

sHB 7239: An Act Concerning a Request for Proposals to Qualify an Entity to Develop a Casino Gaming Facility in the State

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Issue

Analyze sHB 7239: An Act Concerning a Request for Proposals to Qualify an Entity to Develop a Casino Gaming Facility in the State, which was reported favorably by the Public Safety and Security Committee on March 15, 2017.

Summary

This bill creates a process for the possible establishment of an off-reservation casino gaming facility in the state. It specifically prohibits establishing such a facility in the state until the General Assembly has enacted legislation to provide for the operation of, and participation in, a casino gaming facility and such legislation has taken effect.

The bill requires, by January 1, 2018, the Department of Consumer Protection (DCP) and Department of Economic and Community Development (DECD) commissioners to jointly develop and issue a request for proposals (RFP) to qualify any person, business, or Indian tribe to develop, manage, and operate a possible Connecticut casino gaming facility.

Under the bill, the response must be accompanied by a \$5 million refundable fee. The RFP must require responders to, among other things:

1. submit a development agreement with a host municipality that was approved by referendum and agree to annually pay the municipality \$8 million when the proposed facility is operational;
2. (a) agree to make a capital investment of at least \$300 million and (b) demonstrate their ability to pay at least \$250 million for a 10-year license;
3. agree to pay the state at least (a) 35% of the facility's gross gaming revenue from video slot machines and (b) 10% of the gross gaming revenue from all other games;
4. provide an outline on the benefits of the proposed facility and a plan on how to attract residents and tourists to the facility; and
5. estimate the number of employees to be employed at the facility.

This bill is effective upon passage.

RFP

The bill requires the commissioners to develop a selection criteria to evaluate responses to the RFP and allows them to qualify one person, business organization, or Indian tribe that submits a response.

Application Fee

Under the bill, the response to the RFP must be accompanied by a \$5 million fee, which must be refunded if the commissioners do not choose the responder or if the General Assembly does not authorize a casino to operate within the state. The commissioners must waive the fee for any response the Mashantucket Pequot or Mohegan tribes submit.

Requirements

Under the bill, the RFPs must require a responder to:

1. provide (a) an outline of the significant benefits that the proposed facility will bring to the host municipality, the surrounding municipalities, and the state and (b) a plan to attract both residents and tourists to the proposed facility;
2. submit a development agreement for establishing the proposed facility, entered into by the responder and the host municipality, that was approved through a municipal referendum, and requires an annual payment to the municipality of at least eight million dollars if the casino becomes operational;

3. submit a market analysis detailing the benefits of the proposed facility;
4. agree to make a capital investment of at least \$300 million in the proposed facility;
5. provide information and documentation to demonstrate that the responder has sufficient business ability and experience and financial stability to establish and maintain the proposed facility;
6. submit the designs for the proposed facility and a timeline for its construction;
7. estimate the number of employees to be employed at the facility, including information on the employee's pay rate and benefits;
8. indicate whether the responder has a contract with organized labor and if organized labor supports the responder's response;
9. describe a process to maximize the use of small business enterprises, particularly those owned and operated by minorities and other socially or economically disadvantaged individuals in Connecticut;
10. submit a plan to mitigate the potential negative public health consequences associated with gambling and operating a proposed facility;
11. provide a plan to protect Connecticut off-track betting facilities from any adverse impacts because of the proposed casino operations;
12. describe the type and number of games to be conducted at the proposed facility;
13. demonstrate the responder's ability to pay a licensing fee of at least \$250 million for a possible license to operate a Connecticut casino gaming facility for 10 years;
14. agree to pay the state a minimum of (a) 35% of the gross gaming revenue from video slot machines and (b) 10% of the gross gaming revenue from all other games; and
15. provide other information the commissioners may deem necessary.

Legislative Report

The bill requires the commissioners to submit a report to the Commerce and Public Safety and Security committees that (1) describes and summarizes the RFPs, responses received, and selection criteria and (2) demonstrates that the qualified person, business organization, or Indian tribe meets the selection criteria.

Additional Information:

Issue Brief: Frequently Asked Questions on Indian Casinos and Gaming Compacts ([2017-R-0064](#))

Attorney General Formal Opinion ([2017-02](#))

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