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## **OLR Bill Analysis**

**HB 6394**

### ***AN ACT CONCERNING INTEREST ON LOTTERY SALES AGENT DELINQUENCY ASSESSMENTS.***

#### **SUMMARY**

This bill requires that the interest charged on lottery sales agents' (i.e., licensed lottery ticket retailers') delinquency assessments be calculated using simple rather than compound interest, which is the current practice (see BACKGROUND). By law, delinquency assessments are equal to 10% of the amount due or \$10, whichever is greater, plus interest at a rate of 1.5% per month or part of a month that elapses between the due date and payment date.

For delinquency assessments outstanding on June 30, 2021, the bill allows sales agents to request a hardship waiver from the Department of Consumer Protection (DCP) commissioner to reduce what is owed, by recalculating the interest owed using simple interest. Sales agents can apply beginning July 1, 2021.

EFFECTIVE DATE: July 1, 2021

#### **BACKGROUND**

##### ***Current Practice Regarding Interest Charged***

A May 5, 2010, declaratory ruling interpreting CGS § 12-569 issued by the executive director for the former Division of Special Revenue held that the statute supports imposing delinquency assessments using compound interest calculations. (PA 11-51 eliminated the division and transferred its responsibilities to DCP.) DCP currently uses compound interest calculations on delinquency assessments.

##### ***Delinquency Assessments***

By law, lottery sales agents are delinquent when they fail to remit money due from their lottery ticket sales by the settlement dates

established by the Connecticut Lottery Corporation (CLC). The CLC president is responsible for making delinquency determinations and notifying the DCP commissioner, who in turn must impose the delinquency assessments (CGS § 12-569; Conn. Agencies Regs. §§ 12-568a-1 and -13).

**COMMITTEE ACTION**

Public Safety and Security Committee

Joint Favorable

Yea 23 Nay 0 (03/04/2021)