



General Assembly

Amendment

February Session, 2018

LCO No. 5497



Offered by:

REP. VERRENGIA, 20th Dist.

REP. BERGER, 73rd Dist.

To: House Bill No. 5307

File No. 189

Cal. No. 148

"AN ACT CONCERNING SPORTS WAGERING IN THE STATE."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

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

5 (1) "Casino gaming facility" has the same meaning as provided in
6 section 12-557b of the general statutes;

7 (2) "Commissioner" means the Commissioner of Consumer
8 Protection;

9 (3) "Department" means the Department of Consumer Protection;

10 (4) "Mashantucket Pequot memorandum of understanding" means
11 the memorandum of understanding entered into by and between the

12 state and the Mashantucket Pequot Tribe on January 13, 1993, as
13 amended on April 30, 1993;

14 (5) "Mashantucket Pequot procedures" means the Final
15 Mashantucket Pequot Gaming Procedures prescribed by the Secretary
16 of the United States Department of the Interior pursuant to Section
17 2710(d)(7)(B)(vii) of Title 25 of the United States Code and published in
18 56 Federal Register 24996 (May 31, 1991);

19 (6) "Minor" means an individual who is under twenty-one years of
20 age;

21 (7) "Mobile sports wagering platform" or "platform" means the
22 combination of hardware, software and data networks used by a
23 sports wagering operator or the Connecticut Lottery Corporation
24 established in section 12-802 of the general statutes to manage,
25 administer, offer or control sports wagering over the Internet,
26 including through an Internet web site or a mobile device;

27 (8) "Mohegan compact" means the Tribal-State Compact entered
28 into by and between the state and the Mohegan Tribe of Indians of
29 Connecticut on May 17, 1994;

30 (9) "Mohegan memorandum of understanding" means the
31 memorandum of understanding entered into by and between the state
32 and the Mohegan Tribe of Indians of Connecticut on May 17, 1994;

33 (10) "Sports bettor" means an individual who is physically present
34 in the state when placing a sports wager with a sports wagering
35 operator or the Connecticut Lottery Corporation;

36 (11) "Sporting event" means (A) any sporting or athletic event at
37 which two or more persons participate and receive compensation in
38 excess of actual expenses for such participation in such sporting or
39 athletic event, or (B) any sporting or athletic event sponsored by an
40 intercollegiate athletic program of an institution of higher education.
41 "Sporting event" does not include horse racing or any sporting or

42 athletic event sponsored by a minor league or high school;

43 (12) "Sports governing body" means the organization that prescribes
44 final rules and enforces codes of conduct with respect to a sporting
45 event and participants in the sporting event;

46 (13) "Sports wagering" means risking or accepting any money,
47 credit, deposit or other thing of value for gain contingent in whole or
48 in part (A) by any system or method of wagering, including, but not
49 limited to, in-person or over the Internet through an Internet web site
50 or a mobile device, and (B) based on (i) a sporting event or a portion or
51 portions of a sporting event, or (ii) the individual performance
52 statistics of an athlete or athletes in a sporting event or a combination
53 of sporting events. "Sports wagering" does not include the payment of
54 an entry fee to play fantasy contests, as defined in section 12-578aa of
55 the general statutes, as amended by this act;

56 (14) "Sports wagering gross revenue" means (A) the amount equal to
57 the total amount of all wagers placed on sporting events not excluded
58 from sports wagering that a sports wagering operator collects from all
59 sports bettors, less the total amount of all sums paid out as winnings to
60 sports bettors, except that the cash equivalent value of any
61 merchandise or thing of value awarded as a prize shall not be included
62 in the sums paid out as winnings, or (B) in the case of exchange
63 wagering between two or more sports bettors, the amount equal to the
64 total amount of commissions retained by an operator on winning
65 sports wagers placed by sports bettors; and

66 (15) "Sports wagering operator" or "operator" means a person or
67 business organization operating the off-track betting system or limited
68 liability company operating a casino gaming facility that offers sports
69 wagering either in person to individuals at such facilities or through a
70 mobile sports wagering platform and is licensed pursuant to this
71 section.

72 (b) The provisions of this section shall not be effective unless the
73 following conditions have been met:

74 (1) Sports wagering is offered to the extent permitted under federal
75 law.

76 (2) (A) On and after the effective date of this section, the Governor
77 enters into new tribal-state compacts with the Mashantucket Pequot
78 Tribe and the Mohegan Tribe of Indians of Connecticut pursuant to the
79 federal Indian Gaming Regulatory Act, P.L. 100-497, 25 USC 2710(d)(3)
80 concerning the authorization of sports wagering. Any such tribal-state
81 compact shall: (i) Allow each tribe to offer sports wagering on any
82 casino gaming facility located on Indian lands, (ii) provide that the
83 authorization of sports wagering in this state does not relieve each
84 tribe from the tribe's obligation to contribute a percentage of the gross
85 operating revenues of video facsimile games to the state as provided in
86 the Mashantucket Pequot memorandum of understanding and the
87 Mohegan memorandum of understanding, as the case may be, and (iii)
88 provide that the authorization of sports wagering in this state does not
89 terminate the moratoria on the operation of video facsimile games by
90 the tribes pursuant to section 15(a) of the Mashantucket Pequot
91 procedures and section 15(a) of the Mohegan compact.

92 (B) The new tribal-state compacts are approved or deemed
93 approved by the Secretary of the United States Department of the
94 Interior pursuant to the federal Indian Gaming Regulatory Act, P.L.
95 100-497, 25 USC 2701 et seq., and its implementing regulations. If such
96 approval is overturned by a court in a final judgment, which is not
97 appealable, the authorization for sports wagering provided under this
98 section shall cease to be effective.

99 (C) The new tribal-state compacts are approved by the General
100 Assembly pursuant to section 3-6c of the general statutes.

101 (c) (1) On and after the date this section becomes effective pursuant
102 to subsection (b) of this section, the Commissioner of Consumer
103 Protection may issue a license to operate sports wagering, a sports
104 wagering vendor license or a sports wagering lottery sales agent
105 license, as applicable, in accordance with this section.

106 (2) No person or business organization operating the off-track
107 betting system or limited liability company operating a casino gaming
108 facility may offer sports wagering unless such person, business
109 organization or limited liability company has obtained a license to
110 operate sports wagering issued by the commissioner pursuant to this
111 section, except that the Connecticut Lottery Corporation may offer
112 sports wagering through a mobile sports wagering platform without
113 obtaining such license.

114 (3) No person or business organization may develop a mobile sports
115 wagering platform on behalf of a sports wagering operator or the
116 Connecticut Lottery Corporation unless such person or business
117 organization holds a sports wagering vendor license issued by the
118 commissioner pursuant to this section.

119 (4) No lottery sales agent may offer sports wagering at such agent's
120 place of business unless such agent holds a sports wagering lottery
121 sales agent license issued by the commissioner pursuant to this section.

122 (d) (1) Each applicant for a license pursuant to this section shall
123 submit a completed application on forms prescribed by the
124 commissioner. Such application may require the applicant to submit
125 any information the commissioner deems pertinent to the issuance of
126 such license. Each applicant shall submit to state and national criminal
127 history records checks, conducted in accordance with section 29-17a of
128 the general statutes, before such license is issued.

129 (2) Each applicant for a license to operate sports wagering shall
130 submit with its application a nonrefundable application fee of one
131 hundred thousand dollars. Except as provided in subsection (e) of this
132 section, each such license shall expire biennially on the anniversary
133 date of the issuance of such license unless renewed in accordance with
134 this section. The nonrefundable application fee for such renewal shall
135 be one hundred thousand dollars. Upon the issuance or renewal of a
136 license, the licensee shall pay a licensing fee of five hundred thousand
137 dollars to the commissioner.

138 (3) Each applicant for a sports wagering vendor license shall submit
139 with its application a nonrefundable application fee of one hundred
140 thousand dollars. Except as provided in subsection (e) of this section,
141 each such license shall expire biennially on the anniversary date of the
142 issuance of such license unless renewed in accordance with this
143 section. The nonrefundable application fee for such renewal shall be
144 one hundred thousand dollars. Upon the issuance or renewal of a
145 license, the licensee shall pay a licensing fee of three hundred thousand
146 dollars to the commissioner.

147 (4) Except as provided in subsection (e) of this section, each sports
148 wagering lottery agent license shall be renewed biennially. Upon the
149 issuance or renewal of such license, the licensee shall pay a licensing
150 fee of two hundred fifty dollars to the commissioner.

151 (5) Applications for renewal of any such license shall be on such
152 form as prescribed by the commissioner.

153 (e) (1) The commissioner shall, as soon as practicable after the
154 receipt of a completed license or renewal application, grant or deny the
155 license or renewal application. Any holder of a license issued pursuant
156 to this section who submits an application to renew such license prior
157 to the expiration of such license may continue to operate sports
158 wagering, develop a mobile sports wagering platform on behalf of a
159 sports wagering operator or the Connecticut Lottery Corporation, or
160 offer sports wagering at the lottery sales agent's place of business, until
161 the commissioner denies such renewal application.

162 (2) Failure by any person or business organization or limited
163 liability company that holds a license pursuant to this section to
164 comply with the requirements of this section and any regulations
165 adopted pursuant to this section shall constitute grounds for the
166 commissioner: (A) To investigate such licensee, (B) to suspend or
167 revoke such license for good cause after a hearing held in accordance
168 with the provisions of chapter 54 of the general statutes, and (C) to
169 impose a fine of not more than fifty thousand dollars. Any licensee

170 whose license is suspended or revoked or who is fined, or any
171 applicant aggrieved by the action of the commissioner concerning an
172 application for a license or renewal application, may appeal in
173 accordance with the provisions of said chapter.

174 (f) (1) A sports wagering operator licensed under subsection (e) of
175 this section or the Connecticut Lottery Corporation may offer sports
176 wagering through a mobile sports wagering platform to individuals
177 physically located in this state. Such operator or corporation may
178 establish its own platform or may contract with a third party for the
179 development of a platform on behalf of the operator or corporation,
180 provided such third party holds a sports wagering vendor license
181 issued by the commissioner pursuant to this section.

182 (2) At a minimum, each mobile sports wagering platform shall be
183 developed to: (A) Verify that an individual with a sports wagering
184 account is twenty-one years of age or older and is located in the state;
185 (B) establish a voluntary self-exclusion process to allow an individual
186 to exclude himself or herself from placing sports wagers; (C) establish
187 a voluntary process to allow an individual to limit the amount of
188 money such individual may use to place sports wagers; (D) provide a
189 mechanism to prevent an individual who (i) participates in the self-
190 exclusion process from placing sports wagers, or (ii) limits the amount
191 of money such individual may use to place sports wagers from
192 exceeding such limits; (E) provide parental control procedures to allow
193 an individual with a sports wagering account to exclude minors from
194 access to the platform; (F) permit an individual to permanently close
195 his or her sports wagering account at any time and for any reason; (G)
196 prominently display introductory procedures for sports bettors on the
197 main page of the platform that explain sports wagering; (H) offer an
198 individual access to his or her sports wagering account history and
199 details; (I) provide that any money in a sports wagering account
200 belongs solely to the owner of the account and may be withdrawn by
201 the owner at any time; (J) provide a mechanism to prevent the
202 unauthorized use of sports wagering accounts and maintain the
203 security of wagering data, sport bettor's data and other confidential

204 information; and (K) post a conspicuous link to responsible gambling
205 information, as specified by the commissioner, on all sports wagering
206 account web pages.

207 (3) Prior to placing wagers on a mobile sports wagering platform, a
208 sports bettor shall establish a sports wagering account in person at the
209 casino gaming facility, off-track betting facility, central office of the
210 Connecticut Lottery Corporation or any high tier claim center so
211 designated by the corporation, as the case may be, and present at least
212 two forms of identification at the time of establishing the sports
213 wagering account.

214 (g) Each sports wagering operator, the Connecticut Lottery
215 Corporation and a lottery sales agent offering sports wagering shall:

216 (1) Verify that a sports bettor is at least twenty-one years of age;

217 (2) Allow any individual to exclude himself or herself from placing
218 sports wagers or limit the amount of money such individual may use
219 to place sports wagers with an operator, corporation or lottery sales
220 agent, and the operator, corporation or lottery sales agent that has been
221 notified by such individual of such exclusion or limit shall take
222 reasonable steps to prevent such individual from exceeding such
223 exclusion or limit;

224 (3) Enter into an agreement with an entity that meets or exceeds the
225 minimum qualifications as set forth in regulations adopted by the
226 commissioner pursuant to subsection (p) of this section for the
227 provisions of sporting event data to determine the result of a sports
228 wager;

229 (4) Report any suspicion of abnormal betting activity to the
230 commissioner for immediate investigation by the commissioner; and

231 (5) Maintain the security of wagering data, customer data and other
232 confidential information to prevent unauthorized access to and
233 dissemination of such data and information.

234 (h) (1) No individual who is a sports wagering operator, or is an
235 officer, director, owner or employee of a sports wagering operator, and
236 no family member of such individual who resides in the same
237 household as such individual, shall place any wager with such
238 operator.

239 (2) No athlete, coach, referee, team owner or employee of a sports
240 governing body or such governing body's member teams, and no
241 personnel of any bargaining unit of such governing body's athletes or
242 referees, shall place any wager on any sporting event overseen by such
243 governing body. In determining which individuals are prohibited from
244 placing a wager under this subdivision, a sports wagering operator
245 and the Connecticut Lottery Corporation shall use publicly available
246 information and any lists provided by the relevant sports governing
247 body to the Department of Consumer Protection.

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

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

253 (5) Each sports wagering operator and the Connecticut Lottery
254 Corporation shall take reasonable steps to prevent the conduct
255 prohibited under subdivisions (1) to (4), inclusive, of this subsection
256 and shall immediately notify the commissioner if such operator or
257 corporation believes such conduct has occurred.

258 (6) No prizes shall be paid to any individual who is restricted from
259 placing sports wagers pursuant to this subsection. Any such prize shall
260 be deposited into the sports wagering account established in section 2
261 of this act.

262 (i) A tax is imposed on sports wagering gross revenue earned by a
263 sports wagering operator at the rate of nine and eighty-nine-
264 hundredths per cent. The commissioner shall assess and collect such

265 tax as the commissioner may prescribe by regulations adopted in
266 accordance with the provisions of chapter 54 of the general statutes.
267 Such tax shall be due and payable each Tuesday of the week. If any
268 such tax is not paid when due, the commissioner shall impose a
269 delinquency assessment upon the sports wagering operator in the
270 amount of ten per cent of such tax or ten dollars, whichever amount is
271 greater, plus interest at the rate of one and one-half per cent of the
272 unpaid principal of such tax for each month or fraction of a month
273 from the date such tax is due to the date of payment. Subject to the
274 provisions of section 12-3a of the general statutes, the commissioner
275 may waive all or part of the penalties provided under this subsection
276 when it is proven to the commissioner's satisfaction that the failure to
277 pay such tax within the time required was due to reasonable cause and
278 was not intentional or due to neglect. Failure to pay any such
279 delinquent tax upon demand may be considered by the commissioner
280 as cause for revocation of a license to operate sports wagering.

281 (j) The amount of unclaimed moneys, as determined by the
282 commissioner, held by a sports wagering operator on account of
283 outstanding and uncashed winning sports wagering tickets, shall be
284 due and payable to the commissioner at the expiration of six months
285 after the date of the sporting event during which such tickets were
286 issued. If any such unclaimed moneys are not paid when due, the
287 commissioner shall impose a delinquency assessment upon the sports
288 wagering operator in the amount of ten per cent of such money or ten
289 dollars, whichever amount is greater, plus interest at the rate of one
290 and one-half per cent of the unpaid principal of such moneys for each
291 month or fraction of a month from the date such moneys are due to the
292 date of payment. Subject to the provisions of section 12-3a of the
293 general statutes, the commissioner may waive all or part of the
294 penalties provided under this subsection when it is proven to the
295 commissioner's satisfaction that the failure to pay such moneys within
296 the time required was due to reasonable cause and was not intentional
297 or due to neglect.

298 (k) (1) A sports betting right and integrity fee is imposed at the rate

299 of one-quarter of one per cent of all wagers placed on sporting events
300 by a sports wagering operator and the Connecticut Lottery
301 Corporation. Each sports wagering operator and the corporation shall
302 file a return with the commissioner, in such form and manner as the
303 commissioner prescribes, not later than thirty days after the end of
304 each calendar quarter. Each operator and the corporation shall identify
305 in each such return the percentage of wagers during the reporting
306 period that is attributable to each sports governing body's sporting
307 events. The amounts remitted pursuant to this subdivision shall be
308 deposited in the sports betting right and integrity fee account
309 established pursuant to section 3 of this act.

310 (2) Beginning in the second calendar year immediately succeeding
311 the year in which sports wagering is operational in the state, a sports
312 governing body may submit, not later than April thirtieth annually, a
313 request to the commissioner for a distribution of the fees remitted by
314 sports wagering operators and the corporation pursuant to subdivision
315 (1) of this subsection in the previous calendar year. The commissioner
316 shall disburse funds to the sports governing body on a pro rata basis of
317 the total amounts reported wagered in the previous calendar year on
318 sporting events. The commissioner shall distribute any unclaimed
319 sports betting right and integrity fees on a pro rata basis to the sports
320 governing body or bodies that submitted eligible and timely
321 distribution requests.

322 (3) The commissioner shall publish on the department's Internet
323 web site an annual report that states the amount of the fees received
324 from each sports wagering operator and the corporation pursuant to
325 subdivision (1) of this subsection in the previous calendar year and the
326 amount disbursed to each sports governing body pursuant to
327 subdivision (2) of this subsection.

328 (4) Any sports governing body aggrieved by an action of the
329 commission pursuant to this subsection may request a hearing in the
330 manner provided by chapter 54 of general statutes.

331 (l) The commissioner may authorize deputies to enter upon the
332 premises of a sports wagering operator, the Connecticut Lottery
333 Corporation or a lottery sales agent's place of business for the purposes
334 of inspecting books and records, supervising and examining cashiers,
335 ticket sellers and other persons handling money on behalf of such
336 operator, corporation or agent.

337 (m) The commissioner may restrict, limit or exclude wagering on a
338 sporting event or events by providing notice in such form and manner
339 as the commissioner prescribes to sports wagering operators and the
340 Connecticut Lottery Corporation.

341 (n) (1) Each sports wagering operator, the Connecticut Lottery
342 Corporation and any lottery sales agent that offers sports wagering
343 shall immediately report to the commissioner any information relating
344 to (A) criminal or disciplinary proceedings commenced against such
345 operator, corporation or agent or an employee of such operator,
346 corporation or agent in connection with its operations, (B) abnormal
347 betting activity or patterns that may indicate a concern with the
348 integrity of a sporting event, (C) any potential breach of the relevant
349 sports governing body's internal rules or codes of conduct pertaining
350 to sports wagering, (D) any other conduct that corrupts the betting
351 outcome of a sporting event for purposes of financial gain, including
352 match-fixing, and (E) suspicious or illegal wagering activities,
353 including the use of funds derived from illegal activity to place a
354 wager, the placing of a wager to conceal funds derived from illegal
355 activity, the use of an agent or a proxy to place a wager or the use of
356 false identification to place a wager.

357 (2) Such operator, corporation or agent shall also immediately
358 report to the relevant sports governing body any information relating
359 to conduct described under subparagraphs (B) to (D), inclusive, of
360 subdivision (1) of this subsection.

361 (o) If the commissioner finds, after a hearing conducted pursuant to
362 chapter 54 of the general statutes, that any individual or entity

363 knowingly violates any provision of this section or any regulation
364 adopted pursuant to subsection (p) of this section, the commissioner
365 shall assess such individual or entity a civil penalty of not more than
366 five thousand dollars for each violation, not to exceed fifty thousand
367 dollars for multiple violations arising out of the same transaction or
368 occurrence.

369 (p) The commissioner, in consultation with the Gaming Commission
370 established in section 6 of this act, shall adopt regulations, in
371 accordance with the provisions of chapter 54 of the general statutes, to
372 implement the provisions of this section. Such regulations shall include
373 provisions to protect the public interest in the integrity of sports
374 wagering and reduce the dangers of unsuitable, unfair or illegal
375 practices, methods and activities in the conduct of sports wagering.
376 Such regulations shall include, but need not be limited to, provisions
377 regarding: (1) The types of sports wagers that may be placed or
378 accepted; (2) the minimum amount of cash reserves to be maintained
379 by sports wagering operators; (3) the acceptance of wagers on a series
380 of sports events; (4) the maximum wagers which may be accepted by
381 an operator or the Connecticut Lottery Corporation from any one
382 sports bettor on any one sports event; (5) the type of wagering tickets
383 which shall be used; (6) the method of issuing tickets; (7) minimum
384 accounting standards for a sports wagering operator or the
385 corporation; (8) the types of records which shall be maintained by a
386 sports wagering operator or the corporation and available for
387 inspection upon the request of the commissioner; (9) requirements for
388 information and reports from a sports wagering operator and the
389 corporation to enable effective auditing of sports wagering operations;
390 (10) requirements for establishing and funding a sports wagering
391 account; (11) minimum qualifications for a provider of sporting events
392 data; and (12) requirements for any advertisement for sports betting to
393 ensure such advertisement (A) does not target minors, problem
394 gamblers or other vulnerable individuals, (B) includes information
395 about or Internet web site links to resources related to gambling
396 addiction, and (C) is not false, misleading or deceptive to a reasonable

397 consumer.

398 (q) Any amounts received by the commissioner pursuant to this
399 section, except a sports betting and integrity fee received pursuant to
400 subsection (k) of this section, shall be deposited in the sports wagering
401 account established in section 2 of this act.

402 (r) The commissioner may establish receivables for the revenue
403 anticipated to be deposited in the sports wagering account established
404 in section 2 of this act in accordance with this section. Such receivables
405 shall not exceed five hundred thousand dollars.

406 Sec. 2. (NEW) (*Effective July 1, 2018*) There is established an account
407 to be known as the "sports wagering account" which shall be a
408 separate, nonlapsing account within the General Fund. The account
409 shall contain any moneys required by law to be deposited in the
410 account. Moneys in the account shall be expended by the
411 Commissioner of Consumer Protection for the purposes of
412 compensating the Department of Consumer Protection for the
413 reasonable and necessary costs incurred by the department for the
414 regulatory and licensing activities specified in section 1 of this act. On
415 and after the first full fiscal year that the commissioner finds money
416 has been deposited in the sports wagering account, the commissioner
417 (1) shall contribute one-half of one per cent of the moneys deposited in
418 the account during the previous fiscal year to the five Regional
419 Behavioral Health Action Organizations designated by the
420 Commissioner of Mental Health and Addiction Services, and (2) may
421 appropriate moneys, as the commissioner deems reasonable, upon
422 application by a public higher institution of education in this state that
423 participates in the National Collegiate Athletic Association Division I
424 program to reimburse such institution for any costs associated with
425 complying with sports wagering. At the end of each fiscal year, the
426 commissioner shall transfer any money in excess of such reasonable
427 and necessary costs and such contribution to the General Fund.

428 Sec. 3. (NEW) (*Effective July 1, 2018*) There is established an account

429 to be known as the "sports betting right and integrity fee account"
430 which shall be a separate, nonlapsing account within the General
431 Fund. The account shall contain any moneys required by law to be
432 deposited in the account. Moneys in the account shall be expended by
433 the Commissioner of Consumer Protection for the purposes of
434 disbursing funds to sports governing bodies in accordance with the
435 provisions of subdivision (2) of subsection (k) of section 1 of this act.

436 Sec. 4. Section 12-577 of the 2018 supplement to the general statutes
437 is repealed and the following is substituted in lieu thereof (*Effective July*
438 *1, 2018*):

439 The commissioner shall annually cause to be made by some
440 competent person or persons in the department a thorough audit of
441 the books and records of each association licensee under this chapter,
442 [and] each casino gaming facility and each licensed sports wagering
443 operator, as defined in subsection (a) of section 1 of this act, and the
444 commissioner may, from time to time, cause to be made by some
445 competent person in the department a thorough audit of the books and
446 records of any other person or business organization licensed under
447 this chapter. All such audit records shall be kept on file in the
448 commissioner's office at all times. Each licensee and casino gaming
449 facility shall permit access to its books and records for the purpose of
450 having such audit made, and shall produce, upon written order of the
451 commissioner, any documents and information required for such
452 purpose.

453 Sec. 5. Subsection (b) of section 12-811 of the general statutes is
454 repealed and the following is substituted in lieu thereof (*Effective July*
455 *1, 2018*):

456 (b) No director, officer or employee of the corporation shall, directly
457 or indirectly, participate in, or share in the winnings from, a game
458 conducted pursuant to sections 12-563a and 12-800 to 12-818, inclusive,
459 and sports wagering conducted pursuant to section 1 of this act.

460 Sec. 6. (NEW) (*Effective July 1, 2018*) On and after the date any

461 authorization of sports wagering by any provision of the general
462 statutes or a public act or special act is effective, there is established a
463 Gaming Commission composed of the Commissioner of Consumer
464 Protection, who shall be the chairperson of the commission and a
465 commissioner of the commission, and two commissioners appointed
466 by the Governor in accordance with section 4-9a of the general statutes.
467 The appointed commissioners shall not be of the same political party.
468 The Governor shall fill either vacancy for the unexpired portion of a
469 term of an appointed commissioner. Each appointed commissioner
470 shall take the oath prescribed for executive officers. The Governor may
471 remove any appointed commissioner as provided in section 4-12 of the
472 general statutes. Each commissioner shall have one vote. The Gaming
473 Commission shall be responsible for the implementation and
474 administration of the provisions of sections 7-169 to 7-186, inclusive, of
475 the general statutes, section 1 of this act, and chapters 226, 226b and
476 229a of the general statutes.

477 Sec. 7. Section 21a-6 of the general statutes is repealed and the
478 following is substituted in lieu thereof (*Effective July 1, 2018*):

479 The following boards shall be within the Department of Consumer
480 Protection:

481 (1) The Architectural Licensing Board established under chapter
482 390;

483 (2) Repealed by P.A. 93-151, S. 3, 4;

484 (3) The examining boards for electrical work; plumbing and piping
485 work; heating, piping, cooling and sheet metal work; elevator
486 installation, repair and maintenance work; fire protection sprinkler
487 systems work and automotive glass work and flat glass work,
488 established under chapter 393;

489 (4) Repealed by P.A. 99-73, S. 10;

490 (5) The Commission of Pharmacy established under chapter 400j;

491 (6) The State Board of Landscape Architects established under
492 chapter 396;

493 (7) Deleted by P.A. 98-229;

494 (8) The State Board of Examiners for Professional Engineers and
495 Land Surveyors established under chapter 391;

496 (9) Repealed by P.A. 80-484, S. 175, 176;

497 (10) The Connecticut Real Estate Commission established under
498 chapter 392;

499 (11) The Connecticut Real Estate Appraisal Commission established
500 under chapter 400g;

501 (12) The State Board of Examiners of Shorthand Reporters
502 established under chapter 400l;

503 (13) The Liquor Control Commission established under chapter 545;

504 (14) Repealed by P.A. 06-187, S. 99;

505 (15) The Home Inspection Licensing Board established under
506 section 20-490a; [and]

507 (16) The State Board of Accountancy established under section 20-
508 280; and

509 (17) On and after the date any authorization of sports wagering by
510 any provision of the general statutes or a public act or special act is
511 effective, the Gaming Commission established under section 6 of this
512 act.

513 Sec. 8. Subsection (c) of section 12-812 of the general statutes is
514 repealed and the following is substituted in lieu thereof (*Effective July*
515 *1, 2018*):

516 (c) On a weekly basis, the president shall estimate, and certify to the

517 State Treasurer, that portion of the balance in the lottery fund which
518 exceeds the current needs of the corporation for the payment of prizes,
519 the payment of current operating expenses and funding of approved
520 reserves of the corporation [. The] and that portion of the balance that
521 is attributable to the proceeds of sports wagering, as defined in
522 subsection (a) of section 1 of this act. Upon notification of receipt of
523 such certification by the Treasurer, the corporation shall transfer the
524 amount so certified from the lottery fund of the corporation to the
525 General Fund, [upon notification of receipt of such certification by the
526 Treasurer] except that the corporation shall transfer the amount
527 attributable to the proceeds of sports wagering to the sports wagering
528 account established pursuant to section 2 of this act.

529 Sec. 9. Subdivision (2) of section 53-278a of the 2018 supplement to
530 the general statutes is repealed and the following is substituted in lieu
531 thereof (*Effective July 1, 2018*):

532 (2) "Gambling" means risking any money, credit, deposit or other
533 thing of value for gain contingent in whole or in part upon lot, chance
534 or the operation of a gambling device, including the playing of a casino
535 gambling game such as blackjack, poker, craps, roulette or a slot
536 machine, but does not include: Legal contests of skill, speed, strength
537 or endurance in which awards are made only to entrants or the owners
538 of entries; legal business transactions which are valid under the law of
539 contracts; activity legal under the provisions of sections 7-169 to 7-186,
540 inclusive; any lottery or contest conducted by or under the authority of
541 any state of the United States, Commonwealth of Puerto Rico or any
542 possession or territory of the United States; and other acts or
543 transactions expressly authorized by law on or after October 1, 1973.
544 Fantasy contests, as defined in section 12-578aa, as amended by this
545 act, shall not be considered gambling, provided the conditions set forth
546 in subsection (b) of section 12-578aa, as amended by this act, have been
547 met and the operator of such contests is registered pursuant to
548 subdivision (1) of subsection (d) of section 12-578aa, as amended by
549 this act. Sports wagering, as defined in subsection (a) of section 1 of
550 this act, shall not be considered gambling, provided the conditions set

551 forth in subsection (b) of section 1 of this act have been met and the
552 sports wagering operator is licensed pursuant to subsection (e) of
553 section 1 of this act, the Connecticut Lottery Corporation or a lottery
554 sales agent;

555 Sec. 10. Subdivision (4) of section 53-278a of the 2018 supplement to
556 the general statutes is repealed and the following is substituted in lieu
557 thereof (*Effective July 1, 2018*):

558 (4) "Gambling device" means any device or mechanism by the
559 operation of which a right to money, credits, deposits or other things
560 of value may be created, as the result of the operation of an element of
561 chance; any device or mechanism which, when operated for a
562 consideration, does not return the same value or thing of value for the
563 same consideration upon each operation thereof; any device,
564 mechanism, furniture or fixture designed primarily for use in
565 connection with professional gambling; and any subassembly or
566 essential part designed or intended for use in connection with any
567 such device, mechanism, furniture, fixture, construction or installation,
568 provided an immediate and unrecorded right of replay mechanically
569 conferred on players of pinball machines and similar amusement
570 devices shall be presumed to be without value. "Gambling device"
571 does not include a crane game machine or device or a redemption
572 machine. A device or equipment used to play fantasy contests, as
573 defined in section 12-578aa, as amended by this act, or participate in
574 sports wagering, as defined in subsection (a) of section 1 of this act,
575 shall not be considered a gambling device, provided the conditions set
576 forth in subsection (b) of section 12-578aa, as amended by this act, have
577 been met and in subsection (b) of section 1 of this act have been met,
578 respectively;

579 Sec. 11. Section 12-561 of the 2018 supplement to the general statutes
580 is repealed and the following is substituted in lieu thereof (*Effective July*
581 *1, 2018*):

582 No commissioner or unit head or employee of the department shall

583 directly or indirectly, individually or as a member of a partnership or
584 as a shareholder of a corporation, have any interest whatsoever in
585 dealing in any lottery, racing, fronton, betting enterprise or casino
586 gaming facility or in the ownership or leasing of any property or
587 premises used by or for any lottery, racing, fronton, betting enterprise
588 or casino gaming facility. No commissioner or unit head shall, directly
589 or indirectly, wager at any off-track betting facility, race track or
590 fronton authorized under this chapter, purchase lottery tickets issued
591 under this chapter, [or] play, directly or indirectly, any authorized
592 game conducted at a casino gaming facility or place a sports wager
593 with a sports wagering operator, the Connecticut Lottery Corporation
594 or a lottery sales agent authorized under section 1 of this act. The
595 commissioner may adopt regulations in accordance with the
596 provisions of chapter 54 to prohibit any employee of the department
597 from engaging, directly or indirectly, in any form of legalized
598 gambling activity in which such employee is involved because of his or
599 her employment with the department. For purposes of this section,
600 "unit head" means a managerial employee with direct oversight of a
601 legalized gambling activity.

602 Sec. 12. Subsection (b) of section 12-802 of the general statutes is
603 repealed and the following is substituted in lieu thereof (*Effective July*
604 *1, 2018*):

605 (b) (1) The corporation shall be governed by a board of thirteen
606 directors. The Governor, with the advice and consent of the General
607 Assembly, shall appoint five directors who have skill, knowledge and
608 experience in the fields of management, finance or operations in the
609 private sector. Each director appointed by the Governor shall serve at
610 the pleasure of the Governor, but no longer than the term of office of
611 the Governor or until the director's successor is appointed and
612 qualified, whichever term is longer. The Governor shall fill any
613 vacancy for the unexpired term of a director appointed by the
614 Governor. Two directors shall be the State Treasurer and the Secretary
615 of the Office of Policy and Management, both of whom shall serve ex
616 officio and shall have all of the powers and privileges of a member of

617 the board of directors. Each ex-officio director may designate his or her
618 deputy or any member of his or her staff to represent him or her at
619 meetings of the corporation with full power to act and vote on his or
620 her behalf. [Each director appointed by the Governor shall serve at the
621 pleasure of the Governor, but no longer than the term of office of the
622 Governor or until the director's successor is appointed and qualified,
623 whichever term is longer. The Governor shall fill any vacancy for the
624 unexpired term of a director appointed by the Governor. The
625 procedures of section 4-7 shall apply to the confirmation of the
626 Governor's appointments by both houses of the General Assembly.]

627 (2) Six directors shall be appointed, with the advice and consent of
628 the General Assembly, as follows: (A) One director who shall have
629 expertise in the field of law appointed by the president pro tempore of
630 the Senate, (B) one director who shall have expertise in the private
631 sector appointed by the majority leader of the Senate, (C) one director
632 who shall have expertise in the field of law appointed by the minority
633 leader of the Senate, (D) one director who shall have expertise in law
634 enforcement or security appointed by the speaker of the House of
635 Representatives, (E) one director who shall have expertise in the
636 private sector appointed by the majority leader of the House of
637 Representatives, and (F) one director who shall have expertise in
638 government relations appointed by the minority leader of the House of
639 Representatives. Each director appointed by a member of the General
640 Assembly shall serve in accordance with the provisions of section 4-1a.
641 The appropriate legislative appointing authority shall fill any vacancy
642 for the unexpired term of a director appointed by such authority.

643 (3) Any appointed director shall be eligible for reappointment. The
644 Commissioner of Consumer Protection shall not serve as a director.
645 Any director may be removed by order of the Superior Court upon
646 application of the Attorney General for misfeasance, malfeasance or
647 wilful neglect of duty. Such actions shall be tried to the court without a
648 jury and shall be privileged in assignment for hearing. If the court,
649 after hearing, finds there is clear and convincing evidence of such
650 misfeasance, malfeasance or wilful neglect of duty it shall order the

651 removal of such director. Any director so removed shall not be
652 reappointed to the board.

653 Sec. 13. (*Effective from passage*) (a) Not later than ninety days after the
654 effective date of this section, the Commissioner of Consumer
655 Protection shall develop and issue a request for proposals for
656 professional services to recommend a strategic plan to expand and
657 ensure the integrity of gambling in the state. The professional service
658 provider shall have expertise in issues related to gambling, the
659 expansion of gambling and the regulatory oversight of entities
660 authorized to conduct gambling.

661 (b) At a minimum, the strategic plan shall:

662 (1) Analyze the economic impacts of all legal and current forms of
663 gambling in the state, including, but not limited to, gambling at casino
664 gaming facilities, and gambling facilitated by the Connecticut Lottery
665 Corporation and off-track betting facilities;

666 (2) Contain a fiscal analysis to determine the impact of expanding
667 gambling in the state (A) by amending the procedures, compact and
668 agreements entered into by and between the state and the
669 Mashantucket Pequot Tribe and the state and the Mohegan Tribe of
670 Indians of Connecticut, and (B) without amending such procedures,
671 compact and agreements;

672 (3) Identify the various approaches to expanding gambling in the
673 state and analyze the economic impact and the fiscal and legal
674 consequences if the state authorizes (A) any person, business entity or
675 Indian tribe to operate one or more commercial casino gaming facilities
676 within the state, (B) the Connecticut Lottery Corporation to sell tickets
677 for lottery draw games online and accept payment through the use of a
678 credit card, (C) the Connecticut Lottery Corporation, off-track betting
679 facilities, the Mashantucket Pequot Tribe or the Mohegan Tribe of
680 Indians of Connecticut, or any combination thereof, to conduct
681 wagering on sporting events to the extent permitted by federal law,
682 and (D) the operation of fantasy contests in the state without amending

683 such procedures, compact and agreements; and

684 (4) Recommend a strategic plan that (A) implements the expansion
685 of gambling in the state, (B) strengthens the regulatory oversight of
686 entities authorized to conduct gambling in the state, (C) provides for
687 the taxation of such expansion, and (D) includes best practices to
688 protect the public interest in the integrity of gambling operations and
689 reduce the dangers of unsuitable, unfair or illegal practices, methods
690 and activities in such operations.

691 (c) The commissioner shall, in accordance with the provisions of
692 section 11-4a of the general statutes, submit the following to the joint
693 standing committee of the General Assembly having cognizance of
694 matters relating to public safety and security: (1) An interim report that
695 identifies the scope of the strategic plan and makes preliminary
696 findings not later than February 1, 2019, and (2) the final strategic plan
697 not later than October 1, 2019.

698 (d) The Commissioner of Consumer Protection and the board of
699 directors of the Connecticut Lottery Corporation shall provide any
700 information and data needed by the professional service provider to
701 complete the strategic plan, provided the information and data does
702 not disclose the identity of any individual.

703 (e) The Connecticut Lottery Corporation shall pay the costs of the
704 strategic plan and any costs associated with the strategic plan using
705 unclaimed prize funds from the fiscal year ending June 30, 2018, that
706 were not used to increase sales or returned to participants in a manner
707 designed to increase sales.

708 Sec. 14. Subsection (b) of section 12-564 of the general statutes is
709 repealed and the following is substituted in lieu thereof (*Effective July*
710 *1, 2018*):

711 (b) The commissioner shall conduct studies concerning the effect of
712 legalized gambling on the citizens of this state including, but not
713 limited to, studies to determine the types of gambling activity engaged

714 in by the public and the desirability of expanding, maintaining or
715 reducing the amount of legalized gambling permitted in this state.
716 Such studies shall be conducted as often as the commissioner deems
717 necessary, except that no studies shall be conducted before the fiscal
718 year ending June 30, [2009] 2028, and thereafter studies shall be
719 conducted at least once every ten years. The commissioner shall
720 submit the findings of such studies and the costs of conducting such
721 studies to the joint standing [committees] committee of the General
722 Assembly having cognizance of matters relating to [legalized gambling
723 shall each receive a report concerning each study carried out, stating
724 the findings of the study and the costs of conducting the study] public
725 safety and security, in accordance with the provisions of section 11-4a.

726 Sec. 15. Section 12-810 of the general statutes is repealed and the
727 following is substituted in lieu thereof (*Effective July 1, 2018*):

728 (a) The Freedom of Information Act, as defined in section 1-200,
729 shall apply to all actions, meetings and records of the corporation,
730 except (1) where otherwise limited by subsection (c) of this section as
731 to new lottery games and serial numbers of unclaimed lottery tickets,
732 [and] (2) with respect to financial, credit and proprietary information
733 submitted by any person to the corporation in connection with any
734 proposal to provide goods, services or professional advice to the
735 corporation as provided in section 12-815, and (3) where otherwise
736 limited by subsection (d) of this section as to information submitted by
737 any person to the corporation regarding such person's participation in
738 the corporation's sports wagering voluntary self-exclusion process
739 established pursuant to subdivision (2) of subsection (f) of section 1 of
740 this act or subdivision (1) of subsection (g) of section 1 of this act.

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

744 (c) Any new lottery game and the procedures for such game, until
745 the game is publicly announced by the corporation, and any serial

746 number of an unclaimed lottery ticket shall not be deemed public
747 records, as defined in section 1-200, and shall not be available to the
748 public under the provisions of section 1-210. The president shall
749 submit a fiscal note prepared by the corporation with respect to the
750 procedures for a new lottery game to the joint standing committees of
751 the General Assembly having cognizance of matters relating to finance,
752 revenue, bonding and public safety after approval of such game by the
753 board.

754 (d) The name and any personally identifying information of a
755 person who is participating or participated in the corporation's sports
756 wagering voluntary self-exclusion process established pursuant to
757 subdivision (2) of subsection (f) of section 1 of this act or subdivision
758 (1) of subsection (g) of section 1 of this act shall not be deemed public
759 records, as defined in section 1-200, and shall not be available to the
760 public under the provisions of section 1-210. The president may
761 disclose the name and any records of such person if such person claims
762 a winning from placing a sports wager.

763 Sec. 16. Subdivision (1) of subsection (a) of section 12-578f of the
764 2018 supplement to the general statutes is repealed and the following
765 is substituted in lieu thereof (*Effective July 1, 2018*):

766 (1) "Authorized games" means any game of chance, including, but
767 not limited to, blackjack, poker, dice, money-wheels, roulette, baccarat,
768 chuck-a-luck, pan game, over and under, horse race game, acey-deucey,
769 beat the dealer, bouncing ball, video facsimile game and any other
770 game of chance authorized by the Commissioner of Consumer
771 Protection. "Authorized games" does not include sports wagering, as
772 defined in subsection (a) of section 1 of this act;

773 Sec. 17. Subsection (b) of section 12-578aa of the 2018 supplement to
774 the general statutes is repealed and the following is substituted in lieu
775 thereof (*Effective July 1, 2018*):

776 (b) The provisions of this section shall not be effective unless the
777 following conditions have been met:

778 (1) The Governor enters into [amendments to the Mashantucket
779 Pequot procedures and to the Mashantucket Pequot memorandum of
780 understanding with the Mashantucket Pequot Tribe and amendments
781 to the Mohegan compact and to the Mohegan memorandum of
782 understanding with the Mohegan Tribe of Indians of Connecticut
783 concerning the authorization of fantasy contests in the state] new
784 tribal-state compacts with the Mashantucket Pequot Tribe and the
785 Mohegan Tribe of Indians of Connecticut pursuant to the federal
786 Indian Gaming Regulatory Act, P.L. 100-497, 25 USC 2710(d)(3)
787 concerning the authorization of fantasy contests. Any such tribal-state
788 compact shall: (i) Allow each tribe to offer fantasy contests on any
789 casino gaming facility located on Indian lands, (ii) provide that the
790 authorization of fantasy contests in this state does not relieve each tribe
791 from the tribe's obligation to contribute a percentage of the gross
792 operating revenues of video facsimile games to the state as provided in
793 the Mashantucket Pequot memorandum of understanding and the
794 Mohegan memorandum of understanding, as the case may be, and (iii)
795 provide that the authorization of fantasy contests in this state does not
796 terminate the moratoria on the operation of video facsimile games by
797 the tribes pursuant to section 15(a) of the Mashantucket Pequot
798 procedures and section 15(a) of the Mohegan compact.

799 [(2) The amendments to the Mashantucket Pequot procedures and
800 the Mohegan compact shall include a provision that the authorization
801 of fantasy contests in the state does not terminate the moratorium
802 against the operation of video facsimile games by the Mashantucket
803 Pequot Tribe and Mohegan Tribe of Indians of Connecticut on each
804 tribe's reservation.

805 (3) The amendments to each tribe's memorandum of understanding
806 shall include a provision that the authorization of fantasy contests in
807 the state does not relieve each tribe from each tribe's obligation to
808 contribute a percentage of the gross operating revenues of video
809 facsimile games to the state as provided in each tribe's memorandum
810 of understanding.]

811 [(4)] (2) The [amendments to the Mashantucket Pequot procedures,
812 the Mashantucket Pequot memorandum of understanding, the
813 Mohegan compact and the Mohegan memorandum of understanding]
814 new tribal-state compacts are approved or deemed approved by the
815 Secretary of the United States Department of the Interior pursuant to
816 the federal Indian Gaming Regulatory Act, P.L. 100-497, 25 USC 2701
817 et seq., and its implementing regulations. If such approval is
818 overturned by a court in a final judgment, which is not appealable, the
819 authorization for fantasy contests provided under this section shall
820 cease to be effective.

821 [(5)] (3) The [amendments to the Mashantucket Pequot procedures
822 and to the Mohegan compact] new tribal-state compacts are approved
823 by the General Assembly pursuant to section 3-6c.

824 [(6) The amendments to the Mashantucket Pequot memorandum of
825 understanding and to the Mohegan memorandum of understanding
826 are approved by the General Assembly pursuant to the process
827 described in section 3-6c.]

828 Sec. 18. (NEW) (*Effective July 1, 2018*) (a) There is established a Joint
829 Venture Events Commission. The commission shall consist of the
830 following members: (1) One member appointed by the speaker of the
831 House of Representatives; (2) one member appointed by the president
832 pro tempore of the Senate; (3) one member appointed by the majority
833 leader of the House of Representatives; (4) one member appointed by
834 the majority leader of the Senate; (5) one member appointed by the
835 minority leader of the House of Representatives; (6) one member
836 appointed by the minority leader of the Senate; (7) one member
837 appointed by the Governor; (8) a representative from Major League
838 Baseball; (9) a representative from the Professional Golfers'
839 Association; (10) a representative from the National Basketball
840 Association; (11) a representative from the National Hockey League;
841 (12) a representative from the National Football League; (13) a
842 representative from Major League Soccer; and (14) any other member
843 that the commission may appoint to the commission.

844 (b) The commission shall select the chairperson of the commission
 845 from among the members of the commission and schedule the first
 846 meeting of the commission not later than ninety days after the date
 847 sports wagering is permitted under federal law.

848 (c) The commission shall meet at least every six months or as often
 849 as deemed necessary by the chairperson or a majority of the
 850 commission to consider joint ventures for professional events in this
 851 state and other issues related to professional events as determined by
 852 the commission.

853 (d) The commission shall establish an advisory committee to advise
 854 the commission in carrying out its duties. Such committee shall be
 855 composed of legislators, business leaders and other interested
 856 stakeholders and shall, where feasible, reflect the state's geographic
 857 and demographic diversity and include members of different political
 858 parties.

859 Sec. 19. Section 12-565a of the 2018 supplement to the general
 860 statutes is repealed. *(Effective from passage)*"

| | | |
|---|---------------------|-------------|
| 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> | New section |
| Sec. 4 | <i>July 1, 2018</i> | 12-577 |
| Sec. 5 | <i>July 1, 2018</i> | 12-811(b) |
| Sec. 6 | <i>July 1, 2018</i> | New section |
| Sec. 7 | <i>July 1, 2018</i> | 21a-6 |
| Sec. 8 | <i>July 1, 2018</i> | 12-812(c) |
| Sec. 9 | <i>July 1, 2018</i> | 53-278a(2) |
| Sec. 10 | <i>July 1, 2018</i> | 53-278a(4) |
| Sec. 11 | <i>July 1, 2018</i> | 12-561 |
| Sec. 12 | <i>July 1, 2018</i> | 12-802(b) |
| Sec. 13 | <i>from passage</i> | New section |
| Sec. 14 | <i>July 1, 2018</i> | 12-564(b) |
| Sec. 15 | <i>July 1, 2018</i> | 12-810 |

| | | |
|---------|---------------------|------------------|
| Sec. 16 | <i>July 1, 2018</i> | 12-578f(a)(1) |
| Sec. 17 | <i>July 1, 2018</i> | 12-578aa(b) |
| Sec. 18 | <i>July 1, 2018</i> | New section |
| Sec. 19 | <i>from passage</i> | Repealer section |