



Senate

General Assembly

File No. 396

January Session, 2021

Substitute Senate Bill No. 570

Senate, April 12, 2021

The Committee on Public Safety and Security reported through SEN. BRADLEY of the 23rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT AUTHORIZING A TRIBAL RESORT-CASINO IN BRIDGEPORT, SPORTS WAGERING, ONLINE CASINO GAMING AND ONLINE LOTTERY.

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 13, 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 fantasy
136 contests, 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 13, inclusive, 19 or 20 of this act,
223 except for those provisions regarding keno through lottery sales agents
224 and the sale of lottery tickets for lottery draw games through the
225 corporation's Internet web site, online service or mobile application, is
226 held invalid by a court of competent jurisdiction in a final judgment
227 which is not 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 13, inclusive, 19 and 20 of this act, and the amendment made to the
248 provisions of the general statutes pursuant to this act, shall cease to be
249 effective.

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

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

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

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

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

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

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

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

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

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

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

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

302 to chapter 226 of the general statutes, under an operating agreement
303 with such person or business organization;

304 (2) One skin for online sports wagering pursuant to sections 6 to 8,
305 inclusive, of this act;

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

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

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

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

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

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

329 (B) The corporation submits to the Commissioner of Consumer
330 Protection official game rules for each lottery draw game the
331 corporation seeks to offer through the program, and the corporation

332 may not offer a lottery draw game through the program until the
333 commissioner approves, in writing, the official rules for such game;

334 (C) The corporation verifies that a person who establishes an online
335 lottery account to purchase a lottery ticket through such program is
336 eighteen years of age or older and is located in the state;

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

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

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

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

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

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

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

359 (b) The Connecticut Lottery Corporation shall not conduct any of the
360 activities authorized by subsection (a) of this section until regulations

361 concerning such activity are adopted and effective pursuant to section 7
362 of this act.

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

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

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

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

394 pursuant to sections 6 to 8, inclusive, of this act.

395 (c) Any agreement to conduct retail sports wagering pursuant to
396 subsection (a) of this section shall expire upon the expiration of any new
397 compact or amendment, or renewal thereof, entered into pursuant to
398 section 2 of this act.

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

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

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

425 Sec. 8. (NEW) (*Effective July 1, 2021*) (a) The Mashantucket Pequot

426 Tribe and the Mohegan Tribe of Indians of Connecticut shall each pay
427 to the state for deposit in the General Fund: (1) Thirteen and three-
428 quarters per cent of the gross gaming revenue from sports wagering, for
429 online sports wagering authorized under section 3 of this act and
430 conducted outside of Indian lands, provided ten per cent of such
431 payments, or twenty million dollars, whichever is less, shall be
432 transferred from the General Fund each fiscal year to the state-wide
433 tourism marketing account, established pursuant to section 10-395a of
434 the general statutes; and (2) (A) eighteen per cent of the gross gaming
435 revenue from online casino gaming, for online casino gaming
436 authorized under section 3 of this act and conducted outside of Indian
437 lands, and occurring during the first five years of operation of such
438 gaming, or (B) twenty per cent of the gross gaming revenue from online
439 casino gaming, for online casino gaming authorized under section 3 of
440 this act conducted outside of Indian lands, and occurring during the
441 sixth and any succeeding year of operation of such gaming. Each tribe
442 shall make such payment not later than thirty days after the date that
443 operation of online sports wagering and online casino gaming
444 commences under section 3 of this act, and on a monthly basis thereafter
445 while such online sports wagering or online casino gaming is
446 conducted.

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

456 (c) A person or business organization licensed to operate the off-track
457 betting system pursuant to chapter 226 of the general statutes operating
458 retail sports wagering at any of the system facilities authorized for off-
459 track betting under section 12-571a of the general statutes pursuant to

460 an agreement with the Connecticut Lottery Corporation, shall pay to the
461 state for deposit in the General Fund, thirteen and three-quarters per
462 cent of the gross gaming revenue from sports wagering, from the retail
463 sports wagering authorized under section 5 of this act. Such person or
464 business organization shall make such payment not later than thirty
465 days after the date that operation of retail sports wagering commences
466 under section 5 of this act, and on a monthly basis thereafter while such
467 retail sports wagering is conducted.

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

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

488 (3) The estimated costs under subdivision (1) or (2) of this subsection
489 shall not exceed the estimate of expenditure requirements transmitted
490 by the commissioner pursuant to section 4-77 of the general statutes. The
491 assessment for any fiscal year shall be: (A) Reduced pro rata by the
492 amount of any surplus from the assessment of the prior fiscal year,

493 which shall be maintained in accordance with subsection (d) of this
494 section, or (B) increased pro rata by the amount of any deficit from the
495 assessment of the prior fiscal year.

496 (b) The Mashantucket Pequot Tribe, the Mohegan Tribe of Indians of
497 Connecticut and a person or business organization licensed to operate
498 the off-track betting system pursuant to chapter 226 of the general
499 statutes shall each pay to the commissioner the amount assessed to such
500 tribe or person or organization pursuant to subsection (a) of this section
501 not later than the date specified by the commissioner for payment,
502 provided such date is not less than thirty days from the date of such
503 assessment. The commissioner shall remit to the State Treasurer all
504 funds received pursuant to this section.

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

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

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

524 (e) If the Mashantucket Pequot Tribe, the Mohegan Tribe of Indians

525 of Connecticut or the person or business organization licensed to
526 operate the off-track betting system pursuant to chapter 226 of the
527 general statutes is aggrieved by an assessment under the provisions of
528 this section, the tribe or person or business organization may request a
529 hearing before the commissioner not later than thirty days after such
530 assessment. The commissioner shall hold such hearing, in accordance
531 with the provisions of chapter 54 of the general statutes, not later than
532 thirty days after receiving such request.

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

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

546 Sec. 11. (NEW) (*Effective July 1, 2021*) Any equipment, including the
547 electronic wagering platform, that supports online casino gaming or
548 online sports wagering shall be located in a facility in the city of
549 Bridgeport, unless such equipment is located on Indian lands. Any
550 personnel necessary to support such equipment shall be assigned to
551 such facility.

552 Sec. 12. (NEW) (*Effective July 1, 2021*) (a) Neither the Mashantucket
553 Pequot Tribe nor the Mohegan Tribe of Indians of Connecticut may
554 allow a third-party vendor to operate a skin for online sports wagering
555 or online casino gaming on behalf of the tribe unless:

556 (1) The tribe seeking to allow such operation files a request,

557 documenting the terms of the agreement between the tribe and the
558 third-party vendor regarding such operation, with the clerks of the
559 House of Representatives and the Senate, and

560 (2) The General Assembly approves such request pursuant to
561 subsection (b) of this section.

562 (b) The General Assembly may approve a request under subsection
563 (a) of this section, in whole, by a majority vote of each house or may
564 reject such request, in whole, by a majority vote of either house. If
565 rejected, the request shall not be valid and shall not be implemented.
566 The request shall be deemed rejected if the General Assembly fails to
567 vote to approve or reject the request (1) prior to the adjournment of the
568 regular session of the General Assembly during which such request is
569 filed, (2) prior to the adjournment of the regular session of the General
570 Assembly first following the date on which such request is filed if the
571 General Assembly is not in regular session on such date, or (3) prior to
572 the adjournment of a special session convened before the next regular
573 session of the General Assembly for the purpose of considering such
574 request if the General Assembly is not in regular session on the date on
575 which such request is filed, provided, if the request is filed less than
576 thirty days before the end of a regular session, the General Assembly
577 may vote to approve or reject the request (A) within thirty days after the
578 first day of a special session convened before the next regular session of
579 the General Assembly for the purpose of considering such request, or
580 (B) within thirty days after the first day of the next regular session of the
581 General Assembly.

582 Sec. 13. (*Effective July 1, 2021*) MMCT Venture, LLC, as defined in
583 section 12-578f of the general statutes, as amended by this act, may issue
584 a request for proposals to the city of Bridgeport regarding the
585 establishment of a casino gaming facility in the city. The request shall
586 include, but need not be limited to, a description of the needs of MMCT
587 Venture, LLC, for the purpose of establishing and carrying on the
588 business of a casino gaming facility. The city of Bridgeport may respond
589 to such request and may enter into a development agreement with

590 MMCT Venture, LLC, regarding the establishment of a casino gaming
591 facility in the city.

592 Sec. 14. Section 12-586f of the general statutes is repealed and the
593 following is substituted in lieu thereof (*Effective July 1, 2021*):

594 (a) For the purposes of this section, "tribe" means the Mashantucket
595 Pequot Tribe and "compact" means the Tribal-State Compact between
596 the tribe and the state of Connecticut, as incorporated and amended in
597 the Final Mashantucket Pequot Gaming Procedures prescribed by the
598 Secretary of the United States Department of the Interior pursuant to
599 Section 2710(d)(7)(B)(vii) of Title 25 of the United States Code and
600 published in 56 Federal Register 24996 (May 31, 1991), as amended from
601 time to time.

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

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

623 (d) If the tribe is aggrieved due to any assessment levied pursuant to
624 such compact and this section or by any failure to adjust an excess
625 assessment in accordance with the provisions of the compact and this
626 section, it may, not later than thirty days after the time provided for the
627 payment of such assessment, appeal therefrom in accordance with the
628 terms of the compact, to the superior court for the judicial district of
629 Hartford, which appeal shall be accompanied by a citation to the
630 Commissioner of Consumer Protection to appear before said court. Such
631 citation shall be signed by the same authority, and such appeal shall be
632 returnable at the same time and served and returned in the same
633 manner as is required in case of a summons in a civil action. Proceedings
634 in such matter shall be conducted in the same manner as provided for
635 in section 38a-52.

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

642 Sec. 15. Section 12-586g of the general statutes is repealed and the
643 following is substituted in lieu thereof (*Effective July 1, 2021*):

644 (a) For the purposes of this section, "tribe" means the Mohegan Tribe
645 of Indians of Connecticut and "compact" means the Tribal-State
646 Compact between the tribe and the state of Connecticut, dated May 17,
647 1994, as amended from time to time.

648 (b) The expenses of administering the provisions of the compact shall
649 be financed as provided in this section. Assessments for regulatory costs
650 incurred by any state agency which are subject to reimbursement by the
651 tribe in accordance with the provisions of the compact shall be made by
652 the Commissioner of Revenue Services in accordance with the
653 provisions of the compact, including provisions respecting adjustment
654 of excess assessments. Any underassessment for a prior fiscal year may
655 be included in a subsequent assessment but shall be specified as such.

656 Payments made by the tribe in accordance with the provisions of the
657 compact shall be deposited in the General Fund and shall be credited to
658 the appropriation for the state agency incurring such costs.

659 (c) Assessments for law enforcement costs incurred by any state
660 agency which are subject to reimbursement by the tribe in accordance
661 with the provisions of the compact shall be made by the Commissioner
662 of Emergency Services and Public Protection in accordance with the
663 provisions of the compact, including provisions respecting adjustment
664 of excess assessments. Any underassessment for a prior fiscal year may
665 be included in a subsequent assessment but shall be specified as such.
666 Payments made by the tribe in accordance with the provisions of the
667 compact shall be deposited in the General Fund and shall be credited to
668 the appropriation for the state agency incurring such costs.

669 (d) If the tribe is aggrieved due to any assessment levied pursuant to
670 such compact and this section or by any failure to adjust an excess
671 assessment in accordance with the provisions of the compact and this
672 section, it may, not later than thirty days after the time provided for the
673 payment of such assessment, appeal therefrom in accordance with the
674 terms of the compact, to the superior court for the judicial district of
675 New Britain, which appeal shall be accompanied by a citation to the
676 Commissioner of Consumer Protection to appear before said court. Such
677 citation shall be signed by the same authority, and such appeal shall be
678 returnable at the same time and served and returned in the same
679 manner as is required in case of a summons in a civil action. Proceedings
680 in such matter shall be conducted in the same manner as provided for
681 in section 38a-52.

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

688 Sec. 16. Section 12-578aa of the general statutes is repealed and the

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

690 (a) For the purposes of this section:

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

694 (2) "Fantasy contest" means any online fantasy or simulated game or
695 contest with an entry fee in which: (A) The value of all prizes and
696 awards offered to winning fantasy contest players is established and
697 made known to the players in advance of the game or contest; (B) all
698 winning outcomes reflect the knowledge and skill of the players and are
699 determined predominantly by accumulated statistical results of the
700 performance of individuals, including athletes in the case of sporting
701 events; and (C) no winning outcome is based on the score, point spread
702 or any performance of any single actual team or combination of teams
703 or solely on any single performance of an individual athlete or player in
704 any single actual sporting event. Fantasy contests [shall] do not include
705 lottery games;

706 (3) "Fantasy contest operator" means a person or entity that [operates]
707 is licensed to operate a fantasy contest and offers such fantasy contest to
708 members of the general public in the state;

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

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

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

719 [(7) "Mashantucket Pequot memorandum of understanding" means
720 the memorandum of understanding entered into by and between the
721 state and the Mashantucket Pequot Tribe on January 13, 1993, as
722 amended on April 30, 1993;

723 (8) "Mashantucket Pequot procedures" means the Final
724 Mashantucket Pequot Gaming Procedures prescribed by the Secretary
725 of the United States Department of the Interior pursuant to Section
726 2710(d)(7)(B)(vii) of Title 25 of the United States Code and published in
727 56 Federal Register 24996 (May 31, 1991);

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

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

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

736 (1) The Governor enters into amendments to the Mashantucket
737 Pequot procedures and to the Mashantucket Pequot memorandum of
738 understanding with the Mashantucket Pequot Tribe and amendments
739 to the Mohegan compact and to the Mohegan memorandum of
740 understanding with the Mohegan Tribe of Indians of Connecticut
741 concerning the authorization of fantasy contests in the state.

742 (2) The amendments to the Mashantucket Pequot procedures and the
743 Mohegan compact shall include a provision that the authorization of
744 fantasy contests in the state does not terminate the moratorium against
745 the operation of video facsimile games by the Mashantucket Pequot
746 Tribe and Mohegan Tribe of Indians of Connecticut on each tribe's
747 reservation.

748 (3) The amendments to each tribe's memorandum of understanding
749 shall include a provision that the authorization of fantasy contests in the

750 state does not relieve each tribe from each tribe's obligation to contribute
751 a percentage of the gross operating revenues of video facsimile games
752 to the state as provided in each tribe's memorandum of understanding.

753 (4) The amendments to the Mashantucket Pequot procedures, the
754 Mashantucket Pequot memorandum of understanding, the Mohegan
755 compact and the Mohegan memorandum of understanding are
756 approved or deemed approved by the Secretary of the United States
757 Department of the Interior pursuant to the federal Indian Gaming
758 Regulatory Act, P.L. 100-497, 25 USC 2701 et seq., and its implementing
759 regulations. If such approval is overturned by a court in a final
760 judgment, which is not appealable, the authorization provided under
761 this section shall cease to be effective.

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

765 (6) The amendments to the Mashantucket Pequot memorandum of
766 understanding and to the Mohegan memorandum of understanding are
767 approved by the General Assembly pursuant to the process described
768 in section 3-6c.]

769 (b) The Commissioner of Consumer Protection may issue licenses
770 permitting the operation of fantasy contests outside of Indian lands,
771 provided:

772 (1) Amendments to the Mashantucket Pequot procedures and to the
773 Mashantucket Pequot memorandum of understanding with the
774 Mashantucket Pequot Tribe and amendments to the Mohegan compact
775 and to the Mohegan memorandum of understanding with the Mohegan
776 Tribe of Indians of Connecticut, or new compacts with the
777 Mashantucket Pequot Tribe, Mohegan Tribe of Indians of Connecticut
778 or both, or renewals thereof, pursuant to section 2 of this act, are
779 effective; and

780 (2) Fantasy contests are conducted pursuant to the provisions of this

781 section.

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

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

793 [(c)] (d) Not later than [July 1, 2018] January 1, 2022, the
794 Commissioner of Consumer Protection shall adopt regulations, in
795 accordance with the provisions of chapter 54, regarding the licensing,
796 operation of, participation in and advertisement of fantasy [contest]
797 contests in the state. Such regulations shall protect fantasy contest
798 players who pay an entry fee to play fantasy contests from unfair or
799 deceptive acts or practices. Such regulations shall include, but need not
800 be limited to: (1) A prohibition on fantasy contest operators allowing
801 persons under the age of eighteen to participate in a fantasy contest
802 offered by such operators; (2) protections for fantasy contest players'
803 funds on deposit with fantasy contest operators; (3) requirements
804 regarding truthful advertising by fantasy contest operators; (4)
805 procedures to ensure the integrity of fantasy contests offered by fantasy
806 contest operators; (5) procedures to ensure that fantasy contest
807 operators provide fantasy contest players with: (A) Information
808 regarding responsible playing and places to seek assistance for
809 addictive or compulsive behavior, and (B) protections against
810 compulsive behavior; and (6) reporting requirements and procedures to
811 demonstrate eligibility for a reduction of the initial [registration]
812 licensing fee and annual [registration] licensing renewal fee pursuant to
813 subsection [(d)] (e) of this section.

814 [(d)] (e) (1) [Not later than sixty days after the adoption of regulations
815 pursuant to subsection (c) of this section, and thereafter, each fantasy
816 contest operator that operates fantasy contests in the state shall register
817 annually with the Commissioner of Consumer Protection on a form
818 prescribed by the commissioner.] Each fantasy contest operator shall
819 [submit] pay an initial [registration] licensing fee of fifteen thousand
820 dollars and an annual [registration] licensing renewal fee of fifteen
821 thousand dollars, except that the commissioner shall reduce the initial
822 [registration fee] and annual [registration] licensing fee so that such fees
823 do not exceed ten per cent of the gross receipts of such operator for the
824 [registration] licensing period.

825 (2) To demonstrate the eligibility of a fantasy contest operator for a
826 reduction of the initial [registration fee] or annual [registration] renewal
827 fee pursuant to subdivision (1) of this subsection, the fantasy contest
828 operator shall provide to the commissioner, in a manner prescribed by
829 the commissioner, an estimation of the gross receipts such operator
830 expects to receive [in] during the upcoming [registration] licensing
831 period. Prior to renewing a [registration] license where such operator
832 paid a reduced [registration] licensing fee for the previous [registration]
833 licensing period, or after a [registration] licensing period where such
834 operator should have paid a reduced fee for the previous [registration]
835 licensing period, such operator shall submit to the commissioner, in a
836 manner prescribed by the commissioner, the actual amount of gross
837 receipts received by such operator [in] during the previous [registration]
838 licensing period. The commissioner shall calculate the difference, if any,
839 between the estimated gross receipts and the actual gross receipts and
840 determine if the [registration] licensing fee previously paid by such
841 operator was the correct amount. If such operator paid an amount in
842 excess of the amount determined to be the correct amount of the
843 [registration] licensing fee, the commissioner shall refund such operator
844 accordingly or credit such amount against the [registration] licensing fee
845 for the upcoming [registration] licensing period, provided such operator
846 renews his or her [registration] license. If such operator did not pay the
847 amount determined to be the correct amount of the [registration]
848 licensing fee, such operator shall pay to the commissioner the difference

849 between the correct amount and the [registration] licensing fee
850 previously paid.

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

854 Sec. 17. Section 12-578f of the general statutes is repealed and the
855 following is substituted in lieu thereof (*Effective July 1, 2021*):

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

857 (1) "Authorized games" means any game of chance, including, but not
858 limited to, blackjack, poker, dice, money-wheels, roulette, baccarat,
859 chuck-a-luck, pan game, over and under, horse race game, acey-deucey,
860 beat the dealer, bouncing ball, video facsimile game and any other game
861 of chance authorized by the Commissioner of Consumer Protection.
862 "Authorized games" does not include sports wagering, as defined in
863 section 1 of this act;

864 (2) "Mashantucket Pequot memorandum of understanding" means
865 the memorandum of understanding entered into by and between the
866 state and the Mashantucket Pequot Tribe on January 13, 1993, as
867 amended on April 30, 1993;

868 (3) "Mashantucket Pequot procedures" means the Final
869 Mashantucket Pequot Gaming Procedures prescribed by the Secretary
870 of the United States Department of the Interior pursuant to Section
871 2710(d)(7)(B)(vii) of Title 25 of the United States Code and published in
872 56 Federal Register 24996 (May 31, 1991);

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

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

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

881 (b) MMCT Venture, LLC, is authorized to conduct authorized games
882 (1) at a casino gaming facility at 171 Bridge Street, East Windsor,
883 Connecticut, and (2) at a casino gaming facility in the city of Bridgeport,
884 established under a development agreement pursuant to section 13 of
885 this act.

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

888 (1) (A) The Governor enters into amendments to the Mashantucket
889 Pequot procedures and to the Mashantucket Pequot memorandum of
890 understanding with the Mashantucket Pequot Tribe and amendments
891 to the Mohegan compact and to the Mohegan memorandum of
892 understanding with the Mohegan Tribe of Indians of Connecticut
893 concerning the operation of a casino gaming facility in the state.

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

900 (C) The amendments to each tribe's memorandum of understanding
901 shall include a provision that the authorization of MMCT Venture, LLC,
902 to conduct authorized games in the state does not relieve each tribe from
903 each tribe's obligation to contribute a percentage of the gross operating
904 revenues of video facsimile games to the state as provided in each tribe's
905 memorandum of understanding.

906 (2) The amendments to the Mashantucket Pequot procedures, the
907 Mashantucket Pequot memorandum of understanding, the Mohegan
908 compact and the Mohegan memorandum of understanding are

909 approved or deemed approved by the Secretary of the United States
910 Department of the Interior pursuant to the federal Indian Gaming
911 Regulatory Act, P.L. 100-497, 25 USC 2701 et seq., and its implementing
912 regulations. If such approval is overturned by a court in a final
913 judgment, which is not appealable, the authorization provided under
914 this section shall cease to be effective.

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

918 (4) The amendments to the Mashantucket Pequot memorandum of
919 understanding and to the Mohegan memorandum of understanding are
920 approved by the General Assembly pursuant to the process described
921 in section 3-6c.

922 (5) The governing bodies of the Mashantucket Pequot Tribe and
923 Mohegan Tribe of Indians of Connecticut enact resolutions providing:
924 (A) That if MMCT Venture, LLC, fails to pay any fees or taxes due the
925 state, the tribes, as the members of MMCT Venture, LLC, waive the
926 possible defense of sovereign immunity with respect to any action or
927 claim by the state against the tribes as the members of MMCT Venture,
928 LLC, to the extent such action or claim is permitted to be brought against
929 a member of a limited liability company under state law to collect any
930 fees or taxes, while preserving any other defenses available to the tribes,
931 and (B) that the venue for such action or claim shall be in the judicial
932 district of Hartford.

933 (d) Such authorization shall apply to MMCT Venture, LLC, provided:
934 (1) MMCT Venture, LLC, is a limited liability company jointly and
935 exclusively owned by the Mashantucket Pequot Tribe and the Mohegan
936 Tribe of Indians of Connecticut; (2) no other person or business
937 organization holds an equity interest in MMCT Venture, LLC; and (3)
938 each tribe holds at least a twenty-five per cent equity interest in MMCT
939 Venture, LLC. If MMCT Venture, LLC, ceases to be a limited liability
940 company jointly and exclusively owned by the Mashantucket Pequot
941 Tribe and the Mohegan Tribe of Indians of Connecticut in which each

942 tribe holds at least a twenty-five per cent equity interest, such
943 authorization shall be void.

944 (e) Notwithstanding the provisions of subsections (b) and (c) of this
945 section, the authorization to conduct authorized games at a casino
946 gaming facility at 171 Bridge Street, East Windsor, Connecticut shall not
947 be effective during the ten-year initial term that amendments to the
948 Mashantucket Pequot procedures and to the Mashantucket Pequot
949 memorandum of understanding with the Mashantucket Pequot Tribe
950 and amendments to the Mohegan compact and to the Mohegan
951 memorandum of understanding with the Mohegan Tribe of Indians of
952 Connecticut, or new compacts with the Mashantucket Pequot Tribe or
953 the Mohegan Tribe of Indians of Connecticut, or both entered into
954 pursuant to section 2 of this act are effective, as described in subdivision
955 (3) of subsection (b) of section 2 of this act.

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

958 (a) Notwithstanding the provisions of section 3-6c, the Secretary of
959 the Office of Policy and Management, on behalf of the state of
960 Connecticut, may enter into separate agreements with the
961 Mashantucket Pequot Tribe and the Mohegan Tribe of Indians of
962 Connecticut concerning the operation of keno by the Connecticut
963 Lottery Corporation in the state of Connecticut. Any such agreement
964 shall provide that the state of Connecticut shall distribute to each tribe
965 a sum not to exceed a twelve and one-half per cent share of the gross
966 operating revenue received by the state from the operation of keno. The
967 corporation may not operate keno until such separate agreements are
968 effective. For the purposes of this section, "gross operating revenues"
969 means the total amounts wagered, less amounts paid out as prizes.

970 (b) The provisions of this section shall cease to be effective once
971 amendments to the Mashantucket Pequot procedures and to the
972 Mashantucket Pequot memorandum of understanding with the
973 Mashantucket Pequot Tribe and amendments to the Mohegan compact
974 and to the Mohegan memorandum of understanding with the Mohegan

975 Tribe of Indians of Connecticut, or new compacts with the
976 Mashantucket Pequot Tribe, Mohegan Tribe of Indians of Connecticut,
977 or both, governing the operation of keno by the Connecticut Lottery
978 Corporation, pursuant to section 2 of this act, are effective.

979 Sec. 19. (NEW) (*Effective July 1, 2021*) The Connecticut Lottery
980 Corporation shall establish a fund into which all revenue of the program
981 to sell lottery tickets for lottery draw games through the corporation's
982 Internet web site, online service or mobile application, established
983 pursuant to this section 4 of this act, shall be deposited, from which all
984 payments and expenses of the corporation for such program shall be
985 paid and from which transfers to the debt-free community college
986 account, established in section 20 of this act, shall be made pursuant to
987 subsection (d) of section 12-812 of the general statutes, as amended by
988 this act.

989 Sec. 20. (NEW) (*Effective from passage*) (a) There is established an
990 account to be known as the "debt-free community college account"
991 which shall be a separate, nonlapsing account within the General Fund.
992 The account shall contain any moneys required by law to be deposited
993 in the account, including, but not limited to, deposits from the
994 Connecticut Lottery Corporation in accordance with subsection (d) of
995 section 12-812 of the general statutes, as amended by this act. Moneys in
996 the account shall be expended by the Board of Regents for Higher
997 Education for the purposes of the debt-free community college program
998 established pursuant to section 10a-174 of the general statutes.

999 (b) Not later than thirty days after the initial offering of lottery tickets
1000 for lottery draw games through the Connecticut Lottery Corporation's
1001 Internet web site, online service or mobile application pursuant to
1002 section 4 of this act, and on January first annually thereafter, the
1003 president of said corporation shall estimate and report to the Board of
1004 Regents for Higher Education the anticipated amount of the deposit
1005 required pursuant to subsection (d) of section 12-812 of the general
1006 statutes, as amended by this act, or the anticipated net revenue from
1007 such online offering during the current and next fiscal year.

1008 Sec. 21. Section 12-801 of the general statutes is repealed and the
1009 following is substituted in lieu thereof (*Effective July 1, 2021*):

1010 As used in section 12-563a, as amended by this act, and sections 12-
1011 800 to 12-818, inclusive, the following terms [shall] have the following
1012 meanings unless the context clearly indicates another meaning:

1013 (1) "Board" or "board of directors" means the board of directors of the
1014 corporation;

1015 (2) "Corporation" means the Connecticut Lottery Corporation as
1016 created under section 12-802;

1017 (3) "Division" means the former Division of Special Revenue in the
1018 Department of Revenue Services;

1019 (4) "Lottery" means (A) the Connecticut state lottery conducted prior
1020 to the transfer authorized under section 12-808 by the Division of Special
1021 Revenue, (B) after such transfer, the Connecticut state lottery conducted
1022 by the corporation pursuant to sections 12-563a, as amended by this act,
1023 and 12-800 to 12-818, inclusive, and section 4 of this act, (C) the state
1024 lottery referred to in subsection (a) of section 53-278g, and (D) keno
1025 conducted by the corporation pursuant to section 12-806c, as amended
1026 by this act, or section 4 of this act;

1027 (5) "Keno" means a lottery game in which a subset of numbers are
1028 drawn from a larger field of numbers by a central computer system
1029 using an approved random number generator, wheel system device or
1030 other drawing device; ["Keno" does not include a game operated on a
1031 video facsimile machine;]

1032 (6) "Lottery fund" means a fund or funds established by, and under
1033 the management and control of, the corporation, into which all lottery
1034 revenues of the corporation are deposited, from which all payments and
1035 expenses of the corporation are paid and from which transfers to the
1036 General Fund or the Connecticut Teachers' Retirement Fund Bonds
1037 Special Capital Reserve Fund, established in section 10-183vv, are made
1038 pursuant to section 12-812, [; and] as amended by this act, but "lottery

1039 fund" does not include the fund, as provided in section 19 of this act, for
1040 the revenues and payments from the program to sell lottery tickets for
1041 lottery draw games through the corporation's Internet web site, online
1042 service or mobile application established pursuant to section 4 of this
1043 act;

1044 (7) "Online sports wagering" has the same meaning as provided in
1045 section 1 of this act;

1046 ~~[(7)]~~ (8) "Operating revenue" means total revenue received from
1047 lottery sales less all cancelled sales and amounts paid as prizes but
1048 before payment or provision for payment of any other expenses; [.]

1049 (9) "Retail sports wagering" has the same meaning as provided in
1050 section 1 of this act; and

1051 (10) "Skin" has the same meaning as provided in section 1 of this act.

1052 Sec. 22. Section 12-806 of the general statutes is repealed and the
1053 following is substituted in lieu thereof (*Effective July 1, 2021*):

1054 (a) The purposes of the corporation shall be to: (1) Operate and
1055 manage the lottery, and operate and manage retail sports wagering and
1056 online sports wagering if authorized to do so pursuant to section 4 of
1057 this act, in an entrepreneurial and business-like manner free from the
1058 budgetary and other constraints that affect state agencies; (2) provide
1059 continuing and increased revenue to the people of the state through the
1060 lottery, and retail sports wagering and online sports wagering if
1061 authorized to operate such wagering pursuant to section 4 of this act, by
1062 being responsive to market forces and acting generally as a corporation
1063 engaged in entrepreneurial pursuits; (3) pay to the trustee of the
1064 Connecticut Teachers' Retirement Fund Bonds Special Capital Reserve
1065 Fund, established in section 10-183vv, the amounts, if any, required
1066 pursuant to subsection (c) of section 12-812, as amended by this act; and
1067 (4) ensure that the lottery, [continues] and retail sports wagering and
1068 online sports wagering, if authorized to operate such wagering
1069 pursuant to section 4 of this act, continue to be operated with integrity

1070 and for the public good.

1071 (b) The corporation shall have the following powers:

1072 (1) To receive as transferee from the state of Connecticut all of the
1073 tangible and intangible assets constituting the lottery including the
1074 exclusive right to operate the lottery as the exclusive lottery of the state
1075 and, subject to subsection (b) of section 12-808, to assume and discharge
1076 all of the agreements, covenants and obligations of the Department of
1077 Consumer Protection entered into which constitute a part of the
1078 operation and management of the lottery;

1079 (2) To operate and manage the lottery consistent with the provisions
1080 of sections 1-120, 1-121, 1-125, 12-563, 12-563a, as amended by this act,
1081 12-564, 12-566, 12-568a and 12-569, subsection (c) of section 12-574, [and]
1082 sections 12-800 to 12-818, inclusive, and section 4 of this act, and as
1083 specifically provided in section 12-812, as amended by this act;

1084 (3) To have perpetual succession as a body corporate and to adopt
1085 bylaws, policies and procedures for the operation of its affairs and
1086 conduct of its businesses;

1087 (4) (A) To introduce new lottery games, modify existing lottery
1088 games, utilize existing and new technologies, determine distribution
1089 channels for the sale of lottery tickets, introduce keno pursuant to signed
1090 agreements with the Mashantucket Pequot Tribe and the Mohegan
1091 Tribe of Indians of Connecticut, in accordance with section 12-806c, as
1092 amended by this act, or pursuant to section 4 of this act, and, to the
1093 extent specifically authorized by regulations adopted by the
1094 Department of Consumer Protection pursuant to chapter 54, introduce
1095 instant ticket vending machines, kiosks and automated wagering
1096 systems or machines, with all such rights being subject to regulatory
1097 oversight by the Department of Consumer Protection; [, except that the
1098 corporation shall not offer any interactive on-line lottery games,
1099 including on-line video lottery games for promotional purposes;] and

1100 (B) (i) To sell lottery draw games through the corporation's Internet

1101 web site, online service or mobile application in accordance with section
1102 4 of this act and to advertise lottery games on the corporation's Internet
1103 web site, online service or mobile application; and (ii) to offer interactive
1104 lottery games for promotional purposes through the corporation's
1105 Internet web site, online service or mobile application, provided (I) there
1106 is no cost to play such interactive lottery games for promotional
1107 purposes, (II) no prizes or rewards of any monetary value are awarded
1108 for playing such interactive lottery games for promotional purposes,
1109 and (III) no lottery ticket purchase is required to play such interactive
1110 lottery games for promotional purposes. The corporation shall not offer
1111 any interactive lottery game, including for promotional purposes,
1112 except as expressly permitted pursuant to this subdivision;

1113 (5) To establish an annual budget of revenues and expenditures,
1114 along with reasonable reserves for working capital, capital
1115 expenditures, debt retirement and other anticipated expenditures, in a
1116 manner and at levels considered by the board of directors as appropriate
1117 and prudent;

1118 (6) To adopt such administrative and operating procedures which the
1119 board of directors deems appropriate;

1120 (7) To enter into agreements with one or more states or territories of
1121 the United States for the promotion and operation of joint lottery games
1122 and to continue to participate in any joint lottery game in which the
1123 corporation participates on July 1, 2003, regardless of whether any
1124 government-authorized lottery operated outside of the United States
1125 participates in such game;

1126 (8) Subject to the provisions of section 12-815, as amended by this act,
1127 to enter into agreements with vendors with respect to (A) the operation
1128 and management of the lottery, including operation of lottery terminals,
1129 management services, printing of lottery tickets, management expertise,
1130 marketing expertise, advertising or such other goods or services as the
1131 board of directors deems necessary and appropriate, and (B) services
1132 related to operation of a skin for online sport wagering;

1133 (9) To purchase or lease operating equipment, including, but not
1134 limited to, computer gaming and automated wagering systems and to
1135 employ agents or employees to operate such systems;

1136 (10) To retain unclaimed prize funds as additional revenue for the
1137 state, or to use unclaimed prize funds to increase sales, or to return to
1138 participants unclaimed prize funds in a manner designed to increase
1139 sales;

1140 (11) To establish prize reserve accounts as the board of directors
1141 deems appropriate;

1142 (12) To pay lottery prizes as awarded under section 12-812, as
1143 amended by this act, to purchase annuities to fund such prizes, and to
1144 assure that all annuities from which payments to winners of lottery
1145 prizes are made are invested in instruments issued by agencies of the
1146 United States government and backed by the full faith and credit of the
1147 United States, or are issued by insurance companies licensed to do
1148 business in the state, provided the issuer has been determined by the
1149 Department of Consumer Protection to be financially stable and meets
1150 the minimum investment rating as determined by the department;

1151 (13) To pay the Office of Policy and Management to reimburse the
1152 Department of Consumer Protection for the reasonable and necessary
1153 costs arising from the department's regulatory oversight of the
1154 operation of the lottery, keno, retail sports wagering and online sports
1155 wagering by the corporation, in accordance with the assessment made
1156 pursuant to section 12-806b, including costs arising directly or indirectly
1157 from the licensing of lottery agents, performance of state police
1158 background investigations, and the implementation of subsection (b) of
1159 section 12-562 and sections 12-563a, as amended by this act, 12-568a, 12-
1160 569, 12-570, 12-570a and 12-800 to 12-818, inclusive, and section 4 of this
1161 act;

1162 (14) In the event that the operation or management of the corporation
1163 becomes subject to the federal gaming occupation tax, to pay such tax
1164 on behalf of lottery sales agents and to assist agents subject thereto;

1165 (15) To determine the commissions payable to lottery sales agents,
1166 provided any agent's commission shall not average less than four per
1167 cent of such agent's lottery sales;

1168 (16) To invest in, acquire, lease, purchase, own, manage, hold and
1169 dispose of real property and lease, convey or deal in or enter into
1170 agreements with respect to such property on any terms necessary or
1171 incidental to carrying out the purposes of sections 12-563a, as amended
1172 by this act, and 12-800 to 12-818, inclusive, provided such transactions
1173 shall not be subject to approval, review or regulation pursuant to title
1174 4b or any other statute by any state agency, except that real property
1175 transactions shall be subject to review by the State Properties Review
1176 Board;

1177 (17) To borrow money for the purpose of obtaining working capital;

1178 (18) To hold patents, copyrights, trademarks, marketing rights,
1179 licenses or any other evidence of protection or exclusivity issued under
1180 the laws of the United States or any state;

1181 (19) To employ such assistants, agents and other employees as may
1182 be necessary or desirable to carry out its purposes in accordance with
1183 sections 12-563a, as amended by this act, and 12-800 to 12-818, inclusive,
1184 and section 4 and sections 6 to 8, inclusive, of this act, to fix their
1185 compensation and, subject to the provisions of subsections (e) and (f) of
1186 section 12-802, establish all necessary and appropriate personnel
1187 practices and policies; to engage consultants, accountants, attorneys and
1188 financial and other independent professionals as may be necessary or
1189 desirable to assist the corporation in performing its purposes in
1190 accordance with sections 12-563a, as amended by this act, and 12-800 to
1191 12-818, inclusive, and section 4 and sections 6 to 8, inclusive, of this act;

1192 (20) To make and enter into all contracts and agreements necessary
1193 or incidental to the performance of its duties and the execution of its
1194 powers under sections 12-563a, as amended by this act, and 12-800 to
1195 12-818, inclusive, and section 4 and sections 6 to 8, inclusive, of this act;

1196 (21) In its own name, to sue and be sued, plead and be impleaded,
1197 adopt a seal and alter the same at pleasure;

1198 (22) Subject to the approval of the board and to the requirement to
1199 remit excess lottery funds to the General Fund as set forth in section 12-
1200 812, as amended by this act, to invest any funds not needed for
1201 immediate use or disbursement, including any funds held in approved
1202 reserve accounts, in investments permitted by sections 3-20 and 3-27a
1203 for the proceeds of state bonds;

1204 (23) To procure insurance against any loss in connection with its
1205 property and other assets in such amounts and from such insurers as it
1206 deems desirable;

1207 (24) To the extent permitted under any contract with other persons to
1208 which the corporation is a party, to consent to any termination,
1209 modification, forgiveness or other change of any term of any contractual
1210 right, payment, royalty, contract or agreement of any kind;

1211 (25) To acquire, lease, purchase, own, manage, hold and dispose of
1212 personal property, and lease, convey or deal in or enter into agreements
1213 with respect to such property on any terms necessary or incidental to
1214 the carrying out of these purposes;

1215 (26) To account for and audit funds of the corporation;

1216 (27) To pay or provide for payment from operating revenues all
1217 expenses, costs and obligations incurred by the corporation in the
1218 exercise of the powers of the corporation under sections 12-563a, as
1219 amended by this act, and 12-800 to 12-818, inclusive, [;] and section 4
1220 and sections 6 to 8, inclusive, of this act;

1221 (28) To operate retail sports wagering at up to fifteen facilities located
1222 throughout the state and one skin for online sports wagering pursuant
1223 to the provisions of section 4 and sections 6 to 8, inclusive, of this act;
1224 and

1225 ~~[(28)]~~ (29) To exercise any powers necessary to carry out the purposes

1226 of sections 12-563a, as amended by this act, and 12-800 to 12-818,
1227 inclusive, and section 4 and sections 6 to 8, inclusive, of this act.

1228 Sec. 23. Section 12-806a of the general statutes is repealed and the
1229 following is substituted in lieu thereof (*Effective July 1, 2021*):

1230 As used in this section, "procedure" has the same meaning as
1231 "procedure", as defined in subdivision (2) of section 1-120. The
1232 Department of Consumer Protection shall, for the purposes of section
1233 12-568a, subsection (c) of section 12-574, sections 12-802a and 12-815a,
1234 sections 4 and sections 6 to 8, inclusive, of this act and this section,
1235 regulate the activities of the Connecticut Lottery Corporation to assure
1236 the integrity of the state lottery, retail sports wagering and online sports
1237 wagering. In addition to the requirements of the provisions of chapter
1238 12 and notwithstanding the provisions of section 12-806, as amended by
1239 this act, the Connecticut Lottery Corporation shall, prior to
1240 implementing any procedure designed to assure the integrity of the
1241 state lottery, retail sports wagering or online sports wagering, obtain the
1242 written approval of the Commissioner of Consumer Protection in
1243 accordance with regulations adopted under section 12-568a.

1244 Sec. 24. Section 12-810 of the general statutes is repealed and the
1245 following is substituted in lieu thereof (*Effective July 1, 2021*):

1246 (a) The Freedom of Information Act, as defined in section 1-200, shall
1247 apply to all actions, meetings and records of the corporation, except (1)
1248 where otherwise limited by subsection (c) of this section as to new
1249 lottery games and serial numbers of unclaimed lottery tickets, [and] (2)
1250 with respect to financial, credit and proprietary information submitted
1251 by any person to the corporation in connection with any proposal to
1252 provide goods, services or professional advice to the corporation as
1253 provided in section 12-815, as amended by this act, and (3) where
1254 otherwise limited by subsection (d) of this section as to information
1255 submitted by any person to the corporation regarding such person's
1256 participation in the corporation's voluntary self-exclusion process
1257 established pursuant to subparagraph (F) of subdivision (4) of
1258 subsection (a) of section 4 of this act.

1259 (b) The records of proceedings as provided in subsection (a) of section
1260 12-805 shall be subject to disclosure pursuant to the provisions of
1261 subsection (a) of section 1-210.

1262 (c) Any new lottery game and the procedures for such game, until the
1263 game is publicly announced by the corporation, and any serial number
1264 of an unclaimed lottery ticket shall not be deemed public records, as
1265 defined in section 1-200, and shall not be available to the public under
1266 the provisions of section 1-210. The president shall submit a fiscal note
1267 prepared by the corporation with respect to the procedures for a new
1268 lottery game to the joint standing committees of the General Assembly
1269 having cognizance of matters relating to finance, revenue, bonding and
1270 public safety after approval of such game by the board.

1271 (d) The name and any personally identifying information of a person
1272 who is participating or who has participated in the corporation's
1273 voluntary self-exclusion process shall not be deemed public records, as
1274 defined in section 1-200, and shall not be available to the public under
1275 the provisions of the Freedom of Information Act, as defined in section
1276 1-200, except that the president may disclose the name and any relevant
1277 records of such person, other than records regarding such person's
1278 participation in the voluntary self-exclusion process, if such person
1279 claims a winning lottery ticket from the use of the online lottery
1280 program established pursuant to subdivision (4) of subsection (a) of
1281 section 4 of this act.

1282 Sec. 25. Section 12-811 of the general statutes is repealed and the
1283 following is substituted in lieu thereof (*Effective July 1, 2021*):

1284 (a) The president and all directors, officers and employees of the
1285 corporation shall be state employees for purposes of sections 1-79 to 1-
1286 89, inclusive.

1287 (b) No director, officer or employee of the corporation shall, directly
1288 or indirectly, participate in, or share in the winnings from, a game
1289 conducted pursuant to sections 12-563a, as amended by this act, [and]
1290 12-800 to 12-818, inclusive, section 4 of this act or sections 6 to 8,

1291 inclusive, of this act.

1292 Sec. 26. Section 12-812 of the general statutes is repealed and the
1293 following is substituted in lieu thereof (*Effective from passage*):

1294 (a) The president of the corporation, subject to the direction of the
1295 board, shall conduct daily, weekly, multistate, special instant or other
1296 lottery games and shall determine the number of times a lottery shall be
1297 held each year, the form and price of the tickets and the aggregate
1298 amount of prizes, which shall not be less than forty-five per cent of the
1299 sales unless required by the terms of any agreement entered into for the
1300 conduct of multistate lottery games. The proceeds of the sale of tickets
1301 shall be deposited in the lottery fund of the corporation from which
1302 prizes shall be paid, upon vouchers signed by the president, or by either
1303 of two persons designated and authorized by him, in such numbers and
1304 amounts as the president determines. The corporation may limit its
1305 liability in games with fixed payouts and may cause a cessation of sales
1306 of tickets of certain designation when such liability limit has been
1307 reached.

1308 (b) The president, subject to the direction of the board, may enter into
1309 agreements for the sale of product advertising on lottery tickets, play
1310 slips and other lottery media.

1311 (c) On a weekly basis, the president shall estimate, and certify to the
1312 State Treasurer, that portion of the balance in the lottery fund which
1313 exceeds the current needs of the corporation for the payment of prizes,
1314 the payment of current operating expenses and funding of approved
1315 reserves of the corporation. The corporation shall transfer the amount
1316 so certified from the lottery fund of the corporation to the General Fund
1317 upon notification of receipt of such certification by the Treasurer, except
1318 that if the amount on deposit in the Connecticut Teachers' Retirement
1319 Fund Bonds Special Capital Reserve Fund, established in section 10-
1320 183vv, is less than the required minimum capital reserve, as defined in
1321 subsection (b) of said section, the corporation shall pay such amount so
1322 certified to the trustee of the fund for deposit in the fund. If the
1323 corporation transfers any moneys to the General Fund at any time when

1324 the amount on deposit in said capital reserve fund is less than the
1325 required minimum capital reserve, the amount of such transfer shall be
1326 deemed appropriated from the General Fund to the Connecticut
1327 Teachers' Retirement Fund Bonds Special Capital Reserve Fund.

1328 (d) On a weekly basis, the president shall estimate, and certify to the
1329 State Treasurer, that portion of the balance in the fund established
1330 pursuant to section 19 of this act which exceeds the current needs of the
1331 corporation for the payment of prizes, the payment of current operating
1332 expenses and funding of approved reserves of the corporation for the
1333 online lottery program established pursuant to section 4 of this act. The
1334 corporation shall transfer the amount so certified to the debt-free
1335 community college account established pursuant to section 20 of this act
1336 upon notification of receipt of such certification by the State Treasurer.

1337 Sec. 27. Section 12-815 of the general statutes is repealed and the
1338 following is substituted in lieu thereof (*Effective July 1, 2021*):

1339 (a) (1) The corporation shall establish and adopt specific policies,
1340 rules and procedures on purchasing and contracting. Such policies,
1341 rules and procedures or amendments thereto shall be approved by a
1342 two-thirds vote of the entire board. Notwithstanding any other
1343 provision of law to the contrary, the corporation may enter into
1344 management, consulting and other agreements for the provision of
1345 goods, services and professional advisors necessary or useful in
1346 connection with the operation and management of the lottery [(1)] (A)
1347 pursuant to a process of open or competitive bidding, provided [(A)] (i)
1348 the corporation shall first determine the format, content and scope of
1349 any agreement for any procurement of goods or services, the conditions
1350 under which bidding will take place and the schedule and stipulations
1351 for contract award, and [(B)] (ii) the corporation may select the
1352 contractor deemed to have submitted the most favorable bid,
1353 considering price and other factors, when, in the judgment of the
1354 corporation, such award is in the best interests of the corporation, or
1355 [(2)] (B) if the corporation, in its discretion, determines that, due to the
1356 nature of the agreement to be contracted for or procured, open or public

1357 bidding is either impracticable or not in the best interests of the
1358 corporation, by negotiation with such prospective providers as the
1359 corporation may determine. The terms and conditions of agreements
1360 and the fees or other compensation to be paid to such persons shall be
1361 determined by the corporation. The agreements entered into by the
1362 corporation in accordance with the provisions of this section shall not
1363 be subject to the approval of any state department, office or agency,
1364 except as provided in regulations adopted by the Department of
1365 Consumer Protection. Nothing in this section shall be deemed to restrict
1366 the discretion of the corporation to utilize its own staff and workforce
1367 for the performance of any of its assigned responsibilities and functions
1368 whenever, in the discretion of the corporation, it becomes necessary,
1369 convenient or desirable to do so. Copies of all agreements of the
1370 corporation shall be maintained by the corporation at its offices as public
1371 records, subject to said exemption.

1372 (2) The corporation may enter into agreements pursuant to
1373 subdivision (1) of this subsection with vendors for the provision of
1374 services for a skin for online sports wagering, provided such services
1375 (A) are not branded along with an operator of a casino that operates in
1376 any jurisdiction, and (B) do not directly or indirectly promote a casino
1377 that operates in another jurisdiction, including through awarding of
1378 players' points, free play, promotions or other marketing activities. If the
1379 corporation enters an agreement with a vendor that is owned by an
1380 operator of a casino in any jurisdiction, the vendor may not share any
1381 customer information with such operator for purposes of marketing or
1382 any other purposes related to acquiring customers.

1383 (b) The corporation shall not be subject to rules, regulations or
1384 restrictions on purchasing or procurement or the disposition of assets
1385 generally applicable to Connecticut state agencies, including those
1386 contained in titles 4a and 4b and the corresponding rules and
1387 regulations. The board shall adopt rules and procedures on purchasing,
1388 procurement and the disposition of assets applicable to the corporation.
1389 The adoption of such rules or procedures shall not be subject to chapter
1390 54. Any such rules or procedures shall be a public record, as defined in

1391 section 1-200.

1392 Sec. 28. Section 12-816 of the general statutes is repealed and the
1393 following is substituted in lieu thereof (*Effective July 1, 2021*):

1394 The exercise of the powers granted by sections 1-120, 1-121, 1-125, 12-
1395 563, 12-563a, as amended by this act, 12-564, 12-566, 12-568a and 12-569,
1396 subsection (c) of section 12-574, [and] sections 12-800 to 12-818,
1397 inclusive, and section 4 and sections 6 to 8, inclusive, of this act
1398 constitute the performance of an essential governmental function and
1399 all operations of the corporation shall be free from any form of federal
1400 or state taxation. In addition, except pursuant to any federal
1401 requirements, the corporation shall not be required to pay any taxes or
1402 assessments upon or in respect to sales of lottery tickets, or any property
1403 or moneys of the corporation, levied by the state or any political
1404 subdivision or municipal taxing authority. The corporation and its
1405 assets, property and revenues shall at all times be free from taxation of
1406 every kind by the state and by the municipalities and all other political
1407 subdivisions or special districts having taxing powers in the state.

1408 Sec. 29. Section 12-561 of the general statutes is repealed and the
1409 following is substituted in lieu thereof (*Effective July 1, 2021*):

1410 No commissioner or unit head or employee of the department shall
1411 directly or indirectly, individually or as a member of a partnership or as
1412 a shareholder of a corporation, have any interest whatsoever in dealing
1413 in any lottery, racing, fronton, or betting enterprise or casino gaming
1414 facility or in the ownership or leasing of any property or premises used
1415 by or for any lottery, racing, fronton, or betting enterprise or casino
1416 gaming facility. No commissioner or unit head shall, directly or
1417 indirectly, (1) wager at any off-track betting facility, race track or fronton
1418 authorized under this chapter, (2) purchase lottery tickets issued under
1419 this chapter, [or] (3) play [, directly or indirectly,] any authorized game
1420 conducted at a casino gaming facility, (4) place a sports wager, as
1421 defined in section 1 of this act, or (5) participate in online casino gaming,
1422 as defined in section 1 of this act. The commissioner may adopt
1423 regulations in accordance with the provisions of chapter 54 to prohibit

1424 any employee of the department from engaging, directly or indirectly,
1425 in any form of legalized gambling activity in which such employee is
1426 involved because of his or her employment with the department. For
1427 purposes of this section, "unit head" means a managerial employee with
1428 direct oversight of a legalized gambling activity.

1429 Sec. 30. Section 12-563a of the general statutes is repealed and the
1430 following is substituted in lieu thereof (*Effective July 1, 2021*):

1431 The Commissioner of Consumer Protection shall, within available
1432 resources, prepare and distribute informational materials designed to
1433 inform the public of the programs available for the prevention,
1434 treatment and rehabilitation of compulsive gamblers in this state. The
1435 commissioner shall require any casino gaming facility and any person
1436 or business organization which is licensed to sell lottery tickets, operate
1437 an off-track betting system or conduct wagering on racing events or jai
1438 alai games, or conduct retail sports wagering to display such
1439 informational materials at the casino gaming facility and each licensed
1440 premise or retail sports wagering facility, respectively.

1441 Sec. 31. Section 52-553 of the general statutes is repealed and the
1442 following is substituted in lieu thereof (*Effective July 1, 2021*):

1443 All wagers, and all contracts and securities of which the whole or any
1444 part of the consideration is money or other valuable thing won, laid or
1445 bet, at any game, horse race, sport or pastime, and all contracts to repay
1446 any money knowingly lent at the time and place of such game, race,
1447 sport or pastime, to any person so gaming, betting or wagering, or to
1448 repay any money lent to any person who, at such time and place, so
1449 pays, bets or wagers, shall be void, provided nothing in this section shall
1450 (1) affect the validity of any negotiable instrument held by any person
1451 who acquired the same for value and in good faith without notice of
1452 illegality in the consideration, (2) apply to the sale of a raffle ticket
1453 pursuant to section 7-172, (3) apply to online casino gaming, online
1454 sports wagering and retail sports wagering, as such terms are defined
1455 in section 1 of this act, and conducted pursuant to sections 3 to 7,
1456 inclusive, of this act, as applicable, (4) apply to the participation in the

1457 program established by the Connecticut Lottery Corporation pursuant
1458 to section 4 of this act to sell lottery tickets for lottery draw games
1459 through the corporation's Internet web site, online service or mobile
1460 application, or [(3)] (5) apply to any wager or contract otherwise
1461 authorized by law.

1462 Sec. 32. Section 52-554 of the general statutes is repealed and the
1463 following is substituted in lieu thereof (*Effective July 1, 2021*):

1464 Any person who, by playing at any game, or betting on the sides or
1465 hands of such as play at any game, excluding any game permitted under
1466 chapter 226 or any activity not prohibited under the provisions of
1467 sections 53-278a to 53-278g, inclusive, as amended by this act, loses the
1468 sum or value of one dollar in the whole and pays or delivers the same
1469 or any part thereof, may, within three months next following, recover
1470 from the winner the money or the value of the goods so lost and paid or
1471 delivered, with costs of suit in a civil action, without setting forth the
1472 special matter in his complaint. If the defendant refuses to testify, if
1473 called upon in such action, relative to the discovery of the property so
1474 won, [he] the defendant shall be defaulted; but no evidence so given by
1475 [him] the defendant shall be offered against him or her in any criminal
1476 prosecution. Nothing in this section shall prohibit any person from
1477 using a credit card to participate in (1) online casino gaming, online
1478 sports wagering and retail sports wagering, as such terms are defined
1479 in section 1 of this act, and conducted pursuant to sections 3 to 7,
1480 inclusive, of this act, as applicable, or (2) the program established by the
1481 Connecticut Lottery Corporation pursuant to section 4 of this act to sell
1482 lottery tickets for lottery draw games through the corporation's Internet
1483 web site, online service or mobile application.

1484 Sec. 33. Subdivision (2) of section 53-278a of the general statutes is
1485 repealed and the following is substituted in lieu thereof (*Effective July 1,*
1486 *2021*):

1487 (2) "Gambling" means risking any money, credit, deposit or other
1488 thing of value for gain contingent in whole or in part upon lot, chance
1489 or the operation of a gambling device, including the playing of a casino

1490 gambling game such as blackjack, poker, craps, roulette or a slot
1491 machine, but does not include: Legal contests of skill, speed, strength or
1492 endurance in which awards are made only to entrants or the owners of
1493 entries; legal business transactions which are valid under the law of
1494 contracts; activity legal under the provisions of sections 7-169 to 7-186,
1495 inclusive; any lottery or contest conducted by or under the authority of
1496 any state of the United States, Commonwealth of Puerto Rico or any
1497 possession or territory of the United States; and other acts or
1498 transactions expressly authorized by law on or after October 1, 1973.
1499 Fantasy contests, as defined in section 12-578aa, as amended by this act,
1500 shall not be considered gambling, provided the conditions set forth in
1501 subsection (b) of section 12-578aa, as amended by this act, have been met
1502 and the operator of such contests is [registered] licensed pursuant to
1503 [subdivision (1) of subsection (d) of] section 12-578aa, as amended by
1504 this act. Online casino gaming, online sports wagering and retail sports
1505 wagering, as such terms are defined in section 1 of this act, shall not be
1506 considered gambling if the online casino gaming, online sports
1507 wagering or retail sports wagering is conducted pursuant to sections 3
1508 to 7, inclusive, of this act;

1509 Sec. 34. Subdivision (4) of section 53-278a of the general statutes is
1510 repealed and the following is substituted in lieu thereof (*Effective July 1,*
1511 *2021*):

1512 (4) "Gambling device" means any device or mechanism by the
1513 operation of which a right to money, credits, deposits or other things of
1514 value may be created, as the result of the operation of an element of
1515 chance; any device or mechanism which, when operated for a
1516 consideration, does not return the same value or thing of value for the
1517 same consideration upon each operation thereof; any device,
1518 mechanism, furniture or fixture designed primarily for use in
1519 connection with professional gambling; and any subassembly or
1520 essential part designed or intended for use in connection with any such
1521 device, mechanism, furniture, fixture, construction or installation,
1522 provided an immediate and unrecorded right of replay mechanically
1523 conferred on players of pinball machines and similar amusement

1524 devices shall be presumed to be without value. "Gambling device" does
1525 not include a crane game machine or device or a redemption machine.
1526 A device or equipment used to play fantasy contests, as defined in
1527 section 12-578aa, as amended by this act, shall not be considered a
1528 gambling device, provided [the conditions set forth in subsection (b) of
1529 section 12-578aa have been met] such device or equipment is used by a
1530 licensee pursuant to section 12-578aa, as amended by this act. A device
1531 or equipment used to participate in online casino gaming, online sports
1532 wagering or retail sports wagering, as such terms are defined in section
1533 1 of this act, shall not be considered a gambling device if the conditions
1534 set forth in sections 3 to 7, inclusive, of this act, as applicable, have been
1535 met;

1536 Sec. 35. Section 53-278g of the general statutes is repealed and the
1537 following is substituted in lieu thereof (*Effective July 1, 2021*):

1538 (a) Nothing in sections 53-278a to 53-278f, inclusive, as amended by
1539 this act, shall be construed to prohibit the publication of an
1540 advertisement of, or the operation of, or participation in, a state lottery,
1541 pari-mutuel betting at race tracks licensed by the state, off-track betting
1542 conducted by the state or a licensee authorized to operate the off-track
1543 betting system, authorized games at a casino gaming facility, online
1544 casino gaming, online sports wagering and retail sports wagering, as
1545 authorized by sections 3 to 7, inclusive, of this act, a promotional
1546 drawing for a prize or prizes, conducted for advertising purposes by
1547 any person, firm or corporation other than a retail grocer or retail
1548 grocery chain, wherein members of the general public may participate
1549 without making any purchase or otherwise paying or risking credit,
1550 money, or any other tangible thing of value or a sweepstakes conducted
1551 pursuant to sections 42-295 to 42-301, inclusive.

1552 (b) The Mashantucket Pequot [tribe] Tribes and the Mohegan Tribe of
1553 Indians of Connecticut, or their agents, may use and possess at any
1554 location within the state, solely for the purpose of training individuals
1555 in skills required for employment by the tribe or testing a gambling
1556 device, any gambling device which the tribes are authorized to utilize

1557 on their reservations pursuant to the federal Indian Gaming Regulatory
1558 Act; provided no money or other thing of value shall be paid to any
1559 person as a result of the operation of such gambling device in the course
1560 of such training or testing at locations outside of the reservation of the
1561 tribe. Any person receiving such training or testing such device may use
1562 any such device in the course of such training or testing. Whenever
1563 either of said tribes intends to use and possess at any location within the
1564 state any such gambling device for the purpose of testing such device,
1565 the tribe shall give prior notice of such testing to the Department of
1566 Consumer Protection.

1567 (c) Any casino gaming facility, or its agents, may use and possess at
1568 any location within the state, solely for the purpose of training
1569 individuals in skills required for employment by the casino gaming
1570 facility or testing a gambling device, any gambling device which the
1571 casino gaming facility may use for conducting authorized games at the
1572 casino gaming facility, provided no money or other thing of value shall
1573 be paid to any person as a result of the operation of such gambling
1574 device in the course of such training or testing at locations outside of the
1575 casino gaming facility. Any person receiving such training or testing
1576 such device may use any such device in the course of such training or
1577 testing. Whenever a casino gaming facility intends to use and possess at
1578 any location within the state any such gambling device for the purpose
1579 of testing such device, the casino gambling facility shall give prior notice
1580 of such testing to the Department of Consumer Protection.

1581 Sec. 36. Subsection (a) of section 30-91 of the general statutes is
1582 repealed and the following is substituted in lieu thereof (*Effective July 1,*
1583 *2021*):

1584 (a) The sale or the dispensing or consumption or the presence in
1585 glasses or other receptacles suitable to permit the consumption of
1586 alcoholic liquor by an individual in places operating under hotel
1587 permits, restaurant permits, cafe permits, Connecticut craft cafe permits,
1588 restaurant permits for catering establishments, bowling establishment
1589 permits, racquetball facility permits, club permits, coliseum permits,

1590 coliseum concession permits, special sporting facility restaurant
1591 permits, special sporting facility employee recreational permits, special
1592 sporting facility guest permits, special sporting facility concession
1593 permits, special sporting facility bar permits, golf country club permits,
1594 nonprofit public museum permits, university permits, airport
1595 restaurant permits, airport bar permits, airport airline club permits,
1596 tavern permits, manufacturer permits for beer, casino permits, caterer
1597 liquor permits and charitable organization permits shall be unlawful on:
1598 (1) Monday, Tuesday, Wednesday, Thursday and Friday between the
1599 hours of one o'clock a.m. and nine o'clock a.m.; (2) Saturday between the
1600 hours of two o'clock a.m. and nine o'clock a.m.; (3) Sunday between the
1601 hours of two o'clock a.m. and ten o'clock a.m.; (4) Christmas, except [(A)]
1602 for alcoholic liquor that is served where food is also available during the
1603 hours otherwise permitted by this section for the day on which
1604 Christmas falls; [, and (B) by casino permittees at casinos, as defined in
1605 section 30-37k;] and (5) January first between the hours of three o'clock
1606 a.m. and nine o'clock a.m., except that on any Sunday that is January
1607 first the prohibitions of this section shall be between the hours of three
1608 o'clock a.m. and ten o'clock a.m.

1609 Sec. 37. Subsection (l) of section 30-91 of the general statutes is
1610 repealed and the following is substituted in lieu thereof (*Effective July 1,*
1611 *2021*):

1612 (l) Notwithstanding any provision of subsection (a) of this section, it
1613 shall be lawful for casino permittees at casinos, as defined in section 30-
1614 37k, to (1) allow the sale or dispensing of alcohol to, or consumption or
1615 presence in glasses or other receptacles suitable to permit the
1616 consumption of alcoholic liquor by, an individual who is staying at a
1617 hotel in the casino or a hotel or campground affiliated with the casino
1618 and accessible by a shuttle service, except such alcoholic liquor shall not
1619 be served to a patron of such casino during (A) Monday, Tuesday,
1620 Wednesday, Thursday, Friday and Saturday between the hours of four
1621 o'clock a.m. and nine o'clock a.m.; and (B) Sunday between the hours of
1622 four o'clock a.m. and ten o'clock a.m.; and (2) allow the presence of
1623 alcoholic liquor in glasses or other receptacles suitable to permit the

1624 consumption thereof by an individual at any time on its gaming facility,
1625 as defined in subsection (a) of section 30-37k. [, provided such alcoholic
1626 liquor shall not be served to a patron of such casino during the hours
1627 specified in subsection (a) of this section.] Each casino permittee shall
1628 maintain, in writing, an alcohol service policy that provides for the safe
1629 sale and dispensing of alcohol pursuant to the casino permit. Each
1630 casino permittee shall review such policy at least once each year. For
1631 purposes of this section, "receptacles suitable to permit the consumption
1632 of alcoholic liquor" [shall] does not include bottles of distilled spirits or
1633 bottles of wine.

1634 Sec. 38. Subparagraph (G) of subdivision (1) of subsection (b) of
1635 section 12-18b of the general statutes is repealed and the following is
1636 substituted in lieu thereof (*Effective July 1, 2021*):

1637 (G) [Forty-five] One hundred per cent of the property taxes that
1638 would have been paid with respect to any land designated within the
1639 1983 Settlement boundary and taken into trust by the federal
1640 government for the Mashantucket Pequot Tribal Nation prior to June 8,
1641 1999, or taken into trust by the federal government for the Mohegan
1642 Tribe of Indians of Connecticut, provided the real property subject to
1643 this subparagraph shall be the land only, and shall not include the
1644 assessed value of any structures, buildings or other improvements on
1645 such land; and

1646 Sec. 39. Section 3-55i of the general statutes is repealed and the
1647 following is substituted in lieu thereof (*Effective July 1, 2021*):

1648 (a) There is established the "Mashantucket Pequot and Mohegan
1649 Fund" which shall be a separate nonlapsing fund. All funds received by
1650 the state of Connecticut from the Mashantucket Pequot Tribe pursuant
1651 to the joint memorandum of understanding entered into by and
1652 between the state and the tribe on January 13, 1993, as amended on April
1653 30, 1993, and any successor thereto, shall be deposited in the General
1654 Fund. [During the fiscal year] For the fiscal years ending June 30, 2015,
1655 [and each fiscal year thereafter] to June 30, 2021, inclusive, from the
1656 funds received by the state from the tribe pursuant to said joint

1657 memorandum of understanding, as amended, and any successor
1658 thereto, an amount equal to the appropriation to the Mashantucket
1659 Pequot and Mohegan Fund for Grants to Towns shall be transferred to
1660 the Mashantucket Pequot and Mohegan Fund. [and shall be distributed
1661 by the Office of Policy and Management, during said fiscal year, in
1662 accordance with the provisions of section 3-55j.] For the fiscal year
1663 ending June 30, 2022, and each fiscal year thereafter, one hundred thirty-
1664 seven million dollars of the funds deposited in the General Fund
1665 pursuant to this subsection, the memorandum of understanding entered
1666 into by and between the state and the Mohegan Tribe of Indians of
1667 Connecticut on May 17, 1994, as amended from time to time and section
1668 8 of this act shall be transferred from the General Fund to the
1669 Mashantucket Pequot and Mohegan Fund. During each fiscal year, the
1670 Office of Policy and Management shall make distributions from the
1671 Mashantucket Pequot and Mohegan Fund in accordance with the
1672 provisions of section 3-55j. The amount of the grant payable to each
1673 municipality during any fiscal year, in accordance with said section,
1674 shall be reduced proportionately if the total of such grants exceeds the
1675 amount of funds available for such year. The grant shall be paid in three
1676 installments as follows: The Secretary of the Office of Policy and
1677 Management shall, annually, not later than the fifteenth day of
1678 December, the fifteenth day of March and the fifteenth day of June
1679 certify to the Comptroller the amount due each municipality under the
1680 provisions of section 3-55j and the Comptroller shall draw an order on
1681 the Treasurer on or before the fifth business day following the fifteenth
1682 day of December, the fifth business day following the fifteenth day of
1683 March and the fifth business day following the fifteenth day of June and
1684 the Treasurer shall pay the amount thereof to such municipality on or
1685 before the first day of January, the first day of April and the thirtieth day
1686 of June.

1687 (b) The transfers from the General Fund to the Mashantucket Pequot
1688 and Mohegan Fund required by subsection (a) of this section shall not
1689 be reduced except upon (1) submission to the General Assembly by the
1690 Governor of a certification of an emergency requiring such reduction;
1691 and (2) a vote of at least two-thirds of the members of each house of the

1692 General Assembly approving such reduction.

1693 Sec. 40. (*Effective July 1, 2021*) Notwithstanding the provisions of
1694 section 1-3 of the general statutes, if any provision of sections 1 to 13,
1695 inclusive, 19 or 20 of this act, or any amendment made to the provisions
1696 of the general statutes pursuant to this act, except for those provisions
1697 regarding keno and the sale of lottery tickets for lottery draw games
1698 through the corporation's Internet web site, online service or mobile
1699 application, is held invalid by a court of competent jurisdiction in a final
1700 judgment which is not appealable, (1) the provisions of sections 1 to 13,
1701 inclusive, 19 and 20 of this act shall cease to be effective, except for those
1702 provisions regarding keno and the sale of lottery tickets for lottery draw
1703 games through the corporation's Internet web site, online service or
1704 mobile application, and (2) the amendments made to the provisions of
1705 the sections of the general statutes pursuant to this act shall be
1706 inoperative, except for those provisions regarding keno and the sale of
1707 lottery tickets for lottery draw games through the corporation's Internet
1708 web site, online service or mobile application.

1709 Sec. 41. Sections 12-565a and 12-578j of the general statutes are
1710 repealed. (*Effective from passage*)

| | | |
|---|---------------------|-------------|
| 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> | New section |
| Sec. 12 | <i>July 1, 2021</i> | New section |
| Sec. 13 | <i>July 1, 2021</i> | New section |

| | | |
|---------|--------------|------------------|
| Sec. 14 | July 1, 2021 | 12-586f |
| Sec. 15 | July 1, 2021 | 12-586g |
| Sec. 16 | July 1, 2021 | 12-578aa |
| Sec. 17 | July 1, 2021 | 12-578f |
| Sec. 18 | July 1, 2021 | 12-806c |
| Sec. 19 | July 1, 2021 | New section |
| Sec. 20 | from passage | New section |
| Sec. 21 | July 1, 2021 | 12-801 |
| Sec. 22 | July 1, 2021 | 12-806 |
| Sec. 23 | July 1, 2021 | 12-806a |
| Sec. 24 | July 1, 2021 | 12-810 |
| Sec. 25 | July 1, 2021 | 12-811 |
| Sec. 26 | from passage | 12-812 |
| Sec. 27 | July 1, 2021 | 12-815 |
| Sec. 28 | July 1, 2021 | 12-816 |
| Sec. 29 | July 1, 2021 | 12-561 |
| Sec. 30 | July 1, 2021 | 12-563a |
| Sec. 31 | July 1, 2021 | 52-553 |
| Sec. 32 | July 1, 2021 | 52-554 |
| Sec. 33 | July 1, 2021 | 53-278a(2) |
| Sec. 34 | July 1, 2021 | 53-278a(4) |
| Sec. 35 | July 1, 2021 | 53-278g |
| Sec. 36 | July 1, 2021 | 30-91(a) |
| Sec. 37 | July 1, 2021 | 30-91(l) |
| Sec. 38 | July 1, 2021 | 12-18b(b)(1)(G) |
| Sec. 39 | July 1, 2021 | 3-55i |
| Sec. 40 | July 1, 2021 | New section |
| Sec. 41 | from passage | Repealer section |

Statement of Legislative Commissioners:

In Section 21, the exclusion from the definition of "lottery fund" was rewritten for clarity and in Section 36, the exception was deleted for consistency with standard drafting conventions.

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 |
| Board of Regents for Higher Education | GF - Potential Revenue Gain | See Below | See Below |
| Department of Economic & Community Development | GF- Statewide Tourism Marketing Account - Potential Revenue Gain | See Below | See Below |

Note: GF=General Fund

Municipal Impact:

| Municipalities | Effect | FY 22 \$ | FY 23 \$ |
|------------------------|-----------|-----------|-----------|
| Various Municipalities | See Below | See Below | See Below |

Explanation

The bill, which legalizes and regulates expanded gaming in the state,

results in the following fiscal impacts:¹

Potential Revenue Impacts

Sections 3-5, 8, 27, and 30 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 23.² It is estimated that annual potential General Fund revenues could grow to \$24.8 million by FY 26.

Section 8 also requires 10% of the tribes' payments from the online sports wagering they operate outside of Indian lands or \$20 million, whichever is less, be transferred from the General Fund each fiscal year to the statewide tourism marketing account. This results in a potential revenue gain to the statewide tourism marketing account as early as FY 22.

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, 18, and 21 authorize online keno by the Connecticut Lottery Corporation (CLC) which results in a potential revenue gain to the "debt free community college account" within the General Fund (created by the bill) of up to \$0.7 million in FY 22 and \$0.9 million in FY 23. It is estimated that annual potential revenues could grow to \$2.1 million by FY 26.

Sections 4 and 22 authorize online lottery draw games by the CLC

¹ 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.

² 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).

which results in a potential revenue gain to the "debt free community college account" within the General Fund of up to \$2 million in FY 22 and \$3 million in FY 23. It is estimated that annual potential revenues could grow to \$19 million by FY 26.

Section 16 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.

Sections 19 and 20 result in a potential General Fund revenue gain to the Board of Regents. The amount of the potential revenue gain will be equal to the revenues from the online lottery program (less program expenses), if it is authorized. **Section 19** requires the CLC to establish a fund to receive all online lottery draw game revenues. This fund would be used to pay all online lottery draw game expenses and to defray the costs of the existing debt-free community college program, which provides grants to eligible students. A dedicated, nonlapsing debt-free community college account within the General Fund is established by **Section 20** of the bill to receive the funds from the CLC online lottery draw game account. Account funds must be expended by the Board of Regents for the debt-free community college program, which is anticipated to cost the Board of Regents approximately \$13.9 million in FY 22 and \$15 million in FY 23, if program enrollment is uncapped.

Section 39 requires, beginning in FY 22, a General Fund transfer to the Mashantucket Pequot and Mohegan Fund (MPMF) of \$137 million to be distributed according to current MPMF statute. This reduces the revenue available to the General Fund by \$86 million annually beginning in FY 22, and results in a corresponding revenue gain to municipalities.

Sections 36 and 37 expand allowable hours of alcohol sales at casinos, which results in an estimated General Fund revenue gain of up to \$2 million on an annualized basis from additional slot revenues.

Potential Cost Impacts

Sections 4 and 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 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.

Section 38 increases the cost to fully fund the State Property PILOT by up to \$4 million beginning in FY 22. The impact in future years would vary based on changes to municipal grand lists in the towns of Ledyard and Montville. This correspondingly results in a potential revenue gain to the towns of Ledyard and Montville that will vary based on funding levels for the State Property PILOT. Under current law, the Office of Policy and Management may reduce payments in years that appropriations are insufficient to fully fund the grant.

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.

OLR Bill Analysis**sSB 570*****AN ACT AUTHORIZING A TRIBAL RESORT-CASINO IN BRIDGEPORT, SPORTS WAGERING, ONLINE CASINO GAMING AND ONLINE LOTTERY.*****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, authorizes a request for proposals to establish a casino gaming facility in Bridgeport, and expands funding for the state's debt-free community college program.

Lastly, the bill makes technical and conforming changes.

EFFECTIVE DATE: July 1, 2021, except provisions related to debt-free community college (§§ 20 & 26) and the repealer section (§ 41) are effective upon passage.

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.

§ 40 — 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 & 41 — 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 & 27 — 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 & 30 — 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, 18 & 21 — 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 & 22 — 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.

§ 16 — 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.

§§ 13, 17 & 41 — Off-Reservation Casino Gaming Facilities

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. Additionally, the bill repeals a provision requiring MMCT to provide a \$30 million, interest-free advance to the state by June 30, 2019 (CGS § 12-578j). To date, MMCT has not submitted the advance.

The bill further authorizes MMCT to issue a request for proposals to the city of Bridgeport for establishing a casino gaming facility in the city. Under the bill, a request must include a description of the needs of MMCT towards establishing and carrying on the business of a casino gaming facility. The bill authorizes Bridgeport to respond to a request and enter into a development agreement with MMCT to establish a casino gaming facility in the city.

The bill allows a casino gaming facility established in Bridgeport to conduct certain authorized games, as is the case under existing law for the facility in East Windsor. Under current law, “authorized games” means any game of chance, including blackjack; poker; dice; money-wheels; roulette; baccarat; chuck-a-luck; pan game; over and under; horse race game; acey-deucey; beat the dealer; bouncing ball; video facsimile games; and any other game of chance the DCP commissioner authorizes. The bill redefines “authorized games” to expressly exclude sports wagering as it is defined in the bill.

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.

§ 11 — *Equipment Location*

The bill requires that any equipment, including the electronic wagering platform, that supports online casino gaming or sports wagering must be in a facility located in Bridgeport unless the equipment is located on Indian lands. Any personnel needed to support the equipment must be assigned to the facility.

§ 12 — *Skin Vendors for the Tribes*

The bill prevents the tribes from using a third-party vendor to operate their skins for online sports wagering and casino gaming unless they file

a request with the House and Senate clerks and have it approved by the legislature. Under the bill, a request must contain the agreement terms with the prospective vendor.

If the request is filed during a regular session, the legislature has until the session's adjournment to approve or reject it. Alternatively, if the request is not filed during a regular session, the legislature has until adjournment of (1) the next regular session or (2) a special session convened to act on the request. If the legislature does not act by adjournment, the request is deemed rejected.

However, if the request is filed within 30 days of the end of a regular session, the legislature can either (1) convene in a special session and vote within 30 days or (2) vote on it within the first 30 days of its next regular session. The legislature has until the end of either 30 day-period to vote before the measure is considered rejected.

The legislature may approve a request by a majority vote of each chamber or reject it by a majority vote of either chamber. If a request is rejected, it is not valid and must not be implemented.

**§§ 8, 19-21, 26, 28 & 39 — 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.

After payment into the General Fund, the bill requires that 10% of the tribes’ payments from the online sports wagering they operate outside of Indian lands or \$20 million, whichever is less, be transferred from the General Fund each fiscal year to the statewide tourism marketing account.

Additionally, the bill makes modifications to the Mashantucket Pequot and Mohegan Fund based on the above payments. Under current law, the Mashantucket Pequot and Mohegan Fund receives transfers from the General Fund each fiscal year, based on deposits from tribal casino video facsimile revenue that the state receives pursuant to MOUs with each tribe. The transfers must equal the amount appropriated for specific grants to municipalities. Money from the fund must then be distributed to municipalities according to various statutory formulas or amounts and grant criteria.

The bill sunsets the current transfer methodologies associated with the fund as of June 30, 2021. Beginning FY 22 and each of the following fiscal years, the bill requires that \$137 million be transferred from the General Fund to the Mashantucket Pequot and Mohegan Fund based on the revenues from (1) the tribes' online sports wagering and casino gaming conducted outside of Indian lands; (2) CLC's online and retail sports wagering; (3) retail sports wagering at OTB facilities under agreements with CLC; and (4) tribal casino video facsimiles. Under the bill, this transfer amount may only be reduced by (1) an emergency certification from the governor requiring a reduction and (2) a vote of at least two-thirds of each General Assembly chamber approving the reduction.

Under existing law and unchanged by the bill, the Office of Policy and Management (OPM) must distribute the funds according to those specified amounts, reducing them proportionally if the grant total exceeds the amount of funds available for a year. By law, the amounts are paid in three installments on or before January 1, April 1, and June 30.

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).

However, the bill requires that all revenue from CLC's online lottery program must be deposited into a fund CLC must establish to specifically collect that revenue, separate from all other CLC revenues. The bill requires the CLC president, on a weekly basis, to estimate and certify to the state treasurer the portion of the balance in this fund that exceeds CLC's current needs for paying prizes and current operating expenses and funding approved CLC reserves. Under the bill, CLC must, after being notified that the state treasurer received the certification, transfer the certified amount to a "debt-free community college account," which the bill establishes as a separate, nonlapsing account within the General Fund.

The bill requires the Board of Regents for Higher Education (BOR) to spend the money in the debt-free community college account on the state's debt-free community college program. (The 2019 state budget implementer established a debt-free community college program for certain Connecticut high school graduates who enroll as first-time, full-time regional community-technical college students (PA 19-117, § 362).) Additionally, within 30 days after the online lottery program starts, and on each January 1 thereafter, the CLC president must estimate and report to BOR the anticipated amount to be deposited in the account or the anticipated net revenue during the current and next fiscal year.

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 & 22 — 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, OPM 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.

§§ 31 & 32 — 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.

§§ 33-35 — 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

§ 23 — 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).

§ 24 — 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).

§§ 25 & 29 — 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.

OTHER PROVISIONS

§§ 36 & 37 — *Casino Alcohol Sales*

The bill prohibits casino permittees from selling alcoholic liquor on Christmas unless food is also available at the same time. It also allows them to sell alcohol until 4:00 a.m. during weekdays and weekends, instead of 1:00 a.m. and 2:00 a.m. respectively under current law, if they are selling to a customer who is staying on casino property.

Additionally, the bill requires casino permittees to maintain a written alcohol service policy that provides for the safe sale and dispensing of alcohol under its permit. Under the bill, each casino permittee must review its policy at least once each year.

§ 38 — *Tribal Lands Payment In Lieu of Taxes (PILOT)*

The bill increases the statutory PILOT reimbursement rate, from 45% to 100%, of the property taxes that would have been paid for (1) Mashantucket Pequot reservation land designated within the 1983 settlement boundary and taken into trust by the federal government before June 8, 1999, and (2) Mohegan reservation land taken into trust by the federal government. By law, the assessed value must be of the land only and exclude any structures, buildings, or other improvements on the land.

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

sHB 6451, reported favorably by the Public Safety and Security Committee, contains many of the same provisions in this bill in establishing or modifying 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.

sSB 146, reported favorably by the Public Safety and Security Committee, like this bill, also 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.

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 18 Nay 6 (03/24/2021)