



# House of Representatives

General Assembly

**File No. 384**

January Session, 2021

Substitute House Bill No. 6451

*House of Representatives, April 12, 2021*

The Committee on Public Safety and Security reported through REP. HORN of the 64th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

***AN ACT CONCERNING GAMING AGREEMENTS WITH THE MASHANTUCKET PEQUOT TRIBE AND THE MOHEGAN TRIBE OF INDIANS OF CONNECTICUT.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2021*) For the purposes of this  
2 section and sections 2 to 10, inclusive, of this act:

3 (1) "Electronic wagering platform" means the combination of  
4 hardware, software and data networks used to manage, administer,  
5 offer or control sports wagering or commercial casino gaming over the  
6 Internet, including through an Internet web site or a mobile device;

7 (2) "E-sports" means electronic sports and competitive video games  
8 played as a game of skill;

9 (3) "Fantasy contest" has the same meaning as provided in section 12-  
10 578aa of the general statutes;

11 (4) "Gross gaming revenue from keno" means the total of all sums

12 actually received by the Connecticut Lottery Corporation from  
13 operating keno both through lottery sales agents and through the  
14 corporation's Internet web site, online service or mobile application less  
15 the total of all sums paid as winnings to patrons and any federal excise  
16 tax applicable to such sums received, provided (A) the total of all sums  
17 paid as winnings to such patrons shall not include the cash equivalent  
18 value of any merchandise or thing of value included in a jackpot or  
19 payout, and (B) coupons or credits that are issued to patrons as part of  
20 a promotional program and actually played by the patrons shall not be  
21 included in the calculation of gross gaming revenue, provided if the  
22 aggregate amount of such coupons and credits played during a calendar  
23 month (i) exceeds twenty-five per cent of the total amount of gross  
24 gaming revenue for that month, for any month during the first year of  
25 the operation of keno pursuant to section 4 of this act, (ii) exceeds twenty  
26 per cent of the total amount of gross gaming revenue for that month, for  
27 any month during the second year of the operation of keno pursuant to  
28 section 4 of this act, or (iii) exceeds fifteen per cent of the total amount  
29 of gross gaming revenue for that month, for any month during the third  
30 or succeeding year of the operation of keno pursuant to section 4 of this  
31 act, then twenty-five per cent of the applicable excess face amount of  
32 coupons or credits used in such calendar month shall be included in the  
33 calculation of gross gaming revenue;

34 (5) "Gross gaming revenue from online casino gaming" means the  
35 total of all sums actually received by an operator of online casino  
36 gaming less the total of all sums paid as winnings to patrons of the  
37 operator of online casino gaming and any federal excise tax applicable  
38 to such sums received, provided (A) the total of all sums paid as  
39 winnings to such patrons shall not include the cash equivalent value of  
40 any merchandise or thing of value included in a jackpot or payout, and  
41 (B) coupons or credits that are issued to patrons as part of a promotional  
42 program and actually played by the patrons shall not be included in the  
43 calculation of gross gaming revenue, provided if the aggregate amount  
44 of such coupons and credits played during a calendar month (i) exceeds  
45 twenty-five per cent of the total amount of gross gaming revenue for  
46 that month, for any month during the first year of the operation of online

47 casino gaming, (ii) exceeds twenty per cent of the total amount of gross  
48 gaming revenue for that month, for any month during the second year  
49 of the operation of online casino gaming, or (iii) exceeds fifteen per cent  
50 of the total amount of gross gaming revenue for that month, for any  
51 month during the third or succeeding year of the operation of online  
52 casino gaming, then twenty-five per cent of the applicable excess face  
53 amount of coupons or credits used in such calendar month shall be  
54 included in the calculation of gross gaming revenue;

55 (6) "Gross gaming revenue from sports wagering" means the total of  
56 all sums actually received by an operator of sports wagering less the  
57 total of all sums paid as winnings to patrons of the operator of sports  
58 wagering and any federal excise tax applicable to such sums received,  
59 provided (A) the total of all sums paid as winnings to such patrons shall  
60 not include the cash equivalent value of any merchandise or thing of  
61 value included in a jackpot or payout, and (B) coupons or credits that  
62 are issued to patrons as part of a promotional program and actually  
63 played by the patrons shall not be included in the calculation of gross  
64 gaming revenue, provided if the aggregate amount of such coupons and  
65 credits played during a calendar month (i) exceeds twenty-five per cent  
66 of the total amount of gross gaming revenue for that month, for any  
67 month during the first year of the operation of sports wagering, (ii)  
68 exceeds twenty per cent of the total amount of gross gaming revenue for  
69 that month, for any month during the second year of the operation of  
70 sports wagering, or (iii) exceeds fifteen per cent of the total amount of  
71 gross gaming revenue for that month, for any month during the third or  
72 succeeding year of the operation of sports wagering, then twenty-five  
73 per cent of the applicable excess face amount of coupons or credits used  
74 in such calendar month shall be included in the calculation of gross  
75 gaming revenue;

76 (7) "Indian lands" has the same meaning as provided in the Indian  
77 Gaming Regulatory Act, 25 USC 2703;

78 (8) "Keno" has the same meaning as provided in section 12-801 of the  
79 general statutes, as amended by this act;

80 (9) "Lottery draw game" means any game in which one or more  
81 numbers, letters or symbols are randomly drawn at predetermined  
82 times, from a range of numbers, letters or symbols, and prizes are paid  
83 to players possessing winning plays, as set forth in each game's official  
84 game rules. "Lottery draw game" does not include keno;

85 (10) "Mashantucket Pequot memorandum of understanding" means  
86 the memorandum of understanding entered into by and between the  
87 state and the Mashantucket Pequot Tribe on January 13, 1993, as  
88 amended from time to time;

89 (11) "Mashantucket Pequot procedures" means the Final  
90 Mashantucket Pequot Gaming Procedures prescribed by the Secretary  
91 of the United States Department of the Interior pursuant to 25 USC  
92 2710(d)(7)(B)(vii) and published in 56 Federal Register 24996 (May 31,  
93 1991), as amended from time to time;

94 (12) "Mohegan compact" means the Tribal-State Compact entered  
95 into by and between the state and the Mohegan Tribe of Indians of  
96 Connecticut on May 17, 1994, as amended from time to time;

97 (13) "Mohegan memorandum of understanding" means the  
98 memorandum of understanding entered into by and between the state  
99 and the Mohegan Tribe of Indians of Connecticut on May 17, 1994, as  
100 amended from time to time;

101 (14) "Online casino gaming" means (A) slots, blackjack, craps,  
102 roulette, baccarat, poker and video poker, bingo, live dealer and other  
103 peer-to-peer games, and any variations of them, and (B) any games  
104 authorized by the Department of Consumer Protection, conducted over  
105 the Internet, including through an Internet web site or a mobile device,  
106 through an electronic wagering platform that does not require a bettor  
107 to be physically present at a facility;

108 (15) "Online sports wagering" means sports wagering conducted over  
109 the Internet, including through an Internet web site or a mobile device,  
110 through an electronic wagering platform that does not require a sports

111 bettor to be physically present at a facility that conducts retail sports  
112 wagering;

113 (16) "Retail sports wagering" means sports wagering using any  
114 system or method of wagering requiring a sports bettor to be physically  
115 present at a facility in this state;

116 (17) "Skin" means the branded or cobranded name and logo on the  
117 interface of an Internet web site or a mobile application that bettors use  
118 to access an electronic wagering platform for online casino gaming or  
119 online sports wagering;

120 (18) "Sporting event" means any (A) sporting or athletic event at  
121 which two or more persons participate and receive compensation in  
122 excess of actual expenses for such participation in such sporting or  
123 athletic event, (B) sporting or athletic event sponsored by an  
124 intercollegiate athletic program of an institution of higher education, or  
125 (C) e-sports. "Sporting event" does not include horse racing or a sporting  
126 or athletic event sponsored by a minor league; and

127 (19) "Sports wagering" means risking or accepting any money, credit,  
128 deposit or other thing of value for gain contingent in whole or in part,  
129 (A) by any system or method of wagering, including, but not limited to,  
130 in person or over the Internet through an Internet web site or a mobile  
131 device, and (B) based on (i) a sporting event or a portion or portions of  
132 a sporting event, including future or propositional events during such  
133 an event, or (ii) the individual performance statistics of an athlete or  
134 athletes in a sporting event or a combination of sporting events. "Sports  
135 wagering" does not include the payment of an entry fee to play a fantasy  
136 contest or an entry fee to participate in e-sports.

137 Sec. 2. (NEW) (*Effective July 1, 2021*) (a) The Governor may enter into  
138 amendments to the Mashantucket Pequot procedures and to the  
139 Mashantucket Pequot memorandum of understanding with the  
140 Mashantucket Pequot Tribe and amendments to the Mohegan compact  
141 and to the Mohegan memorandum of understanding with the Mohegan  
142 Tribe of Indians of Connecticut, or new compacts with the

143 Mashantucket Pequot Tribe or the Mohegan Tribe of Indians of  
144 Connecticut, or both, to:

145 (1) Permit the Mashantucket Pequot Tribe and Mohegan Tribe of  
146 Indians of Connecticut to conduct (A) retail sports wagering on Indian  
147 lands, (B) online sports wagering, provided an individual may only  
148 place a sports wager through such online sports wagering if the  
149 individual is physically present on Indian lands when placing the  
150 wager, and (C) fantasy contests on Indian lands;

151 (2) Provide that any new compact or amendment to the  
152 Mashantucket Pequot procedures and the Mohegan compact shall not  
153 terminate the moratorium against the operation of video facsimile  
154 games by the Mashantucket Pequot Tribe and the Mohegan Tribe of  
155 Indians of Connecticut on each tribe's reservation, and include  
156 provisions in any new compact or amendment to each tribe's  
157 memorandum of understanding that the new compact or amendment  
158 does not relieve each tribe from each tribe's obligation to contribute a  
159 percentage of the gross operating revenues of video facsimile games to  
160 the state as provided in each tribe's memorandum of understanding, if  
161 state law at any time authorizes:

162 (A) The Mashantucket Pequot Tribe and the Mohegan Tribe of  
163 Indians of Connecticut to each operate outside of Indian lands (i) one  
164 skin for online sports wagering; (ii) one skin for online casino gaming;  
165 and (iii) fantasy contests;

166 (B) The Connecticut Lottery Corporation to operate (i) retail sports  
167 wagering at up to fifteen facilities throughout the state, any number of  
168 which may be located at facilities specified in section 12-571a of the  
169 general statutes and operated by the person or business organization  
170 licensed to operate the off-track betting system pursuant to chapter 226  
171 of the general statutes, provided no facility shall be located within  
172 twenty-five miles of Indian lands; (ii) one skin for online sports  
173 wagering outside of Indian lands, provided such skin is not operated or  
174 co-branded with a tribal or commercial casino owner or operator, and  
175 does not promote or market retail commercial casino gaming of any

176 kind; (iii) a program to sell lottery tickets for lottery draw games  
177 through the corporation's Internet web site, online service or mobile  
178 application, provided lottery drawings occur regularly and not more  
179 frequently than once every four minutes; and (iv) keno both through  
180 lottery sales agents and through the corporation's Internet web site,  
181 online service or mobile application, provided drawings occur not more  
182 frequently than once every three minutes and the state makes payments  
183 to the Mashantucket Pequot Tribe and the Mohegan Tribe of Indians of  
184 Connecticut each in the amount of twelve and one-half per cent of the  
185 gross gaming revenue from keno; and

186 (C) A person or entity to be licensed to operate fantasy contests  
187 outside of Indian lands.

188 (3) Provide that any amendment or new compact entered into  
189 pursuant to this section, except a provision of such an amendment or  
190 new compact entered into pursuant to subparagraph (B)(iii) of  
191 subdivision (2) of this subsection or related to keno through lottery sales  
192 agents and entered into pursuant to subparagraph (B)(iv) of subdivision  
193 (2) of this subsection, shall be valid for an initial term of ten years and  
194 an optional five-year renewal term, provided any such renewal term  
195 shall only be effective if mutually consented to and exercised by the  
196 Governor and both the Mashantucket Pequot Tribe and the Mohegan  
197 Tribe of Indians of Connecticut;

198 (4) Provide that the authority of either the Mashantucket Pequot  
199 Tribe or the Mohegan Tribe of Indians of Connecticut to conduct online  
200 sports wagering, online casino gaming and fantasy contests outside of  
201 Indian lands shall cease if the tribe operates E-bingo machines for  
202 purposes of class II gaming under the Indian Gaming Regulatory Act,  
203 25 USC 2701, et seq., at a casino on Indian lands in this state at any time  
204 during the ten-year initial term of the amendments or new compacts, as  
205 described in subdivision (3) of this subsection, provided such cessation  
206 of authority for either tribe shall not affect the authorization of the other  
207 tribe or the Connecticut Lottery Corporation to conduct activities  
208 authorized pursuant to this subsection; and

209 (5) Provide that the amendments or new compacts entered into  
210 pursuant to this section, except a provision of such an amendment or  
211 new compact entered into pursuant to subparagraph (B)(iii) of  
212 subdivision (2) of this subsection or related to keno through lottery sales  
213 agents and entered into pursuant to subparagraph (B)(iv) of subdivision  
214 (2) of this subsection, shall cease to be effective if:

215 (A) Any provision of an amendment or new compact entered into  
216 pursuant to this section, other than a provision of such an amendment  
217 or new compact entered into pursuant to subparagraph (B)(iii) of  
218 subdivision (2) of this subsection or related to keno through lottery sales  
219 agents and entered into pursuant to subparagraph (B)(iv) of subdivision  
220 (2) of this subsection, is held invalid by a court of competent jurisdiction  
221 in a final judgment which is not appealable;

222 (B) Any provision of sections 1 to 10, inclusive, of this act, except for  
223 those provisions regarding keno through lottery sales agents and the  
224 sale of lottery tickets for lottery draw games through the corporation's  
225 Internet web site, online service or mobile application, is held invalid by  
226 a court of competent jurisdiction in a final judgment which is not  
227 appealable; or

228 (C) Any amendment made to the provisions of the general statutes  
229 pursuant to this act, except for those regarding keno through lottery  
230 sales agents and the sale of lottery tickets for lottery draw games  
231 through the corporation's Internet web site, online service or mobile  
232 application, is held invalid by a court of competent jurisdiction in a final  
233 judgment which is not appealable.

234 (b) Notwithstanding the provisions of section 3-6c of the general  
235 statutes, each amendment or new compact, or renewal thereof, entered  
236 into by the Governor with the Mashantucket Pequot Tribe or Mohegan  
237 Tribe of Indians of Connecticut pursuant to subsection (a) of this section  
238 shall be considered approved by the General Assembly under section 3-  
239 6c of the general statutes upon the Governor entering into such an  
240 agreement or new compact, or renewal thereof, without any further  
241 action required by the General Assembly.



242 (c) Any amendments or new compacts entered into pursuant to this  
243 section shall be effective and final upon approval by the Secretary of the  
244 United States Department of Interior in accordance with federal law. If  
245 such approval is overturned by a court of competent jurisdiction in a  
246 final judgment, which is not appealable, the provisions of sections 1 to  
247 10, inclusive, of this act, and the amendments made to provisions of the  
248 general statutes pursuant to this act, shall cease to be effective.

249 Sec. 3. (NEW) (*Effective July 1, 2021*) (a) The Commissioner of  
250 Consumer Protection may issue licenses permitting the Mashantucket  
251 Pequot Tribe to operate one skin for online sports wagering within the  
252 state and one skin for online casino gaming within the state, provided:

253 (1) Amendments to the Mashantucket Pequot procedures and to the  
254 Mashantucket Pequot memorandum of understanding or a new  
255 compact with the Mashantucket Pequot Tribe, pursuant to section 2 of  
256 this act, are effective;

257 (2) Regulations adopted by the commissioner pursuant to section 7 of  
258 this act are effective; and

259 (3) Online sports wagering and online casino gaming is operated  
260 pursuant to the provisions of sections 6 to 10, inclusive, of this act.

261 (b) The Commissioner of Consumer Protection may issue licenses  
262 permitting the Mohegan Tribe of Indians of Connecticut to operate one  
263 skin for online sports wagering within the state and one skin for online  
264 casino gaming within the state, provided:

265 (1) Amendments to the Mohegan compact and to the Mohegan  
266 memorandum of understanding, or a new compact with the Mohegan  
267 Tribe of Indians of Connecticut, pursuant to section 2 of this act, are  
268 effective;

269 (2) Regulations adopted by the commissioner pursuant to section 7 of  
270 this act are effective; and

271 (3) Online sports wagering and online casino gaming are operated

272 pursuant to the provisions of sections 6 to 10, inclusive, of this act.

273 (c) Any license issued pursuant to subsection (a) or (b) of this section  
274 shall expire (1) upon the expiration of any new compact or amendment,  
275 or renewal thereof, entered into pursuant to section 2 of this act, or (2) if  
276 the tribe holding such license operates E-bingo machines for purposes  
277 of class II gaming under the Indian Gaming Regulatory Act, 25 USC  
278 2701, et seq., at a casino on Indian lands in this state at any time during  
279 the ten-year initial term of any amendment or new compact, as  
280 described in subdivision (3) of subsection (a) of section 2 of this act.

281 (d) The Mashantucket Pequot Tribe or the Mohegan Tribe of Indians  
282 of Connecticut may enter into an agreement with a person or entity for  
283 the provision of services for a skin authorized pursuant to this section.

284 Sec. 4. (NEW) (*Effective July 1, 2021*) (a) If amendments to the  
285 Mashantucket Pequot procedures and to the Mashantucket Pequot  
286 memorandum of understanding with the Mashantucket Pequot Tribe  
287 and amendments to the Mohegan compact and to the Mohegan  
288 memorandum of understanding with the Mohegan Tribe of Indians of  
289 Connecticut, or new compacts with the Mashantucket Pequot Tribe,  
290 Mohegan Tribe of Indians of Connecticut, or both, pursuant to section 2  
291 of this act, are effective, the Connecticut Lottery Corporation may  
292 operate:

293 (1) Retail sports wagering pursuant to sections 6 to 8, inclusive, of this  
294 act, at not more than fifteen facilities located throughout the state,  
295 provided (A) no such facility shall be located within twenty-five miles  
296 of Indian lands, (B) the corporation may develop new facilities in the  
297 cities of Bridgeport and Hartford, and (C) any number of such fifteen  
298 facilities may be located at facilities authorized pursuant to section 12-  
299 571a of the general statutes and operated by the person or business  
300 organization licensed to operate the off-track betting system pursuant  
301 to chapter 226 of the general statutes, under an operating agreement  
302 with such person or business organization;

303 (2) One skin for online sports wagering pursuant to sections 6 to 8,

304 inclusive, of this act;

305 (3) Keno through lottery sales agents of such corporation and through  
306 the corporation's Internet web site, online service or mobile application,  
307 provided:

308 (A) Any electronic platform or combination of hardware, software  
309 and data networks used to manage, administer, offer or control keno  
310 over the Internet, including through an Internet web site or a mobile  
311 device, shall, at a minimum, be developed to: (i) Verify that an  
312 individual with a keno account is eighteen years of age or older and is  
313 located in the state, (ii) provide a mechanism to prevent the  
314 unauthorized use of a keno account, and (iii) maintain the security of  
315 data and other confidential information;

316 (B) Drawings may occur not more frequently than once every three  
317 minutes; and

318 (C) The state shall make payments to the Mashantucket Pequot Tribe  
319 and the Mohegan Tribe of Indians of Connecticut each in the amount of  
320 twelve and one-half per cent of the gross gaming revenue from keno;  
321 and

322 (4) A program to sell lottery tickets for lottery draw games through  
323 the corporation's Internet web site, online service or mobile application,  
324 provided:

325 (A) Lottery draw games for which tickets are sold through the  
326 program occur regularly and not more frequently than once every four  
327 minutes;

328 (B) The corporation submits to the Commissioner of Consumer  
329 Protection official game rules for each lottery draw game the  
330 corporation seeks to offer through the program, and the corporation  
331 may not offer a lottery draw game through the program until the  
332 commissioner approves, in writing, the official rules for such game;

333 (C) The corporation verifies that a person who establishes an online

334 lottery account to purchase a lottery ticket through such program is  
335 eighteen years of age or older and is located in the state;

336 (D) Any transaction to sell lottery tickets shall be initiated and  
337 received within the state;

338 (E) The program (i) allows a person to establish an online lottery  
339 account and use a credit card, debit card or verified bank account to  
340 purchase lottery tickets through such account, (ii) limits a person with  
341 an online lottery account to the use of only one debit card or credit card,  
342 and (iii) provides that any money in an online lottery account belongs  
343 solely to the owner of the account and may be withdrawn by the owner;

344 (F) The corporation establishes a voluntary self-exclusion process to  
345 allow a person to exclude himself or herself from establishing an online  
346 lottery account or purchasing a lottery ticket through such program;

347 (G) At least every five years, the program is subject to an independent  
348 review for responsible play as assessed by industry standards;

349 (H) The program provides responsible gambling and problem  
350 gambling information;

351 (I) The corporation limits the amount of money a person may (i)  
352 deposit into an online lottery account, and (ii) spend per day through  
353 such program; and

354 (J) The results of lottery draw game drawings are displayed on the  
355 corporation's Internet web site, online service or mobile application,  
356 provided the lottery draw game drawings may not take place on the  
357 corporation's Internet web site, online service or mobile application.

358 (b) The Connecticut Lottery Corporation shall not conduct any of the  
359 activities authorized by subsection (a) of this section until regulations  
360 concerning such activity are adopted and effective pursuant to section 7  
361 of this act.

362 (c) After establishing a program to sell lottery tickets for lottery draw

363 games through the corporation's Internet web site, online service or  
364 mobile application pursuant to subsection (a) of this section, the  
365 corporation: (1) May implement initiatives to promote the purchase of  
366 lottery tickets through lottery sales agents; (2) may implement initiatives  
367 to promote the purchase of both online lottery draw games and the  
368 purchase of lottery tickets through lottery sales agents; and (3) shall  
369 conduct a public awareness campaign to educate the public regarding  
370 responsible gambling and to inform the public of the programs available  
371 for the prevention, treatment and rehabilitation of compulsive gamblers  
372 in the state.

373 (d) The authority of the Connecticut Lottery Corporation to conduct  
374 retail sports wagering pursuant to subdivision (1) of subsection (a) of  
375 this section and online sports wagering pursuant to subdivision (2) of  
376 subsection (a) of this section shall expire upon the expiration of any new  
377 compact or amendment, or renewal thereof, entered into pursuant to  
378 section 2 of this act.

379 Sec. 5. (NEW) (*Effective July 1, 2021*) (a) If the Connecticut Lottery  
380 Corporation is authorized to conduct retail sports wagering pursuant to  
381 section 4 of this act, said corporation may enter into one or more  
382 agreements with a person or business organization licensed to operate  
383 the off-track betting system pursuant to chapter 226 of the general  
384 statutes to operate retail sports wagering at any of the system facilities  
385 authorized for off-track betting under section 12-571a of the general  
386 statutes, provided the total number of facilities that may conduct retail  
387 sports wagering, whether operated directly by the corporation or by  
388 such person or business organization, shall not exceed fifteen.

389 (b) If a person or business organization licensed to operate the off-  
390 track betting system pursuant to chapter 226 of the general statutes  
391 operates retail sports wagering under an agreement under subsection  
392 (a) of this section, such retail sports wagering shall be conducted  
393 pursuant to sections 6 to 8, inclusive, of this act.

394 (c) Any agreement to conduct retail sports wagering pursuant to  
395 subsection (a) of this section shall expire upon the expiration of any new

396 compact or amendment, or renewal thereof, entered into pursuant to  
397 section 2 of this act.

398       Sec. 6. (NEW) (*Effective July 1, 2021*) (a) An individual may only place  
399 a sports wager on a sporting event through retail sports wagering or  
400 online sports wagering conducted outside of Indian lands or place a  
401 wager through online casino gaming conducted outside of Indian lands,  
402 if the wagering is authorized pursuant to sections 3 to 5, inclusive, of  
403 this act, and the individual (1) has attained the age of twenty-one, and  
404 (2) is physically present in the state when placing the wager.

405       (b) Any electronic wagering platform used for conducting online  
406 sports wagering or online casino gaming shall be developed to: (1)  
407 Verify that an individual with a wagering account is twenty-one years  
408 of age or older and is physically present in the state when placing a  
409 wager, (2) provide a mechanism to prevent the unauthorized use of a  
410 wagering account, and (3) maintain the security of wagering data and  
411 other confidential information.

412       Sec. 7. (NEW) (*Effective July 1, 2021*) The Commissioner of Consumer  
413 Protection shall adopt regulations, in accordance with the provisions of  
414 chapter 54 of the general statutes, and to the extent not prohibited by  
415 federal law or any gaming agreement or procedure entered into  
416 pursuant to the Indian Gaming Regulatory Act, P.L. 100-497, 25 USC  
417 2701 et seq., to implement the provisions of sections 3 to 6, inclusive, of  
418 this act. Such regulations shall address the operation of, participation in  
419 and advertisement of, sports wagering, online casino gaming, keno and  
420 sales of lottery tickets for lottery draw games through an Internet web  
421 site, online service or mobile application, designation of additional  
422 games that may be permitted as online casino gaming and any other  
423 provisions to protect the public interest in the integrity of gaming.

424       Sec. 8. (NEW) (*Effective July 1, 2021*) (a) The Mashantucket Pequot  
425 Tribe and the Mohegan Tribe of Indians of Connecticut shall each pay  
426 to the state for deposit in the General Fund: (1) Thirteen and three-  
427 quarters per cent of the gross gaming revenue from sports wagering, for  
428 online sports wagering authorized under section 3 of this act and

429 conducted outside of Indian lands; and (2) (A) eighteen per cent of the  
430 gross gaming revenue from online casino gaming, for online casino  
431 gaming authorized under section 3 of this act and conducted outside of  
432 Indian lands, and occurring during the first five years of operation of  
433 such gaming, or (B) twenty per cent of the gross gaming revenue from  
434 online casino gaming, for online casino gaming authorized under  
435 section 3 of this act conducted outside of Indian lands, and occurring  
436 during the sixth and any succeeding year of operation of such gaming.  
437 Each tribe shall make such payment not later than thirty days after the  
438 date that operation of online sports wagering and online casino gaming  
439 commences under section 3 of this act, and on a monthly basis thereafter  
440 while such online sports wagering or online casino gaming is  
441 conducted.

442 (b) The Connecticut Lottery Corporation shall pay to the state for  
443 deposit in the General Fund, thirteen and three-quarters per cent of the  
444 gross gaming revenue from sports wagering, as a result of conducting  
445 retail sports wagering and online sports wagering authorized under  
446 section 4 of this act. The corporation shall make such payment not later  
447 than thirty days after the date that operation of retail sports wagering  
448 and online sports wagering commences under section 4 of this act, and  
449 on a monthly basis thereafter while such retail sports wagering or online  
450 sports wagering is conducted.

451 (c) A person or business organization licensed to operate the off-track  
452 betting system pursuant to chapter 226 of the general statutes operating  
453 retail sports wagering at any of the system facilities authorized for off-  
454 track betting under section 12-571a of the general statutes pursuant to  
455 an agreement with the Connecticut Lottery Corporation, shall pay to the  
456 state for deposit in the General Fund, thirteen and three-quarters per  
457 cent of the gross gaming revenue from sports wagering, from the retail  
458 sports wagering authorized under section 5 of this act. Such person or  
459 business organization shall make such payment not later than thirty  
460 days after the date that operation of retail sports wagering commences  
461 under section 5 of this act, and on a monthly basis thereafter while such  
462 retail sports wagering is conducted.

463       Sec. 9. (NEW) (*Effective July 1, 2021*) (a) (1) At the commencement of  
464 any fiscal year that online sports wagering or online casino gaming is  
465 conducted pursuant to section 3 of this act outside of Indian lands and  
466 on or before September thirtieth in each fiscal year thereafter, the  
467 Commissioner of Consumer Protection shall estimate and assess, after  
468 consultation with the Mashantucket Pequot Tribe and the Mohegan  
469 Tribe of Indians of Connecticut, the reasonable and necessary costs that  
470 will be incurred by the department in the next fiscal year to regulate the  
471 operation of such wagering or gaming under sections 3, 6 and 7 of this  
472 act by each tribe.

473       (2) At the commencement of any fiscal year that a person or business  
474 organization licensed to operate the off-track betting system pursuant  
475 to chapter 226 of the general statutes operates retail sports wagering  
476 pursuant to section 5 of this act and on or before September thirtieth in  
477 each fiscal year thereafter, the Commissioner of Consumer Protection  
478 shall estimate and assess, after consultation with such person or  
479 business organization, the reasonable and necessary costs that will be  
480 incurred by the department in the next fiscal year to regulate the  
481 operation of such wagering under sections 5 to 7, inclusive, of this act  
482 by such person or organization.

483       (3) The estimated costs under subdivision (1) or (2) of this subsection  
484 shall not exceed the estimate of expenditure requirements transmitted  
485 by the commissioner pursuant to section 4-77 of the general statutes. The  
486 assessment for any fiscal year shall be: (A) Reduced pro rata by the  
487 amount of any surplus from the assessment of the prior fiscal year,  
488 which shall be maintained in accordance with subsection (d) of this  
489 section, or (B) increased pro rata by the amount of any deficit from the  
490 assessment of the prior fiscal year.

491       (b) The Mashantucket Pequot Tribe, the Mohegan Tribe of Indians of  
492 Connecticut and a person or business organization licensed to operate  
493 the off-track betting system pursuant to chapter 226 of the general  
494 statutes shall each pay to the commissioner the amount assessed to such  
495 tribe or person or organization pursuant to subsection (a) of this section



496 not later than the date specified by the commissioner for payment,  
497 provided such date is not less than thirty days from the date of such  
498 assessment. The commissioner shall remit to the State Treasurer all  
499 funds received pursuant to this section.

500 (c) (1) There is established a fund to be known as the "State Sports  
501 Wagering and Online Gaming Regulatory Fund". The fund shall contain  
502 any moneys required or permitted to be deposited in the fund and shall  
503 be held by the Treasurer separate and apart from all other moneys,  
504 funds and accounts. Any balance remaining in said fund at the end of  
505 any fiscal year shall be carried forward in said fund for the fiscal year  
506 next succeeding. Moneys in the fund shall be expended by the Treasurer  
507 for the purposes of paying the costs incurred by the department to  
508 regulate sports wagering and online casino gaming.

509 (2) The Treasurer shall deposit all funds received pursuant to  
510 subsection (b) of this section in the State Sports Wagering and Online  
511 Gaming Regulatory Fund.

512 (d) On or before September thirtieth, annually, the Comptroller shall  
513 calculate the actual reasonable and necessary costs incurred by the  
514 department to regulate retail sports wagering, online sports wagering  
515 or online casino gaming during the prior fiscal year. The Treasurer shall  
516 set aside amounts received pursuant to subsection (b) of this section in  
517 excess of such actual costs. Such excess amounts shall be considered a  
518 surplus for the purposes of subsection (a) of this section.

519 (e) If the Mashantucket Pequot Tribe, the Mohegan Tribe of Indians  
520 of Connecticut or the person or business organization licensed to  
521 operate the off-track betting system pursuant to chapter 226 of the  
522 general statutes is aggrieved by an assessment under the provisions of  
523 this section, the tribe or person or business organization may request a  
524 hearing before the commissioner not later than thirty days after such  
525 assessment. The commissioner shall hold such hearing, in accordance  
526 with the provisions of chapter 54 of the general statutes, not later than  
527 thirty days after receiving such request.

528 Sec. 10. (NEW) (*Effective July 1, 2021*) (a) Any payment to the state  
529 made by the Mashantucket Pequot Tribe under section 8 of this act  
530 during the five-year period commencing on the date that said tribe  
531 began operating online sports wagering and online casino gaming  
532 pursuant to section 3 of this act shall count toward the calculation of the  
533 "minimum contribution" for such tribe pursuant to the Mashantucket  
534 Pequot memorandum of understanding.

535 (b) Any payment to the state made by the Mohegan Tribe of Indians  
536 of Connecticut under section 8 of this act during the five-year period  
537 commencing on the date that said tribe began operating online sports  
538 wagering and online casino gaming pursuant to section 3 of this act shall  
539 count toward the calculation of the "minimum contribution" for such  
540 tribe pursuant to the Mohegan memorandum of understanding.

541 Sec. 11. Section 12-586f of the general statutes is repealed and the  
542 following is substituted in lieu thereof (*Effective July 1, 2021*):

543 (a) For the purposes of this section, "tribe" means the Mashantucket  
544 Pequot Tribe and "compact" means the Tribal-State Compact between  
545 the tribe and the state of Connecticut, as incorporated and amended in  
546 the Final Mashantucket Pequot Gaming Procedures prescribed by the  
547 Secretary of the United States Department of the Interior pursuant to  
548 Section 2710(d)(7)(B)(vii) of Title 25 of the United States Code and  
549 published in 56 Federal Register 24996 (May 31, 1991), as amended from  
550 time to time.

551 (b) The expenses of administering the provisions of the compact shall  
552 be financed as provided in this section. Assessments for regulatory costs  
553 incurred by any state agency which are subject to reimbursement by the  
554 tribe in accordance with the provisions of the compact shall be made by  
555 the Commissioner of Revenue Services in accordance with the  
556 provisions of the compact, including provisions respecting adjustment  
557 of excess assessments. Any underassessment for a prior fiscal year may  
558 be included in a subsequent assessment but shall be specified as such.  
559 Payments made by the tribe in accordance with the provisions of the  
560 compact shall be deposited in the General Fund and shall be credited to

561 the appropriation for the state agency incurring such costs.

562 (c) Assessments for law enforcement costs incurred by any state  
563 agency which are subject to reimbursement by the tribe in accordance  
564 with the provisions of the compact shall be made by the Commissioner  
565 of Emergency Services and Public Protection in accordance with the  
566 provisions of the compact, including provisions respecting adjustment  
567 of excess assessments. Any underassessment for a prior fiscal year may  
568 be included in a subsequent assessment but shall be specified as such.  
569 Payments made by the tribe in accordance with the provisions of the  
570 compact shall be deposited in the General Fund and shall be credited to  
571 the appropriation for the state agency incurring such costs.

572 (d) If the tribe is aggrieved due to any assessment levied pursuant to  
573 such compact and this section or by any failure to adjust an excess  
574 assessment in accordance with the provisions of the compact and this  
575 section, it may, not later than thirty days after the time provided for the  
576 payment of such assessment, appeal therefrom in accordance with the  
577 terms of the compact, to the superior court for the judicial district of  
578 Hartford, which appeal shall be accompanied by a citation to the  
579 Commissioner of Consumer Protection to appear before said court. Such  
580 citation shall be signed by the same authority, and such appeal shall be  
581 returnable at the same time and served and returned in the same  
582 manner as is required in case of a summons in a civil action. Proceedings  
583 in such matter shall be conducted in the same manner as provided for  
584 in section 38a-52.

585 (e) The Commissioner of Consumer Protection shall require each  
586 applicant for a casino gaming employee license, casino gaming service  
587 license or casino gaming equipment license to submit to state and  
588 national criminal history records checks before such license is issued.  
589 The criminal history records checks required pursuant to this subsection  
590 shall be conducted in accordance with section 29-17a.

591 Sec. 12. Section 12-586g of the general statutes is repealed and the  
592 following is substituted in lieu thereof (*Effective July 1, 2021*):

593 (a) For the purposes of this section, "tribe" means the Mohegan Tribe  
594 of Indians of Connecticut and "compact" means the Tribal-State  
595 Compact between the tribe and the state of Connecticut, dated May 17,  
596 1994, as amended from time to time.

597 (b) The expenses of administering the provisions of the compact shall  
598 be financed as provided in this section. Assessments for regulatory costs  
599 incurred by any state agency which are subject to reimbursement by the  
600 tribe in accordance with the provisions of the compact shall be made by  
601 the Commissioner of Revenue Services in accordance with the  
602 provisions of the compact, including provisions respecting adjustment  
603 of excess assessments. Any underassessment for a prior fiscal year may  
604 be included in a subsequent assessment but shall be specified as such.  
605 Payments made by the tribe in accordance with the provisions of the  
606 compact shall be deposited in the General Fund and shall be credited to  
607 the appropriation for the state agency incurring such costs.

608 (c) Assessments for law enforcement costs incurred by any state  
609 agency which are subject to reimbursement by the tribe in accordance  
610 with the provisions of the compact shall be made by the Commissioner  
611 of Emergency Services and Public Protection in accordance with the  
612 provisions of the compact, including provisions respecting adjustment  
613 of excess assessments. Any underassessment for a prior fiscal year may  
614 be included in a subsequent assessment but shall be specified as such.  
615 Payments made by the tribe in accordance with the provisions of the  
616 compact shall be deposited in the General Fund and shall be credited to  
617 the appropriation for the state agency incurring such costs.

618 (d) If the tribe is aggrieved due to any assessment levied pursuant to  
619 such compact and this section or by any failure to adjust an excess  
620 assessment in accordance with the provisions of the compact and this  
621 section, it may, not later than thirty days after the time provided for the  
622 payment of such assessment, appeal therefrom in accordance with the  
623 terms of the compact, to the superior court for the judicial district of  
624 New Britain, which appeal shall be accompanied by a citation to the  
625 Commissioner of Consumer Protection to appear before said court. Such

626 citation shall be signed by the same authority, and such appeal shall be  
627 returnable at the same time and served and returned in the same  
628 manner as is required in case of a summons in a civil action. Proceedings  
629 in such matter shall be conducted in the same manner as provided for  
630 in section 38a-52.

631 (e) The Commissioner of Consumer Protection shall require each  
632 applicant for a casino gaming employee license, casino gaming service  
633 license or casino gaming equipment license to submit to state and  
634 national criminal history records checks before such license is issued.  
635 The criminal history records checks required pursuant to this subsection  
636 shall be conducted in accordance with section 29-17a.

637 Sec. 13. Section 12-578aa of the general statutes is repealed and the  
638 following is substituted in lieu thereof (*Effective July 1, 2021*):

639 (a) For the purposes of this section:

640 (1) "Entry fee" means the amount of cash or cash equivalent that is  
641 required to be paid by a fantasy contest player to a fantasy contest  
642 operator to participate in a fantasy contest;

643 (2) "Fantasy contest" means any online fantasy or simulated game or  
644 contest with an entry fee in which: (A) The value of all prizes and  
645 awards offered to winning fantasy contest players is established and  
646 made known to the players in advance of the game or contest; (B) all  
647 winning outcomes reflect the knowledge and skill of the players and are  
648 determined predominantly by accumulated statistical results of the  
649 performance of individuals, including athletes in the case of sporting  
650 events; and (C) no winning outcome is based on the score, point spread  
651 or any performance of any single actual team or combination of teams  
652 or solely on any single performance of an individual athlete or player in  
653 any single actual sporting event. Fantasy contests [shall] do not include  
654 lottery games;

655 (3) "Fantasy contest operator" means a person or entity that [operates]  
656 is licensed to operate a fantasy contest and offers such fantasy contest to

657 members of the general public in the state;

658 (4) "Fantasy contest player" means a person who participates in a  
659 fantasy contest offered by a fantasy contest operator;

660 (5) "Gross receipts" means the amount equal to the total of all entry  
661 fees that a fantasy contest operator collects from all fantasy contest  
662 players, less the total of all sums paid out as prizes to all fantasy contest  
663 players, multiplied by the location percentage; and

664 (6) "Location percentage" means the percentage rounded to the  
665 nearest tenth of a per cent of the total of entry fees collected from fantasy  
666 contest players located in the state, divided by the total of entry fees  
667 collected from all fantasy contest players. [;]

668 [(7) "Mashantucket Pequot memorandum of understanding" means  
669 the memorandum of understanding entered into by and between the  
670 state and the Mashantucket Pequot Tribe on January 13, 1993, as  
671 amended on April 30, 1993;

672 (8) "Mashantucket Pequot procedures" means the Final  
673 Mashantucket Pequot Gaming Procedures prescribed by the Secretary  
674 of the United States Department of the Interior pursuant to Section  
675 2710(d)(7)(B)(vii) of Title 25 of the United States Code and published in  
676 56 Federal Register 24996 (May 31, 1991);

677 (9) "Mohegan compact" means the Tribal-State Compact entered into  
678 by and between the state and the Mohegan Tribe of Indians of  
679 Connecticut on May 17, 1994; and

680 (10) "Mohegan memorandum of understanding" means the  
681 memorandum of understanding entered into by and between the state  
682 and the Mohegan Tribe of Indians of Connecticut on May 17, 1994.

683 (b) The provisions of this section shall not be effective unless the  
684 following conditions have been met:

685 (1) The Governor enters into amendments to the Mashantucket

686 Pequot procedures and to the Mashantucket Pequot memorandum of  
687 understanding with the Mashantucket Pequot Tribe and amendments  
688 to the Mohegan compact and to the Mohegan memorandum of  
689 understanding with the Mohegan Tribe of Indians of Connecticut  
690 concerning the authorization of fantasy contests in the state.

691 (2) The amendments to the Mashantucket Pequot procedures and the  
692 Mohegan compact shall include a provision that the authorization of  
693 fantasy contests in the state does not terminate the moratorium against  
694 the operation of video facsimile games by the Mashantucket Pequot  
695 Tribe and Mohegan Tribe of Indians of Connecticut on each tribe's  
696 reservation.

697 (3) The amendments to each tribe's memorandum of understanding  
698 shall include a provision that the authorization of fantasy contests in the  
699 state does not relieve each tribe from each tribe's obligation to contribute  
700 a percentage of the gross operating revenues of video facsimile games  
701 to the state as provided in each tribe's memorandum of understanding.

702 (4) The amendments to the Mashantucket Pequot procedures, the  
703 Mashantucket Pequot memorandum of understanding, the Mohegan  
704 compact and the Mohegan memorandum of understanding are  
705 approved or deemed approved by the Secretary of the United States  
706 Department of the Interior pursuant to the federal Indian Gaming  
707 Regulatory Act, P.L. 100-497, 25 USC 2701 et seq., and its implementing  
708 regulations. If such approval is overturned by a court in a final  
709 judgment, which is not appealable, the authorization provided under  
710 this section shall cease to be effective.

711 (5) The amendments to the Mashantucket Pequot procedures and to  
712 the Mohegan compact are approved by the General Assembly pursuant  
713 to section 3-6c.

714 (6) The amendments to the Mashantucket Pequot memorandum of  
715 understanding and to the Mohegan memorandum of understanding are  
716 approved by the General Assembly pursuant to the process described  
717 in section 3-6c.]

718 (b) The Commissioner of Consumer Protection may issue licenses  
719 permitting the operation of fantasy contests outside of Indian lands,  
720 provided:

721 (1) Amendments to the Mashantucket Pequot procedures and to the  
722 Mashantucket Pequot memorandum of understanding with the  
723 Mashantucket Pequot Tribe and amendments to the Mohegan compact  
724 and to the Mohegan memorandum of understanding with the Mohegan  
725 Tribe of Indians of Connecticut, or new compacts with the  
726 Mashantucket Pequot Tribe, Mohegan Tribe of Indians of Connecticut  
727 or both, or renewals thereof, pursuant to section 2 of this act, are  
728 effective; and

729 (2) Fantasy contests are conducted pursuant to the provisions of this  
730 section.

731 (c) (1) If the Mashantucket Pequot Tribe or Mohegan Tribe of Indians  
732 of Connecticut holds a license pursuant to subsection (b) of this section,  
733 such tribe's license shall expire if the tribe operates E-bingo machines  
734 for purposes of class II gaming under the Indian Gaming Regulatory  
735 Act, 25 USC 2701, et seq., at a casino on Indian lands in this state at any  
736 time during the ten-year initial term of any new amendment or new  
737 compact, as described in subdivision (3) of subsection (a) of section 2 of  
738 this act.

739 (2) All licenses issued pursuant to subsection (b) of this section shall  
740 expire upon the expiration of any new compact or amendment, or  
741 renewal thereof, entered into pursuant to section 2 of this act.

742 [(c)] (d) Not later than [July 1, 2018] January 1, 2022, the  
743 Commissioner of Consumer Protection shall adopt regulations, in  
744 accordance with the provisions of chapter 54, regarding the licensing,  
745 operation of, participation in and advertisement of fantasy [contest]  
746 contests in the state. Such regulations shall protect fantasy contest  
747 players who pay an entry fee to play fantasy contests from unfair or  
748 deceptive acts or practices. Such regulations shall include, but need not  
749 be limited to: (1) A prohibition on fantasy contest operators allowing



750 persons under the age of eighteen to participate in a fantasy contest  
751 offered by such operators; (2) protections for fantasy contest players'  
752 funds on deposit with fantasy contest operators; (3) requirements  
753 regarding truthful advertising by fantasy contest operators; (4)  
754 procedures to ensure the integrity of fantasy contests offered by fantasy  
755 contest operators; (5) procedures to ensure that fantasy contest  
756 operators provide fantasy contest players with: (A) Information  
757 regarding responsible playing and places to seek assistance for  
758 addictive or compulsive behavior, and (B) protections against  
759 compulsive behavior; and (6) reporting requirements and procedures to  
760 demonstrate eligibility for a reduction of the initial [registration]  
761 licensing fee and annual [registration] licensing renewal fee pursuant to  
762 subsection [(d)] (e) of this section.

763 [(d)] (e) (1) [Not later than sixty days after the adoption of regulations  
764 pursuant to subsection (c) of this section, and thereafter, each fantasy  
765 contest operator that operates fantasy contests in the state shall register  
766 annually with the Commissioner of Consumer Protection on a form  
767 prescribed by the commissioner.] Each fantasy contest operator shall  
768 [submit] pay an initial [registration] licensing fee of fifteen thousand  
769 dollars and an annual [registration] licensing renewal fee of fifteen  
770 thousand dollars, except that the commissioner shall reduce the initial  
771 [registration fee] and annual [registration] licensing fee so that such fees  
772 do not exceed ten per cent of the gross receipts of such operator for the  
773 [registration] licensing period.

774 (2) To demonstrate the eligibility of a fantasy contest operator for a  
775 reduction of the initial [registration fee] or annual [registration] renewal  
776 fee pursuant to subdivision (1) of this subsection, the fantasy contest  
777 operator shall provide to the commissioner, in a manner prescribed by  
778 the commissioner, an estimation of the gross receipts such operator  
779 expects to receive in the upcoming [registration] licensing period. Prior  
780 to renewing a [registration] license where such operator paid a reduced  
781 [registration] licensing fee for the previous [registration] licensing  
782 period, or after a [registration] licensing period where such operator  
783 should have paid a reduced fee for the previous [registration] licensing

784 period, such operator shall submit to the commissioner, in a manner  
785 prescribed by the commissioner, the actual amount of gross receipts  
786 received by such operator [in] during the previous [registration]  
787 licensing period. The commissioner shall calculate the difference, if any,  
788 between the estimated gross receipts and the actual gross receipts and  
789 determine if the [registration] licensing fee previously paid by such  
790 operator was the correct amount. If such operator paid an amount in  
791 excess of the amount determined to be the correct amount of the  
792 [registration] licensing fee, the commissioner shall refund such operator  
793 accordingly or credit such amount against the [registration] licensing fee  
794 for the upcoming [registration] licensing period, provided such operator  
795 renews his or her [registration] license. If such operator did not pay the  
796 amount determined to be the correct amount of the [registration]  
797 licensing fee, such operator shall pay to the commissioner the difference  
798 between the correct amount and the [registration] licensing fee  
799 previously paid.

800 [(e)] (f) Any person who violates any provision of this section or any  
801 regulation adopted pursuant to subsection [(c)] (d) of this section shall  
802 be fined not more than one thousand dollars for each violation.

803 Sec. 14. Section 12-578f of the general statutes is repealed and the  
804 following is substituted in lieu thereof (*Effective July 1, 2021*):

805 (a) For the purposes of this section and section 12-578g:

806 (1) "Authorized games" means any game of chance, including, but not  
807 limited to, blackjack, poker, dice, money-wheels, roulette, baccarat,  
808 chuck-a-luck, pan game, over and under, horse race game, acey-deucey,  
809 beat the dealer, bouncing ball, video facsimile game and any other game  
810 of chance authorized by the Commissioner of Consumer Protection;

811 (2) "Mashantucket Pequot memorandum of understanding" means  
812 the memorandum of understanding entered into by and between the  
813 state and the Mashantucket Pequot Tribe on January 13, 1993, as  
814 amended on April 30, 1993;

815 (3) "Mashantucket Pequot procedures" means the Final  
816 Mashantucket Pequot Gaming Procedures prescribed by the Secretary  
817 of the United States Department of the Interior pursuant to Section  
818 2710(d)(7)(B)(vii) of Title 25 of the United States Code and published in  
819 56 Federal Register 24996 (May 31, 1991);

820 (4) "MMCT Venture, LLC" means a limited liability company  
821 described in subsection (d) of this section;

822 (5) "Mohegan compact" means the Tribal-State Compact entered into  
823 by and between the state and the Mohegan Tribe of Indians of  
824 Connecticut on May 17, 1994; and

825 (6) "Mohegan memorandum of understanding" means the  
826 memorandum of understanding entered into by and between the state  
827 and the Mohegan Tribe of Indians of Connecticut on May 17, 1994.

828 (b) MMCT Venture, LLC, is authorized to conduct authorized games  
829 at a casino gaming facility at 171 Bridge Street, East Windsor,  
830 Connecticut.

831 (c) Such authorization shall not be effective unless the following  
832 conditions have been met:

833 (1) (A) The Governor enters into amendments to the Mashantucket  
834 Pequot procedures and to the Mashantucket Pequot memorandum of  
835 understanding with the Mashantucket Pequot Tribe and amendments  
836 to the Mohegan compact and to the Mohegan memorandum of  
837 understanding with the Mohegan Tribe of Indians of Connecticut  
838 concerning the operation of a casino gaming facility in the state.

839 (B) The amendments to the Mashantucket Pequot procedures and the  
840 Mohegan compact shall include a provision that the authorization of  
841 MMCT Venture, LLC, to conduct authorized games in the state does not  
842 terminate the moratorium against the operation of video facsimile  
843 games by the Mashantucket Pequot Tribe and Mohegan Tribe of Indians  
844 of Connecticut on each tribe's reservation.

845 (C) The amendments to each tribe's memorandum of understanding  
846 shall include a provision that the authorization of MMCT Venture, LLC,  
847 to conduct authorized games in the state does not relieve each tribe from  
848 each tribe's obligation to contribute a percentage of the gross operating  
849 revenues of video facsimile games to the state as provided in each tribe's  
850 memorandum of understanding.

851 (2) The amendments to the Mashantucket Pequot procedures, the  
852 Mashantucket Pequot memorandum of understanding, the Mohegan  
853 compact and the Mohegan memorandum of understanding are  
854 approved or deemed approved by the Secretary of the United States  
855 Department of the Interior pursuant to the federal Indian Gaming  
856 Regulatory Act, P.L. 100-497, 25 USC 2701 et seq., and its implementing  
857 regulations. If such approval is overturned by a court in a final  
858 judgment, which is not appealable, the authorization provided under  
859 this section shall cease to be effective.

860 (3) The amendments to the Mashantucket Pequot procedures and to  
861 the Mohegan compact are approved by the General Assembly pursuant  
862 to section 3-6c.

863 (4) The amendments to the Mashantucket Pequot memorandum of  
864 understanding and to the Mohegan memorandum of understanding are  
865 approved by the General Assembly pursuant to the process described  
866 in section 3-6c.

867 (5) The governing bodies of the Mashantucket Pequot Tribe and  
868 Mohegan Tribe of Indians of Connecticut enact resolutions providing:  
869 (A) That if MMCT Venture, LLC, fails to pay any fees or taxes due the  
870 state, the tribes, as the members of MMCT Venture, LLC, waive the  
871 possible defense of sovereign immunity with respect to any action or  
872 claim by the state against the tribes as the members of MMCT Venture,  
873 LLC, to the extent such action or claim is permitted to be brought against  
874 a member of a limited liability company under state law to collect any  
875 fees or taxes, while preserving any other defenses available to the tribes,  
876 and (B) that the venue for such action or claim shall be in the judicial  
877 district of Hartford.

878 (d) Such authorization shall apply to MMCT Venture, LLC, provided:  
879 (1) MMCT Venture, LLC, is a limited liability company jointly and  
880 exclusively owned by the Mashantucket Pequot Tribe and the Mohegan  
881 Tribe of Indians of Connecticut; (2) no other person or business  
882 organization holds an equity interest in MMCT Venture, LLC; and (3)  
883 each tribe holds at least a twenty-five per cent equity interest in MMCT  
884 Venture, LLC. If MMCT Venture, LLC, ceases to be a limited liability  
885 company jointly and exclusively owned by the Mashantucket Pequot  
886 Tribe and the Mohegan Tribe of Indians of Connecticut in which each  
887 tribe holds at least a twenty-five per cent equity interest, such  
888 authorization shall be void.

889 (e) Notwithstanding the provisions of subsections (b) and (c) of this  
890 section, the authorization to conduct authorized games at a casino  
891 gaming facility pursuant to said subsections shall not be effective during  
892 the ten-year initial term that amendments to the Mashantucket Pequot  
893 procedures and to the Mashantucket Pequot memorandum of  
894 understanding with the Mashantucket Pequot Tribe and amendments  
895 to the Mohegan compact and to the Mohegan memorandum of  
896 understanding with the Mohegan Tribe of Indians of Connecticut, or  
897 new compacts with the Mashantucket Pequot Tribe or the Mohegan  
898 Tribe of Indians of Connecticut, or both entered into pursuant to section  
899 2 of this act are effective, as described in subdivision (3) of subsection  
900 (b) of section 2 of this act.

901 Sec. 15. Section 12-806c of the general statutes is repealed and the  
902 following is substituted in lieu thereof (*Effective July 1, 2021*):

903 (a) Notwithstanding the provisions of section 3-6c, the Secretary of  
904 the Office of Policy and Management, on behalf of the state of  
905 Connecticut, may enter into separate agreements with the  
906 Mashantucket Pequot Tribe and the Mohegan Tribe of Indians of  
907 Connecticut concerning the operation of keno by the Connecticut  
908 Lottery Corporation in the state of Connecticut. Any such agreement  
909 shall provide that the state of Connecticut shall distribute to each tribe  
910 a sum not to exceed a twelve and one-half per cent share of the gross

911 operating revenue received by the state from the operation of keno. The  
912 corporation may not operate keno until such separate agreements are  
913 effective. For the purposes of this section, "gross operating revenues"  
914 means the total amounts wagered, less amounts paid out as prizes.

915 (b) The provisions of this section shall cease to be effective once  
916 amendments to the Mashantucket Pequot procedures and to the  
917 Mashantucket Pequot memorandum of understanding with the  
918 Mashantucket Pequot Tribe and amendments to the Mohegan compact  
919 and to the Mohegan memorandum of understanding with the Mohegan  
920 Tribe of Indians of Connecticut, or new compacts with the  
921 Mashantucket Pequot Tribe, Mohegan Tribe of Indians of Connecticut,  
922 or both, governing the operation of keno by the Connecticut Lottery  
923 Corporation, pursuant to section 2 of this act, are effective.

924 Sec. 16. Section 12-801 of the general statutes is repealed and the  
925 following is substituted in lieu thereof (*Effective July 1, 2021*):

926 As used in section 12-563a, as amended by this act, and sections 12-  
927 800 to 12-818, inclusive, the following terms [shall] have the following  
928 meanings unless the context clearly indicates another meaning:

929 (1) "Board" or "board of directors" means the board of directors of the  
930 corporation;

931 (2) "Corporation" means the Connecticut Lottery Corporation as  
932 created under section 12-802;

933 (3) "Division" means the former Division of Special Revenue in the  
934 Department of Revenue Services;

935 (4) "Lottery" means (A) the Connecticut state lottery conducted prior  
936 to the transfer authorized under section 12-808 by the Division of Special  
937 Revenue, (B) after such transfer, the Connecticut state lottery conducted  
938 by the corporation pursuant to sections 12-563a, as amended by this act,  
939 and 12-800 to 12-818, inclusive, and section 4 of this act, (C) the state  
940 lottery referred to in subsection (a) of section 53-278g, and (D) keno  
941 conducted by the corporation pursuant to section 12-806c, as amended

942 by this act, or section 4 of this act;

943 (5) "Keno" means a lottery game in which a subset of numbers are  
944 drawn from a larger field of numbers by a central computer system  
945 using an approved random number generator, wheel system device or  
946 other drawing device; [ "Keno" does not include a game operated on a  
947 video facsimile machine;]

948 (6) "Lottery fund" means a fund or funds established by, and under  
949 the management and control of, the corporation, into which all lottery  
950 revenues of the corporation are deposited, from which all payments and  
951 expenses of the corporation are paid and from which transfers to the  
952 General Fund or the Connecticut Teachers' Retirement Fund Bonds  
953 Special Capital Reserve Fund, established in section 10-183vv, are made  
954 pursuant to section 12-812; [and]

955 (7) "Online sports wagering" has the same meaning as provided in  
956 section 1 of this act;

957 [(7)] (8) "Operating revenue" means total revenue received from  
958 lottery sales less all cancelled sales and amounts paid as prizes but  
959 before payment or provision for payment of any other expenses; [.]

960 (9) "Retail sports wagering" has the same meaning as provided in  
961 section 1 of this act; and

962 (10) "Skin" has the same meaning as provided in section 1 of this act.

963 Sec. 17. Section 12-806 of the general statutes is repealed and the  
964 following is substituted in lieu thereof (*Effective July 1, 2021*):

965 (a) The purposes of the corporation shall be to: (1) Operate and  
966 manage the lottery, and operate and manage retail sports wagering and  
967 online sports wagering if authorized to do so pursuant to section 4 of  
968 this act, in an entrepreneurial and business-like manner free from the  
969 budgetary and other constraints that affect state agencies; (2) provide  
970 continuing and increased revenue to the people of the state through the  
971 lottery, and retail sports wagering and online sports wagering if

972 authorized to operate such wagering pursuant to section 4 of this act, by  
973 being responsive to market forces and acting generally as a corporation  
974 engaged in entrepreneurial pursuits; (3) pay to the trustee of the  
975 Connecticut Teachers' Retirement Fund Bonds Special Capital Reserve  
976 Fund, established in section 10-183vv, the amounts, if any, required  
977 pursuant to subsection (c) of section 12-812, as amended by this act; and  
978 (4) ensure that the lottery, [continues] and retail sports wagering and  
979 online sports wagering, if authorized to operate such wagering  
980 pursuant to section 4 of this act, continue to be operated with integrity  
981 and for the public good.

982 (b) The corporation shall have the following powers:

983 (1) To receive as transferee from the state of Connecticut all of the  
984 tangible and intangible assets constituting the lottery including the  
985 exclusive right to operate the lottery as the exclusive lottery of the state  
986 and, subject to subsection (b) of section 12-808, to assume and discharge  
987 all of the agreements, covenants and obligations of the Department of  
988 Consumer Protection entered into which constitute a part of the  
989 operation and management of the lottery;

990 (2) To operate and manage the lottery consistent with the provisions  
991 of sections 1-120, 1-121, 1-125, 12-563, 12-563a, as amended by this act,  
992 12-564, 12-566, 12-568a and 12-569, subsection (c) of section 12-574, [and]  
993 sections 12-800 to 12-818, inclusive, and section 4 of this act, and as  
994 specifically provided in section 12-812, as amended by this act;

995 (3) To have perpetual succession as a body corporate and to adopt  
996 bylaws, policies and procedures for the operation of its affairs and  
997 conduct of its businesses;

998 (4) (A) To introduce new lottery games, modify existing lottery  
999 games, utilize existing and new technologies, determine distribution  
1000 channels for the sale of lottery tickets, introduce keno pursuant to signed  
1001 agreements with the Mashantucket Pequot Tribe and the Mohegan  
1002 Tribe of Indians of Connecticut, in accordance with section 12-806c, as  
1003 amended by this act, or pursuant to section 4 of this act, and, to the



1004 extent specifically authorized by regulations adopted by the  
1005 Department of Consumer Protection pursuant to chapter 54, introduce  
1006 instant ticket vending machines, kiosks and automated wagering  
1007 systems or machines, with all such rights being subject to regulatory  
1008 oversight by the Department of Consumer Protection; [, except that the  
1009 corporation shall not offer any interactive on-line lottery games,  
1010 including on-line video lottery games for promotional purposes;] and

1011 (B) (i) To sell lottery draw games through the corporation's Internet  
1012 web site, online service or mobile application in accordance with section  
1013 4 of this act and to advertise lottery games on the corporation's Internet  
1014 web site, online service or mobile application; and (ii) to offer interactive  
1015 lottery games for promotional purposes through the corporation's  
1016 Internet web site, online service or mobile application, provided (I) there  
1017 is no cost to play such interactive lottery games for promotional  
1018 purposes, (II) no prizes or rewards of any monetary value are awarded  
1019 for playing such interactive lottery games for promotional purposes,  
1020 and (III) no lottery ticket purchase is required to play such interactive  
1021 lottery games for promotional purposes. The corporation shall not offer  
1022 any interactive lottery game, including for promotional purposes,  
1023 except as expressly permitted pursuant to this subdivision;

1024 (5) To establish an annual budget of revenues and expenditures,  
1025 along with reasonable reserves for working capital, capital  
1026 expenditures, debt retirement and other anticipated expenditures, in a  
1027 manner and at levels considered by the board of directors as appropriate  
1028 and prudent;

1029 (6) To adopt such administrative and operating procedures which the  
1030 board of directors deems appropriate;

1031 (7) To enter into agreements with one or more states or territories of  
1032 the United States for the promotion and operation of joint lottery games  
1033 and to continue to participate in any joint lottery game in which the  
1034 corporation participates on July 1, 2003, regardless of whether any  
1035 government-authorized lottery operated outside of the United States  
1036 participates in such game;

1037 (8) Subject to the provisions of section 12-815, as amended by this act,  
1038 to enter into agreements with vendors with respect to (A) the operation  
1039 and management of the lottery, including operation of lottery terminals,  
1040 management services, printing of lottery tickets, management expertise,  
1041 marketing expertise, advertising or such other goods or services as the  
1042 board of directors deems necessary and appropriate, and (B) services  
1043 related to operation of a skin for online sport wagering;

1044 (9) To purchase or lease operating equipment, including, but not  
1045 limited to, computer gaming and automated wagering systems and to  
1046 employ agents or employees to operate such systems;

1047 (10) To retain unclaimed prize funds as additional revenue for the  
1048 state, or to use unclaimed prize funds to increase sales, or to return to  
1049 participants unclaimed prize funds in a manner designed to increase  
1050 sales;

1051 (11) To establish prize reserve accounts as the board of directors  
1052 deems appropriate;

1053 (12) To pay lottery prizes as awarded under section 12-812, as  
1054 amended by this act, to purchase annuities to fund such prizes, and to  
1055 assure that all annuities from which payments to winners of lottery  
1056 prizes are made are invested in instruments issued by agencies of the  
1057 United States government and backed by the full faith and credit of the  
1058 United States, or are issued by insurance companies licensed to do  
1059 business in the state, provided the issuer has been determined by the  
1060 Department of Consumer Protection to be financially stable and meets  
1061 the minimum investment rating as determined by the department;

1062 (13) To pay the Office of Policy and Management to reimburse the  
1063 Department of Consumer Protection for the reasonable and necessary  
1064 costs arising from the department's regulatory oversight of the  
1065 operation of the lottery, keno, retail sports wagering and online sports  
1066 wagering by the corporation, in accordance with the assessment made  
1067 pursuant to section 12-806b, including costs arising directly or indirectly  
1068 from the licensing of lottery agents, performance of state police

1069 background investigations, and the implementation of subsection (b) of  
1070 section 12-562 and sections 12-563a, as amended by this act, 12-568a, 12-  
1071 569, 12-570, 12-570a and 12-800 to 12-818, inclusive, and section 4 of this  
1072 act;

1073 (14) In the event that the operation or management of the corporation  
1074 becomes subject to the federal gaming occupation tax, to pay such tax  
1075 on behalf of lottery sales agents and to assist agents subject thereto;

1076 (15) To determine the commissions payable to lottery sales agents,  
1077 provided any agent's commission shall not average less than four per  
1078 cent of such agent's lottery sales;

1079 (16) To invest in, acquire, lease, purchase, own, manage, hold and  
1080 dispose of real property and lease, convey or deal in or enter into  
1081 agreements with respect to such property on any terms necessary or  
1082 incidental to carrying out the purposes of sections 12-563a, as amended  
1083 by this act, and 12-800 to 12-818, inclusive, provided such transactions  
1084 shall not be subject to approval, review or regulation pursuant to title  
1085 4b or any other statute by any state agency, except that real property  
1086 transactions shall be subject to review by the State Properties Review  
1087 Board;

1088 (17) To borrow money for the purpose of obtaining working capital;

1089 (18) To hold patents, copyrights, trademarks, marketing rights,  
1090 licenses or any other evidence of protection or exclusivity issued under  
1091 the laws of the United States or any state;

1092 (19) To employ such assistants, agents and other employees as may  
1093 be necessary or desirable to carry out its purposes in accordance with  
1094 sections 12-563a, as amended by this act, and 12-800 to 12-818, inclusive,  
1095 and section 4 and sections 6 to 8, inclusive, of this act, to fix their  
1096 compensation and, subject to the provisions of subsections (e) and (f) of  
1097 section 12-802, establish all necessary and appropriate personnel  
1098 practices and policies; to engage consultants, accountants, attorneys and  
1099 financial and other independent professionals as may be necessary or

1100 desirable to assist the corporation in performing its purposes in  
1101 accordance with sections 12-563a, as amended by this act, and 12-800 to  
1102 12-818, inclusive, and section 4 and sections 6 to 8, inclusive, of this act;

1103 (20) To make and enter into all contracts and agreements necessary  
1104 or incidental to the performance of its duties and the execution of its  
1105 powers under sections 12-563a, as amended by this act, and 12-800 to  
1106 12-818, inclusive, and section 4 and sections 6 to 8, inclusive, of this act;

1107 (21) In its own name, to sue and be sued, plead and be impleaded,  
1108 adopt a seal and alter the same at pleasure;

1109 (22) Subject to the approval of the board and to the requirement to  
1110 remit excess lottery funds to the General Fund as set forth in section 12-  
1111 812, as amended by this act, to invest any funds not needed for  
1112 immediate use or disbursement, including any funds held in approved  
1113 reserve accounts, in investments permitted by sections 3-20 and 3-27a  
1114 for the proceeds of state bonds;

1115 (23) To procure insurance against any loss in connection with its  
1116 property and other assets in such amounts and from such insurers as it  
1117 deems desirable;

1118 (24) To the extent permitted under any contract with other persons to  
1119 which the corporation is a party, to consent to any termination,  
1120 modification, forgiveness or other change of any term of any contractual  
1121 right, payment, royalty, contract or agreement of any kind;

1122 (25) To acquire, lease, purchase, own, manage, hold and dispose of  
1123 personal property, and lease, convey or deal in or enter into agreements  
1124 with respect to such property on any terms necessary or incidental to  
1125 the carrying out of these purposes;

1126 (26) To account for and audit funds of the corporation;

1127 (27) To pay or provide for payment from operating revenues all  
1128 expenses, costs and obligations incurred by the corporation in the  
1129 exercise of the powers of the corporation under sections 12-563a, as

1130 amended by this act, and 12-800 to 12-818, inclusive, and section 4 and  
1131 sections 6 to 8, inclusive, of this act; [and]

1132 (28) To operate retail sports wagering at up to fifteen facilities located  
1133 throughout the state and one skin for online sports wagering pursuant  
1134 to the provisions of section 4 and sections 6 to 8, inclusive, of this act;  
1135 and

1136 [(28)] (29) To exercise any powers necessary to carry out the purposes  
1137 of sections 12-563a, as amended by this act, and 12-800 to 12-818,  
1138 inclusive, and section 4 and sections 6 to 8, inclusive, of this act.

1139 Sec. 18. Section 12-806a of the general statutes is repealed and the  
1140 following is substituted in lieu thereof (*Effective July 1, 2021*):

1141 As used in this section, "procedure" has the same meaning as  
1142 "procedure", as defined in subdivision (2) of section 1-120. The  
1143 Department of Consumer Protection shall, for the purposes of section  
1144 12-568a, subsection (c) of section 12-574, sections 12-802a and 12-815a,  
1145 sections 4 and sections 6 to 8, inclusive, of this act and this section,  
1146 regulate the activities of the Connecticut Lottery Corporation to assure  
1147 the integrity of the state lottery, retail sports wagering and online sports  
1148 wagering. In addition to the requirements of the provisions of chapter  
1149 12 and notwithstanding the provisions of section 12-806, as amended by  
1150 this act, the Connecticut Lottery Corporation shall, prior to  
1151 implementing any procedure designed to assure the integrity of the  
1152 state lottery, retail sports wagering or online sports wagering, obtain the  
1153 written approval of the Commissioner of Consumer Protection in  
1154 accordance with regulations adopted under section 12-568a.

1155 Sec. 19. Section 12-810 of the general statutes is repealed and the  
1156 following is substituted in lieu thereof (*Effective July 1, 2021*):

1157 (a) The Freedom of Information Act, as defined in section 1-200, shall  
1158 apply to all actions, meetings and records of the corporation, except (1)  
1159 where otherwise limited by subsection (c) of this section as to new  
1160 lottery games and serial numbers of unclaimed lottery tickets, [and] (2)

1161 with respect to financial, credit and proprietary information submitted  
1162 by any person to the corporation in connection with any proposal to  
1163 provide goods, services or professional advice to the corporation as  
1164 provided in section 12-815, as amended by this act, and (3) where  
1165 otherwise limited by subsection (d) of this section as to information  
1166 submitted by any person to the corporation regarding such person's  
1167 participation in the corporation's voluntary self-exclusion process  
1168 established pursuant to subparagraph (F) of subdivision (4) of  
1169 subsection (a) of section 4 of this act.

1170 (b) The records of proceedings as provided in subsection (a) of section  
1171 12-805 shall be subject to disclosure pursuant to the provisions of  
1172 subsection (a) of section 1-210.

1173 (c) Any new lottery game and the procedures for such game, until the  
1174 game is publicly announced by the corporation, and any serial number  
1175 of an unclaimed lottery ticket shall not be deemed public records, as  
1176 defined in section 1-200, and shall not be available to the public under  
1177 the provisions of section 1-210. The president shall submit a fiscal note  
1178 prepared by the corporation with respect to the procedures for a new  
1179 lottery game to the joint standing committees of the General Assembly  
1180 having cognizance of matters relating to finance, revenue, bonding and  
1181 public safety after approval of such game by the board.

1182 (d) The name and any personally identifying information of a person  
1183 who is participating or who has participated in the corporation's  
1184 voluntary self-exclusion process shall not be deemed public records, as  
1185 defined in section 1-200, and shall not be available to the public under  
1186 the provisions of the Freedom of Information Act, as defined in section  
1187 1-200, except that the president may disclose the name and any relevant  
1188 records of such person, other than records regarding such person's  
1189 participation in the voluntary self-exclusion process, if such person  
1190 claims a winning lottery ticket from the use of the online lottery  
1191 program established pursuant to subdivision (4) of subsection (a) of  
1192 section 4 of this act.

1193 Sec. 20. Section 12-811 of the general statutes is repealed and the

1194 following is substituted in lieu thereof (*Effective July 1, 2021*):

1195 (a) The president and all directors, officers and employees of the  
1196 corporation shall be state employees for purposes of sections 1-79 to 1-  
1197 89, inclusive.

1198 (b) No director, officer or employee of the corporation shall, directly  
1199 or indirectly, participate in, or share in the winnings from, a game  
1200 conducted pursuant to sections 12-563a, as amended by this act, [and]  
1201 12-800 to 12-818, inclusive, section 4 of this act or sections 6 to 8,  
1202 inclusive, of this act.

1203 Sec. 21. Section 12-815 of the general statutes is repealed and the  
1204 following is substituted in lieu thereof (*Effective July 1, 2021*):

1205 (a) (1) The corporation shall establish and adopt specific policies,  
1206 rules and procedures on purchasing and contracting. Such policies,  
1207 rules and procedures or amendments thereto shall be approved by a  
1208 two-thirds vote of the entire board. Notwithstanding any other  
1209 provision of law to the contrary, the corporation may enter into  
1210 management, consulting and other agreements for the provision of  
1211 goods, services and professional advisors necessary or useful in  
1212 connection with the operation and management of the lottery [(1)] (A)  
1213 pursuant to a process of open or competitive bidding, provided [(A)] (i)  
1214 the corporation shall first determine the format, content and scope of  
1215 any agreement for any procurement of goods or services, the conditions  
1216 under which bidding will take place and the schedule and stipulations  
1217 for contract award, and [(B)] (ii) the corporation may select the  
1218 contractor deemed to have submitted the most favorable bid,  
1219 considering price and other factors, when, in the judgment of the  
1220 corporation, such award is in the best interests of the corporation, or  
1221 [(2)] (B) if the corporation, in its discretion, determines that, due to the  
1222 nature of the agreement to be contracted for or procured, open or public  
1223 bidding is either impracticable or not in the best interests of the  
1224 corporation, by negotiation with such prospective providers as the  
1225 corporation may determine. The terms and conditions of agreements  
1226 and the fees or other compensation to be paid to such persons shall be

1227 determined by the corporation. The agreements entered into by the  
1228 corporation in accordance with the provisions of this section shall not  
1229 be subject to the approval of any state department, office or agency,  
1230 except as provided in regulations adopted by the Department of  
1231 Consumer Protection. Nothing in this section shall be deemed to restrict  
1232 the discretion of the corporation to utilize its own staff and workforce  
1233 for the performance of any of its assigned responsibilities and functions  
1234 whenever, in the discretion of the corporation, it becomes necessary,  
1235 convenient or desirable to do so. Copies of all agreements of the  
1236 corporation shall be maintained by the corporation at its offices as public  
1237 records, subject to said exemption.

1238 (2) The corporation may enter into agreements pursuant to  
1239 subdivision (1) of this subsection with vendors for the provision of  
1240 services for a skin for online sports wagering, provided such services  
1241 (A) are not branded along with an operator of a casino that operates in  
1242 any jurisdiction, and (B) do not directly or indirectly promote a casino  
1243 that operates in another jurisdiction, including through awarding of  
1244 players' points, free play, promotions or other marketing activities. If the  
1245 corporation enters an agreement with a vendor that is owned by an  
1246 operator of a casino in any jurisdiction, the vendor may not share any  
1247 customer information with such operator for purposes of marketing or  
1248 any other purposes related to acquiring customers.

1249 (b) The corporation shall not be subject to rules, regulations or  
1250 restrictions on purchasing or procurement or the disposition of assets  
1251 generally applicable to Connecticut state agencies, including those  
1252 contained in titles 4a and 4b and the corresponding rules and  
1253 regulations. The board shall adopt rules and procedures on purchasing,  
1254 procurement and the disposition of assets applicable to the corporation.  
1255 The adoption of such rules or procedures shall not be subject to chapter  
1256 54. Any such rules or procedures shall be a public record, as defined in  
1257 section 1-200.

1258 Sec. 22. Section 12-816 of the general statutes is repealed and the  
1259 following is substituted in lieu thereof (*Effective July 1, 2021*):



1260 The exercise of the powers granted by sections 1-120, 1-121, 1-125, 12-  
1261 563, 12-563a, as amended by this act, 12-564, 12-566, 12-568a and 12-569,  
1262 subsection (c) of section 12-574, [and] sections 12-800 to 12-818,  
1263 inclusive, and section 4 and sections 6 to 8, inclusive, of this act  
1264 constitute the performance of an essential governmental function and  
1265 all operations of the corporation shall be free from any form of federal  
1266 or state taxation. In addition, except pursuant to any federal  
1267 requirements, the corporation shall not be required to pay any taxes or  
1268 assessments upon or in respect to sales of lottery tickets, or any property  
1269 or moneys of the corporation, levied by the state or any political  
1270 subdivision or municipal taxing authority. The corporation and its  
1271 assets, property and revenues shall at all times be free from taxation of  
1272 every kind by the state and by the municipalities and all other political  
1273 subdivisions or special districts having taxing powers in the state.

1274 Sec. 23. Section 12-561 of the general statutes is repealed and the  
1275 following is substituted in lieu thereof (*Effective July 1, 2021*):

1276 No commissioner or unit head or employee of the department shall  
1277 directly or indirectly, individually or as a member of a partnership or as  
1278 a shareholder of a corporation, have any interest whatsoever in dealing  
1279 in any lottery, racing, fronton, or betting enterprise or casino gaming  
1280 facility or in the ownership or leasing of any property or premises used  
1281 by or for any lottery, racing, fronton, or betting enterprise or casino  
1282 gaming facility. No commissioner or unit head shall, directly or  
1283 indirectly, (1) wager at any off-track betting facility, race track or fronton  
1284 authorized under this chapter, (2) purchase lottery tickets issued under  
1285 this chapter, [or] (3) play [, directly or indirectly,] any authorized game  
1286 conducted at a casino gaming facility, (4) place a sports wager, as  
1287 defined in section 1 of this act, or (5) participate in online casino gaming,  
1288 as defined in section 1 of this act. The commissioner may adopt  
1289 regulations in accordance with the provisions of chapter 54 to prohibit  
1290 any employee of the department from engaging, directly or indirectly,  
1291 in any form of legalized gambling activity in which such employee is  
1292 involved because of his or her employment with the department. For  
1293 purposes of this section, "unit head" means a managerial employee with

1294 direct oversight of a legalized gambling activity.

1295 Sec. 24. Section 12-563a of the general statutes is repealed and the  
1296 following is substituted in lieu thereof (*Effective July 1, 2021*):

1297 The Commissioner of Consumer Protection shall, within available  
1298 resources, prepare and distribute informational materials designed to  
1299 inform the public of the programs available for the prevention,  
1300 treatment and rehabilitation of compulsive gamblers in this state. The  
1301 commissioner shall require any casino gaming facility and any person  
1302 or business organization which is licensed to sell lottery tickets, operate  
1303 an off-track betting system or conduct wagering on racing events or jai  
1304 alai games, or conduct retail sports wagering to display such  
1305 informational materials at the casino gaming facility and each licensed  
1306 premise or retail sports wagering facility, respectively.

1307 Sec. 25. Section 52-553 of the general statutes is repealed and the  
1308 following is substituted in lieu thereof (*Effective July 1, 2021*):

1309 All wagers, and all contracts and securities of which the whole or any  
1310 part of the consideration is money or other valuable thing won, laid or  
1311 bet, at any game, horse race, sport or pastime, and all contracts to repay  
1312 any money knowingly lent at the time and place of such game, race,  
1313 sport or pastime, to any person so gaming, betting or wagering, or to  
1314 repay any money lent to any person who, at such time and place, so  
1315 pays, bets or wagers, shall be void, provided nothing in this section shall  
1316 (1) affect the validity of any negotiable instrument held by any person  
1317 who acquired the same for value and in good faith without notice of  
1318 illegality in the consideration, (2) apply to the sale of a raffle ticket  
1319 pursuant to section 7-172, (3) apply to online casino gaming, online  
1320 sports wagering and retail sports wagering, as such terms are defined  
1321 in section 1 of this act, and conducted pursuant to sections 3 to 7,  
1322 inclusive, of this act, as applicable, (4) apply to the participation in the  
1323 program established by the Connecticut Lottery Corporation pursuant  
1324 to section 4 of this act to sell lottery tickets for lottery draw games  
1325 through the corporation's Internet web site, online service or mobile  
1326 application, or [(3)] (5) apply to any wager or contract otherwise

1327 authorized by law.

1328 Sec. 26. Section 52-554 of the general statutes is repealed and the  
1329 following is substituted in lieu thereof (*Effective July 1, 2021*):

1330 Any person who, by playing at any game, or betting on the sides or  
1331 hands of such as play at any game, excluding any game permitted under  
1332 chapter 226 or any activity not prohibited under the provisions of  
1333 sections 53-278a to 53-278g, inclusive, as amended by this act, loses the  
1334 sum or value of one dollar in the whole and pays or delivers the same  
1335 or any part thereof, may, within three months next following, recover  
1336 from the winner the money or the value of the goods so lost and paid or  
1337 delivered, with costs of suit in a civil action, without setting forth the  
1338 special matter in his complaint. If the defendant refuses to testify, if  
1339 called upon in such action, relative to the discovery of the property so  
1340 won, [he] the defendant shall be defaulted; but no evidence so given by  
1341 [him] the defendant shall be offered against him or her in any criminal  
1342 prosecution. Nothing in this section shall prohibit any person from  
1343 using a credit card to participate in (1) online casino gaming, online  
1344 sports wagering and retail sports wagering, as such terms are defined  
1345 in section 1 of this act, and conducted pursuant to sections 3 to 7,  
1346 inclusive, of this act, as applicable, or (2) the program established by the  
1347 Connecticut Lottery Corporation pursuant to section 4 of this act to sell  
1348 lottery tickets for lottery draw games through the corporation's Internet  
1349 web site, online service or mobile application.

1350 Sec. 27. Subdivision (2) of section 53-278a of the general statutes is  
1351 repealed and the following is substituted in lieu thereof (*Effective July 1,*  
1352 *2021*):

1353 (2) "Gambling" means risking any money, credit, deposit or other  
1354 thing of value for gain contingent in whole or in part upon lot, chance  
1355 or the operation of a gambling device, including the playing of a casino  
1356 gambling game such as blackjack, poker, craps, roulette or a slot  
1357 machine, but does not include: Legal contests of skill, speed, strength or  
1358 endurance in which awards are made only to entrants or the owners of  
1359 entries; legal business transactions which are valid under the law of

1360 contracts; activity legal under the provisions of sections 7-169 to 7-186,  
1361 inclusive; any lottery or contest conducted by or under the authority of  
1362 any state of the United States, Commonwealth of Puerto Rico or any  
1363 possession or territory of the United States; and other acts or  
1364 transactions expressly authorized by law on or after October 1, 1973.  
1365 Fantasy contests, as defined in section 12-578aa, as amended by this act,  
1366 shall not be considered gambling, provided the conditions set forth in  
1367 subsection (b) of section 12-578aa, as amended by this act, have been met  
1368 and the operator of such contests is [registered] licensed pursuant to  
1369 [subdivision (1) of subsection (d) of] section 12-578aa, as amended by  
1370 this act. Online casino gaming, online sports wagering and retail sports  
1371 wagering, as such terms are defined in section 1 of this act, shall not be  
1372 considered gambling if the online casino gaming, online sports  
1373 wagering or retail sports wagering is conducted pursuant to sections 3  
1374 to 7, inclusive, of this act;

1375 Sec. 28. Subdivision (4) of section 53-278a of the general statutes is  
1376 repealed and the following is substituted in lieu thereof (*Effective July 1,*  
1377 *2021*):

1378 (4) "Gambling device" means any device or mechanism by the  
1379 operation of which a right to money, credits, deposits or other things of  
1380 value may be created, as the result of the operation of an element of  
1381 chance; any device or mechanism which, when operated for a  
1382 consideration, does not return the same value or thing of value for the  
1383 same consideration upon each operation thereof; any device,  
1384 mechanism, furniture or fixture designed primarily for use in  
1385 connection with professional gambling; and any subassembly or  
1386 essential part designed or intended for use in connection with any such  
1387 device, mechanism, furniture, fixture, construction or installation,  
1388 provided an immediate and unrecorded right of replay mechanically  
1389 conferred on players of pinball machines and similar amusement  
1390 devices shall be presumed to be without value. "Gambling device" does  
1391 not include a crane game machine or device or a redemption machine.  
1392 A device or equipment used to play fantasy contests, as defined in  
1393 section 12-578aa, as amended by this act, shall not be considered a

1394 gambling device, provided [the conditions set forth in subsection (b) of  
1395 section 12-578aa have been met] such device or equipment is used by a  
1396 licensee pursuant to section 12-578aa, as amended by this act. A device  
1397 or equipment used to participate in online casino gaming, online sports  
1398 wagering or retail sports wagering, as such terms are defined in section  
1399 1 of this act, shall not be considered a gambling device if the conditions  
1400 set forth in sections 3 to 7, inclusive, of this act, as applicable, have been  
1401 met;

1402 Sec. 29. Section 53-278g of the general statutes is repealed and the  
1403 following is substituted in lieu thereof (*Effective July 1, 2021*):

1404 (a) Nothing in sections 53-278a to 53-278f, inclusive, as amended by  
1405 this act, shall be construed to prohibit the publication of an  
1406 advertisement of, or the operation of, or participation in, a state lottery,  
1407 pari-mutuel betting at race tracks licensed by the state, off-track betting  
1408 conducted by the state or a licensee authorized to operate the off-track  
1409 betting system, authorized games at a casino gaming facility, online  
1410 casino gaming, online sports wagering and retail sports wagering, as  
1411 authorized by sections 3 to 7, inclusive, of this act, a promotional  
1412 drawing for a prize or prizes, conducted for advertising purposes by  
1413 any person, firm or corporation other than a retail grocer or retail  
1414 grocery chain, wherein members of the general public may participate  
1415 without making any purchase or otherwise paying or risking credit,  
1416 money, or any other tangible thing of value or a sweepstakes conducted  
1417 pursuant to sections 42-295 to 42-301, inclusive.

1418 (b) The Mashantucket Pequot [tribe] Tribes and the Mohegan Tribe of  
1419 Indians of Connecticut, or their agents, may use and possess at any  
1420 location within the state, solely for the purpose of training individuals  
1421 in skills required for employment by the tribe or testing a gambling  
1422 device, any gambling device which the tribes are authorized to utilize  
1423 on their reservations pursuant to the federal Indian Gaming Regulatory  
1424 Act; provided no money or other thing of value shall be paid to any  
1425 person as a result of the operation of such gambling device in the course  
1426 of such training or testing at locations outside of the reservation of the

1427 tribe. Any person receiving such training or testing such device may use  
1428 any such device in the course of such training or testing. Whenever  
1429 either of said tribes intends to use and possess at any location within the  
1430 state any such gambling device for the purpose of testing such device,  
1431 the tribe shall give prior notice of such testing to the Department of  
1432 Consumer Protection.

1433 (c) Any casino gaming facility, or its agents, may use and possess at  
1434 any location within the state, solely for the purpose of training  
1435 individuals in skills required for employment by the casino gaming  
1436 facility or testing a gambling device, any gambling device which the  
1437 casino gaming facility may use for conducting authorized games at the  
1438 casino gaming facility, provided no money or other thing of value shall  
1439 be paid to any person as a result of the operation of such gambling  
1440 device in the course of such training or testing at locations outside of the  
1441 casino gaming facility. Any person receiving such training or testing  
1442 such device may use any such device in the course of such training or  
1443 testing. Whenever a casino gaming facility intends to use and possess at  
1444 any location within the state any such gambling device for the purpose  
1445 of testing such device, the casino gambling facility shall give prior notice  
1446 of such testing to the Department of Consumer Protection.

1447 Sec. 30. (*Effective July 1, 2021*) Notwithstanding the provisions of  
1448 section 1-3 of the general statutes, if any provision of sections 1 to 10,  
1449 inclusive, of this act, or any amendment made to the provisions of the  
1450 general statutes pursuant to this act, except for those provisions  
1451 regarding keno and the sale of lottery tickets for lottery draw games  
1452 through the corporation's Internet web site, online service or mobile  
1453 application, is held invalid by a court of competent jurisdiction in a final  
1454 judgment which is not appealable, (1) the provisions of sections 1 to 10,  
1455 inclusive, of this act shall cease to be effective, except for those  
1456 provisions regarding keno and the sale of lottery tickets for lottery draw  
1457 games through the corporation's Internet web site, online service or  
1458 mobile application, and (2) the amendments made to the provisions of  
1459 the sections of the general statutes pursuant to this act shall be  
1460 inoperative, except for those provisions regarding keno and the sale of

1461 lottery tickets for lottery draw games through the corporation's Internet  
 1462 web site, online service or mobile application.

1463 Sec. 31. Section 12-565a of the general statutes is repealed. (*Effective*  
 1464 *July 1, 2021*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2021</i>	New section
Sec. 2	<i>July 1, 2021</i>	New section
Sec. 3	<i>July 1, 2021</i>	New section
Sec. 4	<i>July 1, 2021</i>	New section
Sec. 5	<i>July 1, 2021</i>	New section
Sec. 6	<i>July 1, 2021</i>	New section
Sec. 7	<i>July 1, 2021</i>	New section
Sec. 8	<i>July 1, 2021</i>	New section
Sec. 9	<i>July 1, 2021</i>	New section
Sec. 10	<i>July 1, 2021</i>	New section
Sec. 11	<i>July 1, 2021</i>	12-586f
Sec. 12	<i>July 1, 2021</i>	12-586g
Sec. 13	<i>July 1, 2021</i>	12-578aa
Sec. 14	<i>July 1, 2021</i>	12-578f
Sec. 15	<i>July 1, 2021</i>	12-806c
Sec. 16	<i>July 1, 2021</i>	12-801
Sec. 17	<i>July 1, 2021</i>	12-806
Sec. 18	<i>July 1, 2021</i>	12-806a
Sec. 19	<i>July 1, 2021</i>	12-810
Sec. 20	<i>July 1, 2021</i>	12-811
Sec. 21	<i>July 1, 2021</i>	12-815
Sec. 22	<i>July 1, 2021</i>	12-816
Sec. 23	<i>July 1, 2021</i>	12-561
Sec. 24	<i>July 1, 2021</i>	12-563a
Sec. 25	<i>July 1, 2021</i>	52-553
Sec. 26	<i>July 1, 2021</i>	52-554
Sec. 27	<i>July 1, 2021</i>	53-278a(2)
Sec. 28	<i>July 1, 2021</i>	53-278a(4)
Sec. 29	<i>July 1, 2021</i>	53-278g
Sec. 30	<i>July 1, 2021</i>	New section
Sec. 31	<i>July 1, 2021</i>	Repealer section

**PS**      *Joint Favorable Subst.*



The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

**OFA Fiscal Note**

**State Impact:**

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$
Connecticut Lottery Corporation	Lottery Enterprise Fund - Potential Cost	14.6-19.6 million	14.6-19.6 million
Consumer Protection, Dept.	State Sports Wagering and Online Gaming Regulatory Fund- Potential Cost	Up to 2.4 million	Up to 2.2 million
Consumer Protection, Dept.	State Sports Wagering and Online Gaming Regulatory Fund - Potential Revenue Gain	Up to 2.4 million	Up to 2.2 million
Resources of the General Fund	GF - Potential Revenue Gain	See Below	See Below

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

The bill, which legalizes and regulates expanded gaming in the state, results in the following fiscal impacts: <sup>1</sup>

<sup>1</sup> The bill's provisions are subject to several conditions, including that the governor must first enter into specific contractual agreements with the Mashantucket Pequot and Mohegan tribes, which must then be approved or deemed approved by the U.S. Department of Interior secretary, pursuant to the federal Indian Gaming Regulatory Act and its implementing regulations. Consequently, all impacts are potential in nature.

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### Potential Revenue Impacts

**Sections 3-5, 8, 21, and 24** authorize sports wagering which results in a potential General Fund revenue gain of up to \$19.3 million in FY 22 and \$21.1 million in FY 23.<sup>2</sup> It is estimated that annual potential General Fund revenues could grow to \$24.8 million by FY 26.

**Section 3** authorizes online casino gaming by the tribes which results in a potential General Fund revenue gain of up to \$8.6 million in FY 22 and \$11.4 million in FY 23. It is estimated that annual potential General Fund revenues could grow to \$28.1 million by FY 26.

**Sections 4 and 15-16** authorize online keno by the Connecticut Lottery Corporation (CLC) which results in a potential General Fund revenue gain of up to \$0.7 million in FY 22 and \$0.9 million in FY 23. It is estimated that annual potential General Fund revenues could grow to \$2.1 million by FY 26.

**Sections 4 and 17** authorize online lottery draw games by the CLC which results in a potential revenue gain of up to \$2 million in FY 22 and \$3 million in FY 23. It is estimated that annual potential General Fund revenues could grow to \$19 million by FY 26.

**Section 13** allows the Department of Consumer Protection (DCP) to regulate and issue licenses to operate fantasy contests outside of Indian lands if the State-Tribal agreement goes into effect resulting in a potential revenue gain to the extent these licenses are applied for and violations occur which result in fines.

### Potential Cost Impacts

**Sections 4-5** allow the CLC to offer mobile and retail sports betting, online keno, and online lottery draw games resulting in a potential cost of \$14.6-\$19.6 million per year. To meet the requirements of the bill the

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<sup>2</sup> Under the bill, the CLC is subject to the same 13.75% tax on gross gaming revenue from sports betting that applies to the tribes. However, it is unclear what effect this would have as the CLC transfers all net revenue to the General Fund after paying all agency expenses (which presumably would include this tax).

CLC will need to hire approximately 20 new employees (\$3.3 million cost for salary and fringe benefits) who will cover marketing, finance, IT, and security for sports betting and the new lottery games being offered.

The CLC will also need to partner with vendors (estimated \$11.3-\$16.3 million cost per year) to provide gaming systems and platforms, player account management systems, audit and regulatory expenses, and marketing services. The exact cost will depend upon the contracts between the CLC and the vendors.

**Section 9** requires the DCP to assess the tribes and any authorized operator of sports wagering for the regulatory costs the department will incur resulting in a revenue gain and a corresponding cost to the State Sports Wagering and Online Gaming Regulatory Fund established by the bill. The DCP will incur a regulatory cost of up to \$2.4 million in FY 22 and up to \$2.2 million in FY 23 to hire 15 full-time employees and one durational employee to meet the requirements of the bill. The assessment costs that the DCP will charge will be made in consultation with the tribes and any authorized operator of sports wagering and the parties being assessed may request a hearing if they are aggrieved by an assessment.

### ***The Out Years***

The annualized ongoing cost impacts identified above would continue into the future subject to inflation. The annualized ongoing revenue impacts would continue into the future subject to growth in the gaming activities authorized under the bill, and an increase in the tax rate on online gaming to 20% beginning with the sixth year of operation as specified in the bill.

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**OLR Bill Analysis****sHB 6451*****AN ACT CONCERNING GAMING AGREEMENTS WITH THE MASHANTUCKET PEQUOT TRIBE AND THE MOHEGAN TRIBE OF INDIANS OF CONNECTICUT.*****SUMMARY**

This bill establishes or modifies current frameworks for legalizing and regulating (1) online sports wagering, (2) retail sports wagering (i.e., wagering while physically present at a facility), (3) online casino gaming, (4) online keno, (5) online lottery draw games other than keno, and (6) fantasy contests. These frameworks are subject to several conditions, principally that the governor must first enter into specific contractual agreements with the Mashantucket Pequot and Mohegan tribes. These agreements must then be approved or deemed approved by the U.S. Department of Interior (DOI) secretary, pursuant to the federal Indian Gaming Regulatory Act (IGRA) and its implementing regulations.

The bill generally authorizes the tribes and the Connecticut Lottery Corporation (CLC) to operate these games subject to specific requirements, including that all but the online keno and lottery draw game authorizations be limited to an initial 10-year period with an option for a five-year renewal.

The bill specifically allows the tribes to conduct the following wagering and gaming: on Indian lands, retail and online sports wagering as well as fantasy contests; outside Indian lands, one skin for online sports wagering, one skin for online casino gaming, and fantasy contests. (Under the bill, a "skin" is a brand or cobranded name and logo on a website or mobile application for enabling online sports wagering and online casino gaming).

Under the bill, CLC is authorized to conduct retail and online sports wagering, online keno, and online lottery draw games. It may specifically conduct retail sports wagering at up to fifteen facilities, which may be licensed off-track betting (OTB) facilities (i.e., Sportech Venues, Inc.) pursuant to an operating agreement.

The bill requires payments to the General Fund ranging from 13.75% to 20% of gross revenues from sports wagering and online casino gaming, delays the authorization for an off-reservation casino gaming facility in East Windsor for 10 years, and makes technical and conforming changes.

EFFECTIVE DATE: July 1, 2021

## **MAIN PROVISIONS OF GENERAL APPLICABILITY**

### **§ 1 — Definitions**

Under the bill, “sports wagering” means risking or accepting any money, credit, deposit, or other thing of value for gain contingent in whole or in part on (1) all or part of a sporting event, including future or propositional events during the sporting event, or (2) the individual performance statistics of an athlete or athletes in a sporting event or combination of events. It may be done by any system or method of wagering, including in-person or over the Internet through a website or mobile device. “Sports wagering” does not include the entry fees for fantasy contests or e-sports.

“Sporting event” means any sporting or athletic event (1) where two or more people participate and receive compensation in excess of actual expenses for their participation or (2) sponsored by a higher education institution’s intercollegiate athletic program. It also includes e-sports (i.e., electronic sports and competitive video games played as a game of skill) but excludes horse racing or a minor league-sponsored sporting or athletic event.

“Online casino gaming” means the following games conducted over the Internet: (1) slots, blackjack, craps, roulette, baccarat, poker and video poker, bingo, live dealer, and other peer-to-peer games, and any

variations of them and (2) any games authorized by the Department of Consumer Protection (DCP).

“Keno” is a lottery game where a subset of numbers is drawn from a larger field of numbers by a central computer system using an approved number generator, wheel system device, or other drawing device.

“Lottery draw game” is any game (excluding keno) where one or more numbers, letters, or symbols are randomly drawn at predetermined times from a range of numbers, letters, or symbols; and prizes are paid to players possessing winning plays as set forth in each game’s official game rules.

“Fantasy contest” does not include lottery games and is any online fantasy or simulated game or contest in which:

1. players pay an entry fee;
2. the value of all prizes and awards offered to winners is established and made known to players before the game or contest;
3. all winning outcomes reflect player knowledge and skill and are determined predominantly by accumulated statistical results of individual performance, including athletes in sporting events; and
4. the winning outcome is not based on the score, point spread, or any performance of any single actual team or combination of teams or solely on any single performance of an individual athlete or player in a single actual sporting event.

Relatedly, a “fantasy contest operator” is a person or entity that is licensed to operate and offer fantasy contests to members of the general public in the state.

## **§ 2 — State-Tribal Agreements**

The bill authorizes the governor to enter into (1) amendments to the

existing Mashantucket Pequot procedures, Mohegan compact, and related memoranda of understanding (MOUs) with each tribe (see BACKGROUND) and (2) new compacts with the tribes (“State-Tribal agreements”). These agreements must contain a series of five multi-part provisions.

First, they must permit each tribe to conduct, on Indian lands, retail sports wagering and fantasy contests. Online sports wagering must also be permitted, so long as the wagers are placed by people physically present on Indian lands.

Second, the agreements must provide that they will not terminate the existing video facsimile moratorium and do not relieve the tribes from their obligations to contribute a percentage of their gross operating revenues from video facsimile games to the state as provided in each tribe’s MOU (see BACKGROUND). This second provision applies if state law at any time authorizes (1) each tribe to operate, outside of Indian lands, one skin for online sports wagering, one skin for online casino gaming, and fantasy contests; (2) a license to operate fantasy contests outside of Indian lands; and (3) CLC to operate certain games. These games are as follows:

1. retail sports wagering at up to 15 facilities throughout the state, any number of which may be located at OTB facilities, so long as a facility is not located within 25 miles of Indian lands;
2. one skin for online sports wagering outside of Indian lands, so long as the skin (a) is not operated or co-branded with a tribal or commercial casino owner or operator and (b) does not promote or market retail commercial casino gaming of any kind;
3. a program to sell lottery tickets for lottery draw games through its website, online service, or mobile application, so long as lottery drawings occur regularly and not more frequently than once every four minutes; and
4. keno, both through lottery sales agents and through its website,

online service, or mobile application, so long as drawings occur not more than once every three minutes and the state pays each tribe of 12.5% of the gross gaming revenue from keno.

Third, the State-Tribal agreements must generally provide that agreement provisions will be valid for a 10-year initial term with an option for a five-year renewal term if mutually consented to and exercised by the governor and both tribes. The bill exempts from this requirement the provisions above related to the video facsimile moratorium and contributions if state law authorizes the above changes to lottery draw games and keno.

Fourth, the State-Tribal agreements must also contain a cessation provision that ends a tribe's authority to conduct online sports wagering, online casino gaming, and fantasy contests outside of Indian lands if the tribe operates E-bingo machines on Indian lands as authorized under IGRA at any time during the 10-year initial term of the agreements. Under the bill, ending one tribe's authority under this provision does not affect the authorization of the other tribe or CLC to conduct activities authorized under the agreements.

Fifth, and lastly, the State-Tribal agreements must contain a provision ending their effectiveness if the following provisions are held invalid by a court of competent jurisdiction in a non-appealable final judgment:

1. any provision of the agreements, excluding those related to the video facsimile moratorium and contributions if state law authorizes the above changes to lottery draw games and keno; or
2. any of the bill's provisions, excluding those about keno through lottery sales agents and online lottery draw games.

Under existing state law, both houses of the legislature must approve a tribal-state compact (CGS § 3-6c). However, notwithstanding that law, the bill provides that the State-Tribal agreements described above must be considered approved under that law once the governor enters into the agreements or renewals without any further action by the



legislature.

Under the bill, the State-Tribal agreements are effective and final once approved by the DOI secretary. But if her approval is overturned by a court of competent jurisdiction in a non-appealable final judgement, then the bill's provisions cease to be effective.

### **§ 30 — General Severability Provision**

Under existing law, if any provision of an act or its application is held invalid, then its invalidity must not affect other provisions or applications of the act (CGS § 1-3). However, notwithstanding that law, the bill provides that if any provision of the bill, except provisions on keno and online lottery draw games, is held invalid by a court of competent jurisdiction in a non-appealable final judgment, then all provisions in the bill except those on keno and online lottery draw games will cease to be effective.

### **§§ 7 & 31 — DCP Regulations**

The bill requires the DCP commissioner to adopt regulations, to the extent not prohibited by federal law or any IGRA-related agreement, to implement specific bill provisions on retail and online sport wagering, online casino gaming, online keno, and online lottery. The regulations must address (1) the operation of, participation in, and advertisement of sports wagering, online casino gaming, keno, and online lottery; (2) the designation of additional games that may be permitted as online casino gaming; and (3) any other provisions to protect the public interest in the integrity of gaming.

Relatedly, the bill also eliminates the requirement that DCP adopt regulations to regulate wagering on sporting events to the extent permitted by state and federal law (CGS § 12-565a). To date, DCP has not adopted such regulations.

## **SPECIFIC REQUIREMENTS FOR EACH GAME TYPE**

### **§§ 3 & 8 — Online Sports Wagering by the Tribes**

The bill authorizes the DCP commissioner to issue a license to each

tribe to operate one skin for online sports wagering within the state (presumably, outside of Indian lands) if: (1) the State-Tribal agreements are effective, (2) related DCP regulations adopted under the bill are effective, and (3) it is operated according to the bill's requirements (see below).

The bill requires a tribe's license to expire (1) upon the expiration of the State-Tribal agreements' initial or renewal period or (2) if a tribe operates E-bingo machines on Indian lands at any time during the 10-year initial term of the agreements. Additionally, the bill authorizes each tribe to enter into an agreement with a person or entity to provide skin services.

#### **§§ 4 & 21 — Online Sports Wagering by CLC**

The bill authorizes CLC to operate one skin for online sports wagering if: (1) the State-Tribal agreements are effective, (2) related DCP regulations adopted under the bill are effective, and (3) it is operated according to the bill's requirements (see below). Under the bill, CLC may enter into agreements with vendors to provide skin services, so long as they (1) are not branded along with a casino operator operating in any jurisdiction and (2) do not directly or indirectly promote a casino that operates in another jurisdiction, including through awarding players' points; free play; promotions; or other marketing activities. If CLC enters an agreement with a vendor that is owned by a casino operator, the vendor may not share any customer information with the operator for purposes of marketing or any other purposes related to acquiring customers. Under the bill, CLC's authority to operate online sports wagering must expire upon the expiration of the State-Tribal agreements' initial or renewal period.

#### **§§ 4-5 & 24 — Retail Sports Wagering by CLC**

The bill authorizes CLC to operate certain retail sports wagering if: (1) the State-Tribal agreements are effective, (2) related DCP regulations adopted under the bill are effective, and (3) it does so according to the bill's requirements (see below). CLC may specifically provide retail sport wagering at up to 15 facilities located throughout the state, so long

as none of the facilities are located within 25 miles of Indian lands. The bill specifically permits CLC to develop new facilities in Bridgeport and Hartford.

Relatedly, the bill authorizes CLC to enter into one or more agreements with OTB operators to operate retail sports wagering and extends the bill's requirements to them. Under the bill, OTB facilities that conduct retail sports wagering count towards CLC's 15-facility cap.

The bill extends to retail sports wagering facilities existing law requiring certain gaming-related places outside of Indian lands to display DCP-prepared informational materials. The materials must inform the public of the programs available for the prevention, treatment, and rehabilitation of compulsive gamblers.

Under the bill, CLC's authority to operate retail sports wagering must expire upon the expiration of the State-Tribal agreements' initial or renewal period. If operating agreements are made with OTB facilities, those agreements must adhere to this same expiration schedule.

### **§ 3 — Online Casino Gaming by the Tribes**

The bill authorizes the DCP commissioner to issue a license to each tribe to operate one skin for online casino gaming in the state (presumably, outside of Indian lands) if: (1) the State-Tribal agreements are effective, (2) related DCP regulations adopted under the bill are effective, and (3) it is operated according to the bill's requirements (see below). The bill requires such a tribe's license to expire (1) upon the expiration of the State-Tribal agreements' initial or renewal period or (2) if a tribe operates E-bingo machines on Indian lands at any time during the 10-year initial term of the agreements. Additionally, the bill authorizes each tribe to enter into an agreement with a person or entity to provide skin services.

### **§§ 1, 4 & 15-16 — Online Keno by CLC**

Under current law, CLC exclusively operates keno in Connecticut outside of Indian lands pursuant to memoranda of agreement (MOAs) with each tribe (CGS §§ 12-806 & -806d). CLC's keno is currently played

by purchasing paper tickets from lottery sales agents as both the agreements and current law prohibit playing keno through a video facsimile machine (e.g., through a computer). Current law specifically excludes games operated on a video facsimile machine from the current statutory definition of “keno.” The bill eliminates that exclusion.

Relatedly, the bill authorizes CLC to operate keno through its website, online service, or mobile application if the State-Tribal agreements and related DCP regulations adopted under the bill are effective. Additionally, CLC must develop an electronic platform or combination of hardware, software, and data networks used to manage, administer, offer, or control keno over the Internet, including through a website or a mobile device, to, at a minimum: (1) verify that keno account holders are at least 18 years old and located in the state; (2) provide a mechanism to prevent the unauthorized use of a keno account; and (3) maintain the security of data and other confidential information. CLC must also limit drawings to no more than once every three minutes.

Under the MOAs, the state must distribute to each tribe 12.5% of the “gross operating revenues” (i.e., total sum wagered, less amounts paid out as prizes) from CLC’s current operation of keno. Under the bill, the state must make similar payments to each tribe, specifically 12.5% of “gross gaming revenue from keno,” in relation to CLC’s expanded keno operations. Under the bill, “gross gaming revenue from keno” means the total of all sums received by CLC from operating keno both through lottery sales agents and through CLC’s website, online service, or mobile application, less the total of all sums paid as winnings to patrons and any federal excise tax applicable to such sums received, subject to certain conditions. For purposes of calculating winnings, the bill excludes merchandise or other things of value included in a jackpot or payout. The bill also generally excludes from the calculation of gross gaming revenue coupons or credits issued to and played by patrons under a promotional program, so long as the aggregate amount does not exceed the following limits:

1. 25% of gross gaming revenue for any month during the first year keno operates under the bill,
2. 20% of gross gaming revenue for any month during the second year keno operates under the bill, or
3. 15% of gross gaming revenue for any month during the third or succeeding year keno operates under the bill.

If coupons or credits exceed these limits, the bill requires 25% of the applicable excess face amount of coupons or credits used in the calendar month to be included in the calculation of gross gaming revenue.

#### **§§ 4 & 17 — Online Lottery by CLC**

The bill authorizes CLC to operate a program to sell lottery tickets for lottery draw games through CLC's website, online service, or mobile application if the State-Tribal agreements and related DCP regulations adopted under the bill are effective. Additionally, CLC must:

1. sell the tickets through the program regularly and not more frequently than once every four minutes;
2. submit to the DCP commissioner official game rules for each lottery draw game that CLC seeks to offer through the program and not offer a lottery draw game through the program until the DCP commissioner approves, in writing, the official rules for a game;
3. verify that a person who establishes an online lottery account to purchase a lottery ticket through the program is at least 18 years old and is located in the state;
4. limit lottery ticket sales to ones initiated and received within the state;
5. require the program to (a) allow a person to establish an online lottery account and use a credit card, debit card, or verified bank account to purchase lottery tickets through the account; (b) limit a

person with an online lottery account to the use of only one debit card or credit card; and (c) provide that any money in an online lottery account belongs solely to the account owner and may be withdrawn by the owner;

6. establish a voluntary self-exclusion process to allow a person to exclude himself or herself from establishing an online lottery account or purchasing a lottery ticket through the program;
7. subject the program to an independent review for responsible play as assessed by industry standards at least every five years;
8. require the program to provide responsible gambling and problem gambling information;
9. limit the amount of money a person may (a) deposit into an online lottery account and (b) spend per day through the program; and
10. display the results of lottery draw game drawings on CLC's website, online service, or mobile application, so long as the lottery draw game drawings do not take place on CLC's website, online service, or mobile application.

After establishing its online lottery program, the bill requires CLC to conduct a public awareness campaign to educate the public on responsible gambling and inform them of available programs that prevent, treat, and rehabilitate compulsive gamblers in Connecticut. Additionally, CLC may implement initiatives to promote purchasing lottery tickets through lottery sales agents and online lottery draw games.

Relatedly, the bill also authorizes CLC to advertise lottery games on its website, online service, or mobile application. CLC may also offer interactive lottery games for promotional purposes through its website, online service, or mobile application, so long as (1) there is no cost to play the game; (2) no prizes or rewards of any monetary value are given for playing; and (3) no lottery ticket purchase is required to play.

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**§ 13 — Fantasy Contests**

Current law establishes a framework for legalizing and regulating fantasy contests under which prospective fantasy contest operators register with DCP. However, to date, the necessary conditions for that framework to go into effect have not been satisfied. Current law specifically requires State-Tribal agreements that authorize fantasy contests. The bill eliminates that requirement and makes several conforming changes to modify the framework from a registration to a licensing system. Specifically, the bill allows the DCP commissioner to issue licenses to operate fantasy contests outside of Indian lands if the State-Tribal agreements under the bill go into effect.

Current law required the DCP commissioner to adopt regulations by July 1, 2018, on the operation of, participation in, and advertisement of fantasy contests in Connecticut. The bill specifies that these regulations must also address fantasy contest licensing and extends the due date for their adoption to January 1, 2022. Under existing law and unchanged by the bill, the regulations must protect players who pay an entry fee to play fantasy contests from unfair or deceptive acts or practices; violations are subject to a fine of up to \$1,000 per violation. The regulations must also include:

1. a prohibition against operators allowing anyone under age 18 to participate in a contest they operate,
2. protections for the players' funds on deposit with the operators,
3. truthful advertising requirements for operators,
4. procedures to ensure the integrity of fantasy contests offered by operators,
5. procedures to ensure operators provide players with (a) information on responsible playing and where they can seek assistance for addictive or compulsive behavior and (b) protections against compulsive behavior, and

6. reporting requirements and procedures to demonstrate eligibility for reducing the initial licensing fee and annual licensing renewal fee.

Under the bill, the initial and annual fees for a license are the same, \$15,000, as under current law for registrations. Additionally, provisions requiring the DCP commissioner to reduce an operator's registration fees so that the fees do not exceed 10% of the operator's gross receipts for the registration period are carried forward for licenses.

The bill requires all fantasy contest operator licenses to expire upon the expiration of the State-Tribal agreements' initial or renewal period. Additionally, if either tribe holds a license, the bill requires the license to expire if the tribe operates E-bingo machines on Indian lands at any time during the 10-year initial term of the agreements.

#### **§ 14 — Off-Reservation Casino Gaming Facility**

Current law authorizes the operation of an off-reservation casino gaming facility in East Windsor, Connecticut by MMCT Venture, LLC, which is a company jointly owned and operated by the Mashantucket Pequot and Mohegan tribes. The bill delays this authorization through the 10-year initial term of the bill's State-Tribal agreements.

### **PROVISIONS AFFECTING MULTIPLE GAME TYPES**

#### **§§ 1 & 6 — Age Monitoring and Restrictions**

Under the bill, only people who are at least 21 years old and physically present in the state may place wagers through online sports wagering, retail sports wagering, and online casino gaming operations that are conducted outside of Indian lands. Relatedly, any online sports wagering or online casino gaming operator's electronic wagering platform must (1) verify that respective account holders are at least 21 years old and physically present in the state when placing a wager; (2) provide a mechanism to prevent the unauthorized use of an account; and (3) maintain the security of data and other confidential information. Under the bill, an "electronic wagering platform" refers to hardware, software, and data networks used to manage, administer, offer, or



control online sports wagering or commercial casino gaming, including through a website or mobile device.

**§§ 8 & 22 — General Fund Payments & Transfers; Taxes**

Under the bill, the following entities must pay to the General Fund 13.75% of their respective “gross gaming revenue from sports wagering” from the following sources:

1. each tribe from the online sports wagering it operates outside of Indian lands,
2. CLC from both its retail and online sports wagering, and
3. any OTB facility under an agreement with CLC from its retail sports wagering.

In all instances, the entities must make their payments not later than 30 days after the date they begin operations and on a monthly basis afterwards.

For online casino gaming conducted outside Indian lands, each tribe must pay to the General Fund 18% of its “gross gaming revenue from online casino gaming” during the first five years of operation and then 20% during the sixth and any succeeding year of operation. Payments must be made not later than 30 days after the date they begin operations and on a monthly basis afterwards.

The bill establishes the same formulas for calculating gross gaming revenue for sports wagering and online casino gaming as for keno. Under the bill, gross gaming revenue for both activities is the total of all sums received, less the total of all sums paid as winnings to patrons and any federal excise tax applicable to such sums received, subject to certain conditions. Like keno revenue, for purposes of calculating winnings the bill excludes merchandise or other things of value included in a jackpot or payout. It also generally excludes from the calculation of gross gaming revenue coupons or credits issued to and played by patrons under a promotional program, as long as the

aggregate amount does not exceed the following limits:

1. 25% of gross gaming revenue for any month during the first year the activity operates,
2. 20% of gross gaming revenue for any month during the second year the activity operates, or
3. 15% of gross gaming revenue for any month during the third or succeeding year the activity operates.

If coupons or credits exceed these limits, the bill requires 25% of their applicable excess face amount used in the calendar month to be included in the calculation of gross gaming revenue.

The bill specifies that CLC's operation of gaming authorized under the bill is considered performing an essential government function, and this operation must be free from any taxes as is the case under current law for existing games. By law, CLC must transfer to the General Fund on a weekly basis any balance of the lottery revenues that exceeded the corporation's needs for paying lottery prizes and meeting operating expenses and reserves, with an exception for payments to instead be directed to the Connecticut Teachers' Retirement Fund Bonds Special Capital Reserve Fund in certain circumstances (CGS § 12-812).

Existing law, unchanged by the bill, imposes a 10.5% tax on the gross receipts of each fantasy contest operator, which must be reported and remitted to the Department of Revenue Services commissioner. "Gross receipts" means the total of all entry fees collected by an operator from all players, less the total amount paid out as prizes to players, multiplied by the location percentage. "Location percentage" means the percentage rounded to the nearest tenth of a percent of the total entry fees collected from players located in Connecticut, divided by the total entry fees collected from all players in fantasy contests (CGS §§ 12-578aa & -578bb).

### **§§ 9 & 17 — DCP Regulatory Assessments**

The bill requires the DCP commissioner to estimate and assess the reasonable and necessary costs the department will incur each fiscal year to regulate gaming authorized under the bill. She must do this at the commencement of any fiscal year in which a game is conducted and by September 30 of each fiscal year afterwards. She must consult with the tribes for costs associated with online sports wagering or online casino gaming and with OTB operators for costs associated with operating retail sports wagering under agreements with CLC. The bill requires that these estimated costs not exceed the estimate of expenditure requirements that the commissioner must transmit as part of biennial budget requests.

Each tribe and OTB operator that is assessed by the commissioner must submit payment by the date she specifies, so long as it is at least 30 days after the assessment date. The bill requires the commissioner to remit all funds received to the state treasurer, who in turn must deposit them into a fund established by the bill (the "State Sports Wagering and Online Gaming Regulatory Fund"). This fund must contain any moneys required or permitted to be deposited in it and must be held by the treasurer separate and apart from all other moneys, funds, and accounts. Any balance remaining in the fund at the end of any fiscal year must be carried forward for the next fiscal year. The treasurer must expend money in the fund to pay the costs incurred by DCP to regulate sports wagering and online casino gaming.

The bill requires the comptroller to annually, by September 30, calculate the actual reasonable and necessary costs incurred DCP to regulate retail sports wagering, online sports wagering, or online casino gaming during the prior fiscal year. The treasurer must set aside amounts received in excess of those actual costs, which must be considered a surplus. Under the bill, assessments for any fiscal year must be reduced pro rata by any surplus amount or increased pro rata by any deficit amount from the prior fiscal year's amount.

If a tribe or OTB operator is aggrieved by an assessment, it may request a hearing before the DCP commissioner within 30 days of the

assessment. The commissioner must hold a hearing, in accordance with the Uniform Administrative Procedure Act, within 30 days after receiving the request.

Relatedly, by law, the Office of Policy and Management must annually assess CLC an amount that is enough to compensate DCP for its reasonable and necessary costs for regulating specific CLC activities (CGS § 12-806b). The bill adds to those activities the operation of the lottery, keno, retail sports wagering, and online sports wagering.

### **§ 10 — Tribe Minimum Contributions**

Under the state's existing MOUs with the tribes, they must pay the state a minimum contribution each fiscal year to maintain their exclusive rights to operate video facsimile machines and other casino games (see BACKGROUND). The bill requires that online sports wagering and online casino gaming revenue payments from operations outside of Indian lands during the first five years of operation be counted toward the minimum contribution.

### **§§ 25 & 26 — Credit Cards**

The bill specifically allows the use of credit cards for online casino gaming, online sports wagering, and retailer sports wagering conducted outside of Indian lands and for online lottery. It does this by exempting participation in those games from the laws voiding and recovering certain wagering contracts.

### **§§ 27-29 — Gambling Ban Exemptions**

The bill exempts from the state's illegal gambling law online casino gaming, online sports wagering, and retail sports wagering conducted on or outside Indian lands, along with the devices or equipment used to participate in those, if done or used in accordance with the bill's requirements. Relatedly, the bill also provides that the criminal laws on illegal gambling do not apply to advertising, operating, or participating in online casino gaming, online sports wagering, and retail sports wagering that is conducted outside of Indian lands.

A violation of the gambling laws is a class B misdemeanor,

punishable by up to six months imprisonment, a fine of up to \$1,000, or both (CGS § 53-278b). Additionally, anyone who, among other things, knowingly owns, possesses, or rents a gambling device is guilty of a class A misdemeanor, punishable by up to one-year imprisonment, a fine of up to \$2,000, or both (CGS § 53-278c).

## **OTHER PROVISIONS AFFECTING CLC AND DCP**

### **§ 18 — DCP Oversight of CLC**

The bill extends DCP's authority to regulate CLC's activities to online and retail sports wagering. Additionally, CLC must, before implementing a procedure designed to assure the integrity of online or retail sports wagering, obtain the DCP commissioner's written approval, as is the case under existing law for state lottery-related procedures. By law, a "procedure" is generally a statement by a quasi-public agency of general applicability, without regard to its designation, that implements, interprets, or prescribes law or policy, or describes the organization or procedure of the agency (CGS § 1-120).

### **§ 19 — Freedom of Information Act (FOIA) and CLC**

Under the bill, the name and any personally identifying information of a person who participates or participated in CLC's voluntary self-exclusion process created under the bill are not public records and are exempted from disclosure under FOIA, with one exception. The CLC president may disclose the name and any participation records of a person who claims a winning lottery ticket from using the online lottery established under the bill.

By law, FOIA applies to CLC. This means, among other things, that most of CLC's records are considered public and subject to disclosure, with limited exceptions (e.g., unclaimed lottery ticket serial numbers).

### **§§ 20 & 23 — Prohibitions on Gaming by DCP and CLC Personnel**

The bill extends a prohibition on CLC directors, officers, and employees directly or indirectly participating in, or sharing in the winnings from, existing CLC games to the ones authorized under the bill.

Additionally, as is currently the case for making wagers on other forms of gambling (e.g., state lottery and OTB), the bill prohibits the DCP commissioner and unit heads from placing a sports wager or participating in online casino gaming. By law, a “unit head” is any managerial employee with direct oversight of a legalized gambling activity. Under existing law, the commissioner may adopt regulations prohibiting DCP employees from engaging, directly or indirectly, in any legalized gambling activity in which employees are involved because of their employment.

## **BACKGROUND**

### ***Tribal-State Procedures and Compact***

Under IGRA, the Mashantucket Pequot and Mohegan tribes currently operate the Foxwoods and Mohegan Sun casinos, respectively, on their reservations. Gambling at the Foxwoods Casino is conducted under federal procedures, which are a legal substitute for an IGRA-negotiated gaming compact. Gambling at the Mohegan Sun Casino is conducted under a legally negotiated IGRA tribal-state compact. Both the compact and procedures are like federal regulations. As such, they supersede state law.

### ***Video Facsimiles***

Under both the procedures and compact, “video facsimile” is any mechanical, electrical, or other device, contrivance, or machine, which, upon insertion of a coin, currency, token or similar object therein, or upon payment of any consideration whatsoever, is available to play or operate. The play or operation is a facsimile of a game of chance, which may deliver or entitle the person playing or operating the machine to receive cash or tokens to be exchanged for cash or to receive any merchandise or thing of value, whether the payoff is made automatically from the machine or in any other manner whatsoever. A common example of a video facsimile is a slot machine.

### ***Moratorium on Video Facsimiles***

The Mashantucket Pequot procedures and the Mohegan compact authorize the tribes to operate video facsimile machines only pursuant

to (1) an agreement between the tribe and state (e.g., MOU); (2) a court order; or (3) a change in state law that allows the operation of video facsimile machines by any person, organization, or entity. Currently, both tribes can operate video facsimile machines because of the MOU each has with the state.

### ***Tribal-State MOUs***

The Mashantucket Pequot and Mohegan tribes have separate, binding MOUs with the state that give them the exclusive right to operate video facsimile machines and other casino games in exchange for a monthly contribution of, generally, 25% of their gross video facsimile machine revenue to the state. Under the terms of the current MOUs, if the state enacts a law to permit any other person to operate video facsimile machines or other casino games, the tribes would no longer need to pay the state any of their video facsimile revenue.

### ***Tribal-State MOUs Minimum Contribution***

Under both existing MOUs, the minimum contribution each tribe must contribute each fiscal year is the lesser of (1) 30% of gross operating revenues from video facsimiles during the fiscal year or (2) the greater of 25% of gross operating revenues from video facsimiles during the fiscal year or \$80 million.

### ***Related Bills***

sSB 146, reported favorably by the Public Safety and Security Committee, expands (1) grants to municipalities from the Mashantucket Pequot and Mohegan Fund and (2) funding for the state's debt-free community college program. These expansions are contingent on the legalization of and revenue generated from, respectively, (1) sports wagering and online casino gaming outside of Indian lands and (2) online lottery draw games.

sSB 570, reported favorably by the Public Safety and Security Committee, contains many of the same provisions in this bill, sHB 6451, and sSB 146 but also (1) authorizes a request for proposals to establish a casino gaming facility in Bridgeport; (2) requires that online casino

gaming or sports wagering equipment must be in a facility located in Bridgeport; and (3) prevents the tribes from using a third-party vendor to operate their skins for online sports wagering and casino gaming unless the legislature approves the contract.

sHB 6512, reported favorably by the Public Safety and Security Committee, regulates sports wagering contingent upon it becoming legal in the state. The bill includes provisions that restrict who is permitted to wager on sports and place a number of requirements on sports wagering operators.

**COMMITTEE ACTION**

Public Safety and Security Committee

Joint Favorable Substitute

Yea 22    Nay 2    (03/24/2021)