



General Assembly

**Substitute Bill No. 5295**

*February Session, 2002*

**AN ACT CONCERNING TAX REBATES FOR LICENSEES  
CONDUCTING JAI ALAI OR DOG RACING EVENTS AND  
CONCERNING GAMES OF CHANCE.**

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

1 Section 1. Subsection (m) of section 12-575 of the general statutes, as  
2 amended by section 87 of public act 01-9 of the June special session, is  
3 repealed and the following is substituted in lieu thereof (*Effective from*  
4 *passage*):

5 (m) (1) The executive director shall pay each municipality in which  
6 a horse race track is located, one-quarter of one per cent of the total  
7 money wagered on horse racing events at such race track, except the  
8 executive director shall pay each such municipality having a  
9 population in excess of fifty thousand one per cent of the total money  
10 wagered at such horse racing events in such municipality. The  
11 executive director shall pay each municipality in which a jai alai  
12 fronton or dog race track is located one-half of one per cent of the total  
13 money wagered on jai alai games or dog racing events at such fronton  
14 or dog race track, except the executive director shall pay each such  
15 municipality having a population in excess of fifty thousand one per  
16 cent of the total money wagered on jai alai games or dog racing events  
17 at such fronton or dog race track located in such municipality. The  
18 executive director shall pay each municipality in which an off-track  
19 betting facility is located one and three-fifths per cent of the total

20 money wagered in such facility less amounts paid as refunds or for  
21 cancellations. The executive director shall pay to both the city of New  
22 Haven and the town of Windsor Locks an additional one-half of one  
23 per cent of the total money wagered less any amount paid as a refund  
24 or a cancellation in any facility equipped with screens for simulcasting  
25 after October 1, 1997, located within a fifteen mile radius of facilities in  
26 New Haven and Windsor Locks. Payment shall be made not less than  
27 four times a year and not more than twelve times a year as determined  
28 by the executive director, and shall be made from the tax imposed  
29 pursuant to subsection (d) of this section for horse racing, subsection  
30 (e) of this section for dog racing, subsection (f) of this section for jai alai  
31 games and subsection (g) of this section for off-track betting. (2) If, for  
32 any calendar year after the surrender of a license to conduct jai alai  
33 events by any person or business organization pursuant to subsection  
34 (c) of section 12-574c and prior to the opening of any dog race track by  
35 such person or business organization, any other person or business  
36 organization licensed to conduct jai alai events is authorized to  
37 conduct a number of performances greater than the number  
38 authorized for such licensee in the previous calendar year, the  
39 executive director shall pay the municipality in which the jai alai  
40 fronton for which such license was surrendered was located, rather  
41 than the municipality in which the jai alai fronton conducting the  
42 increased performances is located, one-half of one per cent of the total  
43 money wagered on jai alai games for such increased performances at  
44 the fronton which conducted the additional performances, except the  
45 executive director shall pay each such municipality having a  
46 population in excess of fifty thousand one per cent of the total money  
47 wagered on jai alai games for such increased performances at such  
48 fronton. (3) During any state fiscal year ending on or after June 30,  
49 1993, the executive director shall pay each municipality in which a dog  
50 race track was operating prior to July 5, 1991, one per cent of the total  
51 money wagered on dog racing events at such dog race track. (4)  
52 During the state fiscal year ending June 30, 2001, each municipality in  
53 which a dog race track was operating prior to July 5, 1991, shall pay  
54 the Northeast Connecticut Economic Alliance, Inc. two-tenths of one

55 per cent of the total money wagered on dog racing events at any dog  
56 race track operating prior to July 5, 1991. [(5) In the event a licensee  
57 incurs a loss from the operation of a pari-mutuel facility, as  
58 determined by the executive director, the legislative body of the city or  
59 town in which such facility is located may direct the executive director  
60 to credit or rebate all or a part of the revenue otherwise due to the  
61 municipality back to the facility. In no case shall such credit and such  
62 reimbursement exceed the amount of the licensee's loss, and in no  
63 fiscal year shall these provisions affect the total fees paid to the state by  
64 the authorized operator of the off-track betting system on its off-track  
65 betting activities.] (5) Notwithstanding the provisions of subsections  
66 (e) to (h), inclusive, of this section, in the event a licensee conducting jai  
67 alai or dog racing events incurs a financial loss from the operation of a  
68 jai alai fronton or dog track, as determined by the executive director,  
69 the legislative body of the city or town in which such facility is located  
70 may direct the executive director to rebate to such licensee all or part  
71 of the revenue otherwise due to the municipality from the taxes  
72 imposed under subsections (e) to (g), inclusive, of this section. In no  
73 case shall such rebate exceed the amount of the loss incurred from the  
74 operation of such jai alai fronton or dog track, as determined by the  
75 executive director.

76 Sec. 2. Subsections (c) to (e), inclusive, of section 7-169h of the  
77 general statutes are repealed and the following is substituted in lieu  
78 thereof (*Effective from passage*):

79 (c) (1) On and after October 1, 1987, the division may issue a permit  
80 to sell sealed tickets to any organization or group specified in  
81 subsection (d) of section 7-169 which holds a bingo permit issued in  
82 accordance with the provisions of section 7-169. Such permit shall be  
83 renewed annually.

84 (2) The division may issue a permit to sell sealed tickets to any  
85 organization or group specified in subsection (d) of section 7-169  
86 which holds a club permit or nonprofit club permit under the  
87 provisions of chapter 545. Such permit shall be renewed annually.

88 (3) The division may issue a permit to sell sealed tickets to any  
89 organization or group specified in section 7-172 which holds a permit  
90 to operate a bazaar, issued in accordance with the provisions of  
91 sections 7-170 to 7-186, inclusive.

92 [(4) The division may issue a permit to sell sealed tickets to any  
93 charitable, civic, educational, fraternal, veterans' or religious  
94 organization, volunteer fire department, grange or political party or  
95 town committee thereof which holds a permit to operate games of  
96 chance, issued in accordance with the provisions of sections 7-186a to  
97 7-186p, inclusive.]

98 (d) Permittees shall purchase sealed tickets from the division at a  
99 cost which is equal to ten per cent of their resale value.

100 (e) Notwithstanding the provisions of subsection (b) of section 53-  
101 278b and subsection (d) of section 53-278c, sealed tickets may be sold,  
102 offered for sale, displayed or open to public view only (1) during the  
103 course of a bingo game conducted in accordance with the provisions of  
104 section 7-169 and only at the location at which such bingo game is  
105 conducted, (2) on the premises of any such organization or group  
106 specified in subdivision (2) of subsection (c) of this section, or (3)  
107 during the conduct of a bazaar under the provisions of sections 7-170  
108 to 7-186, inclusive, [, or (4) during the operation of games of chance  
109 under the provisions of sections 7-186a to 7-186p, inclusive.] Permittees  
110 may utilize a mechanical or electronic ticket dispensing machine  
111 approved by the division to sell sealed tickets. Sealed tickets shall not  
112 be sold to any person less than eighteen years of age. All proceeds  
113 from the sale of tickets shall be used for a charitable purpose, as  
114 defined in section 21a-190a.

115 Sec. 3. Section 53-278a of the general statutes is repealed and the  
116 following is substituted in lieu thereof (*Effective from passage*):

117 As used in sections 53-278a to 53-278g, inclusive:

118 (1) "Gain" means the direct realization of winnings; "profit" means

119 any other realized or unrealized benefit, direct or indirect, including  
120 without limitation benefits from proprietorship, management or  
121 unequal advantage in a series of transactions;

122 (2) "Gambling" means risking any money, credit, deposit or other  
123 thing of value for gain contingent in whole or in part upon lot, chance  
124 or the operation of a gambling device, but does not include: Legal  
125 contests of skill, speed, strength or endurance in which awards are  
126 made only to entrants or the owners of entries; legal business  
127 transactions which are valid under the law of contracts; activity legal  
128 under the provisions of sections 7-169 to [7-186] 7-186, inclusive; any  
129 lottery or contest conducted by or under the authority of any state of  
130 the United States, Commonwealth of Puerto Rico or any possession or  
131 territory of the United States; and other acts or transactions expressly  
132 authorized by law on or after October 1, 1973;

133 (3) "Professional gambling" means accepting or offering to accept,  
134 for profit, money, credits, deposits or other things of value risked in  
135 gambling, or any claim thereon or interest therein. Without limiting  
136 the generality of this definition, the following shall be included: Pool-  
137 selling and bookmaking; maintaining slot machines, one-ball machines  
138 or variants thereof, pinball machines, which award anything other  
139 than an immediate and unrecorded right of replay, roulette wheels,  
140 dice tables, or money or merchandise pushcards, punchboards, jars or  
141 spindles, in any place accessible to the public; and except as provided  
142 in sections 7-169 to [7-186] 7-186, inclusive, conducting lotteries, gift  
143 enterprises, disposal or sale of property by lottery or hazard or policy  
144 or numbers games, or selling chances therein; and the following shall  
145 be presumed to be included: Conducting any banking game played  
146 with cards, dice or counters, or accepting any fixed share of the stakes  
147 therein;

148 (4) "Gambling device" means any device or mechanism by the  
149 operation of which a right to money, credits, deposits or other things  
150 of value may be created, as the result of the operation of an element of  
151 chance; any device or mechanism which, when operated for a

152 consideration, does not return the same value or thing of value for the  
153 same consideration upon each operation thereof; any device,  
154 mechanism, furniture or fixture designed primarily for use in  
155 connection with professional gambling; and any subassembly or  
156 essential part designed or intended for use in connection with any  
157 such device, mechanism, furniture, fixture, construction or installation,  
158 provided an immediate and unrecorded right of replay mechanically  
159 conferred on players of pinball machines and similar amusement  
160 devices shall be presumed to be without value. "Gambling device"  
161 does not include a crane game machine or device or a redemption  
162 machine;

163 (5) "Gambling record" means any record, receipt, ticket, certificate,  
164 token, slip or notation given, made, used or intended to be used in  
165 connection with professional gambling;

166 (6) "Gambling information" means a communication with respect to  
167 any wager made in the course of, and any information intended to be  
168 used for, professional gambling. Information as to wagers, betting  
169 odds or changes in betting odds shall be presumed to be intended for  
170 use in professional gambling;

171 (7) "Gambling premise" means any building, room, enclosure,  
172 vehicle, vessel or other place, whether open or enclosed, used or  
173 intended to be used for professional gambling. Any place where a  
174 gambling device is found shall be presumed to be intended to be used  
175 for professional gambling, except a place wherein a bazaar or raffle for  
176 which a permit has been issued under sections 7-170 to 7-186,  
177 inclusive, or bingo for which a permit has been issued under section 7-  
178 169 [or games of chance for which a permit has been issued under  
179 sections 7-186a to 7-186l, inclusive,] is to be conducted;

180 (8) "Person" includes natural persons, partnerships, limited liability  
181 companies and associations of persons, and corporations; and any  
182 corporate officer, director or stockholder who authorizes, participates  
183 in or knowingly accepts benefits from any violation of sections 53-278a

184 to 53-278g, inclusive, committed by his corporation;

185 (9) "Peace officer" means a municipal or state police officer or chief  
186 inspector or inspector in the Division of Criminal Justice or state  
187 marshal while exercising authority granted under any provision of the  
188 general statutes or judicial marshal in the performance of the duties of  
189 a judicial marshal;

190 (10) "Court" means the Superior Court;

191 (11) "Crane game machine or device" means a machine or device (A)  
192 that is designed and manufactured only for bona fide amusement  
193 purposes and involves at least some skill in its operation, (B) that  
194 rewards a winning player exclusively with merchandise contained  
195 within the machine or device and such merchandise is limited to  
196 noncash prizes, toys or novelties each of which has a wholesale value  
197 not exceeding ten dollars or ten times the cost of playing the machine  
198 or device, whichever is less, (C) the player of which is able to control  
199 the timing of the use of the claw or grasping device to attempt to pick  
200 up or grasp a prize, toy or novelty, (D) the player of which is made  
201 aware of any time restrictions that the machine or device imposes on  
202 the player to maneuver the claw or grasping device into a position to  
203 attempt to pick up or grasp a prize, toy or novelty, and (E) the claw or  
204 grasping device of which is not of a size, design or shape that prohibits  
205 the picking up or grasping of a prize, toy or novelty contained within  
206 the machine or device;

207 (12) "Redemption machine" means an amusement device operated  
208 by one or more players that involves a game the object of which is  
209 throwing, rolling, bowling, shooting, placing or propelling a ball or  
210 other object into, upon or against a hole or other target and that  
211 rewards the player or players with tickets, tokens or other noncash  
212 representations of value redeemable for merchandise prizes, provided  
213 (A) the outcome of the game is predominantly determined by the skill  
214 of the player, (B) the award of tickets, tokens or other noncash  
215 representations of value is based solely on the player's achieving the

216 object of the game or on the player's score, (C) only merchandise prizes  
 217 are awarded, (D) the average wholesale value of the prizes awarded in  
 218 lieu of tickets or tokens for a single play of the machine does not  
 219 exceed ten dollars or ten times the cost of a single play of the machine,  
 220 whichever is less, and (E) the redemption value of each ticket, token or  
 221 other noncash representation of value that may be accumulated by a  
 222 player or players to redeem prizes of greater value does not exceed the  
 223 cost of a single play of the machine.

224 Sec. 4. Subsection (d) of section 53-278c of the general statutes is  
 225 repealed and the following is substituted in lieu thereof (*Effective from*  
 226 *passage*):

227 (d) Except as provided in subsection (e) of this section, any person  
 228 who knowingly owns, manufactures, possesses, buys, sells, rents,  
 229 leases, stores, repairs or transports any gambling device, or offers or  
 230 solicits any interest therein, except in connection with a permit under  
 231 sections 7-169 to [7-186] 7-186, inclusive, whether through an agent or  
 232 employee or otherwise shall be guilty of a class A misdemeanor.  
 233 Subsection (b) of this section shall have no application in the  
 234 enforcement of this subsection.

235 Sec. 5. (*Effective from passage*) Sections 7-186a to 7-186q, inclusive, of  
 236 the general statutes are repealed.

This act shall take effect as follows:	
Section 1	<i>from passage</i>
Sec. 2	<i>from passage</i>
Sec. 3	<i>from passage</i>
Sec. 4	<i>from passage</i>
Sec. 5	<i>from passage</i>

**PD**            *Joint Favorable Subst.*