

sHB 5305: An Act Concerning a Request for Proposals to Qualify an Entity to Develop a Casino Gaming Facility in the State

By: Duke Chen, Principal Analyst
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Issue

Analyze [sHB 5305](#): *An Act Concerning a Request for Proposals to Qualify an Entity to Develop a Casino Gaming Facility in the State*, which was reported favorably by the Public Safety and Security Committee on March 16, 2018.

Summary

This bill creates a process for the possible establishment of an off-reservation casino gaming facility in the state. It specifically prohibits anyone from operating such a facility until the General Assembly enacts legislation to provide for the licensing and operation of a casino gaming facility and such legislation has taken effect.

The bill requires, within 90 days after its passage, the Department of Consumer Protection (DCP) and Department of Economic and Community Development (DECD) commissioners to jointly develop and issue a request for proposals (RFP) to qualify any person, business, or Indian tribe to develop, manage, operate, and maintain a possible Connecticut casino gaming facility.

RFP responses must be submitted by January 1, 2019 and accompanied by a \$5 million refundable fee. The RFP must require responders to, among other things:

1. submit a development agreement with a host municipality that was approved by referendum and agree to annually pay the municipality at least \$8 million when the proposed facility is operational;
2. (a) agree to make a capital investment of at least \$500 million and (b) demonstrate the ability to pay a one-time licensing fee of at least \$50 million;
3. agree to pay the state at least (a) 25% of the facility's gross gaming revenue from all gambling games and (b) 10% of the gross gaming revenue from the video slot machines;
4. provide an outline on the benefits of the proposed facility; and
5. estimate the number of people who will be employed at the facility, which must be at least 2,000.

By April 1, 2019, the commissioners must jointly submit a report to the Public Safety and Security and Commerce committees that, among other things, identifies the entity the commissioners have selected to operate the proposed casino.

This bill is effective upon passage.

RFP

The bill requires the DCP and DECD commissioners to develop selection criteria to evaluate RFP responses. From among the responders, the commissioners may qualify one person, business organization, or Indian tribe to develop, manage, operate, and maintain a possible Connecticut casino gaming facility.

Application Fee

Under the bill, each proposal must be submitted by January 1, 2019 and must be accompanied by a \$5 million fee, which must be refunded if (1) the commissioners do not choose the responder and the responder waives the right to challenge the decision or (2) the General Assembly does not authorize a casino to operate within the state.

Requirements

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

1. provide (a) an outline of the significant benefits that the proposed facility will bring to the host municipality, the surrounding municipalities, and the state and (b) a marketing and tourism plan;
2. submit a development agreement for establishing the proposed facility, entered into by the responder and the host municipality, that was approved through a municipal referendum by January 1, 2019 and requires an annual payment to the municipality of at least \$8 million if the casino becomes operational;
3. submit a plan for revenue sharing with surrounding municipalities;
4. submit a workforce development agreement entered into by the responder with the municipality to establish a regional workforce development center to train employees;
5. submit a market analysis detailing the benefits of the proposed casino gaming facility;
6. agree to make a capital investment of at least \$500 million in the proposed facility;
7. provide information and documentation demonstrating that the responder has sufficient business ability and experience and financial stability to develop, manage, operate, and maintain the proposed facility;
8. submit designs and a construction timeline for the proposed facility;
9. estimate the number of people who will be employed at the facility, which must be at least 2,000 employees, and provide information on their pay rate and benefits;
10. provide evidence that the responder has a labor neutrality agreement with organized labor;
11. describe a process to maximize the use of small contractors, minority business enterprises, and veteran-owned microbusinesses;
12. submit a responsible gaming plan associated with operating the proposed facility;
13. describe the types and numbers of games to be conducted at the proposed facility;
14. demonstrate the responder's ability to pay a one-time licensing fee of at least \$50 million before beginning construction;

15. agree to pay the state at least (a) 25% of the facility's gross gaming revenue from all gambling games and (b) 10% of the gross gaming revenue from the video slot machines; and

16. provide any other information the commissioners may deem necessary.

Legislative Report

The bill requires the commissioners to submit a report, by April 1, 2019, to the Commerce and Public Safety and Security committees that (1) describes and summarizes the RFP, responses received, and selection criteria; (2) identifies the qualified person, business organization, or Indian tribe the commissioners selected to be qualified for the proposed facility; and (3) demonstrates that such person or entity meets the selection criteria.

Additional Information:

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

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

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