

TESTIMONY PRESENTED TO THE COMMITTEE ON PUBLIC SAFETY
February 24, 2009

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Secretary
Office of Policy and Management

Senate Bill 938

**AN ACT CONCERNING AN ASSESSMENT FOR REGULATORY OVERSIGHT OF THE
CONNECTICUT LOTTERY CORPORATION**

Thank you for the opportunity to submit written testimony in support of Senate Bill 938, An Act Concerning An Assessment for Regulatory Oversight of the Connecticut Lottery Corporation. This bill makes a technical change to the method by which the Division of Special Revenue is reimbursed for its regulatory oversight of the Connecticut Lottery Corporation and makes the practice consistent with assessments by the Office of Policy and Management of other major gaming industries for the Division of Special Revenue.

Currently the Division of Special Revenue bills the Connecticut Lottery Corporation on a monthly basis for its regulatory activities by providing detailed expenditure reports and other documentation. Upon review of the documentation, the Lottery will pay the Division for their costs. Thus there is a direct financial transaction between the Regulator and Regulated agency.

This bill changes the method to conform to that of the other two major gaming industries which reimburse the State for its oversight of their industry. Based upon the budgeted annual cost of for the division associated the oversight of the Lottery, the Office of Policy and Management will assess the Lottery the cost for the coming year and the Lottery will pay that assessment to the Office of Policy and Management on a quarterly basis. These payments will be deposited into the General Fund. OPM will assure that a corresponding amount is built into the budget for the Division of Special Revenue and is proposed for appropriation in the annual budget process.

The Office of Policy and Management reviewed this bill with the Connecticut Lottery Corporation and the Division of Special Revenue and both agencies supported this change in reimbursement procedures. We believe this will promote a more transparent process for the public and a more arms-length regulatory situation for the two agencies.