
OLR Bill Analysis

sSB 80

AN ACT PROHIBITING INTERNET SWEEPSTAKES CAFES.

SUMMARY:

This bill makes it a class A misdemeanor to conduct or promote a sweepstakes or promotional drawing that (1) is not related to the bona fide sale of goods, services, or property or (2) uses a simulated gambling device. Such operations are often referred to as "Internet sweepstakes cafes" (see BACKGROUND). A class A misdemeanor is punishable by up to one year's imprisonment, up to a \$2,000 fine, or both.

Under the bill, a "simulated gambling device" is any mechanically, electrically, or electronically operated machine, network, system, or device that is (1) intended to be used by an entrant to a sweepstakes or a promotional drawing and (2) capable of displaying a simulated gambling display on a screen or mechanism. A "simulated gambling display" is visual or aural information that takes the form of actual or simulated gambling or gaming play, including a video game version of (1) poker or other playing card game; (2) a slot machine or other games based on or involving the random matching of different pictures, words, numbers, or symbols; (3) bingo; (4) craps; (5) keno; or (6) lotto.

The bill makes any simulated gambling device used in, or premises used for, an illegal sweepstakes or a promotional drawing a "common nuisance." This designation allows municipalities to seek injunctive relief requiring the property's owner to act against the people causing the nuisance. The bill allows a peace officer to seize such a device upon detection and subjects the people affiliated with the premises to the penalties under the existing gambling premises law (see BACKGROUND).

The bill also (1) modifies the definitions of sweepstakes, promoters,

and sponsors to, among other things, include promotional drawings and (2) makes minor, technical, and conforming changes.

EFFECTIVE DATE: July 1, 2014

SWEEPSTAKES AND PROMOTIONAL DRAWINGS

Under current law, “sweepstakes” are legal contests or games where a prize is distributed by lot or chance. The bill (1) expands sweepstakes to also include competitions, schemes, or plans and (2) requires sweepstakes to be conducted by a sponsor or promoter only for advertising or promotional purposes related to the sale of goods, services, or property. By law and unchanged by the bill, a person does not need a permit or license to operate a sweepstakes within the state.

The bill also makes conforming changes to the definitions of “promoter,” “sponsor,” and “prize” to include promotional drawings and requires that they promote and advertise property.

BACKGROUND

Internet Sweepstakes Cafes

Internet sweepstakes cafes are storefronts that sell products (e.g., phone cards or Internet time) that provide entries into a sweepstakes game that may yield cash prizes. After customers buy the product, they are given a specified amount of entries in the sweepstakes. Customers can determine if they won all at once or by playing a slot-like program. If they have a positive balance, they can redeem the entries for cash.

Gambling Premises Penalties

If a premises is deemed a gambling premises, any associated license, permit, or certificate is voided. If the owner, lessee, agent, employee, operator, or occupant knowingly maintains, aids, or permits the gambling premises, he or she is guilty of a class A misdemeanor. If he or she does so with any (1) locked, barricaded, or camouflaged place, (2) electrical or mechanical alarm or warning system, or (3) lookout, he or she is guilty of a class D felony, punishable by up to five years imprisonment, up to a \$5,000 fine, or both (CGS § 53-278e).

COMMITTEE ACTION

Public Safety and Security Committee

Joint Favorable Change of Reference

Yea 24 Nay 0 (03/11/2014)

Judiciary Committee

Joint Favorable

Yea 40 Nay 0 (04/02/2014)