



General Assembly

Substitute Bill No. 540

February Session, 2018



**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 in such sporting event;

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

71 (c) (1) Each interactive sports wagering platform shall be licensed by
72 the Department of Consumer Protection. Each applicant shall submit
73 an application to the department, in a form and manner prescribed by
74 the department, with an application fee of ten thousand dollars. Such
75 license shall be renewable annually. The renewal fee shall be five
76 thousand dollars. The commissioner may deny, nonrenew, suspend or
77 revoke such license for cause after issuing a written decision to the
78 applicant or licensee setting forth the basis for such denial,
79 nonrenewal, suspension or revocation. Any applicant or licensee
80 aggrieved by the action of the commissioner concerning a denial,
81 nonrenewal, suspension or revocation of a license may appeal in

82 accordance with the provisions of chapter 54 of the general statutes.

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

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

93 (d) Each sports wagering operator shall:

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

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

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

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

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

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

130 (e) Any advertisement for sports wagering shall:

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

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

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

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

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

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

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

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

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

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

172 (2) A sports betting right and integrity fee is imposed at the rate of

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

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

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

203 (C) The Commissioner of Revenue Services shall publish annually a
204 report that states the amount of the fees received from each sports
205 wagering operator pursuant to subdivision (2) of this subsection in the

206 previous calendar year and the amount disbursed to each sports
207 governing body pursuant to subparagraph (A) of this subdivision.

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

210 (A) Real-time information sharing for wagers placed on its sporting
211 event is necessary and desirable. Upon such notification, any sports
212 wagering operators may share in real time, at the account level and in
213 pseudonymous form, the records, other than the video camera
214 recordings, maintained pursuant to subdivision (4) of subsection (d) of
215 this section with the sports governing body or its designee with respect
216 to wagers on its sporting events; and

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

228 (i) (1) Each sports wagering operator and the Commissioner of
229 Consumer Protection shall cooperate with an investigation conducted
230 by any sports governing body or law enforcement agency, including,
231 but not limited to, by providing or facilitating the provision of account-
232 level betting information and any audio or video camera recordings
233 relating to individuals placing wagers.

234 (2) Each sports wagering operator shall immediately report to the
235 Commissioner of Consumer Protection any information relating to (A)
236 criminal or disciplinary proceedings commenced against such operator

237 in connection with its operations, (B) abnormal betting activity or
238 patterns that may indicate a concern with the integrity of a sporting
239 event or events, (C) any potential breach of the relevant sports
240 governing body's internal rules or codes of conduct pertaining to
241 sports wagering, (D) any other conduct that corrupts the betting
242 outcome of a sporting event or events for purpose of financial gain,
243 including match-fixing, and (E) suspicious or illegal wagering
244 activities, including the use of funds derived from illegal activity to
245 place a wager, the placing of a wager to conceal funds derived from
246 illegal activity, the use of an agent or a proxy to place a wager or the
247 use of false identification to place a wager.

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

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

257 (k) Any individual or entity that (1) places or causes to be placed a
258 wager on the basis of material nonpublic information relating to such
259 wager, or (2) knowingly engages in, facilitates or conceals conduct that
260 is intended to influence a betting outcome of a sporting event for
261 purposes of financial gain, in connection with wagering on such
262 sporting event, shall be fined not more than five million dollars or
263 imprisoned not more than ten years, or both. A wager is placed on the
264 basis of material nonpublic information if the individual or entity
265 placing the wager or causing the wager to be placed was aware of such
266 information when such individual or entity placed such wager or
267 caused such wager to be placed. Any individual or entity that is found
268 to have violated subdivision (2) of this subsection shall be liable to the
269 relevant sports governing body and may be sued by such governing

270 body at law or in equity in any court of competent jurisdiction.

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

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

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

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

289 (A) Computer and data processing services, including, but not
290 limited to, time, programming, code writing, modification of existing
291 programs, feasibility studies and installation and implementation of
292 software programs and systems even where such services are rendered
293 in connection with the development, creation or production of canned
294 or custom software or the license of custom software;

295 (B) Credit information and reporting services;

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

298 (D) Private investigation, protection, patrol work, watchman and

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

306 (E) Painting and lettering services;

307 (F) Photographic studio services;

308 (G) Telephone answering services;

309 (H) Stenographic services;

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

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

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

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

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

340 (N) Motor vehicle parking, including the provision of space, other
341 than metered space, in a lot having thirty or more spaces, excluding (i)
342 space in a parking lot owned or leased under the terms of a lease of not
343 less than ten years' duration and operated by an employer for the
344 exclusive use of its employees, (ii) space in municipally operated
345 railroad parking facilities in municipalities located within an area of
346 the state designated as a severe nonattainment area for ozone under
347 the federal Clean Air Act or space in a railroad parking facility in a
348 municipality located within an area of the state designated as a severe
349 nonattainment area for ozone under the federal Clean Air Act owned
350 or operated by the state on or after April 1, 2000, (iii) space in a
351 seasonal parking lot provided by an entity subject to the exemption set
352 forth in subdivision (1) of section 12-412, and (iv) space in a
353 municipally owned parking lot;

354 (O) Radio or television repair services;

355 (P) Furniture reupholstering and repair services;

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

359 (R) Lobbying or consulting services for purposes of representing the

360 interests of a client in relation to the functions of any governmental
361 entity or instrumentality;

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

373 (T) Locksmith services;

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

378 (V) Landscaping and horticulture services;

379 (W) Window cleaning services;

380 (X) Maintenance services;

381 (Y) Janitorial services;

382 (Z) Exterminating services;

383 (AA) Swimming pool cleaning and maintenance services;

384 (BB) Miscellaneous personal services included in industry group 729
385 in the Standard Industrial Classification Manual, United States Office
386 of Management and Budget, 1987 edition, or U.S. industry 532220,
387 812191, 812199 or 812990 in the North American Industrial

388 Classification System United States Manual, United States Office of
389 Management and Budget, 1997 edition, exclusive of (i) services
390 rendered by massage therapists licensed pursuant to chapter 384a, and
391 (ii) services rendered by an electrologist licensed pursuant to chapter
392 388;

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

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

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

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

420 to time amended;

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

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

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

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

437 (KK) Pet grooming and pet boarding services, except if such services
438 are provided as an integral part of professional veterinary services,
439 and pet obedience services;

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

451 structures caused by or related to congenital defects, developmental
452 abnormalities, trauma, infection, tumors or disease, including
453 procedures to improve function or give a more normal appearance;

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

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

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

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

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

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

478 (c) Such program shall, at a minimum: (1) Verify that a person who
479 establishes an online lottery account to purchase a lottery ticket
480 through such program is eighteen years of age or older and is located

481 in the state; (2) restrict the sale of lottery tickets to transactions initiated
482 and received within the state; (3) allow a person to deposit money into
483 an online lottery account through the use of a verified bank account,
484 prepaid lottery gift card, debit card or credit card; (4) limit a person
485 with an online lottery account to using only one debit card or credit
486 card; (5) provide that any money in an online lottery account belongs
487 solely to the owner of the account and may be withdrawn by the
488 owner at any time; (6) provide a mechanism to prevent the
489 unauthorized use of online lottery accounts; (7) establish a voluntary
490 self-exclusion process to allow a person to exclude himself or herself
491 from establishing an online lottery account or purchasing a lottery
492 ticket through such program; (8) provide a mechanism to prevent a
493 person who participates in the self-exclusion process from establishing
494 an online lottery account; (9) within one year from the date such
495 program is established, be the subject of an application for certification
496 from a national or international responsible gambling compliance
497 assessment program; (10) post a conspicuous link to responsible
498 gambling information on all online lottery account web pages; and (11)
499 after consultation with advocacy groups for individuals with gambling
500 problems, (A) limit the amount of money a person may deposit into an
501 online lottery account, (B) limit the amount of money a person may
502 spend per day through such program, and (C) provide for online
503 messages regarding the importance of responsible gambling when a
504 person is using his or her online lottery account for an amount of time
505 specified by the corporation.

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

511 (e) The corporation shall: (1) Implement initiatives to promote the
512 purchase of lottery tickets through lottery sales agents; (2) permit
513 lottery sales agents to sell prepaid lottery gift cards; and (3) conduct an

514 online public awareness campaign designed to educate the public
515 regarding compulsive gambling and to inform the public of the
516 programs available for the prevention, treatment and rehabilitation of
517 compulsive gamblers in the state.

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

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

532 (B) To offer certain lottery games through the corporation's Internet
533 web site, online service or mobile application in accordance with
534 section 4 of this act, except that the corporation shall not offer any
535 interactive [on-line] online lottery games, including [on-line] online
536 video lottery games for promotional purposes, unless such online
537 video lottery games for promotional purposes are offered as part of the
538 program established pursuant to section 4 of this act;

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

541 (a) The Freedom of Information Act, as defined in section 1-200,
542 shall apply to all actions, meetings and records of the corporation,
543 except (1) where otherwise limited by subsection (c) of this section as
544 to new lottery games and serial numbers of unclaimed lottery tickets,

545 [and] (2) with respect to financial, credit and proprietary information
546 submitted by any person to the corporation in connection with any
547 proposal to provide goods, services or professional advice to the
548 corporation as provided in section 12-815, and (3) where otherwise
549 limited by subsection (d) of this section as to information submitted by
550 any person to the corporation regarding such person's participation in
551 the corporation's voluntary self-exclusion process established pursuant
552 to subdivision (7) of subsection (c) of section 4 of this act.

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

556 (c) Any new lottery game and the procedures for such game, until
557 the game is publicly announced by the corporation, and any serial
558 number of an unclaimed lottery ticket shall not be deemed public
559 records, as defined in section 1-200, and shall not be available to the
560 public under the provisions of section 1-210. The president shall
561 submit a fiscal note prepared by the corporation with respect to the
562 procedures for a new lottery game to the joint standing committees of
563 the General Assembly having cognizance of matters relating to finance,
564 revenue, bonding and public safety after approval of such game by the
565 board.

566 (d) The name and any personally identifying information of a
567 person who is participating or participated in the corporation's
568 voluntary self-exclusion process shall not be deemed public records, as
569 defined in section 1-200, and shall not be available to the public under
570 the provisions of section 1-210. The president may disclose the name
571 and any records of such person if such person claims a winning lottery
572 ticket from the use of the program established pursuant to section 4 of
573 this act.

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

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

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

597 (a) The Department of Mental Health and Addiction Services shall
598 establish a program for the treatment and rehabilitation of compulsive
599 gamblers in the state. The program shall provide prevention, treatment
600 and rehabilitation services for chronic gamblers. The department may
601 enter into agreements with subregional planning and action councils
602 and nonprofit organizations to assist in providing these services,
603 provided not less than twenty-five per cent of the amount received
604 pursuant to section 12-818, as amended by this act, annually shall be
605 set aside for contracts with subregional planning and action councils
606 established pursuant to section 17a-671 and nonprofit organizations
607 and not less than five per cent of the amount received pursuant to
608 section 12-818, as amended by this act, annually shall be set aside for a

609 contract with the Connecticut Council on Problem Gambling. The
610 department may impose a reasonable fee, on a sliding scale, on those
611 participants who can afford to pay for any such services. The
612 department shall implement such program when the account
613 established under subsection (b) of this section is sufficient to meet
614 initial operating expenses. As used in this section, "chronic gambler"
615 means a person who is chronically and progressively preoccupied with
616 gambling and the urge to gamble, and with gambling behavior that
617 compromises, disrupts or damages personal, family or vocational
618 pursuits.

619 (b) The program established by subsection (a) of this section shall be
620 funded by imposition of: (1) A fee of one hundred thirty-five dollars on
621 each association license, for each performance of jai alai or dog racing
622 conducted under the provisions of chapter 226, provided no such
623 licensee shall contribute more than forty-five thousand dollars in any
624 one year; (2) a fee of twenty-five dollars for each teletheater
625 performance on each operator of a teletheater facility; and (3) the
626 amount received from the Connecticut Lottery Corporation pursuant
627 to section 12-818, as amended by this act. The Commissioner of
628 Consumer Protection shall collect the fee from each association
629 licensee or such operator on a monthly basis. The receipts shall be
630 deposited in the General Fund and credited to a separate, nonlapsing
631 chronic gamblers treatment and rehabilitation account which shall be
632 established by the Comptroller. All moneys in the account are deemed
633 to be appropriated and shall be expended (A) for the purposes
634 established in subsection (a) of this section, and (B) in an amount not to
635 exceed one hundred thousand dollars to fund the study described in
636 subsection (d) of this section.

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

639 (d) Not later than January 1, 2022, the Commissioner of Mental
640 Health and Addiction Services shall develop and issue a request for
641 proposals to study the socioeconomic impact of the program

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

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

656 Notwithstanding the provisions of section 3-6c, the Secretary of the
657 Office of Policy and Management, on behalf of the state of Connecticut,
658 may enter into separate agreements with the Mashantucket Pequot
659 Tribe and the Mohegan Tribe of Indians of Connecticut concerning the
660 operation of keno by the Connecticut Lottery Corporation in the state
661 of Connecticut. Any such agreement shall provide that the state of
662 Connecticut shall distribute to each tribe a sum not to exceed a twelve
663 and one-half per cent share of the gross operating revenue received by
664 the state from the operation of keno. The corporation may not operate
665 keno until such separate agreements are effective. Any such agreement
666 may be amended concerning the operation of keno on the
667 corporation's Internet web site, online service or mobile application
668 pursuant to the program established in accordance with section 4 of
669 this act. The corporation may not operate keno through such program
670 until such separate agreements are amended and such amendments
671 are effective. For the purposes of this section, "gross operating
672 revenues" means the total amounts wagered, less amounts paid out as
673 prizes.

674 Sec. 10. Section 52-553 of the general statutes is repealed and the

675 following is substituted in lieu thereof (*Effective from passage*):

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

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

692 Any person who, by playing at any game, or betting on the sides or
693 hands of such as play at any game, excluding any game permitted
694 under chapter 226 or any activity not prohibited under the provisions
695 of sections 53-278a to 53-278g, inclusive, loses the sum or value of one
696 dollar in the whole and pays or delivers the same or any part thereof,
697 may, within three months next following, recover from the winner the
698 money or the value of the goods so lost and paid or delivered, with
699 costs of suit in a civil action, without setting forth the special matter in
700 his complaint. If the defendant refuses to testify, if called upon in such
701 action, relative to the discovery of the property so won, he shall be
702 defaulted; but no evidence so given by him shall be offered against
703 him in any criminal prosecution. Nothing in this section shall preclude
704 any person from using a credit card to participate in the program
705 established by the Connecticut Lottery Corporation pursuant to section
706 4 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 Legislative Commissioners:

In Section 1(a)(4), "therein" was changed to "in such sporting event" for clarity; in Section 1(b)(2)(A), "to individuals who appear" was inserted for accuracy; in Section 1(h)(1), "(1)" and "(2)" were changed to "(A)" and "(B)" for accuracy and in Subpara. (A), "subdivision (3)" was changed to "subdivision (4)" for accuracy; in Sections 5, 6 and 8 to 11, inclusive, "section 1 of this act" was changed to "section 4 of this act" for accuracy; in Section 6(a)(3), "subsection (b)" was changed to "subsection (c)" for accuracy; and in Section 10, the provisions of Subdiv. (3) and Subdiv. (4) were swapped for consistency with standard drafting conventions.

FIN *Joint Favorable Subst. -LCO*