



General Assembly

February Session, 2018

Raised Bill No. 540

LCO No. 3232



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:
(FIN)

AN ACT AUTHORIZING SPORTS WAGERING AND ONLINE LOTTERY DRAW GAMES IN THE STATE.

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

1 Section 1. (NEW) (*Effective July 1, 2018*) (a) As used in this section,
2 unless the context otherwise requires:

3 (1) "Gaming entity" means a casino gaming facility in the state, the
4 Connecticut Lottery Corporation established pursuant to section 12-
5 802 of the general statutes, a race track in the state at which racing
6 events are licensed to be conducted, a fronton in the state at which the
7 game of jai alai is licensed to be played, an off-track betting facility in
8 the state operated by the Department of Consumer Protection or by a
9 licensee authorized to operate the off-track betting system or any other
10 individual, entity or facility residing or located in the state and
11 licensed by the department to offer wagering;

12 (2) "Interactive sports wagering platform" or "platform" means an
13 individual or entity that offers sports wagering over the Internet,

14 including through an Internet web site or a mobile device, on behalf of
15 a gaming entity;

16 (3) "Official league data" means statistics, results, outcomes and
17 other data relating to a sporting event, obtained from the relevant
18 sports governing body or an entity expressly authorized by such sports
19 governing body to provide such statistics, results, outcomes and other
20 data to a sports wagering operator;

21 (4) "Sports governing body" means the organization that prescribes
22 final rules and enforces codes of conduct with respect to a sporting
23 event and participants therein;

24 (5) "Sports wagering" means accepting wagers on (A) a sporting
25 event or a portion or portions of a sporting event, or (B) the individual
26 performance statistics of an athlete or athletes in a sporting event or a
27 combination of sporting events, by any system or method of wagering,
28 including, but not limited to, in-person or over the Internet through an
29 Internet web site or a mobile device. "Sports wagering" includes, but is
30 not limited to, single-game bets, teaser bets, parlays, over-under bets,
31 moneyline, pools, exchange wagering, in-game wagering, in-play bets,
32 proposition bets and straight bets;

33 (6) "Sports wagering operator" or "operator" means a gaming entity
34 that offers sports wagering or an interactive sports wagering platform;

35 (7) "Sports wagering gross revenue" means (A) the amount equal to
36 the total amount of all wagers placed on sporting events not excluded
37 from sports wagering that a sports wagering operator collects from all
38 bettors, less the total amount of all sums paid out as winnings to
39 bettors, except that the cash equivalent value of any merchandise or
40 thing of value awarded as a prize shall not be included in the sums
41 paid out as winnings, or (B) in the case of exchange wagering, the
42 amount equal to the total amount of commissions retained by an
43 operator on winning sports wagers placed by bettors;

44 (8) "Tier one sports wager" means a sports wager that is determined
45 solely by the final score or final outcome of a sporting event and is
46 placed before the sporting event has begun;

47 (9) "Tier two sports wager" means a sports wager that is not a tier
48 one sports wager;

49 (10) "Wager" or "bet" means the staking or risking by an individual
50 of anything of value, upon the agreement or understanding that such
51 individual or another individual will receive something of value in the
52 event of a specific outcome. "Wager" or "bet" does not include (A) any
53 activity governed by federal or state securities laws, (B) any indemnity
54 or guaranty contract, (C) any insurance contract, or (D) participation in
55 any game or contest in which (i) the participants do not stake or risk
56 anything of value other than the personal efforts of such participants in
57 playing the game or contest or obtaining access to the Internet, or (ii)
58 the sponsor of the game or contest provides points or credits to the
59 participants free of charge and such points or credits may only be used
60 or redeemed for games or contests offered by the sponsor.

61 (b) (1) Sports wagering may not be offered in the state except by a
62 gaming entity and may only be offered to the extent permitted under
63 federal law.

64 (2) A gaming entity may offer sports wagering (A) in person at a
65 facility described in subdivision (1) of subsection (a) of this section,
66 and (B) via an interactive sports wagering platform to individuals
67 physically located in the state. A gaming entity may establish its own
68 platform or may contract with a platform to administer sports
69 wagering over the Internet on such gaming entity's behalf.

70 (c) (1) Each interactive sports wagering platform shall be licensed by
71 the Department of Consumer Protection. Each applicant shall submit
72 an application to the department, in a form and manner prescribed by
73 the department, with an application fee of ten thousand dollars. Such
74 license shall be renewable annually. The renewal fee shall be five

75 thousand dollars. The commissioner may deny, nonrenew, suspend or
76 revoke such license for cause after issuing a written decision to the
77 applicant or licensee setting forth the basis for such denial,
78 nonrenewal, suspension or revocation. Any applicant or licensee
79 aggrieved by the action of the commissioner concerning a denial,
80 nonrenewal, suspension or revocation of a license may appeal in
81 accordance with the provisions of chapter 54 of the general statutes.

82 (2) Any proprietary, financial or personal information or trade
83 secrets included in a platform license application or in any documents,
84 reports and data submitted by an interactive sports wagering platform
85 to the department shall not be disclosed pursuant to subsection (a) of
86 section 1-210 of the general statutes unless disclosure is required by a
87 court order.

88 (3) An interactive sports wagering platform may enter into
89 agreements to offer sports wagering on behalf of one or more gaming
90 entities, provided such agreements shall not be a prerequisite for the
91 obtaining of a platform license.

92 (d) Each sports wagering operator shall:

93 (1) Require (A) each applicant for employment to submit to
94 comprehensive background checks, including state and national
95 criminal history records checks, and (B) each current employee to
96 submit to such background checks annually. No operator may employ
97 an individual who has been convicted of any crime involving
98 corruption, manipulation of any sporting event or any association with
99 organized crime;

100 (2) Verify that an individual placing a wager pursuant to this section
101 is at least twenty-one years of age. Any individual may restrict himself
102 or herself from placing wagers with an operator, including imposing
103 wager limits, and any operator that has been notified by such
104 individual of such restriction or limit shall take reasonable steps to
105 prevent such individual from exceeding such restriction or limit;

106 (3) (A) Use whatever data source such operator deems appropriate
107 to determine the result of any tier one wager, and (B) use only official
108 sports governing body data to determine the result of any tier two
109 wager, if the relevant sports governing body possesses a feed of official
110 league data and makes such feed available for purchase by the
111 operator on commercially reasonable terms;

112 (4) Maintain records of all bets and wagers placed, including
113 personally identifiable information of the bettor, the amount and type
114 of bet, the time the bet was placed, the location of the bet, including
115 any assigned Internet protocol address, the outcome of the bet, records
116 of abnormal betting activity and, in the case of in-person wagers, video
117 camera recordings, for at least three years after the sporting event
118 occurs. Each operator shall make such records and recordings
119 available for inspection upon request of the Commissioner of
120 Consumer Protection or as required by a court order;

121 (5) Maintain the security of wagering data, customer data and other
122 confidential information to prevent unauthorized access and
123 dissemination. Nothing in this subdivision shall preclude the use of
124 any Internet-based hosting of such data or information or the
125 disclosure of such data or information pursuant to a court order; and

126 (6) Maintain the confidentiality of information provided by a sports
127 governing body to such operator, unless disclosure is required
128 pursuant to a court order.

129 (e) Any advertisement for sports wagering shall:

130 (1) Ensure that such advertisement does not target minors or other
131 individuals or demographics who are ineligible to place wagers,
132 problem gamblers or other vulnerable individuals. The Commissioner
133 of Consumer Protection may adopt regulations in accordance with the
134 provisions of chapter 54 of the general statutes to specify the form,
135 quantity or frequency, timing and location of such advertisement;

136 (2) Disclose in such advertisement the identity of the sports
137 wagering operator;

138 (3) Include information about or Internet web site links to resources
139 related to gambling addiction; and

140 (4) Not be false, misleading or deceptive to a reasonable consumer.

141 (f) (1) No individual who is a sports wagering operator or is an
142 officer, director, owner or employee of a sports wagering operator, and
143 no family member of such individual who resides in the same
144 household as such individual, shall place any wager with such
145 operator.

146 (2) No athlete, coach, referee, team owner or employee of a sports
147 governing body or such governing body's member teams, and no
148 personnel of any bargaining unit of such governing body's athletes or
149 referees, shall place any wager on any sporting event overseen by such
150 governing body. In determining which individuals are prohibited from
151 placing a wager under this subdivision, a sports wagering operator
152 shall use publicly available information and any lists provided by the
153 relevant sports governing body to the Department of Consumer
154 Protection.

155 (3) No individual with access to nonpublic, confidential information
156 held by a sports wagering operator concerning a sporting event shall
157 place any wager on such sporting event with any operator.

158 (4) No individual shall place any wager pursuant to this section as
159 an agent or a proxy for another individual.

160 (5) Each sports wagering operator shall take reasonable steps to
161 prevent the conduct described under subdivisions (1) to (4), inclusive,
162 of this subsection and shall immediately notify the Commissioner of
163 Consumer Protection if such operator believes such conduct has
164 occurred.

165 (g) (1) A tax is imposed on sports wagering gross revenue at the rate
166 of fifteen per cent. Each sports wagering operator shall file a return
167 with the Commissioner of Revenue Services, in such form and manner
168 as the commissioner prescribes, not later than thirty days after the end
169 of each calendar quarter and shall remit the tax due under this
170 subdivision with such return.

171 (2) A sports betting right and integrity fee is imposed at the rate of
172 one-quarter of one per cent of all wagers place on sporting events with
173 a sports wagering operator. Each sports wagering operator shall file a
174 return with the Commissioner of Revenue Services, in such form and
175 manner as the commissioner prescribes, not later than thirty days after
176 the end of each calendar quarter and shall remit the tax due under this
177 subdivision with such return. Each operator shall identify in each such
178 return the percentage of wagers during the reporting period that is
179 attributable to each sports governing body's sporting events. The
180 amounts remitted pursuant to this subdivision shall be deposited in
181 the sports betting right and integrity fee account established pursuant
182 to section 2 of this act.

183 (3) (A) Beginning in the second calendar year immediately
184 succeeding the year in which sports wagering is permitted in the state
185 under federal law, a sports governing body may submit, not later than
186 April thirtieth annually, a request to the Commissioner of Revenue
187 Services for a distribution of the fees remitted by operators pursuant to
188 subdivision (2) of this subsection in the previous calendar year, and
189 shall notify the Commissioner of Consumer Protection of the
190 submission of such request. The Commissioner of Revenue Services
191 shall disburse funds to the sports governing body on a pro rata basis of
192 the total amounts reported wagered in the previous calendar year on
193 sporting events. The commissioner shall distribute any unclaimed
194 sports betting right and integrity fees on a pro rata basis to the sports
195 governing body or bodies that submitted eligible and timely
196 distribution requests.

197 (B) The Commissioners of Consumer Protection and Revenue
198 Services shall cooperate with a sports governing body and operators to
199 ensure the timely, efficient and accurate sharing of information with
200 and distribution of the sports betting right and integrity fees to the
201 sports governing body.

202 (C) The Commissioner of Revenue Services shall publish annually a
203 report that states the amount of the fees received from each sports
204 wagering operator pursuant to subdivision (2) of this subsection in the
205 previous calendar year and the amount disbursed to each sports
206 governing body pursuant to subparagraph (A) of this subdivision.

207 (h) (1) Any sports governing body may notify the Commissioner of
208 Consumer Protection that:

209 (1) Real-time information sharing for wagers placed on its sporting
210 event is necessary and desirable. Upon such notification, any sports
211 wagering operators may share in real time, at the account level and in
212 pseudonymous form, the records, other than the video camera
213 recordings, maintained pursuant to subdivision (3) of subsection (d) of
214 this section with the sports governing body or its designee with respect
215 to wagers on its sporting events; and

216 (2) Such governing body desires to restrict, limit or exclude
217 wagering on a sporting event or events by providing notice in such
218 form and manner as the commissioner prescribes. If the commissioner
219 denies such request, the sports governing body may appeal in
220 accordance with the provisions of chapter 54 of the general statutes
221 and no sports wagering operator shall accept wagers on such sporting
222 event or events during the pendency of such appeal. The
223 commissioner may adopt regulations in accordance with the
224 provisions of chapter 54 of the general statutes to specify any sporting
225 event or events that a sports governing body desires to restrict, limit or
226 exclude from wagering on a permanent basis in the state.

227 (i) (1) Each sports wagering operator and the Commissioner of

228 Consumer Protection shall cooperate with an investigation conducted
229 by any sports governing body or law enforcement agency, including,
230 but not limited to, by providing or facilitating the provision of account-
231 level betting information and any audio or video camera recordings
232 relating to individuals placing wagers.

233 (2) Each sports wagering operator shall immediately report to the
234 Commissioner of Consumer Protection any information relating to (A)
235 criminal or disciplinary proceedings commenced against such operator
236 in connection with its operations, (B) abnormal betting activity or
237 patterns that may indicate a concern with the integrity of a sporting
238 event or events, (C) any potential breach of the relevant sports
239 governing body's internal rules or codes of conduct pertaining to
240 sports wagering, (D) any other conduct that corrupts the betting
241 outcome of a sporting event or events for purpose of financial gain,
242 including match-fixing, and (E) suspicious or illegal wagering
243 activities, including the use of funds derived from illegal activity to
244 place a wager, the placing of a wager to conceal funds derived from
245 illegal activity, the use of an agent or a proxy to place a wager or the
246 use of false identification to place a wager.

247 (3) Each sports wagering operator shall also immediately report to
248 the relevant sports governing body any information relating to
249 conduct described under subparagraphs (B) to (D), inclusive, of
250 subdivision (2) of this subsection.

251 (j) Any individual or entity that knowingly violates any provision of
252 this section shall be subject to a civil penalty of not more than five
253 thousand dollars for each violation, not to exceed fifty thousand
254 dollars for multiple violations arising out of the same transaction or
255 occurrence.

256 (k) Any individual or entity that (1) places or causes to be placed a
257 wager on the basis of material, nonpublic information relating to such
258 wager, or (2) knowingly engages in, facilitates or conceals conduct that

259 is intended to influence a betting outcome of a sporting event for
260 purposes of financial gain, in connection with wagering on such
261 sporting event, shall be fined not more than five million dollars or
262 imprisoned not more than ten years, or both. A wager is placed on the
263 basis of material nonpublic information if the individual or entity
264 placing the wager or causing the wager to be placed was aware of such
265 information when such individual or entity placed such wager or
266 caused such wager to be placed. Any individual or entity that is found
267 to have violated subdivision (2) of this subsection shall be liable to the
268 relevant sports governing body and may be sued by such governing
269 body at law or in equity in any court of competent jurisdiction.

270 (l) The Commissioner of Consumer Protection may adopt
271 regulations, in accordance with the provisions of chapter 54 of the
272 general statutes, to implement the provisions of this section.

273 Sec. 2. (NEW) (*Effective July 1, 2018*) On and after the date sports
274 wagering is permitted in the state under federal law, there is
275 established an account to be known as the "sports betting right and
276 integrity fee account" which shall be a separate, nonlapsing account
277 within the General Fund. The account shall contain any moneys
278 required by law to be deposited in the account. Moneys in the account
279 shall be expended by the Commissioner of Revenue Services for the
280 purposes of disbursing funds to sports governing bodies in accordance
281 with the provisions of subparagraph (A) of subdivision (3) of
282 subsection (g) of section 1 of this act.

283 Sec. 3. Subdivision (37) of subsection (a) of section 12-407 of the 2018
284 supplement to the general statutes is repealed and the following is
285 substituted in lieu thereof (*Effective July 1, 2018*):

286 (37) "Services" for purposes of subdivision (2) of this subsection,
287 means:

288 (A) Computer and data processing services, including, but not
289 limited to, time, programming, code writing, modification of existing

290 programs, feasibility studies and installation and implementation of
291 software programs and systems even where such services are rendered
292 in connection with the development, creation or production of canned
293 or custom software or the license of custom software;

294 (B) Credit information and reporting services;

295 (C) Services by employment agencies and agencies providing
296 personnel services;

297 (D) Private investigation, protection, patrol work, watchman and
298 armored car services, exclusive of (i) services of off-duty police officers
299 and off-duty firefighters, and (ii) coin and currency services provided
300 to a financial services company by or through another financial
301 services company. For purposes of this subparagraph, "financial
302 services company" has the same meaning as provided under
303 subparagraphs (A) to (H), inclusive, of subdivision (6) of subsection (a)
304 of section 12-218b;

305 (E) Painting and lettering services;

306 (F) Photographic studio services;

307 (G) Telephone answering services;

308 (H) Stenographic services;

309 (I) Services to industrial, commercial or income-producing real
310 property, including, but not limited to, such services as management,
311 electrical, plumbing, painting and carpentry, provided
312 income-producing property shall not include property used
313 exclusively for residential purposes in which the owner resides and
314 which contains no more than three dwelling units, or a housing facility
315 for low and moderate income families and persons owned or operated
316 by a nonprofit housing organization, as defined in subdivision (29) of
317 section 12-412;

318 (J) Business analysis, management, management consulting and
319 public relations services, excluding (i) any environmental consulting
320 services, (ii) any training services provided by an institution of higher
321 education licensed or accredited by the Board of Regents for Higher
322 Education or Office of Higher Education pursuant to sections 10a-35a
323 and 10a-34, respectively, and (iii) on and after January 1, 1994, any
324 business analysis, management, management consulting and public
325 relations services when such services are rendered in connection with
326 an aircraft leased or owned by a certificated air carrier or in connection
327 with an aircraft which has a maximum certificated take-off weight of
328 six thousand pounds or more;

329 (K) Services providing "piped-in" music to business or professional
330 establishments;

331 (L) Flight instruction and chartering services by a certificated air
332 carrier on an aircraft, the use of which for such purposes, but for the
333 provisions of subdivision (4) of section 12-410 and subdivision (12) of
334 section 12-411, would be deemed a retail sale and a taxable storage or
335 use, respectively, of such aircraft by such carrier;

336 (M) Motor vehicle repair services, including any type of repair,
337 painting or replacement related to the body or any of the operating
338 parts of a motor vehicle;

339 (N) Motor vehicle parking, including the provision of space, other
340 than metered space, in a lot having thirty or more spaces, excluding (i)
341 space in a parking lot owned or leased under the terms of a lease of not
342 less than ten years' duration and operated by an employer for the
343 exclusive use of its employees, (ii) space in municipally operated
344 railroad parking facilities in municipalities located within an area of
345 the state designated as a severe nonattainment area for ozone under
346 the federal Clean Air Act or space in a railroad parking facility in a
347 municipality located within an area of the state designated as a severe
348 nonattainment area for ozone under the federal Clean Air Act owned

349 or operated by the state on or after April 1, 2000, (iii) space in a
350 seasonal parking lot provided by an entity subject to the exemption set
351 forth in subdivision (1) of section 12-412, and (iv) space in a
352 municipally owned parking lot;

353 (O) Radio or television repair services;

354 (P) Furniture reupholstering and repair services;

355 (Q) Repair services to any electrical or electronic device, including,
356 but not limited to, equipment used for purposes of refrigeration or
357 air-conditioning;

358 (R) Lobbying or consulting services for purposes of representing the
359 interests of a client in relation to the functions of any governmental
360 entity or instrumentality;

361 (S) Services of the agent of any person in relation to the sale of any
362 item of tangible personal property for such person, exclusive of the
363 services of a consignee selling works of art, as defined in subsection (b)
364 of section 12-376c, or articles of clothing or footwear intended to be
365 worn on or about the human body other than (i) any special clothing
366 or footwear primarily designed for athletic activity or protective use
367 and which is not normally worn except when used for the athletic
368 activity or protective use for which it was designed, and (ii) jewelry,
369 handbags, luggage, umbrellas, wallets, watches and similar items
370 carried on or about the human body but not worn on the body, under
371 consignment, exclusive of services provided by an auctioneer;

372 (T) Locksmith services;

373 (U) Advertising or public relations services, including layout, art
374 direction, graphic design, mechanical preparation or production
375 supervision, not related to the development of media advertising or
376 cooperative direct mail advertising;

377 (V) Landscaping and horticulture services;

378 (W) Window cleaning services;

379 (X) Maintenance services;

380 (Y) Janitorial services;

381 (Z) Exterminating services;

382 (AA) Swimming pool cleaning and maintenance services;

383 (BB) Miscellaneous personal services included in industry group 729
384 in the Standard Industrial Classification Manual, United States Office
385 of Management and Budget, 1987 edition, or U.S. industry 532220,
386 812191, 812199 or 812990 in the North American Industrial
387 Classification System United States Manual, United States Office of
388 Management and Budget, 1997 edition, exclusive of (i) services
389 rendered by massage therapists licensed pursuant to chapter 384a, and
390 (ii) services rendered by an electrologist licensed pursuant to chapter
391 388;

392 (CC) Any repair or maintenance service to any item of tangible
393 personal property including any contract of warranty or service related
394 to any such item;

395 (DD) Business analysis, management or managing consulting
396 services rendered by a general partner, or an affiliate thereof, to a
397 limited partnership, provided (i) the general partner, or an affiliate
398 thereof, is compensated for the rendition of such services other than
399 through a distributive share of partnership profits or an annual
400 percentage of partnership capital or assets established in the limited
401 partnership's offering statement, and (ii) the general partner, or an
402 affiliate thereof, offers such services to others, including any other
403 partnership. As used in this subparagraph "an affiliate of a general
404 partner" means an entity which is directly or indirectly owned fifty per
405 cent or more in common with a general partner;

406 (EE) Notwithstanding the provisions of section 12-412, except

407 subdivision (87) of said section 12-412, patient care services, as defined
408 in subdivision (29) of this subsection by a hospital, except that "sale"
409 and "selling" does not include such patient care services for which
410 payment is received by the hospital during the period commencing
411 July 1, 2001, and ending June 30, 2003;

412 (FF) Health and athletic club services, exclusive of (i) any such
413 services provided without any additional charge which are included in
414 any dues or initiation fees paid to any such club, which dues or fees
415 are subject to tax under section 12-543, and (ii) any such services
416 provided by a municipality or an organization that is described in
417 Section 501(c) of the Internal Revenue Code of 1986, or any subsequent
418 corresponding internal revenue code of the United States, as from time
419 to time amended;

420 (GG) Motor vehicle storage services, including storage of motor
421 homes, campers and camp trailers, other than the furnishing of space
422 as described in subparagraph (P) of subdivision (2) of this subsection;

423 (HH) Packing and crating services, other than those provided in
424 connection with the sale of tangible personal property by the retailer of
425 such property;

426 (II) Motor vehicle towing and road services, other than motor
427 vehicle repair services;

428 (JJ) Intrastate transportation services provided by livery services,
429 including limousines, community cars or vans, with a driver. Intrastate
430 transportation services shall not include transportation by taxicab,
431 motor bus, ambulance or ambulette, scheduled public transportation,
432 nonemergency medical transportation provided under the Medicaid
433 program, paratransit services provided by agreement or arrangement
434 with the state or any political subdivision of the state, dial-a-ride
435 services or services provided in connection with funerals;

436 (KK) Pet grooming and pet boarding services, except if such services

437 are provided as an integral part of professional veterinary services,
438 and pet obedience services;

439 (LL) Services in connection with a cosmetic medical procedure. For
440 purposes of this subparagraph, "cosmetic medical procedure" means
441 any medical procedure performed on an individual that is directed at
442 improving the individual's appearance and that does not meaningfully
443 promote the proper function of the body or prevent or treat illness or
444 disease. "Cosmetic medical procedure" includes, but is not limited to,
445 cosmetic surgery, hair transplants, cosmetic injections, cosmetic soft
446 tissue fillers, dermabrasion and chemical peel, laser hair removal, laser
447 skin resurfacing, laser treatment of leg veins and sclerotherapy.
448 "Cosmetic medical procedure" does not include reconstructive surgery.
449 "Reconstructive surgery" includes any surgery performed on abnormal
450 structures caused by or related to congenital defects, developmental
451 abnormalities, trauma, infection, tumors or disease, including
452 procedures to improve function or give a more normal appearance;

453 (MM) Manicure services, pedicure services and all other nail
454 services, regardless of where performed, including airbrushing, fills,
455 full sets, nail sculpting, paraffin treatments and polishes;

456 (NN) Spa services, regardless of where performed, including body
457 waxing and wraps, peels, scrubs and facials; [and]

458 (OO) Car wash services, including coin-operated car washes; and

459 (PP) On and after the date sports wagering, as defined in section 1
460 of this act, is permitted in the state under federal law, sports wager
461 amounts placed with sports wagering operators, as defined in section 1
462 of this act.

463 Sec. 4. (NEW) (*Effective from passage*) (a) As used in this section,
464 "lottery draw game" means any draw game that is available for
465 purchase through a lottery sales agent.

466 (b) The Connecticut Lottery Corporation shall establish a program
467 to sell lottery tickets for lottery draw games through the corporation's
468 Internet web site, online service or mobile application, provided: (1)
469 Such program does not violate any compact, memorandum of
470 understanding or agreement in force between the state and the
471 Mashantucket Pequot Tribe or the Mohegan Tribe of Indians of
472 Connecticut; and (2) the Keno draw game is offered pursuant to signed
473 agreements with the Mashantucket Pequot Tribe and the Mohegan
474 Tribe of Indians of Connecticut or signed amendments to such
475 agreements, in accordance with the provisions of section 12-806c of the
476 general statutes, as amended by this act.

477 (c) Such program shall, at a minimum: (1) Verify that a person who
478 establishes an online lottery account to purchase a lottery ticket
479 through such program is eighteen years of age or older and is located
480 in the state; (2) restrict the sale of lottery tickets to transactions initiated
481 and received within the state; (3) allow a person to deposit money into
482 an online lottery account through the use of a verified bank account,
483 prepaid lottery gift card, debit card or credit card; (4) limit a person
484 with an online lottery account to using only one debit card or credit
485 card; (5) provide that any money in an online lottery account belongs
486 solely to the owner of the account and may be withdrawn by the
487 owner at any time; (6) provide a mechanism to prevent the
488 unauthorized use of online lottery accounts; (7) establish a voluntary
489 self-exclusion process to allow a person to exclude himself or herself
490 from establishing an online lottery account or purchasing a lottery
491 ticket through such program; (8) provide a mechanism to prevent a
492 person who participates in the self-exclusion process from establishing
493 an online lottery account; (9) within one year from the date such
494 program is established, be the subject of an application for certification
495 from a national or international responsible gambling compliance
496 assessment program; (10) post a conspicuous link to responsible
497 gambling information on all online lottery account web pages; and (11)
498 after consultation with advocacy groups for individuals with gambling

499 problems, (A) limit the amount of money a person may deposit into an
500 online lottery account, (B) limit the amount of money a person may
501 spend per day through such program, and (C) provide for online
502 messages regarding the importance of responsible gambling when a
503 person is using his or her online lottery account for an amount of time
504 specified by the corporation.

505 (d) Prior to implementing any procedure, as defined in subdivision
506 (2) of section 1-120 of the general statutes, to assure the integrity of
507 such program, the corporation shall obtain the written approval of the
508 Commissioner of Consumer Protection in accordance with regulations
509 adopted under section 12-568a of the general statutes.

510 (e) The corporation shall: (1) Implement initiatives to promote the
511 purchase of lottery tickets through lottery sales agents; (2) permit
512 lottery sales agents to sell prepaid lottery gift cards; and (3) conduct an
513 online public awareness campaign designed to educate the public
514 regarding compulsive gambling and to inform the public of the
515 programs available for the prevention, treatment and rehabilitation of
516 compulsive gamblers in the state.

517 Sec. 5. Subdivision (4) of subsection (b) of section 12-806 of the
518 general statutes is repealed and the following is substituted in lieu
519 thereof (*Effective from passage*):

520 (4) (A) To introduce new lottery games, modify existing lottery
521 games, utilize existing and new technologies, determine distribution
522 channels for the sale of lottery tickets, introduce keno pursuant to
523 signed agreements with the Mashantucket Pequot Tribe and the
524 Mohegan Tribe of Indians of Connecticut, in accordance with section
525 12-806c, as amended by this act, and, to the extent specifically
526 authorized by regulations adopted by the Department of Consumer
527 Protection pursuant to chapter 54, introduce instant ticket vending
528 machines, kiosks and automated wagering systems or machines, with
529 all such rights being subject to regulatory oversight by the Department

530 of Consumer Protection; and

531 (B) To offer certain lottery games through the corporation's Internet
532 web site, online service or mobile application in accordance with
533 section 1 of this act, except that the corporation shall not offer any
534 interactive [on-line] online lottery games, including [on-line] online
535 video lottery games for promotional purposes, unless such online
536 video lottery games for promotional purposes are offered as part of the
537 program established pursuant to section 1 of this act;

538 Sec. 6. Section 12-810 of the general statutes is repealed and the
539 following is substituted in lieu thereof (*Effective from passage*):

540 (a) The Freedom of Information Act, as defined in section 1-200,
541 shall apply to all actions, meetings and records of the corporation,
542 except (1) where otherwise limited by subsection (c) of this section as
543 to new lottery games and serial numbers of unclaimed lottery tickets,
544 [and] (2) with respect to financial, credit and proprietary information
545 submitted by any person to the corporation in connection with any
546 proposal to provide goods, services or professional advice to the
547 corporation as provided in section 12-815, and (3) where otherwise
548 limited by subsection (d) of this section as to information submitted by
549 any person to the corporation regarding such person's participation in
550 the corporation's voluntary self-exclusion process established pursuant
551 to subdivision (7) of subsection (b) of section 1 of this act.

552 (b) The records of proceedings as provided in subsection (a) of
553 section 12-805 shall be subject to disclosure pursuant to the provisions
554 of subsection (a) of section 1-210.

555 (c) Any new lottery game and the procedures for such game, until
556 the game is publicly announced by the corporation, and any serial
557 number of an unclaimed lottery ticket shall not be deemed public
558 records, as defined in section 1-200, and shall not be available to the
559 public under the provisions of section 1-210. The president shall
560 submit a fiscal note prepared by the corporation with respect to the

561 procedures for a new lottery game to the joint standing committees of
562 the General Assembly having cognizance of matters relating to finance,
563 revenue, bonding and public safety after approval of such game by the
564 board.

565 (d) The name and any personally identifying information of a
566 person who is participating or participated in the corporation's
567 voluntary self-exclusion process shall not be deemed public records, as
568 defined in section 1-200, and shall not be available to the public under
569 the provisions of section 1-210. The president may disclose the name
570 and any records of such person if such person claims a winning lottery
571 ticket from the use of the program established pursuant to section 1 of
572 this act.

573 Sec. 7. Section 12-818 of the general statutes is repealed and the
574 following is substituted in lieu thereof (*Effective from passage*):

575 For each of the fiscal years ending June 30, 2010, and June 30, 2011,
576 the Connecticut Lottery Corporation shall transfer one million nine
577 hundred thousand dollars of the revenue received from the sale of
578 lottery tickets to the chronic gamblers treatment rehabilitation account
579 created pursuant to section 17a-713, as amended by this act. For the
580 fiscal years ending June 30, 2012, to June 30, 2013, inclusive, the
581 [Connecticut Lottery Corporation] corporation shall transfer one
582 million nine hundred thousand dollars of the revenue received from
583 the sale of lottery tickets to the chronic gamblers treatment
584 rehabilitation account. [created pursuant to section 17a-713.] For the
585 fiscal [year] years ending June 30, 2014, [and each fiscal year thereafter]
586 to June 30, 2018, inclusive, the [Connecticut Lottery Corporation]
587 corporation shall transfer two million three hundred thousand dollars
588 of the revenue received from the sale of lottery tickets to the chronic
589 gamblers treatment rehabilitation account. [created pursuant to section
590 17a-713.] For the fiscal year ending June 30, 2019, and each fiscal year
591 thereafter, the corporation shall transfer two million four hundred
592 thousand dollars of the revenue received from the sale of lottery tickets

593 to the chronic gamblers treatment rehabilitation account.

594 Sec. 8. Section 17a-713 of the general statutes is repealed and the
595 following is substituted in lieu thereof (*Effective October 1, 2018*):

596 (a) The Department of Mental Health and Addiction Services shall
597 establish a program for the treatment and rehabilitation of compulsive
598 gamblers in the state. The program shall provide prevention, treatment
599 and rehabilitation services for chronic gamblers. The department may
600 enter into agreements with subregional planning and action councils
601 and nonprofit organizations to assist in providing these services,
602 provided not less than twenty-five per cent of the amount received
603 pursuant to section 12-818, as amended by this act, annually shall be
604 set aside for contracts with subregional planning and action councils
605 established pursuant to section 17a-671 and nonprofit organizations
606 and not less than five per cent of the amount received pursuant to
607 section 12-818, as amended by this act, annually shall be set aside for a
608 contract with the Connecticut Council on Problem Gambling. The
609 department may impose a reasonable fee, on a sliding scale, on those
610 participants who can afford to pay for any such services. The
611 department shall implement such program when the account
612 established under subsection (b) of this section is sufficient to meet
613 initial operating expenses. As used in this section, "chronic gambler"
614 means a person who is chronically and progressively preoccupied with
615 gambling and the urge to gamble, and with gambling behavior that
616 compromises, disrupts or damages personal, family or vocational
617 pursuits.

618 (b) The program established by subsection (a) of this section shall be
619 funded by imposition of: (1) A fee of one hundred thirty-five dollars on
620 each association license, for each performance of jai alai or dog racing
621 conducted under the provisions of chapter 226, provided no such
622 licensee shall contribute more than forty-five thousand dollars in any
623 one year; (2) a fee of twenty-five dollars for each teletheater
624 performance on each operator of a teletheater facility; and (3) the

625 amount received from the Connecticut Lottery Corporation pursuant
626 to section 12-818, as amended by this act. The Commissioner of
627 Consumer Protection shall collect the fee from each association
628 licensee or such operator on a monthly basis. The receipts shall be
629 deposited in the General Fund and credited to a separate, nonlapsing
630 chronic gamblers treatment and rehabilitation account which shall be
631 established by the Comptroller. All moneys in the account are deemed
632 to be appropriated and shall be expended (A) for the purposes
633 established in subsection (a) of this section, and (B) in an amount not to
634 exceed one hundred thousand dollars to fund the study described in
635 subsection (d) of this section.

636 (c) The department shall adopt regulations in accordance with the
637 provisions of chapter 54 to carry out the purposes of this section.

638 (d) Not later than January 1, 2022, the Commissioner of Mental
639 Health and Addiction Services shall develop and issue a request for
640 proposals to study the socioeconomic impact of the program
641 established by the Connecticut Lottery Corporation pursuant to section
642 1 of this act on problem gambling in this state. Such study shall be
643 performed by an institution of higher learning located in this state with
644 expertise in problem gambling and addiction and submitted for peer
645 review to ensure accuracy, validity and reliability. The Connecticut
646 Lottery Corporation shall provide any information and data needed by
647 the institution of higher learning to perform the study, provided the
648 information and data does not disclose the identity of individuals. Not
649 later than July 1, 2023, the commissioner shall submit the results of
650 such study, in accordance with the provisions of section 11-4a, to the
651 joint standing committee of the General Assembly having cognizance
652 of matters related to public safety and security.

653 Sec. 9. Section 12-806c of the general statutes is repealed and the
654 following is substituted in lieu thereof (*Effective from passage*):

655 Notwithstanding the provisions of section 3-6c, the Secretary of the

656 Office of Policy and Management, on behalf of the state of Connecticut,
657 may enter into separate agreements with the Mashantucket Pequot
658 Tribe and the Mohegan Tribe of Indians of Connecticut concerning the
659 operation of keno by the Connecticut Lottery Corporation in the state
660 of Connecticut. Any such agreement shall provide that the state of
661 Connecticut shall distribute to each tribe a sum not to exceed a twelve
662 and one-half per cent share of the gross operating revenue received by
663 the state from the operation of keno. The corporation may not operate
664 keno until such separate agreements are effective. Any such agreement
665 may be amended concerning the operation of keno on the
666 corporation's Internet web site, online service or mobile application
667 pursuant to the program established in accordance with section 1 of
668 this act. The corporation may not operate keno through such program
669 until such separate agreements are amended and such amendments
670 are effective. For the purposes of this section, "gross operating
671 revenues" means the total amounts wagered, less amounts paid out as
672 prizes.

673 Sec. 10. Section 52-553 of the general statutes is repealed and the
674 following is substituted in lieu thereof (*Effective from passage*):

675 All wagers, and all contracts and securities of which the whole or
676 any part of the consideration is money or other valuable thing won,
677 laid or bet, at any game, horse race, sport or pastime, and all contracts
678 to repay any money knowingly lent at the time and place of such
679 game, race, sport or pastime, to any person so gaming, betting or
680 wagering, or to repay any money lent to any person who, at such time
681 and place, so pays, bets or wagers, shall be void, provided nothing in
682 this section shall (1) affect the validity of any negotiable instrument
683 held by any person who acquired the same for value and in good faith
684 without notice of illegality in the consideration, (2) apply to the sale of
685 a raffle ticket pursuant to section 7-172, [or] (3) apply to any wager or
686 contract otherwise authorized by law, or (4) apply to the participation
687 in the program established by the Connecticut Lottery Corporation
688 pursuant to section 1 of this act.

689 Sec. 11. Section 52-554 of the general statutes is repealed and the
 690 following is substituted in lieu thereof (*Effective from passage*):

691 Any person who, by playing at any game, or betting on the sides or
 692 hands of such as play at any game, excluding any game permitted
 693 under chapter 226 or any activity not prohibited under the provisions
 694 of sections 53-278a to 53-278g, inclusive, loses the sum or value of one
 695 dollar in the whole and pays or delivers the same or any part thereof,
 696 may, within three months next following, recover from the winner the
 697 money or the value of the goods so lost and paid or delivered, with
 698 costs of suit in a civil action, without setting forth the special matter in
 699 his complaint. If the defendant refuses to testify, if called upon in such
 700 action, relative to the discovery of the property so won, he shall be
 701 defaulted; but no evidence so given by him shall be offered against
 702 him in any criminal prosecution. Nothing in this section shall preclude
 703 any person from using a credit card to participate in the program
 704 established by the Connecticut Lottery Corporation pursuant to section
 705 1 of this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2018</i>	New section
Sec. 2	<i>July 1, 2018</i>	New section
Sec. 3	<i>July 1, 2018</i>	12-407(a)(37)
Sec. 4	<i>from passage</i>	New section
Sec. 5	<i>from passage</i>	12-806(b)(4)
Sec. 6	<i>from passage</i>	12-810
Sec. 7	<i>from passage</i>	12-818
Sec. 8	<i>October 1, 2018</i>	17a-713
Sec. 9	<i>from passage</i>	12-806c
Sec. 10	<i>from passage</i>	52-553
Sec. 11	<i>from passage</i>	52-554

Statement of Purpose:

To authorize sports wagering in the state to the extent permitted under federal law and to authorize the Connecticut Lottery Corporation to offer lottery draw games through the corporation's Internet web site.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]