



General Assembly

Substitute Bill No. 992

January Session, 2023



**AN ACT CONCERNING DELINQUENT LOTTERY SALES AGENTS,
WAIVER OF LICENSE RENEWAL FEES FOR CERTAIN
CONNECTICUT LOTTERY CORPORATION EMPLOYEES AND
DISCLOSURE OF THE NAME AND ADDRESS OF LOTTERY AND
SPORTS WAGERING WINNERS.**

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

1 Section 1. Section 12-557b of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2023*):

3 As used in this chapter, sections 12-578a to 12-578e, inclusive, 12-579
4 and 12-580, chapter 226b [] and section 53-278g, unless the context
5 otherwise requires:

6 (1) "Commissioner" means the Commissioner of Consumer
7 Protection;

8 (2) "Department" means the Department of Consumer Protection;

9 (3) "Business organization" means a partnership, incorporated or
10 unincorporated association, firm, corporation, trust or other form of
11 business or legal entity, other than a financial institution regulated by a
12 state or federal agency which is not exercising control over an
13 association licensee, but does not mean a governmental or sovereign
14 entity;

15 (4) "Control" means the power to exercise authority over or direct the
16 management and policies of a person or business organization;

17 (5) "Casino gaming facility" means any casino gaming facility
18 authorized by any provision of the general statutes or a public or special
19 act to conduct authorized games on its premises, but does not include
20 any casino gaming facility located on Indian lands pursuant to the
21 Indian Gaming Regulatory Act, P.L. 100-497, 25 USC 2701 et seq.;

22 (6) "Authorized game" means any game of chance specifically
23 authorized to be conducted at a casino gaming facility by any provision
24 of the general statutes or a public or special act; [and]

25 (7) "Gross gaming revenue" means the total of all sums actually
26 received by a casino gaming facility from gaming operations less the
27 total of all sums paid as winnings to patrons of the casino gaming
28 facility, provided the total of all sums paid as winnings to such patrons
29 shall not include the cash equivalent value of any merchandise or thing
30 of value included in a jackpot or payout, and provided further the
31 issuance to or wagering by such patrons of any promotional gaming
32 credit shall not be included in the total of all sums actually received by
33 a casino gaming facility for the purposes of determining gross gaming
34 revenue; and

35 (8) "Guarantor" means a person who assumed joint and several
36 liability with a lottery sales agent.

37 Sec. 2. Section 12-569 of the general statutes is repealed and the
38 following is substituted in lieu thereof (*Effective October 1, 2023*):

39 (a) For purposes of this section, "delinquency assessment" means the
40 principal amount due but unremitted as of the stated past settlement
41 date, the penalty imposed by the commissioner and the interest due and
42 outstanding.

43 [(a)] (b) (1) If the president of the Connecticut Lottery Corporation
44 determines that any lottery sales agent has breached such agent's

45 fiduciary responsibility to the corporation in that the account of such
46 lottery sales agent with respect to moneys received from the sale of
47 lottery tickets has become delinquent [in accordance with regulations
48 adopted under section 12-568a] by failure to remit all moneys due and
49 owing upon the settlement date established by the Connecticut Lottery
50 Corporation, the president shall notify the commissioner of the breach
51 of fiduciary duty. [and the] The commissioner shall impose (A) a
52 [delinquency assessment] penalty upon such delinquent account equal
53 to ten per cent of the principal amount due but unremitted or ten dollars,
54 whichever amount is greater, [plus] which shall be effective upon
55 delivery of notice to the agent, and (B) simple interest at the rate of one
56 and one-half per cent of such principal amount due but unremitted for
57 each month or fraction of a month from the date such principal amount
58 is due but unremitted to the date of payment.

59 (2) A lottery sales agent whose account was delinquent prior to July
60 1, 2022, and whose delinquency assessment was subject to
61 compounding interest on June 30, 2022, may apply to the commissioner
62 on or after July 1, 2022, for a hardship waiver to reduce the amount of
63 interest delinquent, outstanding and payable to an amount based on
64 simple interest.

65 (3) A lottery sales agent whose account is delinquent on or after
66 October 1, 2023, may file an application with the president of the
67 Connecticut Lottery Corporation for a hardship waiver to reduce the
68 amount of interest delinquent, outstanding and payable. Each lottery
69 sales agent applying for a hardship waiver shall pay, with such
70 application, the principal amount due but unremitted as of the stated
71 past settlement date and the penalty imposed in accordance with
72 subdivision (1) of this subsection, provided (A) if the president
73 determines that an undue hardship exists which prevents such agent
74 from paying the principal amount due but unremitted and the penalty
75 at the time of application for such hardship waiver, the president may
76 enter into a payment schedule permitting an agent to pay the principal
77 amount due but unremitted and the penalty over a period of time not to

78 exceed one year from the date the hardship waiver is provisionally
79 granted by the president, and (B) an agent who fails to pay the principal
80 amount due but unremitted and the penalty within the period described
81 in subparagraph (A) of this subdivision shall be ineligible for a hardship
82 waiver pursuant to this subdivision. If the president determines that it
83 would be beneficial to the state to do so, the president may reduce the
84 amount of any interest delinquent, outstanding and payable by such
85 agent. The president shall establish procedures to be published and
86 maintained on the Internet web site of the Connecticut Lottery
87 Corporation specifying requirements for hardship waiver applications
88 and availability of payment plans. In no event shall a hardship waiver
89 result in a refund or credit of any amount of money, penalty or interest
90 previously paid by such agent.

91 ~~[(3)]~~ (4) Subject to the provisions of section 12-3a, the commissioner
92 may waive all or part of the penalties provided under this subsection
93 when it is proven to the commissioner's satisfaction that the failure to
94 pay such moneys to the state within the time allowed was due to
95 reasonable cause and was not intentional or due to neglect.

96 ~~[(4)]~~ (5) Any such delinquent lottery sales agent shall be notified of
97 such delinquency assessment and shall be afforded an opportunity to
98 contest the validity and amount of such assessment before the
99 commissioner who may conduct such hearing.

100 (6) (A) Upon request of the president of the Connecticut Lottery
101 Corporation, the commissioner may prepare and sign a warrant
102 directed to any state marshal [, constable] or any collection agent
103 employed by the Connecticut Lottery Corporation for distraint upon
104 any property of such delinquent lottery sales agent within the state,
105 whether personal or real property. An itemized bill shall be attached to
106 the warrant certified by the commissioner as a true statement of the
107 amount due from such lottery sales agent. Such warrant shall have the
108 same force and effect as an execution issued in accordance with chapter
109 906. Such warrant [shall] may be levied on any real, personal, tangible
110 or intangible property of such agent or any guarantor of such agent and

111 sale made pursuant to such warrant in the same manner and with the
112 same force and effect as a levy and sale pursuant to an execution.

113 (B) The amount of any such delinquency assessment shall be a lien,
114 from the date of assessment for a period of twenty years or until
115 discharged by payment, against any real, personal, tangible or
116 intangible property of the lottery sales agent, including any guarantor
117 of such lottery sales agent within the state. A certificate of such lien
118 against any real estate signed by the commissioner, or the
119 commissioner's authorized representative, may be filed for recording in
120 the office of the clerk of any municipality in which such real estate is
121 situated, provided no such lien shall be effective as against any bona
122 fide purchaser or qualified encumbrancer of any interest in any such
123 property. A certificate of such lien against any personal property,
124 tangible or intangible, signed by the commissioner, or the
125 commissioner's authorized representative, may be filed for recording in
126 the office of the Secretary of the State, provided no such lien shall be
127 effective as against any bona fide purchaser or qualified encumbrancer
128 of any interest in any such property. When any delinquency assessment
129 with respect to which a lien has been recorded under the provisions of
130 this subparagraph has been satisfied, the commissioner, upon request
131 of any interested party, shall issue a certificate discharging such lien,
132 which certificate shall be recorded in the same office in which the lien
133 was recorded. Any action for the foreclosure of such lien shall be
134 brought by the Attorney General in the name of the state in the superior
135 court for the judicial district in which the property subject to such lien is
136 situated, or, if such property is located in two or more judicial districts,
137 in the superior court for any one such judicial district, and the court may
138 limit the time for redemption or order the sale of such property or pass
139 such other further decree as it deems equitable. The commissioner, or
140 the commissioner's authorized representative, may use an electronic
141 signature, as defined in section 1-267, on any certificate of lien or
142 certificate discharging such lien. No town clerk shall refuse to record
143 any such certificate because the commissioner, or the commissioner's
144 authorized representative, has used an electronic signature thereon.

145 (C) The Connecticut Lottery Corporation may have the amount of the
146 delinquency assessment withheld against any refund owed to such
147 agent or guarantor of such agent by the Department of Revenue Services
148 in accordance with subsection (c) of section 12-742, as amended by this
149 act.

150 [(b)] (c) The commissioner shall adopt regulations in accordance with
151 chapter 54 to carry out the purposes of this section.

152 Sec. 3. Section 12-742 of the general statutes is repealed and the
153 following is substituted in lieu thereof (*Effective October 1, 2023*):

154 (a) In cases where any person or entity is due a refund of state income
155 taxes, and that same person owes a debt or obligation for which the
156 Commissioner of Administrative Services is seeking reimbursement, the
157 Commissioner of Revenue Services, upon notification by the
158 Commissioner of Administrative Services, shall withhold the payment
159 of said refund to such person or entity to the extent of such debt or
160 obligation, provided the Commissioner of Revenue Services shall notify
161 such debtor that he or she has the right to a hearing before an officer
162 designated by the Commissioner of Administrative Services if he or she
163 contests the validity or amount of the Commissioner of Administrative
164 Services' claim, except that where the debt or obligation is a debt
165 resulting from failure to pay an order for child support, the
166 administrative review process will be held in accordance with
167 subsection (e) of section 52-362e. If the debtor fails to apply in writing to
168 the Commissioner of Administrative Services for a hearing within sixty
169 days of the issuance of notice of withholding, the Commissioner of
170 Revenue Services shall remit the amount of the withheld refund to the
171 Commissioner of Administrative Services. If the debtor elects an
172 administrative hearing within this time, the Commissioner of Revenue
173 Services shall remit the amount of the withheld refund in accordance
174 with any decisions of the hearing officer or the court upon an appeal of
175 the hearing officer's decision.

176 (b) (1) In cases where any person or entity is due a refund of state

177 income taxes, and that same person is in default of a student loan made
178 or guaranteed by the Connecticut Student Loan Foundation or the
179 Connecticut Higher Education Supplemental Loan Authority, the
180 Connecticut Student Loan Foundation or the Connecticut Higher
181 Education Supplemental Loan Authority, as appropriate, shall notify
182 the Commissioner of Administrative Services of such default. The
183 Commissioner of Revenue Services, upon notification by the
184 Commissioner of Administrative Services, shall withhold the payment
185 of said refund to such person to the extent of such default, provided the
186 Commissioner of Revenue Services shall notify such person in default
187 that he or she has the right to a hearing before an officer designated by
188 the Commissioner of Administrative Services if he or she contests the
189 validity or amount of the Commissioner of Administrative Services'
190 claim. If the person in default fails to apply in writing to the
191 Commissioner of Administrative Services for a hearing within sixty
192 days of the issuance of notice of withholding, the Commissioner of
193 Revenue Services shall remit the amount of the withheld refund to the
194 Commissioner of Administrative Services, who in turn shall remit the
195 amount of such withheld refund to the Connecticut Student Loan
196 Foundation or the Connecticut Higher Education Supplemental Loan
197 Authority, as appropriate. If the person in default elects an
198 administrative hearing within this time, the Commissioner of Revenue
199 Services shall remit the amount of the withheld refund in accordance
200 with any decisions of the hearing officer or the court upon an appeal of
201 the hearing officer's decision. If a person in default also owes a debt or
202 obligation described in subsection (a) of this section, the refund shall be
203 applied against such debt or obligation before being credited against the
204 amount of the default.

205 (2) The Commissioner of Revenue Services, the Commissioner of
206 Administrative Services, the president of the Connecticut Student Loan
207 Foundation or the executive director of the Connecticut Higher
208 Education Supplemental Loan Authority, as appropriate, on behalf of
209 such corporation, shall enter into an agreement for the crediting of
210 income tax refunds against the amount a taxpayer is in default of a loan

211 pursuant to subdivision (1) of this subsection. The agreement shall
212 include procedures for the Connecticut Student Loan Foundation or the
213 Connecticut Higher Education Supplemental Loan Authority, as
214 appropriate, to (A) notify the Commissioner of Administrative Services
215 of a default, and the amount of the default, and (B) reimburse the
216 Department of Administrative Services and the Department of Revenue
217 Services for any costs incurred by the departments in carrying out the
218 provisions of this subsection.

219 (c) (1) In cases where any person is due a refund of state income taxes,
220 and that same person is a delinquent lottery sales agent in accordance
221 with subsection (a) of section 12-569, as amended by this act, or is the
222 guarantor, as defined in section 12-557b, as amended by this act, of such
223 delinquent lottery sales agent, the Connecticut Lottery Corporation
224 shall notify the Commissioner of Administrative Services of such
225 delinquency. The Commissioner of Revenue Services, upon notification
226 by the Commissioner of Administrative Services, shall withhold the
227 payment of said refund to such person to the extent of such delinquency
228 assessment, provided the Commissioner of Revenue Services shall
229 notify such person that he or she has the right to a hearing before an
230 officer designated by the Commissioner of Administrative Services if he
231 or she contests the validity or amount of the Commissioner of
232 Administrative Service's claim. If such person fails to apply in writing
233 to the Commissioner of Administrative Services for a hearing within
234 sixty days of the issuance of notice of withholding, the Commissioner of
235 Revenue Services shall remit the amount of the withheld refund to the
236 Commissioner of Administrative Services, who in turn shall remit the
237 amount of such withheld refund to the Connecticut Lottery
238 Corporation. If such person elects an administrative hearing within this
239 time, the Commissioner of Revenue Services shall remit the amount of
240 the withheld refund in accordance with any decisions of the hearing
241 officer or the court upon an appeal of the hearing officer's decision. If
242 such person also owes a debt or obligation described in subsection (a) of
243 this section or is in default on a student loan under subsection (b) of this
244 section, the refund shall be applied against such debt or obligation or

245 such student loan default before being credited against the amount of
246 the delinquency assessment.

247 (2) The Commissioner of Revenue Services, Commissioner of
248 Administrative Services and the president of the Connecticut Lottery
249 Corporation, on behalf of such corporation, shall enter into an
250 agreement for the crediting of income tax refunds against the amount of
251 a delinquency assessment owed by a taxpayer, pursuant to subdivision
252 (1) of this subsection. The agreement shall include procedures for the
253 Connecticut Lottery Corporation to notify the Commissioner of
254 Administrative Services of a delinquency assessment, and the amount
255 of such delinquency assessment.

256 Sec. 4. Section 12-802a of the general statutes is repealed and the
257 following is substituted in lieu thereof (*Effective October 1, 2023*):

258 No person shall be employed by the Connecticut Lottery Corporation
259 until such person has obtained an occupational license issued by the
260 Commissioner of Consumer Protection in accordance with regulations
261 adopted under section 12-568a. A key employee or occupational
262 employee, as such terms are defined in section 12-850, who is employed
263 by the Connecticut Lottery Corporation shall annually renew such key
264 employee license, as required by subsection (d) of section 12-859, or such
265 occupational employee license, as required by subsection (b) of section
266 12-858, provided the annual renewal fee required by said subsections
267 shall be waived.

268 Sec. 5. Section 12-810 of the general statutes is repealed and the
269 following is substituted in lieu thereof (*Effective October 1, 2023*):

270 (a) The Freedom of Information Act, as defined in section 1-200, shall
271 apply to all actions, meetings and records of the corporation, except (1)
272 where otherwise limited by subsection (c) of this section as to new
273 lottery games and serial numbers of unclaimed lottery tickets, (2) with
274 respect to financial, credit and proprietary information submitted by
275 any person to the corporation in connection with any proposal to

276 provide goods, services or professional advice to the corporation as
277 provided in section 12-815, (3) with respect to any personally
278 identifying, financial, credit or wagering information associated with
279 any person's account for Internet games, as defined in section 12-850,
280 [and] (4) where otherwise limited by subsection (f) of section 12-863, as
281 amended by this act, and (5) with respect to the name and address of
282 any person who redeems a winning lottery ticket, claims or is paid a
283 winning wager from online sports wagering or retail sports wagering or
284 is paid a prize from a fantasy contest.

285 (b) The records of proceedings as provided in subsection (a) of section
286 12-805 shall be subject to disclosure pursuant to the provisions of
287 subsection (a) of section 1-210.

288 (c) Any new lottery game and the procedures for such game, until the
289 game is publicly announced by the corporation, and any serial number
290 of an unclaimed lottery ticket shall not be deemed public records, as
291 defined in section 1-200, and shall not be available to the public under
292 the provisions of section 1-210. The president shall submit a fiscal note
293 prepared by the corporation with respect to the procedures for a new
294 lottery game to the joint standing committees of the General Assembly
295 having cognizance of matters relating to finance, revenue, bonding and
296 public safety after approval of such game by the board.

297 Sec. 6. Section 12-814 of the general statutes is repealed and the
298 following is substituted in lieu thereof (*Effective October 1, 2023*):

299 (a) In each advertisement intended to promote the purchase of lottery
300 tickets issued for games authorized under sections 12-563a, 12-800 to 12-
301 818, inclusive, and 12-850 to 12-872, inclusive, the corporation shall
302 include a prominent and clear statement of the average chances of
303 winning per specific lottery ticket. A prominent and clear statement in
304 any written digital or print advertising shall mean a type font no smaller
305 than ten per cent of the largest font included in such advertisement,
306 provided, for digital advertising posted in a physical retail location, the
307 type font shall be no smaller than ten per cent of the largest font

308 displayed that is applicable to the specific game to which the odds
309 apply.

310 (b) The provisions of subsection (a) of this section shall apply to (1)
311 digital or print advertisements including, but not limited to, social
312 media, electronic mail communications, newspapers, magazines and
313 brochures and on posters, (2) video advertisements, and (3) audio-only
314 advertisements, except those that are less than thirty seconds for (A) the
315 sale of tickets for lottery draw games through the Internet, an online
316 service or a mobile application, or (B) keno through the Internet, an
317 online service or a mobile application.

318 (c) On or before October 1, 1999, the corporation shall implement a
319 code of standards for all advertisements and other activities intended to
320 promote the purchase of lottery tickets for games authorized pursuant
321 to this chapter. The code of standards shall include the requirement that
322 no advertisement or promotion shall denigrate the character or conduct
323 of nonlottery players or praise the character or conduct of lottery
324 players.

325 (d) The corporation shall not publish the name or address of any
326 person who redeems a winning lottery ticket, claims or is paid a
327 winning wager from online sports wagering or retail sports wagering or
328 is paid a prize from a fantasy contest, or publish the photograph of any
329 person who redeems a winning lottery ticket, claims or is paid a
330 winning wager from online sports wagering or retail sports wagering or
331 is paid a prize from a fantasy contest on the corporation's Internet web
332 site, without the prior written consent of such person.

333 [(e) If a person who redeems a winning lottery ticket requests to be
334 excluded from the list of winners published on the corporation's
335 Internet web site, the corporation shall remove such person's name from
336 such list not later than five days after receiving such request.]

337 Sec. 7. Subsection (f) of section 12-863 of the general statutes is
338 repealed and the following is substituted in lieu thereof (*Effective October*

339 1, 2023):

340 (f) The name and any personally identifying information of a person
341 who is participating or who has participated in the voluntary self-
342 exclusion process established pursuant to subdivision (5) of subsection
343 (c) of this section or established by the Department of Consumer
344 Protection in regulations adopted pursuant to subdivision (4) of section
345 12-865 shall not be deemed public records, as defined in section 1-200,
346 and shall not be available to the public under the provisions of the
347 Freedom of Information Act, as defined in section 1-200, except [:]

348 [(1) The] the Department of Consumer Protection or Connecticut
349 Lottery Corporation may disclose the name and personally identifying
350 information of such person to a master wagering licensee, licensed
351 online gaming operator, licensed online gaming service provider or
352 licensed sports wagering retailer as necessary to achieve the purposes
353 of the voluntary self-exclusion process established pursuant to
354 subdivision (5) of subsection (c) of this section or established by the
355 Department of Consumer Protection in regulations adopted pursuant to
356 subdivision (4) of section 12-865. [; and]

357 [(2) The Connecticut Lottery Corporation may disclose the name and
358 any relevant records of such person, other than records regarding such
359 person's participation in the voluntary self-exclusion process, if such
360 person claims a winning lottery ticket or if such person claims or is paid
361 a winning wager from online sports wagering or retail sports wagering
362 or is paid a prize from a fantasy contest.]

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2023	12-557b
Sec. 2	October 1, 2023	12-569
Sec. 3	October 1, 2023	12-742
Sec. 4	October 1, 2023	12-802a
Sec. 5	October 1, 2023	12-810
Sec. 6	October 1, 2023	12-814

Sec. 7	October 1, 2023	12-863(f)
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Statement of Legislative Commissioners:

Section 7 was added to conform to the changes in section 5.

PS *Joint Favorable Subst.*