



General Assembly

Amendment

February Session, 2004

LCO No. 4051

SB0006304051HDO

Offered by:

REP. DARGAN, 115th Dist.

REP. STONE, 134th Dist.

To: Senate Bill No. 63

File No. 74

Cal. No. 432

"AN ACT CONCERNING THE GAMING POLICY BOARD."

1 After the last section, add the following and renumber sections and
2 internal references accordingly:

3 "Sec. 501. Section 12-815a of the general statutes is repealed and the
4 following is substituted in lieu thereof (*Effective from passage*):

5 [The executive director of the Division of Special Revenue shall
6 require the person or business organization awarded the primary
7 contract by the Connecticut Lottery Corporation to provide facilities,
8 components, goods or services which are necessary for the operation of
9 the activities of said corporation to submit to state and national
10 criminal history records checks. No such person or business
11 organization may provide such facilities, components, goods or
12 services unless such person or business organization submits to a state
13 police background investigation in accordance with subsection (i) of
14 section 12-574 or is issued a vendor license by the executive director of
15 the Division of Special Revenue. The criminal history records checks

16 required pursuant to this section shall be conducted in accordance
17 with section 29-17a.]

18 (a) The executive director of the Division of Special Revenue shall
19 issue vendor, affiliate and occupational licenses in accordance with the
20 provisions of this section.

21 (b) No person or business organization awarded a primary contract
22 by the Connecticut Lottery Corporation to provide facilities,
23 components, goods or services that are necessary for and directly
24 related to the secure operation of the activities of said corporation shall
25 do so unless such person or business organization is issued a vendor
26 license by the executive director of the Division of Special Revenue.
27 For the purposes of this subsection, "primary contract" means a
28 contract to provide facilities, components, goods or services to said
29 corporation by a person or business organization (1) that provides any
30 lottery game or any online wagering system related facilities,
31 components, goods or services and that receives or, in the exercise of
32 reasonable business judgment, can be expected to receive more than
33 seventy-five thousand dollars or twenty-five per cent of its gross
34 annual sales from said corporation, or (2) that has access to the
35 facilities of said corporation and provides services in such facilities
36 without supervision by said corporation. Each applicant for a vendor
37 license shall pay a nonrefundable application fee of two hundred
38 dollars.

39 (c) No person or business organization, other than a shareholder in
40 a publicly traded corporation, may be a subcontractor for the provision
41 of facilities, components, goods or services that are necessary for and
42 directly related to the secure operation of the activities of the
43 Connecticut Lottery Corporation, or may exercise control in or over a
44 vendor licensee unless such person or business organization is licensed
45 as an affiliate licensee by the executive director. Each applicant for an
46 affiliate license shall pay a nonrefundable application fee of two
47 hundred dollars.

48 (d) (1) Each employee of a vendor or affiliate licensee who has
49 access to the facilities of the Connecticut Lottery Corporation and
50 provides services in such facilities without supervision by said
51 corporation or performs duties directly related to the activities of said
52 corporation shall obtain an occupational license.

53 (2) Each officer, director, partner, trustee or owner of a business
54 organization licensed as a vendor or affiliate licensee and any
55 shareholder, executive, agent or other person connected with any
56 vendor or affiliate licensee who, in the judgment of the executive
57 director, will exercise control in or over any such licensee shall obtain
58 an occupational license.

59 (3) Each employee of the Connecticut Lottery Corporation shall
60 obtain an occupational license.

61 (e) The executive director shall issue occupational licenses in the
62 following classes: (1) Class I for persons specified in subdivision (1) of
63 subsection (d) of this section; (2) Class II for persons specified in
64 subdivision (2) of subsection (d) of this section; (3) Class III for persons
65 specified in subdivision (3) of subsection (d) of this section who, in the
66 judgment of the executive director, will not exercise authority over or
67 direct the management and policies of the Connecticut Lottery
68 Corporation; and (4) Class IV for persons specified in subdivision (3) of
69 subsection (d) of this section who, in the judgment of the executive
70 director, will exercise authority over or direct the management and
71 policies of the Connecticut Lottery Corporation. Each applicant for a
72 Class I or III occupational license shall pay a nonrefundable
73 application fee of ten dollars. Each applicant for a Class II or IV
74 occupational license shall pay a nonrefundable application fee of fifty
75 dollars. The nonrefundable application fee shall accompany the
76 application for each such occupational license.

77 (f) In determining whether to grant a vendor, affiliate or
78 occupational license to any such person or business organization, the
79 executive director may require an applicant to provide information as

80 to such applicant's: (1) Financial standing and credit; (2) moral
81 character; (3) criminal record, if any; (4) previous employment; (5)
82 corporate, partnership or association affiliations; (6) ownership of
83 personal assets; and (7) such other information as the executive
84 director deems pertinent to the issuance of such license, provided the
85 submission of such other information will assure the integrity of the
86 state lottery. The executive director shall require each applicant for a
87 vendor, affiliate or occupational license to submit to state and national
88 criminal history records checks and may require each such applicant to
89 submit to an international criminal history records check before such
90 license is issued. The state and national criminal history records checks
91 required pursuant to this subsection shall be conducted in accordance
92 with section 29-17a. The executive director shall issue a vendor,
93 affiliate or occupational license, as the case may be, to each applicant
94 who satisfies the requirements of this subsection and who is deemed
95 qualified by the executive director. The executive director may reject
96 for good cause an application for a vendor, affiliate or occupational
97 license.

98 (g) Each vendor, affiliate or Class I or II occupational license shall be
99 effective for not more than one year from the date of issuance. Each
100 Class III or IV occupational license shall remain in effect throughout
101 the term of employment of any such employee holding such a license.
102 The executive director may require each employee issued a Class IV
103 occupational license to submit information as to such employee's
104 financial standing and credit annually. Initial application for and
105 renewal of any such license shall be in such form and manner as the
106 executive director shall prescribe.

107 (h) (1) The executive director may suspend or revoke for good cause
108 a vendor, affiliate or occupational license after a hearing held before
109 the executive director in accordance with chapter 54. The executive
110 director may order summary suspension of any such license in
111 accordance with subsection (c) of section 4-182.

112 (2) Any such applicant aggrieved by the action of the executive

113 director concerning an application for a license, or any person or
114 business organization whose license is suspended or revoked, may
115 appeal to the Gaming Policy Board not later than fifteen days after
116 such decision. Any person or business organization aggrieved by a
117 decision of the board may appeal pursuant to section 4-183.

118 (3) The executive director may impose a civil penalty on any
119 licensee for a violation of any provision of this chapter or any
120 regulation adopted under section 12-568a in an amount not to exceed
121 two thousand five hundred dollars after a hearing held in accordance
122 with chapter 54.

123 (i) The executive director may require that the books and records of
124 any vendor or affiliate licensee be maintained in any manner which the
125 executive director may deem best, and that any financial or other
126 statements based on such books and records be prepared in
127 accordance with generally accepted accounting principles in such form
128 as the executive director shall prescribe. The executive director or a
129 designee may visit, investigate and place expert accountants and such
130 other persons as deemed necessary in the offices or places of business
131 of any such licensee for the purpose of satisfying himself that such
132 licensee is in compliance with the regulations of the division.

133 (j) For the purposes of this section, (1) "business organization"
134 means a partnership, incorporated or unincorporated association, firm,
135 corporation, trust or other form of business or legal entity; (2) "control"
136 means the power to exercise authority over or direct the management
137 and policies of a licensee; and (3) "person" means any individual.

138 (k) The executive director of the Division of Special Revenue may
139 adopt such regulations, in accordance with chapter 54, as are necessary
140 to implement the provisions of this section.

141 Sec. 502. Section 12-557e of the general statutes is repealed and the
142 following is substituted in lieu thereof (*Effective from passage*):

143 The Gaming Policy Board shall work in cooperation with the

144 Division of Special Revenue to implement and administer the
145 provisions of this chapter and chapter 226b. In carrying out its duties
146 the board shall be responsible for: (1) Approving, suspending or
147 revoking licenses issued under subsection (a) of section 12-574; (2)
148 approving contracts for facilities, goods, components or services
149 necessary to carry out the provisions of section 12-572; (3) setting
150 racing and jai alai meeting dates, except that the board may delegate to
151 the executive director the authority for setting make-up performance
152 dates within the period of a meeting set by the board; (4) imposing
153 fines on licensees under subsection (j) of [said] section 12-574; (5)
154 approving the types of pari-mutuel betting to be permitted; (6)
155 advising the executive director concerning the conduct of off-track
156 betting facilities; (7) assisting the executive director in developing
157 regulations to carry out the provisions of this chapter and chapter 226b
158 and approving such regulations prior to their adoption; (8) hearing all
159 appeals taken under subsection (j) of [said] section 12-574 and section
160 [12-802b] 12-815a, as amended by this act; and (9) advising the
161 Governor on state-wide plans and goals for legalized gambling.

162 Sec. 503. Section 12-806a of the general statutes is repealed and the
163 following is substituted in lieu thereof (*Effective from passage*):

164 As used in this section, "procedure" shall have the same meaning as
165 "procedure", as defined in subdivision (2) of section 1-120. The
166 Division of Special Revenue shall, for the purposes of sections 12-557e
167 and 12-568a, subsection (d) of section 12-574 and sections 12-802a, [12-
168 802b,] 12-815a, as amended by this act, and this section, [and section
169 12-815a,] regulate the activities of the Connecticut Lottery Corporation
170 to assure the integrity of the state lottery. In addition to the
171 requirements of the provisions of chapter 12 and notwithstanding the
172 provisions of section 12-806, the Connecticut Lottery Corporation shall,
173 prior to implementing any procedure designed to assure the integrity
174 of the state lottery, obtain the written approval of the executive
175 director of the Division of Special Revenue in accordance with
176 regulations adopted under section 12-568a.

177 Sec. 504. (*Effective from passage*) Section 12-802b of the general
178 statutes is repealed."