalization	53.70%	46.30%
2016	Add 1 Additional Gaming License with Restrictions	Gambling	Prohibition	39.30%	60.70%

Conclusion

The intersection of vice and politics in America is nothing new. It has indeed been with us since the beginning. George Washington attributed his first electoral loss to not getting voters sloshed enough. He corrected his mistake two years later when he “floated into office partly on the one hundred forty four gallons of rum, punch, hard cider, and beer.”(Okrent 47) A half gallon for each voter casting a vote for Washington. He was but the harbinger of the bar owners who for most of the nineteenth and twentieth century were perfectly positioned to slake their customers' thirst, and their own appetite for power.

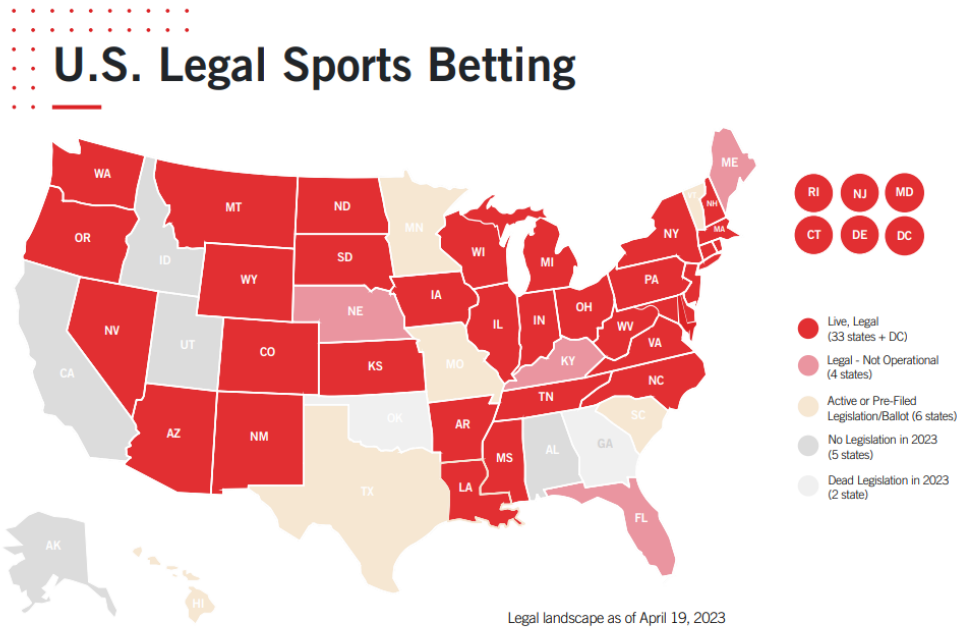
One can expect this to continue. Vice has broad financial implications. Both for commercial interests and governments desiring politically palatable revenue sources. As surely as night follows day, economic downturns and their accompanying negative impact on government revenues, so too will the political will follow to overcome social concern, public health and safety concerns. Vice in Massachusetts and America will continue to be subject to many masters not the least of which is consumer trends.

Appendix A

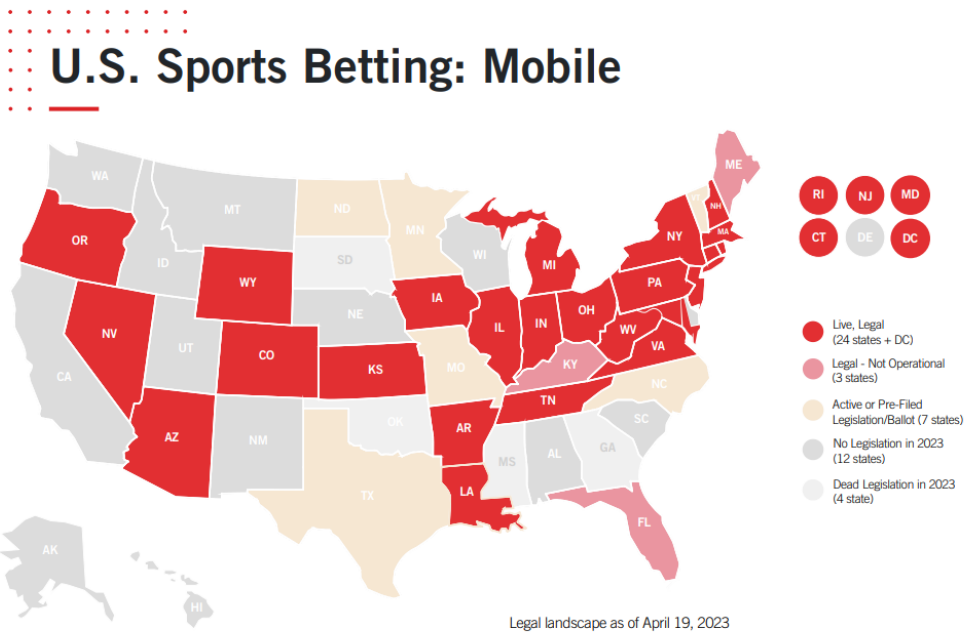


Courtesy photo
Gardner's Donald Consentino (left) receives his \$50,000 check as the state's first winner in the lottery from William Perrault, executive director of the Massachusetts State Lottery.

Appendix B

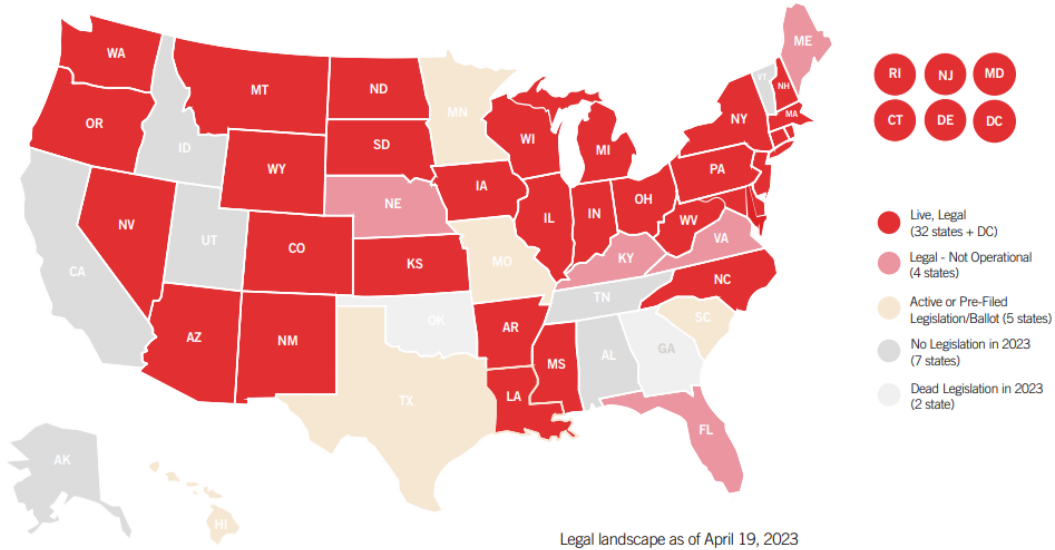


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U.S. Sports Betting: Retail



Appendix C



Massachusetts Package Stores Association, Inc.

30 Lyman Street - Suite #2 | Westborough, MA 01581
 Phone: (800) 322-1383 or (508) 366-1100 | Fax: (508) 366-1104 | Web: www.masspack.org

Monday, July 15, 2019

Written Testimony of the Massachusetts Package Stores Association Submitted to the Joint Committee on Consumer Protection & Professional Licensure for the Hearing on Record of S158 - An Act relative to alcohol purchasing discounts

Dear Chairs Chan and Feeney, and Members of the Joint Committee on Consumer Protection & Professional Licensure,

The Massachusetts Package Stores Association (MPSA) represents independently owned retailers of beer, wine and spirits across Massachusetts. Throughout the 2019 legislative session, MPSA has reported that the state of the alcohol beverages industry in Massachusetts is disruption and instability. The adverse situation continues as the regulatory system is assailed from every direction. Many factors are influencing the flood of bills impacting alcohol beverages that are under review by the joint committee. The loss of revenues by manufacturers from the tariff wars, oversaturation of the brewery marketplace, loss of sales resulting from cannabis, threat of an online lottery and unchecked illegal sales by out of state retailers and internet sales are all having an impact within the AB industry. There is also the immense fallout from *Tennessee Wine & Spirits Retailers Association (TWRSA) v. Thomas*, No. 18-96.

It is in this context that MPSA supports S158 - An Act An act relative to one day alcoholic beverage licenses. S158 is necessary to close an abused loophole being exploited by breweries and manufacturers concerning the use of single day licenses. S158 ends the abuses by amending Section 14 of Chapter 138 to cap the number of one-day liquor licenses granted to a single entity to no more than one day 14 licenses. Breweries are creating perpetual low-cost beer gardens for on-premise retail by obtaining a special one-day liquor license from municipal local licensing authorities. State law says that no "person" can be granted more than 30 such licenses a year. But breweries and others have skirted the statutory provision by simply having different employees apply for the permits. The result is that brewery beer gardens that were intended to be short term are open regularly to a point where they become a de facto permanent fixture. This is not the intent to one day licenses.

The beer garden loophole is also concerning due to bills submitted to the joint committee that would permit breweries and manufacturers to retail off premise. Both H230 and H363, which allow for off-premise retail by breweries and manufactures were introduced with the knowledge of the beer garden loophole. These same groups have also introduced legislation allowing the leverage of farmer markets for the same purposes. Breweries and manufacturers are hopeful in passage of H230 and H363 so that such sales could convert beer gardens into pop up retail, which avoid traditional brick and mortar costs. H158 extinguishes disruption.

Thank you for reviewing MPSA's written testimony. Please reach out to MPSA with any questions regarding the three-tier system and independent retailers of beer, wine and spirits.

Respectfully submitted,

Robert A. Mellion, Esq.
 Executive Director | General Counsel

The Massachusetts Package Stores Association (MPSA) is a non-profit trade organization representing the interests of the thousands of independently-owned retail stores of beer, wine and spirits across Massachusetts. Contact MPSA with any questions at (800) 322-1383, or email info@masspack.org. Visit the MassPack website at: www.masspack.org

MASSACHUSETTS PACKAGE STORES ASSOCIATION

Advocacy - 2019



Respected and Persuasive

The Massachusetts Package Stores Association (MPSA) represents local retailers of beer, wine and spirits across Massachusetts. MPSA fulfills its mission of “Strength in Unity” by advocating on legislative and judicial matters and defending members while also facilitating a foothold to the future. Another focus is educating stakeholders about the positive and economic impacts of local package store’s, along with the retailer’s important role as a gatekeeper against underage drinking and over-consumption in Massachusetts.

Economic Impact

- In Massachusetts, off-premises retail sales of alcohol beverages equate nearly \$3 billion in total economic impact. Both “on” and “off” premise retail sales of alcohol beverages are responsible for \$10.9 billion in economic activity within the state.
- Independent off-premises retailers of alcohol beverages directly employ about 19,000 Massachusetts residents. Establishments that sell alcohol beverages collectively employ as many as 188,900 people in Massachusetts and generate an additional 60,759 jobs in supplier and ancillary industries.
- Businesses selling alcohol beverages in Massachusetts, along with their supplier and ancillary industries, pay over \$8.2 billion in wages and benefits each year.
- In Massachusetts, the retail alcohol beverages industry and its employees pay over \$1.08 billion in state and local taxes, and an additional \$1.84 billion in federal taxes.

Safeguarding Public Safety

The beverage alcohol three-tier system is under attack by craft brewers, out of state direct shippers, interstate chain supermarkets, national box-store retailers and e-commerce. These continuous efforts to undermine and usurp the regulatory system that has benefited Massachusetts for over 80 years are repeatedly stopped by MPSA. Local retailers of beer, wine and spirits are also the gatekeeper against underage drinking, overconsumption and they stop adulterated product from reaching the marketplace.

- Pushing back against a 2017 District Court ruling allowing *Total Wine* to discount spirits in a manner not previously permitted in MA, MPSA won its appeal to the Supreme Judicial Court in 2019.
- MPSA is the leading provider of Beverage Alcohol Training in Massachusetts. BAT training and certification by MPSA is the industry standard for off-premises retailers of alcoholic beverages in MA.
- The Treasurer’s Alcohol Task Force Report has been tactlessly used by supermarkets and out of state chain stores as an agent of disruption to 3-tier regulation. MPSA has blocked their harmful objectives.
- MPSA has thwarted repeated efforts by craft brewers and manufacturers of alcoholic malt beverages to upend the 3-tier system that rightfully separates manufacturing from the wholesale and retail tiers.
- MPSA is fighting off numerous bills introduced by craft brewers, wine and malt producers, which replace prudent 3-tier regulation that prevents underage drinking with reckless vertical integration.
- MPSA is opposing efforts led by out-of-state chain supermarkets and big box retailers to dismantle the licensing and quota systems in MA that uphold public safety and integrity of a regulated marketplace.
- MPSA prevents passage of legislation allowing out-of-state chain and big box retailers to undermine small businesses through legalizing predatory pricing schemes that entice people to overconsume.



2018 Economic Contribution of America's Beer, Wine & Spirits Retailers: Massachusetts¹

DIRECT IMPACTS			
	JOBS	WAGES	ECONOMIC IMPACT
Off-Premise Retailers	18,233	\$577,687,400	\$1,153,024,100
Total Direct Impacts	18,233	\$577,687,400	\$1,153,024,100
SUPPLIER IMPACTS			
Agriculture	23	\$1,038,400	\$1,458,800
Business & Personal Services	1,218	\$95,067,400	\$163,099,100
Construction	122	\$9,106,300	\$20,102,400
Finance, Insurance & Real Estate	689	\$35,488,500	\$196,879,600
Government	64	\$6,618,700	\$13,509,300
Manufacturing	195	\$16,594,900	\$74,530,100
Mining	4	\$758,000	\$1,234,700
Retailing	56	\$2,502,900	\$4,873,300
Transportation & Communication	727	\$58,331,200	\$188,832,500
Travel & Entertainment	179	\$7,109,000	\$14,939,500
Wholesaling	75	\$8,128,200	\$20,073,200
Other	0	\$0	\$0
Total Supplier Impacts	3,352	\$240,743,500	\$699,532,500
INDUCED IMPACTS			
Agriculture	34	\$894,300	\$1,592,700
Business & Personal Services	2,913	\$195,315,400	\$324,275,700
Construction	77	\$5,544,700	\$12,587,400
Finance, Insurance & Real Estate	776	\$66,957,800	\$328,803,500
Government	67	\$6,808,700	\$12,780,100
Manufacturing	226	\$20,866,800	\$105,638,200
Mining	3	\$456,300	\$885,200
Retailing	902	\$34,596,900	\$74,917,400
Transportation & Communication	375	\$32,272,600	\$129,741,500
Travel & Entertainment	994	\$32,840,300	\$80,788,800
Wholesaling	205	\$22,202,200	\$54,730,600
Other	174	\$6,727,400	\$3,874,100
Total Induced Impacts	6,746	\$425,483,400	\$1,130,615,200
Total Economic Impact	28,331	\$1,243,914,300	\$2,983,171,800

FISCAL IMPACTS	
	BUSINESS TAXES
Federal Taxes	\$289,743,200
State Taxes	\$148,986,000
Total Taxes	\$438,729,200

Report: State - All Jobs Off

¹ All jobs in off-premise package stores are included as these businesses depend on the sale of alcohol for a substantial portion of their revenues and profits. In all other locations, this analysis examines off-premise retail alcohol beverage sales accounting for full time and equivalent jobs related solely to the sale of alcohol.

This report was produced for the American Beverage Licensees by John Dunham & Associates as a component of the 2018 study, Economic Impact of America's Beer, Wine & Spirits Retailers (2018)

MASSACHUSETTS PACKAGE STORES ASSOCIATION



Three-Tier System

What is the Three-Tier System?

Following the repeal of Prohibition on December 5, 1933, Congress enacted the Federal Alcohol Administration Act (FAA Act). This act led to states adopting various laws that created a “Three-Tier System” for the production, distribution and sale of alcohol. The Massachusetts Package Stores Association (MPSA) is committed to preserving the integrity of the state-based alcohol control system that has evolved under the 21st Amendment and regulated in Massachusetts under M.G.L. c 138.

Efficient & Effective Means of Assuring Responsible Commerce

The Three-Tier System is a pro-competitive and economic mechanism for the orderly marketing, taxation and sale of alcohol beverages. Over \$43 Billion dollars of applicable federal, state and local excise taxes have been collected annually under the Three-Tier System over the past eighty years. In 2016, the beverage alcohol industry was responsible for \$25.3 billion in federal taxes and an additional \$18.36 billion in state and local taxes.

Promoting Responsibility and Accountability

MPSA is dedicated to the responsible sale and service of alcohol beverages to adult customers by its members. The Three-Tier System strengthens the beverage alcohol industry’s ability to account for its products, responsibly provide them to consumers, and prevent access of alcohol to those who are underage or should otherwise not be served or sold beverage alcohol.

“Unquestionably Legitimate” System Offers Unparalleled Consumer Options

In 2005, the Supreme Court confirmed that the Three-Tier System is ‘unquestionably legitimate’. The Court’s language reaffirms the right of states to regulate the beverage alcohol marketplace that currently offers an unparalleled and never-before-seen selection of beer, wine and spirits to adult consumers.

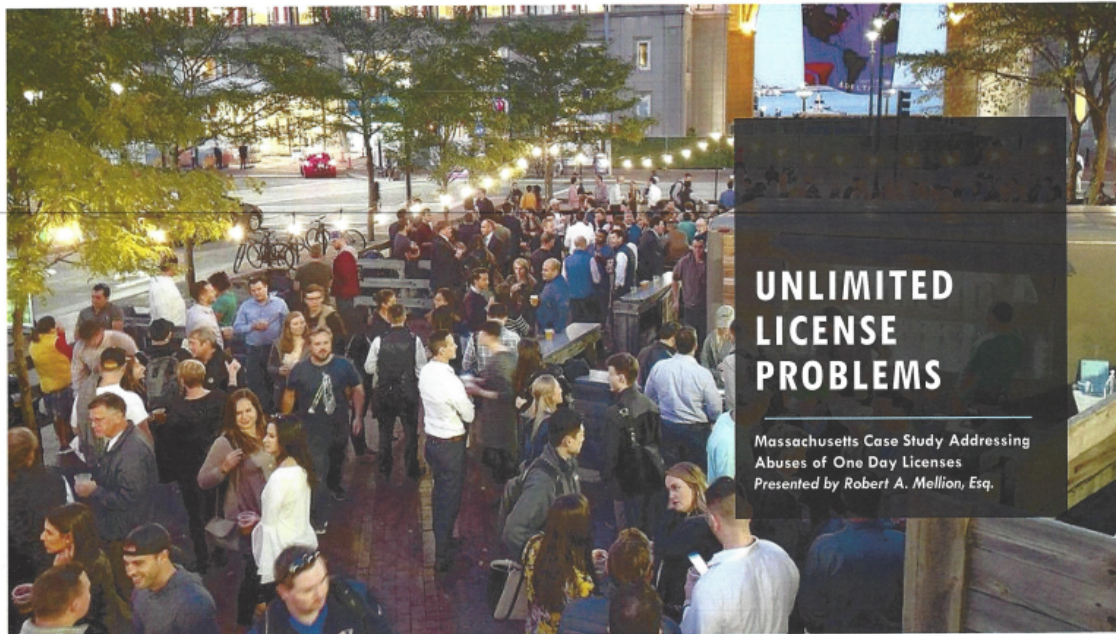
Safeguarding the Three-Tier System

The beverage alcohol three-tier system in Massachusetts and the United States are under attack from every possible direction. Whether it is a national retailer working toward blending the tiers, or direct shippers aiming to expand their e-commerce businesses, or manufacturers seeking to be producer, distributor and retailer, the regulatory system for alcoholic beverages is under extreme pressure.

STRENGTH IN UNITY SINCE 1942

The Massachusetts Package Stores Association (MPSA) is a non-profit trade organization representing the interests of the thousands of independently-owned beer, wine, and spirits off-premise retailers across Massachusetts. MPSA is keenly aware of the business challenges its members face including: rising operational costs; changing competitive landscape; new insurance requirements; wage and labor issues; government regulations; legislative issues; preventing illegal sales and more. MPSA is Strength in Unity since 1942.

Appendix D



<p style="text-align: center; font-weight: bold; font-size: 1.2em;">ONE-DAY PERMIT UNDER M.G.L. 138, SECTION 14</p>	<p>In a city or town wherein the granting of licenses to sell all alcoholic beverages or wines and malt beverages only is authorized under this chapter, special licenses for the sale of wines and malt beverages only, or either of them, may be issued by the local licensing authorities, to the responsible manager of any indoor or outdoor activity or enterprise; provided, however, in any city or town wherein the granting of licenses to sell all alcoholic beverages is authorized under this chapter, special licenses for the sale of all alcoholic beverages or wine and malt beverages only, or any of them, may be issued by the local licensing authorities to the responsible manager of any nonprofit organization conducting any indoor or outdoor activity or enterprise.</p> <ul style="list-style-type: none"> ▪ For a One Day Special Permit applicants contact the Local Licensing Authority of the town the event is held in. ▪ The LLA then issues a special license for the sale of wines and/or malt beverages to any enterprise however, special licenses for the sale of all alcoholic beverages may be issued to non-profit organizations only. ▪ The license is to be utilized for a single day. ▪ The Local Licensing Authorities cannot grant special licenses to: <ul style="list-style-type: none"> a. any person for more than a total of 30 days per calendar year, b. to any person that has an on-premises license application pending before it, c. any premises that has an alcoholic beverages license.
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Whether it is national retailers blending the tiers, direct shippers aiming to expand their e-commerce businesses, or manufacturers and brewers seeking to be producer, distributor and retailer, the regulatory system in Massachusetts and elsewhere is under extreme pressure.

- Beginning last year, craft brewers and manufacturers took advantage of a loophole in the one-day permit regulations within MA by introducing sustained “Beer Gardens” as part of a multipronged approach to increase revenues by increasing their retail footprint.
- Now, state government is getting involved by reconciling economic and consumer interests with public safety and regulation.

ISSUE:
ABUSE OF ONE DAY LICENSES BY CRAFT BREWERS AND OTHER MANUFACTURERS



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School of Professional Studies

Project Charter

Vice en Masse

Jonathan Zlotnik

David Muradian

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1 Project Overview

1.1 Introduction

Vice has long been a lightning rod in American politics. The government's desire for revenue and commercial activity weighed against the impact on public safety and welfare has caused regulations to tighten and loosen over time criss crossing political movements, ideologies, parties, and campaigns. Every culture has vice interwoven and interspersed into its customs, dogmas and taboos. This project will explore the path certain commercial vice products took to legalization in Massachusetts and the state of current efforts to further reform and/or regulate their use as well as examine the inherent conflicts between stakeholders in the system.

1.2 Major Stakeholders

Identifying major stakeholders can be challenging given the multitude of competing interests. We have identified industry experts, interests groups, legislative and regulatory staff, and trade associations as the most likely to be impacted by the project outcomes.

2 Project Goal and Scope

2.1 Project Goal

The goal of this project is to understand the path and trajectory of vice regulation in Massachusetts concerning specific instances for alcohol, adult use cannabis, and sports wagering.

2.2 Project Scope

In Scope:

The focus will primarily be on the most consumer facing aspects of certain vice industries. Massachusetts laws and regulations of alcohol, cannabis, and sports wagering.

Out of Scope:

Areas that may be used for reference or comparison, but not as a primary or secondary focus.

Other state and federal laws, and regulations.

Alcohol - Production and Bottling

Marijuana - Medical Marijuana

Gambling - Casino Gaming, Lottery

3 Assumptions

- Vice can be both good and bad
- Vice has a political impact
- Competition can be a positive, or negative, within industry
- Regulations are in place to protect market share
- Regulations are also in place to drive revenue
- Territorial exclusivity is a thing of the past given digital or online platforms
- Societal taboos remain surrounding vice
- Illicit or black markets continue to thrive
- Ideological philosophy dictates consumer actions
- We assume we will have enough time to finish this capstone project by May
- We assume that we will work well together

4. Constraints

Information on the motivation of interested parties will be difficult to definitively show. For example, if an existing business or business group opposes further loosening of a regulation, it is often done on the basis of principle, or public health. However, those groups in opposition almost always have a financial incentive to keep the status quo even though that is rarely, if ever, stated plainly by their representatives.

5. Risks

Given the magnitude of our capstone project, many risks are inherently associated with its completion. Our scheduling limitations, our efforts to work cooperatively, our lasting friendship, the potential growth of said friendship, and our own individual growth are some of the largest risk factors.

6. Measures of Success

To measure our success of the capstone project, we will enhance our knowledge of operating procedures around regulation within the industries of alcohol, cannabis, and sports wagering. We will expand our comprehension of the information gathered as we aim to ensure this paper succinctly details vice regulation within the Commonwealth of Massachusetts.