



House of Representatives

File No. 754

General Assembly

January Session, 2007

(Reprint of File No. 428)

Substitute House Bill No. 7043
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
May 4, 2007

AN ACT CONCERNING OFF-TRACK BETTING BRANCH FACILITIES.

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

1 Section 1. Section 12-571a of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) The Division of Special Revenue and the Gaming Policy Board
4 shall not operate or authorize the operation of more than eighteen off-
5 track betting branch facilities, except that the division and the board
6 may operate or authorize the operation of any off-track betting facility
7 approved prior to December 31, 1986, by the legislative body of a
8 municipality in accordance with subsection (a) of section 12-572. Any
9 facility approved prior to December 31, 1986, shall be included within
10 the eighteen branch facilities authorized by this subsection.

11 (b) The eighteen off-track betting branch facilities authorized by
12 subsection (a) of this section may [include eight facilities which] have
13 screens for the simulcasting of off-track betting race programs or jai
14 alai games and other amenities including, but not limited to,
15 restaurants and concessions, provided, on and after June 19, 1992,

16 [four] three of such facilities shall be located in the town and city of
17 New Haven, the town of Windsor Locks [, within the dog race track in
18 the town of Plainfield and within the fronton or dog race track] and in
19 the town and city of Bridgeport. [Authority to simulcast does not
20 include any branch facility located within a zone of protection
21 negotiated between the operator of the off-track betting system and
22 any other pari-mutuel betting facility. Each such facility located within
23 a fronton or a dog race track shall be operated by the licensee
24 authorized to operate the off-track betting system in conjunction with
25 the licensee of such fronton or dog race track and all such facilities
26 within a fronton or a dog race track shall be operated in substantially
27 the same manner.] The location of each such facility shall be approved
28 by the executive director with the consent of the Gaming Policy Board
29 and shall be subject to the prior approval of the legislative body of the
30 town in which such facility is proposed to be located. The division
31 shall report annually to the joint standing committee of the General
32 Assembly having cognizance of matters relating to legalized gambling
33 on the status of the establishment or improvement of the off-track
34 betting branch facility pursuant to this subsection.

35 [(c) If an operator of an off-track betting facility equipped with
36 screens for simulcasting intends to simulcast at such facility dog racing
37 events or jai alai games, such operator (1) shall simulcast dog racing
38 events or jai alai games conducted by any association licensee which
39 offers such racing events or games for simulcasting provided such
40 operator obtains the written consent of such licensee and any other
41 licensee authorized to conduct the same activity located within forty
42 miles of such facility and (2) may simulcast out-of-state dog racing
43 events or jai alai games when no such association licensee is
44 conducting such racing events or games provided such operator has
45 complied with the provisions of subdivision (1) of this subsection.]

46 [(d) The division and board or a licensee authorized to operate the
47 off-track betting system may operate any off-track betting branch office
48 facilities not operated in the manner of the facilities operated under
49 subsection (b) of this section as facilities which have monitors for off-

- 50 track betting information, bench seating and adequate public rest room
- 51 facilities for patrons.]

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	12-571a

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 08 \$	FY 09 \$
Department of Revenue Services	GF - Revenue Gain	94,000	125,000

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 08 \$	FY 09 \$
Various Municipalities	Revenue Gain	75,000	100,000

Explanation

The bill as amended expands the number of off-track betting (OTB) facilities that may operate simulcasting facilities from 8 to 18¹. This is anticipated to increase the amount wagered at the facilities that are not currently authorized to simulcast OTB programs, which will result in a revenue gain to the state and certain municipalities that host OTB facilities. The state is expected to realize a revenue gain of approximately \$94,000 in FY 08 and \$125,000 in FY 09 and a gain to certain municipalities of approximately \$75,000 in FY 08 and \$100,000 in FY 09.

The licensee of the off-track betting system is required to pay to the state 3.5% of the total money wagered, of which the state retains 1.9% and shares 1.6% to the host municipalities.

House "A" is not anticipated to have a fiscal impact because there are no Jai Alai facilities currently operating in Connecticut.

¹ Currently there are 10 facilities operating statewide and six of these provide live television coverage of OTB programs.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sHB 7043 (as amended by House "A") *****AN ACT CONCERNING OFF-TRACK BETTING BRANCH FACILITIES.****SUMMARY:**

This bill expands the number of off-track betting (OTB) facilities that may operate as simulcasting facilities from eight to 18 (all of the currently authorized facilities). By law, simulcasting facilities are OTB facilities that provide live television coverage of OTB programs and jai alai games and have restaurants, concessions, and other amenities. Other OTB facilities have bench seating, public restrooms for patrons, and monitors for OTB information.

Current law specifies the location of four of the eight authorized simulcasting facilities as follows: New Haven, Windsor Locks, Plainfield dog track (which is closed), and Bridgeport dog track or fronton (which is closed). The bill specifies three locations, eliminating the Plainfield location. It also eliminates the requirement that the Bridgeport facility be located within the Bridgeport jai alai fronton or dog track, thereby allowing it to be located anywhere in Bridgeport.

The bill also eliminates the zone of protection that, among other things, restricts simulcasting by facilities within certain distances of other OTB or other pari-mutuel facilities.

*House Amendment "A" restores the facilities' authority under current law to simulcast jai alai and changes the effective date to upon passage from October 1, 2007.

EFFECTIVE DATE: Upon passage

ZONE OF PROTECTION

Current law prohibits any simulcasting facility from operating as such within a zone of protection negotiated between the OTB system operator and any parimutuel facility. Such facilities located within a fronton or dog track must be operated (1) by the OTB system operator in conjunction with the fronton or dog track licensee and (2) in essentially the same way.

Under current law, any operator planning to simulcast dog racing or jai alai events (1) must choose events conducted by a Connecticut licensee offering such events, provided the operator obtains written consent from the licensee and any other licensee authorized to conduct the same activity within a 40-mile radius, and (2) may simulcast racing or jai alai when the state licensee is not conducting them, with the pertinent licensees' written consent.

The bill eliminates these zone of protection provisions to reflect the fact that the OTB system is owned by one entity (Autotote Enterprises, Inc.) and the dog track and fronton operations are closed.

BACKGROUND

The OTB System

The law authorizes up to 18 OTB facilities. Up to eight of them may televise live OTB programs or jai alai and have amenities such as restaurants and concessions, including four which must be located as follows: the Bridgeport dog track, New Haven, Plainfield dog track, and Windsor Locks. The other facilities have monitors for OTB information, bench seating, and public restrooms.

By law, the location of any OTB facility must be approved by the Division of Special Revenue (DSR) and the legislative body of the town in which the facility will be located.

Currently 10 of the 18 authorized facilities OTB facilities are operating, including six simulcasting facilities. They are located as follows:

1. Windsor Locks (Bradley), *
2. Bristol,*
3. Bridgeport,*
4. East Haven,
5. Hartford,*
6. New Britain,*
7. Norwalk,
8. New Haven*
9. Torrington, and
10. Waterbury.

(*simulcasting facilities)

The OTB system also includes a telephone wagering operation. Autotote Enterprises, Inc. has owned and operated the system since 1993, when it bought it from the Division of Special Revenue.

Legislative History

The House reported the bill (File 428) to the Finance, Revenue and Bonding Committee, which reported it favorably without change.

COMMITTEE ACTION

Public Safety and Security Committee

Joint Favorable Substitute Change of Reference
Yea 21 Nay 2 (03/06/2007)

Planning and Development Committee

Joint Favorable
Yea 19 Nay 0 (03/23/2007)

Finance, Revenue and Bonding Committee

Joint Favorable

Yea 40 Nay 13 (05/01/2007)