



House of Representatives

General Assembly

File No. 461

January Session, 2019

Substitute House Bill No. 7334

House of Representatives, April 8, 2019

The Committee on Public Safety and Security reported through REP. VERRENGIA of the 20th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT ESTABLISHING A COMMISSION ON GAMING.

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

1 Section 1. (NEW) (*Effective January 1, 2020*) (a) There is established a
2 Commission on Gaming, which shall be under the direction and
3 supervision of three commission members appointed by the Governor
4 in accordance with the provisions of section 4-1a of the general statutes
5 and with the advice and consent of either house of the General
6 Assembly. The members of the commission shall have experience with
7 one or more of the following: (1) Legal and policy issues related to
8 gaming, (2) gaming regulatory administration, (3) gaming industry
9 management, (4) criminal investigations and law enforcement, or (5)
10 corporate finance and securities. The Governor shall designate a
11 member to serve as chairperson of the commission. The chairperson
12 shall preside at all meetings. Two members shall constitute a quorum.
13 The vote of a majority of the members shall be required for action of
14 the commission. The salary of each appointed member shall be

15 established by the Department of Administrative Services.

16 (b) The Commission on Gaming shall constitute a successor agency,
17 in accordance with the provisions of sections 4-38d and 4-39 of the
18 general statutes, to the Department of Consumer Protection with
19 respect to all functions, powers and duties of the department
20 transferred to the commission under this section, sections 7-169d, 7-
21 169h, 7-169i, 7-178, 12-557b to 12-578bb, inclusive, 12-579, 12-584, 12-
22 585, 12-586f, 12-586g and 12-800 to 12-834, inclusive, subsection (b) of
23 section 17a-713, sections 21a-1, 22-410, 22-412, 29-7c and 29-18c,
24 subsection (a) of section 30-20, subsection (h) of section 30-33b,
25 subdivision (1) of subsection (b) of section 30-39, section 30-59a,
26 subsection (c) of section 31-51y and section 53-278g of the general
27 statutes, as amended by this act. The Commission on Gaming may
28 implement policies and procedures consistent with the provisions of
29 this section, sections 7-169d, 7-169h, 7-169i, 7-178, 12-557b to 12-578bb,
30 inclusive, 12-579, 12-584, 12-585, 12-586f, 12-586g and 12-800 to 12-834,
31 inclusive, subsection (b) of section 17a-713, sections 21a-1, 22-410, 22-
32 412, 29-7c and 29-18c, subsection (a) of section 30-20, subsection (h) of
33 section 30-33b, subdivision (1) of subsection (b) of section 30-39, section
34 30-59a, subsection (c) of section 31-51y and section 53-278g of the
35 general statutes, as amended by this act, while in the process of
36 adopting the policy or procedure in regulation form, provided notice
37 of intention to adopt regulations is posted on the eRegulations System
38 not later than twenty days after implementation. Any such policy or
39 procedure shall be valid until the time final regulations are effective.

40 (c) The Commission on Gaming shall be responsible for: (1) The
41 implementation and administration of provisions of the general
42 statutes governing gaming; (2) the licensing and oversight of gambling
43 entities operating in the state; (3) analysis of the gaming industry and
44 market for gaming activities in the state and promotion of the gaming
45 industry in the state; and (4) recommendations for legislation to
46 implement a strategic plan for gaming in the state.

47 (d) The Governor shall appoint, in accordance with the provisions of

48 sections 4-5 to 4-8, inclusive, of the general statutes, as amended by
49 this act, an executive director to supervise the daily operations of the
50 commission. The executive director shall have professional experience
51 in gaming regulatory administration or gaming industry management.
52 The salary of the executive director shall be established by the
53 Department of Administrative Services.

54 (e) The commission shall consult with the Department of Consumer
55 Protection regarding the department's powers and duties transferred
56 to the commission under this section, sections 7-169d, 7-169h, 7-169i, 7-
57 178, 12-577b to 12-578bb, inclusive, 12-579, 12-584, 12-585, 12-586f, 12-
58 586g and 12-800 to 12-834, inclusive, subsection (b) of section 17a-713,
59 sections 21a-1, 22-410, 22-412, 29-7c and 29-18c, subsection (a) of
60 section 30-20, subsection (h) of section 30-33b, subdivision (1) of
61 subsection (b) of section 30-39, section 30-59a, subsection (c) of section
62 31-51y and section 53-278g of the general statutes, as amended by this
63 act.

64 (f) The Legislative Commissioners' Office shall, in codifying the
65 provisions of this section, sections 7-169d, 7-169h, 7-169i, 7-178, 12-557b
66 to 12-578bb, inclusive, 12-579, 12-584, 12-585, 12-586f, 12-586g and 12-
67 800 to 12-834, inclusive, subsection (b) of section 17a-713, sections 21a-
68 1, 22-410, 22-412, 29-7c and 29-18c, subsection (a) of section 30-20,
69 subsection (h) of section 30-33b, subdivision (1) of subsection (b) of
70 section 30-39, section 30-59a, subsection (c) of section 31-51y and
71 section 53-278g of the general statutes, as amended by this act, make
72 such technical, grammatical and punctuation changes as are necessary
73 to carry out the purposes of this section.

74 Sec. 2. Section 4-5 of the general statutes, as amended by section 3 of
75 public act 18-91, is repealed and the following is substituted in lieu
76 thereof (*Effective January 1, 2020*):

77 As used in sections 4-6, 4-7 and 4-8, the term "department head"
78 means Secretary of the Office of Policy and Management,
79 Commissioner of Administrative Services, Commissioner on Aging,
80 Commissioner of Revenue Services, Banking Commissioner,

81 Commissioner of Children and Families, Commissioner of Consumer
82 Protection, Commissioner of Correction, Commissioner of Economic
83 and Community Development, State Board of Education,
84 Commissioner of Emergency Services and Public Protection,
85 Commissioner of Energy and Environmental Protection,
86 Commissioner of Agriculture, Commissioner of Public Health,
87 Insurance Commissioner, Labor Commissioner, Commissioner of
88 Mental Health and Addiction Services, Commissioner of Social
89 Services, Commissioner of Developmental Services, Commissioner of
90 Motor Vehicles, Commissioner of Transportation, Commissioner of
91 Veterans Affairs, Commissioner of Housing, Commissioner of
92 Rehabilitation Services, the Commissioner of Early Childhood, the
93 executive director of the Office of Military Affairs, [and] the executive
94 director of the Office of Health Strategy, and the executive director of
95 the Commission on Gaming. As used in sections 4-6 and 4-7,
96 "department head" also means the Commissioner of Education.

97 Sec. 3. Section 4-5 of the general statutes, as amended by section 6 of
98 public act 17-237, section 279 of public act 17-2 of the June special
99 session and section 20 of public act 18-182, is repealed and the
100 following is substituted in lieu thereof (*Effective July 1, 2020*):

101 As used in sections 4-6, 4-7 and 4-8, the term "department head"
102 means Secretary of the Office of Policy and Management,
103 Commissioner of Administrative Services, Commissioner of Revenue
104 Services, Banking Commissioner, Commissioner of Children and
105 Families, Commissioner of Consumer Protection, Commissioner of
106 Correction, Commissioner of Economic and Community Development,
107 State Board of Education, Commissioner of Emergency Services and
108 Public Protection, Commissioner of Energy and Environmental
109 Protection, Commissioner of Agriculture, Commissioner of Public
110 Health, Insurance Commissioner, Labor Commissioner, Commissioner
111 of Mental Health and Addiction Services, Commissioner of Social
112 Services, Commissioner of Developmental Services, Commissioner of
113 Motor Vehicles, Commissioner of Transportation, Commissioner of
114 Veterans Affairs, Commissioner of Housing, Commissioner of

115 Rehabilitation Services, the Commissioner of Early Childhood, the
116 executive director of the Office of Military Affairs, [and] the executive
117 director of the Technical Education and Career System, and the
118 executive director of the Commission on Gaming. As used in sections
119 4-6 and 4-7, "department head" also means the Commissioner of
120 Education.

121 Sec. 4. Section 4-38c of the general statutes, as amended by section
122 13 of public act 18-169, is repealed and the following is substituted in
123 lieu thereof (*Effective January 1, 2020*):

124 There shall be within the executive branch of state government the
125 following departments: Office of Policy and Management, Department
126 of Administrative Services, Department on Aging, Department of
127 Revenue Services, Department of Banking, Department of Agriculture,
128 Department of Children and Families, Department of Consumer
129 Protection, Department of Correction, Department of Economic and
130 Community Development, State Board of Education, Department of
131 Emergency Services and Public Protection, Department of Energy and
132 Environmental Protection, Department of Public Health, Board of
133 Regents for Higher Education, Insurance Department, Labor
134 Department, Department of Mental Health and Addiction Services,
135 Department of Developmental Services, Department of Social Services,
136 Department of Rehabilitation Services, Department of Transportation,
137 Department of Motor Vehicles, [and] Department of Veterans Affairs
138 and Commission on Gaming.

139 Sec. 5. Section 4-38c of the general statutes, as amended by section 7
140 of public act 17-237, section 287 of public act 17-2 of the June special
141 session and section 21 of public act 18-182, is repealed and the
142 following is substituted in lieu thereof (*Effective July 1, 2020*):

143 There shall be within the executive branch of state government the
144 following departments: Office of Policy and Management, Department
145 of Administrative Services, Department of Revenue Services,
146 Department of Banking, Department of Agriculture, Department of
147 Children and Families, Department of Consumer Protection,

148 Department of Correction, Department of Economic and Community
149 Development, State Board of Education, Department of Emergency
150 Services and Public Protection, Department of Energy and
151 Environmental Protection, Department of Public Health, Board of
152 Regents for Higher Education, Insurance Department, Labor
153 Department, Department of Mental Health and Addiction Services,
154 Department of Developmental Services, Department of Social Services,
155 Department of Transportation, Department of Motor Vehicles,
156 Department of Veterans Affairs, the Commission on Gaming and the
157 Technical Education and Career System.

158 Sec. 6. Section 7-169d of the general statutes is repealed and the
159 following is substituted in lieu thereof (*Effective January 1, 2020*):

160 (a) For the purposes of this section, (1) "bingo game" has the same
161 meaning as provided in section 7-169, and (2) "bingo products" means
162 bingo ball equipment, bingo cards or bingo paper.

163 (b) Each group or organization authorized to operate or conduct a
164 bingo game or series of bingo games pursuant to sections 7-169 to 7-
165 169c, inclusive, shall use bingo products that are (1) owned in full by
166 such group or organization, (2) used without compensation by such
167 group or organization, or (3) rented or purchased from a bingo
168 product manufacturer or equipment dealer who is registered with the
169 [Commissioner of Consumer Protection] Commission on Gaming in
170 accordance with subsection (c) of this section.

171 (c) Each applicant for registration as a bingo product manufacturer
172 or equipment dealer shall apply to the [Commissioner of Consumer
173 Protection] Commission on Gaming on such forms as the
174 [commissioner] commission prescribes. The application shall be
175 accompanied by an annual fee of two thousand five hundred dollars
176 payable to the State Treasurer. Each applicant for an initial registration
177 shall submit to state and national criminal history records checks
178 conducted in accordance with section 29-17a before such registration is
179 issued.

180 (d) No registered bingo product manufacturer or equipment dealer
181 shall rent or sell any type of bingo product that has not been approved
182 by the [Commissioner of Consumer Protection] Commission on
183 Gaming.

184 (e) The [Commissioner of Consumer Protection] Commission on
185 Gaming may revoke for cause any registration issued pursuant to
186 subsection (c) of this section.

187 (f) The [Commissioner of Consumer Protection] Commission on
188 Gaming may adopt regulations, in accordance with chapter 54, to
189 implement the provisions of this section.

190 Sec. 7. Section 7-169h of the general statutes is repealed and the
191 following is substituted in lieu thereof (*Effective January 1, 2020*):

192 (a) For the purposes of this section and section 7-169i, as amended
193 by this act:

194 [(1) "Commissioner" means the Commissioner of Consumer
195 Protection;

196 (2) "Department" means the Department of Consumer Protection;]

197 (1) "Commission" means the Commission on Gaming;

198 [(3)] (2) "Sealed ticket" means a card with tabs which, when pulled,
199 expose pictures of various objects, symbols or numbers and which
200 entitles the holder of the ticket to receive a prize if the combination of
201 objects, symbols or numbers pictured matches what is determined to
202 be a winning combination;

203 [(4)] (3) "Distributor" means a person who is a resident of this state
204 and is registered with the [department] commission to provide
205 services related to the sale and distribution of sealed tickets to any
206 organization permitted to sell sealed tickets by the [department]
207 commission; and

208 [(5)] (4) "Manufacturer" means a person who is registered with the

209 [department] commission and who manufactures or assembles sealed
210 tickets from raw materials, supplies or subparts.

211 (b) No person shall sell, offer for sale or distribute a sealed ticket
212 who has not applied for and received a permit from the [department]
213 commission to sell sealed tickets.

214 (c) No organization permitted to sell sealed tickets in this state shall
215 purchase sealed tickets from anyone other than a distributor.

216 (d) A distributor shall not purchase sealed tickets for sale or use in
217 this state from any person except a manufacturer. A distributor shall
218 have a physical office in this state and such office shall be subject to
219 inspection by the [commissioner or the commissioner's duly
220 designated agent] staff of the commission during normal business
221 hours. No organization or group or any person affiliated with an
222 organization or group permitted to sell sealed tickets under this
223 section shall be permitted to be a distributor.

224 (e) A manufacturer shall not sell sealed tickets to any person in this
225 state except a distributor.

226 (f) All sealed tickets purchased by a distributor for sale or use in this
227 state shall be stored or warehoused in this state prior to their sale to
228 any organization permitted to sell sealed tickets.

229 (g) All sealed tickets sold in this state shall meet the standards on
230 pull-tabs adopted by the North American Gaming Regulators
231 Association.

232 (h) The [department] commission may issue a permit to sell sealed
233 tickets to any organization or group specified in section 7-172.

234 (i) On and after July 1, 2011, the [department] commission may sell
235 any sealed tickets it has in its possession as of said date, provided it
236 does not purchase any new sealed tickets after said date. Permittees
237 shall purchase such sealed tickets from the [department] commission
238 at a cost which is equal to ten per cent of their resale value, until the

239 [department's] commission's supply of sealed tickets has been fully
240 depleted. After the [department's] commission's supply of sealed
241 tickets has been fully depleted, permittees shall purchase such sealed
242 tickets from a distributor at a cost which is equal to ten per cent of their
243 resale value. Each such distributor shall remit thirty per cent of its
244 gross revenue derived from such purchase fees to the State Treasurer
245 on a quarterly basis.

246 (j) Each applicant for registration as a manufacturer or distributor
247 shall apply to the [commissioner] commission on such forms as the
248 [commissioner] commission prescribes. A distributor's application
249 shall be accompanied by an annual fee of two thousand five hundred
250 dollars, payable to the State Treasurer, and a manufacturer's
251 application shall be accompanied by an annual fee of five thousand
252 dollars, payable to the State Treasurer. Each applicant for an initial
253 manufacturer or distributor registration shall submit to state and
254 national criminal history records checks conducted in accordance with
255 section 29-17a before such registration is issued.

256 (k) Notwithstanding the provisions of subsection (b) of section 53-
257 278b and subsection (d) of section 53-278c, sealed tickets may be sold,
258 offered for sale, displayed or open to public view only (1) during the
259 course of a bingo game conducted in accordance with the provisions of
260 section 7-169 and only at the location at which such bingo game is
261 conducted, (2) on the premises of any such organization or group
262 specified in subdivision (2) of subsection (h) of this section, (3) during
263 the conduct of a bazaar under the provisions of sections 7-170 to 7-186,
264 inclusive, as amended by this act, or (4) in conjunction with any social
265 function or event sponsored or conducted by any such organization
266 specified in subdivision (4) of subsection (h) of this section. Subject to
267 the provisions of section 7-169i, as amended by this act, permittees
268 may utilize a mechanical or electronic ticket dispensing machine
269 approved by the [department] commission to sell sealed tickets. Sealed
270 tickets shall not be sold to any person less than eighteen years of age.
271 All proceeds from the sale of tickets shall be used for a charitable
272 purpose, as defined in section 21a-190a.

273 (l) The fee for a permit to sell sealed tickets (1) issued to an
274 organization authorized to conduct bingo under a "Class A" or "Class
275 C" permit or to an organization specified in subdivision (4) of
276 subsection (h) of this section in conjunction with any social function or
277 event sponsored or conducted by such organization shall be fifty
278 dollars, (2) issued to an organization which holds a club permit or
279 nonprofit club permit under the provisions of chapter 545 shall be
280 seventy-five dollars, and (3) issued to an organization authorized to
281 conduct bingo under a "Class B" permit or an organization which
282 holds a permit to operate a bazaar shall be five dollars per day.

283 (m) The [commissioner] commission shall adopt regulations in
284 accordance with the provisions of chapter 54 to carry out the purposes
285 of this section including, but not limited to, regulations concerning (1)
286 qualifications of a charitable organization, (2) the price at which the
287 charitable organization shall resell tickets, (3) information required on
288 the ticket, including, but not limited to, the price per ticket, (4) the
289 percentage retained by the organization as profit, which shall be at
290 least ten per cent of the resale value of tickets sold, (5) the percentage
291 of the resale value of tickets to be awarded as prizes, which shall be at
292 least forty-five per cent, (6) apportionment of revenues received by the
293 [department] commission from the sale of tickets, and (7)
294 investigations of any charitable organization seeking a permit.

295 (n) (1) Whenever it appears to the [commissioner] commission after
296 an investigation that any person is violating or is about to violate any
297 provision of this section or administrative regulations issued pursuant
298 thereto, the [commissioner] commission may, [in his or her discretion,]
299 to protect the public welfare, order that any permit issued pursuant to
300 this section be immediately suspended or revoked and that the person
301 cease and desist from the actions constituting such violation or which
302 would constitute such violation. After such an order is issued, the
303 person named therein may, within fourteen days after receipt of the
304 order, file a written request for a hearing. Such hearing shall be held in
305 accordance with the provisions of chapter 54.

306 (2) Whenever the [commissioner] commission finds as the result of
307 an investigation that any person has violated any provision of this
308 section or administrative regulations issued pursuant thereto or made
309 any false statement in any application for a permit or in any report
310 required by the [commissioner] commission, the [commissioner]
311 commission may send a notice to such person by certified mail, return
312 receipt requested. Any such notice shall include (A) a reference to the
313 section or regulation alleged to have been violated or the application
314 or report in which an alleged false statement was made, (B) a short and
315 plain statement of the matter asserted or charged, (C) the fact that any
316 permit issued pursuant to this section may be suspended or revoked
317 for such violation or false statement and the maximum penalty that
318 may be imposed for such violation or false statement, and (D) the time
319 and place for the hearing. Such hearing shall be fixed for a date not
320 earlier than fourteen days after the notice is mailed.

321 (3) The [commissioner] commission shall hold a hearing upon the
322 charges made unless such person fails to appear at the hearing. Such
323 hearing shall be held in accordance with the provisions of chapter 54. If
324 such person fails to appear at the hearing or if, after the hearing, the
325 [commissioner] commission finds that such person committed such a
326 violation or made such a false statement, the [commissioner]
327 commission may [, in his or her discretion,] suspend or revoke such
328 permit and order that a civil penalty of not more than five hundred
329 dollars be imposed upon such person for such violation or false
330 statement. The [commissioner] commission shall send a copy of any
331 order issued pursuant to this subdivision by certified mail, return
332 receipt requested, to any person named in such order. Any person
333 aggrieved by a decision of the [commissioner] commission under this
334 subdivision shall have a right of appeal pursuant to section 4-183.

335 (4) Whenever the [commissioner] commission revokes a permit
336 issued pursuant to this section, [he or she] the commission shall not
337 issue any permit to such permittee for one year after the date of such
338 revocation.

339 Sec. 8. Section 7-169i of the general statutes is repealed and the
340 following is substituted in lieu thereof (*Effective January 1, 2020*):

341 (a) No permittee pursuant to section 7-169h, as amended by this act,
342 may use a mechanical or electronic ticket dispensing machine to sell
343 sealed tickets unless such machine is owned in full by the permittee or
344 is rented or purchased from a manufacturer or dealer who is registered
345 with the [Department of Consumer Protection] commission.

346 (b) Each applicant for registration as a manufacturer or dealer in
347 sealed ticket dispensing machines shall apply to the [commissioner]
348 commission on such forms as the [commissioner] commission
349 prescribes. The application for manufacturer shall be accompanied by
350 an annual fee of one thousand two hundred fifty dollars payable to the
351 State Treasurer. The application for dealer shall be accompanied by an
352 annual fee of six hundred twenty-five dollars payable to the State
353 Treasurer. Each applicant for initial registration shall submit to state
354 and national criminal history records checks conducted in accordance
355 with section 29-17a before such registration is issued.

356 (c) The [Department of Consumer Protection] commission may
357 revoke for cause any registration issued in accordance with subsection
358 (a) of this section.

359 (d) The [commissioner] commission may adopt regulations, in
360 accordance with chapter 54, to implement the provisions of this
361 section.

362 Sec. 9. Section 7-178 of the general statutes is repealed and the
363 following is substituted in lieu thereof (*Effective January 1, 2020*):

364 (a) No bazaar or raffle shall be conducted with any equipment
365 except such as is owned absolutely or used without payment of any
366 compensation therefor by the permittee or as is rented from a dealer in
367 such equipment who (1) has a principal place of business in this state,
368 and (2) is registered with the [Commissioner of Consumer Protection]
369 Commission on Gaming in such manner and on such form as [he] the

370 commission may prescribe, which form shall be accompanied by an
371 annual fee of three hundred seventy-five dollars payable to the
372 Treasurer of the state of Connecticut. No item of expense shall be
373 incurred or paid in connection with the holding, operating or
374 conducting of any bazaar or raffle pursuant to any permit issued under
375 sections 7-170 to 7-186, inclusive, as amended by this act, except such
376 as are bona fide items of reasonable amount for goods, wares and
377 merchandise furnished or services rendered, which are reasonably
378 necessary to be purchased or furnished for the holding, operating or
379 conducting thereof, and no commission, salary, compensation, reward
380 or recompense whatever shall be paid or given, directly or indirectly,
381 to any person holding, operating or conducting, or assisting in the
382 holding, operation or conduct of, any such bazaar or raffle. Each raffle
383 ticket shall have printed thereon the time, date and place of the raffle,
384 the three most valuable prizes to be awarded and the total number of
385 prizes to be awarded as specified on the form prescribed in section 7-
386 173. In addition to any other information required under this section to
387 be printed on a raffle ticket, each ticket for a raffle authorized pursuant
388 to a "Class No. 7" permit shall have printed thereon the time, date and
389 place of each raffle drawing.

390 (b) Notwithstanding the provisions of subsection (a) of this section,
391 a permittee may rent equipment from a dealer who does not have a
392 principal place of business in this state if an in-state dealer is
393 unavailable, provided such out-of-state dealer is registered with said
394 [commissioner] commission pursuant to the provisions of said
395 subsection (a).

396 Sec. 10. Section 12-557b of the general statutes is repealed and the
397 following is substituted in lieu thereof (*Effective January 1, 2020*):

398 As used in this chapter, sections 12-578a to 12-578e, inclusive, as
399 amended by this act, 12-579, as amended by this act, and 12-580,
400 chapter 226b, and section 53-278g, as amended by this act, unless the
401 context otherwise requires:

402 [(1) "Commissioner" means the Commissioner of Consumer

403 Protection;

404 (2) "Department" means the Department of Consumer Protection;]

405 (1) "Commission" means the Commission on Gaming;

406 ~~[(3)]~~ (2) "Business organization" means a partnership, incorporated
407 or unincorporated association, firm, corporation, trust or other form of
408 business or legal entity, other than a financial institution regulated by a
409 state or federal agency which is not exercising control over an
410 association licensee, but does not mean a governmental or sovereign
411 entity;

412 ~~[(4)]~~ (3) "Control" means the power to exercise authority over or
413 direct the management and policies of a person or business
414 organization;

415 ~~[(5)]~~ (4) "Casino gaming facility" means any casino gaming facility
416 authorized by any provision of the general statutes or a public or
417 special act to conduct authorized games on its premises, but does not
418 include any casino gaming facility located on Indian lands pursuant to
419 the Indian Gaming Regulatory Act, P.L. 100-497, 25 USC 2701 et seq.;

420 ~~[(6)]~~ (5) "Authorized game" means any game of chance specifically
421 authorized to be conducted at a casino gaming facility by any
422 provision of the general statutes or a public or special act; and

423 ~~[(7)]~~ (6) "Gross gaming revenue" means the total of all sums actually
424 received by a casino gaming facility from gaming operations less the
425 total of all sums paid as winnings to patrons of the casino gaming
426 facility, provided the total of all sums paid as winnings to such patrons
427 shall not include the cash equivalent value of any merchandise or
428 thing of value included in a jackpot or payout, and provided further
429 the issuance to or wagering by such patrons of any promotional
430 gaming credit shall not be included in the total of all sums actually
431 received by a casino gaming facility for the purposes of determining
432 gross gaming revenue.

433 Sec. 11. Section 12-559 of the general statutes is repealed and the
434 following is substituted in lieu thereof (*Effective January 1, 2020*):

435 The [commissioner] commission may employ stewards for
436 thoroughbred racing, judges for harness racing, greyhound racing and
437 jai alai, and veterinarians who shall be exempt from classified service,
438 and may employ, subject to the provisions of chapter 67, such other
439 employees as may be necessary to carry out the provisions of this
440 chapter. The [commissioner] commission shall require such persons to
441 submit to state and national criminal history records checks before
442 being employed. The criminal history records checks required
443 pursuant to this section shall be conducted in accordance with section
444 29-17a. All persons employed pursuant to this section, with the
445 exception of any steward, judge or veterinarian, shall be residents of
446 the state at the time of and during the full term of their employment.

447 Sec. 12. Section 12-560 of the general statutes is repealed and the
448 following is substituted in lieu thereof (*Effective January 1, 2020*):

449 The [commissioner] commission may, if [he] the executive director
450 of the commission determines that it is necessary, require any of the
451 [department's] commission's employees to give bond in such amount
452 as the [commissioner] executive director may determine. Every such
453 bond when duly executed and approved shall be filed in the office of
454 the Secretary of the State. The cost of any such bond so given as
455 aforesaid shall be part of the necessary expenses of the [department]
456 commission.

457 Sec. 13. Section 12-561 of the general statutes is repealed and the
458 following is substituted in lieu thereof (*Effective January 1, 2020*):

459 No [commissioner or] commission member, executive director of
460 the commission, unit head or employee of the [department]
461 commission shall directly or indirectly, individually or as a member of
462 a partnership or as a shareholder of a corporation, have any interest
463 whatsoever in dealing in any lottery, racing, fronton, betting enterprise
464 or casino gaming facility or in the ownership or leasing of any

465 property or premises used by or for any lottery, racing, fronton,
466 betting enterprise or casino gaming facility. No [commissioner or]
467 commission member, executive director or unit head shall, directly or
468 indirectly, wager at any off-track betting facility, race track or fronton
469 authorized under this chapter, purchase lottery tickets issued under
470 this chapter or play, directly or indirectly, any authorized game
471 conducted at a casino gaming facility. The [commissioner] commission
472 may adopt regulations in accordance with the provisions of chapter 54
473 to prohibit any employee of the [department] commission from
474 engaging, directly or indirectly, in any form of legalized gambling
475 activity in which such employee is involved because of his or her
476 employment with the [department] commission. For purposes of this
477 section, "unit head" means a managerial employee with direct
478 oversight of a legalized gambling activity.

479 Sec. 14. Section 12-562 of the general statutes is repealed and the
480 following is substituted in lieu thereof (*Effective January 1, 2020*):

481 (a) Except as provided in subsection (b) of this section, the
482 [commissioner] commission shall have power to enforce the provisions
483 of this chapter and chapter 226b, and shall adopt all necessary
484 regulations for that purpose and for carrying out, enforcing and
485 preventing violation of any of the provisions of this chapter, for the
486 inspection of licensed premises, enterprises or casino gaming facilities,
487 for insuring proper, safe and orderly conduct of licensed premises,
488 enterprises or casino gaming facilities and for protecting the public
489 against fraud or overcharge. The [commissioner] commission shall
490 have power generally to do whatever is reasonably necessary for the
491 carrying out of the intent of this chapter; and may call upon other
492 administrative departments of the state government and of municipal
493 governments for such information and assistance as [he or she] the
494 commission deems necessary to the performance of [his or her] the
495 commission's duties. The [commissioner] commission shall set racing
496 and jai alai meeting dates, except that the [commissioner] commission
497 may delegate to designated staff the authority for setting make-up
498 performance dates. The [commissioner] commission shall, as far as

499 practicable, avoid conflicts in the dates assigned for racing or the
500 exhibition of the game of jai alai in the state.

501 (b) The special [policemen] police officers in the [Department of
502 Consumer Protection] commission and the legalized gambling
503 investigative unit in the Division of State Police within the Department
504 of Emergency Services and Public Protection shall be responsible for
505 the criminal enforcement of the provisions of sections 7-169 to 7-186,
506 inclusive, as amended by this act, this chapter and chapters 226b and
507 229a. They shall have the powers and duties specified in section 29-7c,
508 as amended by this act.

509 Sec. 15. Section 12-563 of the general statutes is repealed and the
510 following is substituted in lieu thereof (*Effective January 1, 2020*):

511 All regulations of the [department] commission shall be adopted in
512 the manner provided in chapter 54. The [commissioner] commission
513 shall, at least annually, on or before December thirty-first of each year,
514 either (1) publish in convenient pamphlet form all regulations then in
515 force and shall furnish copies of such pamphlets to such persons who
516 desire such pamphlets, or (2) post such regulations on the
517 [department's] commission's Internet web site.

518 Sec. 16. Section 12-563a of the general statutes is repealed and the
519 following is substituted in lieu thereof (*Effective January 1, 2020*):

520 The [Commissioner of Consumer Protection] commission shall,
521 within available resources, prepare and distribute informational
522 materials designed to inform the public of the programs available for
523 the prevention, treatment and rehabilitation of compulsive gamblers in
524 this state. The [commissioner] commission shall require any casino
525 gaming facility and any person or business organization which is
526 licensed to sell lottery tickets, operate an off-track betting system or
527 conduct wagering on racing events or jai alai games, to display such
528 informational materials at the casino gaming facility and each licensed
529 premise, respectively.

530 Sec. 17. Section 12-564 of the general statutes is repealed and the
531 following is substituted in lieu thereof (*Effective January 1, 2020*):

532 (a) The [commissioner] commission shall make an annual report in
533 writing to the Governor as provided in section 4-60 and shall make
534 such additional reports as the Governor may from time to time
535 reasonably request. The annual report shall include a statement of the
536 receipts and disbursements of the [department] commission, a
537 statement of the costs of administering the [department] commission, a
538 summary of its activities, and any additional information and
539 recommendations which the [commissioner] commission may deem of
540 value or which the Governor may request.

541 (b) The [commissioner] commission shall conduct studies
542 concerning the effect of legalized gambling on the citizens of this state
543 including, but not limited to, studies to determine the types of
544 gambling activity engaged in by the public and the desirability of
545 expanding, maintaining or reducing the amount of legalized gambling
546 permitted in this state. Such studies shall be conducted as often as the
547 [commissioner] commission deems necessary, except that no studies
548 shall be conducted before the fiscal year ending June 30, 2009, and
549 thereafter studies shall be conducted at least once every ten years. The
550 joint standing [committees] committee of the General Assembly having
551 cognizance of matters relating to [legalized gambling] public safety
552 and security shall [each] receive a report concerning each study carried
553 out, stating the findings of the study and the costs of conducting the
554 study.

555 Sec. 18. Section 12-564a of the general statutes is repealed and the
556 following is substituted in lieu thereof (*Effective January 1, 2020*):

557 The [Commissioner of Consumer Protection] commission shall
558 submit a report to the Commissioner of Emergency Services and Public
559 Protection and the joint standing committee of the General Assembly
560 having cognizance of matters relating to [legalized gambling] public
561 safety and security, not later than the fifteenth business day of each
562 month, which report shall set forth a detailed statement of (1) any

563 investigations conducted by the [Department of Consumer Protection]
564 commission in the previous month, and (2) such arrest data as the
565 Commissioner of Emergency Services and Public Protection or the
566 committee may require, including, but not limited to, the number of
567 arrests made by the special [policemen] police officers in the security
568 unit of the [Department of Consumer Protection] commission.

569 Sec. 19. Section 12-565 of the general statutes is repealed and the
570 following is substituted in lieu thereof (*Effective January 1, 2020*):

571 The [commissioner] commission may conduct any inquiry,
572 investigation or hearing necessary to carry out the provisions of this
573 chapter. The [commissioner] commission shall have power to
574 administer oaths and take testimony under oath concerning the matter
575 of inquiry or investigation. At any hearing ordered, the [commissioner]
576 commission or an agent authorized by law to issue such process may
577 subpoena witnesses and require the production of records, papers and
578 documents pertinent to such inquiry. No witness under subpoena
579 issued under the provisions of this section shall be excused from
580 testifying or from producing records, papers or documents on the
581 ground that such testimony or the production of such records or other
582 documentary evidence would tend to incriminate him, but such
583 evidence or the records or papers so produced shall not be used in any
584 criminal proceeding against him. If any person disobeys such process
585 or, having appeared in obedience thereto, refuses to answer any
586 pertinent question put to him or to produce any records and papers
587 pursuant thereto, the [commissioner] commission may apply to the
588 superior court for the judicial district of Hartford or for the judicial
589 district wherein the person resides or wherein the business has been
590 conducted, or to any judge of said court if the same is not in session,
591 setting forth such disobedience to process or refusal to answer. Said
592 court or such judge shall cite such person to appear before said court
593 or such judge to answer such question or to produce such records and
594 papers and, upon his refusal to do so, shall commit such person to a
595 community correctional center until he testifies, but not for a longer
596 period than sixty days. Notwithstanding the serving of the term of

597 such commitment by any person, the [commissioner] commission may
598 proceed with such inquiry and examination as if the witness had not
599 previously been called upon to testify. Officers who serve subpoenas
600 issued by the [commissioner] commission or under [his] the
601 commission's authority and witnesses attending hearings conducted
602 under this section shall receive the same fees and compensation as
603 officers and witnesses in the courts of this state to be paid on vouchers
604 of the [department] commission on order of the Comptroller. The
605 [commissioner] commission may delegate the powers granted [to him]
606 under this section.

607 Sec. 20. Section 12-565a of the general statutes is repealed and the
608 following is substituted in lieu thereof (*Effective January 1, 2020*):

609 The [Commissioner of Consumer Protection] commission shall
610 adopt regulations, in accordance with the provisions of chapter 54, to
611 regulate wagering on sporting events to the extent permitted by state
612 and federal law.

613 Sec. 21. Section 12-566 of the general statutes is repealed and the
614 following is substituted in lieu thereof (*Effective January 1, 2020*):

615 The [commissioner] commission shall provide books in which shall
616 be kept a true, faithful and correct record of all of the [department's]
617 commission's proceedings, which books shall be open to the public as
618 provided in section 1-210.

619 Sec. 22. Section 12-568a of the general statutes is repealed and the
620 following is substituted in lieu thereof (*Effective January 1, 2020*):

621 The [Department of Consumer Protection] commission shall adopt
622 regulations, in accordance with chapter 54, for the purpose of assuring
623 the integrity of the state lottery, concerning the regulation of the state
624 lottery under the operation and management of the Connecticut
625 Lottery Corporation. Such regulations shall include: (1) The licensing
626 of employees of the Connecticut Lottery Corporation and any person
627 or business organization awarded the primary contract by said

628 corporation to provide facilities, components, goods or services which
629 are necessary for the operation of the activities authorized by chapter
630 229a; (2) the approval of procedures of the corporation; (3) the time
631 period for complying with the regulations governing said approval of
632 procedures; (4) offerings of lottery games; (5) minimum prize payouts
633 and payments; (6) regulation of lottery sales agents including
634 qualifications for licensure and license suspension and revocation; (7)
635 assurance of the integrity of the state lottery including the computer
636 gaming system, computer internal control and system testing; and (8)
637 limitations on advertising and marketing content to assure public
638 information as to the odds of winning the lottery and the prohibition
639 of sales of tickets to minors.

640 Sec. 23. Section 12-569 of the general statutes is repealed and the
641 following is substituted in lieu thereof (*Effective January 1, 2020*):

642 (a) If the president of the Connecticut Lottery Corporation
643 determines that any lottery sales agent has breached such agent's
644 fiduciary responsibility to the corporation in that the account of such
645 lottery sales agent with respect to moneys received from the sale of
646 lottery tickets has become delinquent in accordance with regulations
647 adopted as provided in section 12-568a, as amended by this act, the
648 president shall notify the [commissioner] commission of the breach of
649 fiduciary duty and the [commissioner] commission shall impose a
650 delinquency assessment upon such account equal to ten per cent of the
651 amount due or ten dollars, whichever amount is greater, plus interest
652 at the rate of one and one-half per cent of such amount for each month
653 or fraction of a month from the date such amount is due to the date of
654 payment. Subject to the provisions of section 12-3a, the [commissioner]
655 commission may waive all or part of the penalties provided under this
656 subsection when it is proven to the [commissioner's] commission's
657 satisfaction that the failure to pay such moneys to the state within the
658 time allowed was due to reasonable cause and was not intentional or
659 due to neglect. Any such delinquent lottery sales agent shall be
660 notified of such delinquency assessment and shall be afforded an
661 opportunity to contest the validity and amount of such assessment

662 [before the commissioner who may conduct such hearing] at a
663 commission hearing. Upon request of the president of the Connecticut
664 Lottery Corporation, the [commissioner] commission may prepare and
665 sign a warrant directed to any state marshal, constable or any
666 collection agent employed by the Connecticut Lottery Corporation for
667 distraint upon any property of such delinquent lottery sales agent
668 within the state, whether personal or real property. An itemized bill
669 shall be attached to the warrant certified by the [commissioner]
670 commission as a true statement of the amount due from such lottery
671 sales agent. Such warrant shall have the same force and effect as an
672 execution issued in accordance with chapter 906. Such warrant shall be
673 levied on any real, personal, tangible or intangible property of such
674 agent and sale made pursuant to such warrant in the same manner and
675 with the same force and effect as a levy and sale pursuant to an
676 execution.

677 (b) The [commissioner] commission shall adopt regulations in
678 accordance with chapter 54 to carry out the purposes of this section.

679 Sec. 24. Section 12-571 of the general statutes is repealed and the
680 following is substituted in lieu thereof (*Effective January 1, 2020*):

681 (a) The [Commissioner of Consumer Protection] commission shall
682 enter into negotiations with a person or business organization for the
683 award of a contract of sale of the off-track betting system including,
684 but not limited to, the assets and liabilities of the system and the right
685 to operate the system. Such contract of sale shall authorize the
686 purchaser of the system to establish and conduct a system of off-track
687 betting on races held within or without the state pursuant to the
688 provisions of this chapter. All proceeds derived from such sale shall be
689 deposited as provided in section 39 of public act 93-332. Until the
690 effective date of transfer of ownership of the off-track betting system,
691 the [commissioner] commission shall establish and conduct systems of
692 off-track betting on races held within or without the state pursuant to
693 the provisions of this chapter. It is hereby declared that off-track
694 betting on races conducted under the administration or regulatory

695 authority of the [department] commission in the manner and subject to
696 the conditions of this chapter shall be lawful notwithstanding the
697 provisions of any other law, general, special or municipal, including
698 any law prohibiting or restricting lotteries, bookmaking or any other
699 kind of gambling, it being the purpose of this chapter to derive from
700 such betting, as authorized by this chapter, a reasonable revenue for
701 the support of state government and to prevent and curb unlawful
702 bookmaking and illegal betting on races.

703 (b) Until the effective date of transfer of ownership of the off-track
704 betting system, the [commissioner] commission shall adopt rules and
705 regulations, consistent with this chapter, establishing and governing
706 the permitted method or methods of operation of the system of off-
707 track betting.

708 Sec. 25. Section 12-571a of the general statutes is repealed and the
709 following is substituted in lieu thereof (*Effective January 1, 2020*):

710 (a) The [Department of Consumer Protection] commission shall not
711 operate or authorize the operation of more than twenty-four off-track
712 betting branch facilities, except that the [department] commission may
713 operate or authorize the operation of any off-track betting branch
714 facility approved prior to December 31, 1986, by the legislative body of
715 a municipality in accordance with subsection (a) of section 12-572, as
716 amended by this act. Any facility approved prior to December 31, 1986,
717 shall be included within the twenty-four facilities authorized by this
718 subsection.

719 (b) The twenty-four off-track betting branch facilities authorized by
720 subsection (a) of this section may include facilities which have screens
721 for the simulcasting of off-track betting race programs or jai alai games
722 and other amenities including, but not limited to, restaurants and
723 concessions, and, on and after October 1, 2012, shall be located in the
724 town and city of New Haven, the town of Windsor Locks, the town of
725 East Haven, the town and city of Norwalk, the town and city of
726 Hartford, the town and city of New Britain, the town and city of
727 Bristol, the town and city of Torrington, the town and city of

728 Waterbury, the town and city of Milford, the town and city of New
729 London, the town of Manchester, the town of Windham, the town of
730 Putnam, the town and city of Bridgeport and nine additional locations.
731 The location of each such facility and the addition of simulcasting
732 capability to any existing off-track betting branch facility that did not
733 previously have such capability (1) shall be approved by the
734 [commissioner] commission, and (2) shall be subject to the prior
735 approval of the legislative body of the town in which such facility is
736 located or is proposed to be located. The [department] commission
737 shall report annually to the joint standing committee of the General
738 Assembly having cognizance of matters relating to [legalized
739 gambling] public safety and security on the status of the establishment
740 or improvement of the off-track betting branch facility pursuant to this
741 subsection.

742 Sec. 26. Section 12-572 of the general statutes is repealed and the
743 following is substituted in lieu thereof (*Effective January 1, 2020*):

744 (a) The [commissioner] commission may establish or authorize the
745 establishment of such off-track betting facilities throughout the state
746 for the purpose of receiving moneys wagered on the results of races or
747 jai alai games as [he] the commission shall deem will serve the
748 convenience of the public and provide maximum economy and
749 efficiency of operation, provided the establishment of such a facility in
750 any municipality for the purpose of receiving moneys on the results of
751 races or jai alai games shall be subject to the approval of the legislative
752 body of such municipality which shall be given only after a public
753 hearing on the same. Until the effective date of transfer of ownership
754 of the off-track betting system, moneys received at such facilities shall
755 be deposited in a betting fund from which daily payments, in such
756 amount as the [commissioner] commission deems suitable, shall be
757 made. If an operator of an off-track betting facility intends to conduct
758 wagering on dog racing events or jai alai games, such operator (1) shall
759 conduct wagering on dog racing events or jai alai games conducted by
760 any association licensee which offers such racing events or games for
761 off-track betting, provided such operator obtains the written consent of

762 such licensee, and (2) may conduct wagering on out-of-state dog
763 racing events or jai alai games when no such association licensee is
764 conducting such racing events or games, provided such operator has
765 complied with the provisions of subdivision (1) of this subsection. No
766 operator of an off-track betting facility shall conduct wagering on any
767 dog racing event or jai alai game if such racing event or game is
768 conducted within forty miles of such facility unless such operator has
769 obtained the written consent of the licensee conducting such racing
770 event or game.

771 (b) The [commissioner] commission may contract with any person
772 or business organization to provide such facilities, components, goods
773 or services as may be necessary for the effective operation of an off-
774 track betting system. Compensation for such facilities, components,
775 goods or services shall be deducted from the moneys retained
776 pursuant to subsections (c) and (d) of this section in such amount as
777 the [commissioner] commission shall determine.

778 (c) The [department] commission or any person or business
779 organization operating an off-track betting system shall distribute all
780 sums deposited in a pari-mutuel pool, to the holders of winning tickets
781 therein, less seventeen per cent of the total deposits of such pool plus
782 the breakage to the dime of the amount so retained, except as provided
783 in subsection (d) of this section.

784 (d) (1) If the multiple forms of wagering known as daily double,
785 exacta and quinella are permitted, the [department] commission or any
786 person or business organization operating the off-track betting system
787 shall distribute all sums deposited in the pari-mutuel pool for any such
788 event to the holders of winning tickets therein, less nineteen per cent of
789 the total deposits in such pool plus the breakage to the dime.

790 (2) If multiple forms of wagering on three or more animals are
791 permitted, the [department] commission or such person or business
792 organization operating an off-track betting system shall retain twenty-
793 four and one-half per cent of the total sums deposited in the pool for
794 such event, plus the breakage to the dime.

795 (e) The [department] commission or any person or business
796 organization operating an off-track betting system and conducting
797 wagering on racing events or jai alai games held in this state and
798 licensed under the provisions of this chapter shall distribute all sums
799 deposited in a pari-mutuel pool to the holders of winning tickets
800 therein, less the same percentage of the total deposits of such pool
801 applicable to such racing events or jai alai games plus the breakage to
802 the dime of the amount retained by each licensee conducting the racing
803 events or jai alai games.

804 (f) Any person or business organization which has entered into a
805 contract with the state, acting through the [commissioner] commission
806 under the provisions of subsection (b) of this section, except a contract
807 with an individual for personal services, may, in the event of any
808 disputed claims under such contract, bring an action against the state
809 to the superior court for the judicial district of Hartford for the purpose
810 of having such claims determined, provided notice of the general
811 nature of such claims shall have been given in writing to the
812 [department] commission not later than one year after the termination
813 of such contract. No action shall be brought under this section later
814 than three years from the date of termination of the contract. Such
815 action shall be tried to the court without a jury. Damages recoverable
816 in such action shall not include any amount attributable to anticipated
817 profits but shall be limited to the recovery of actual damages sustained
818 arising out of such contract. All legal defenses except governmental
819 immunity shall be reserved to the state.

820 (g) The [department] commission or any person or business
821 organization operating an off-track betting system may combine
822 wagers placed within such off-track betting system with similar
823 wagering pools at the facility where a racing program is being
824 conducted, regardless of whether such facility is located within or
825 without the state. Such pari-mutuel wagers shall be combined in such
826 form and manner as the [commissioner] commission may determine to
827 be in the best interests of the off-track betting system established
828 pursuant to the provisions of section 12-571, as amended by this act.

829 Notwithstanding the provisions of subsection (c) or (d) of this section,
830 the [department] commission or any person or business organization
831 operating an off-track betting system and conducting wagering on
832 racing events held without this state, may distribute to the holders of
833 winning tickets who have placed wagers in said combined pools such
834 sums as may be deposited in said combined pari-mutuel pools, less the
835 same percentage of the total deposits of such combined pools as is
836 established at the facility where such racing program is conducted plus
837 the breakage to the dime, as shall be determined by the [commissioner]
838 commission.

839 Sec. 27. Section 12-573 of the general statutes is repealed and the
840 following is substituted in lieu thereof (*Effective January 1, 2020*):

841 Until the effective date of transfer of ownership of the off-track
842 betting system, and from time to time the [commissioner] commission
843 shall estimate, and certify to the Comptroller, that portion of the
844 balance in the betting fund which is in excess of the current needs of
845 the [department] commission for the payment of prizes and for the
846 payment of compensation under section 12-572, as amended by this
847 act. Upon receipt of any such certification, the amount so certified shall
848 be transferred from the betting fund to the General Fund.

849 Sec. 28. Section 12-573a of the general statutes is repealed and the
850 following is substituted in lieu thereof (*Effective January 1, 2020*):

851 The [department] commission may authorize the operation of
852 frontons in the state for exhibition of the Spanish ball game called jai
853 alai or pelota. The operation of all frontons shall be under the
854 supervision of the [department] commission.

855 Sec. 29. Section 12-574 of the general statutes is repealed and the
856 following is substituted in lieu thereof (*Effective January 1, 2020*):

857 (a) No person or business organization may conduct a meeting at
858 which racing or the exhibition of jai alai is permitted for any stake,
859 purse or reward or operate the off-track betting system unless such

860 person or business organization is licensed as an association licensee
861 by the [commissioner] commission. Any such licensee authorized to
862 conduct a meeting or operate the off-track betting system shall
863 indemnify and save harmless the state of Connecticut against any and
864 all actions, claims, and demands of whatever kind or nature which the
865 state may sustain or incur by reason or in consequence of issuing such
866 license.

867 (b) No person or business organization may operate any concession
868 at any meeting at which racing or the exhibition of jai alai is permitted
869 or any concession which is allied to an off-track betting facility unless
870 such person or business organization is licensed as a concessionaire
871 licensee by the [commissioner] commission.

872 (c) No person or business organization awarded the primary
873 contract by an association licensee to provide facilities, components,
874 goods or services which are necessary for the operation of the activities
875 authorized by the provisions of section 12-572, as amended by this act,
876 may do so unless such person or business organization is licensed as a
877 vendor licensee by the [commissioner] commission.

878 (d) No person or business organization may provide totalizator
879 equipment and services to any association licensee for the operation of
880 a pari-mutuel system unless such person or business organization is
881 licensed as a totalizator licensee by the [commissioner] commission.

882 (e) No business organization, other than a shareholder in a publicly
883 traded corporation, may exercise control in or over an association, a
884 concessionaire, a vendor or a totalizator licensee unless such business
885 organization is licensed as an affiliate licensee by the [commissioner]
886 commission. The [commissioner] commission shall issue affiliate
887 licenses to qualified business organizations.

888 (f) No person may participate in this state in any activity permitted
889 under this chapter as an employee of an association, concessionaire,
890 vendor, totalizator or affiliate licensee unless such person is licensed as
891 an occupational licensee by the [commissioner] commission. Whether

892 located in or out of this state, no officer, director, partner, trustee or
893 owner of a business organization which obtains a license in accordance
894 with this section may continue in such capacity unless such officer,
895 director, partner, trustee or owner is licensed as an occupational
896 licensee by the [commissioner] commission. An occupational license
897 shall also be obtained by any shareholder, key executive, agent or
898 other person connected with any association, concessionaire, vendor,
899 totalizator or affiliate licensee, who in the judgment of the
900 [commissioner] commission will exercise control in or over any such
901 licensee. Such person shall apply for a license not later than thirty days
902 after the [commissioner] commission requests [him] such person, in
903 writing, to do so. The [commissioner] commission shall complete [his]
904 an investigation of an applicant for an occupational license and notify
905 such applicant of [his] the commission's decision to approve or deny
906 the application within one year after its receipt, or, if the
907 [commissioner] commission determines good cause exists for
908 extending such period of investigation and gives the applicant a
909 reasonable opportunity for a hearing, by the date prescribed by the
910 [commissioner] commission.

911 (g) In determining whether to grant a license, the [commissioner]
912 commission may require the applicant to submit information as to:
913 Financial standing and credit; moral character; criminal record, if any;
914 previous employment; corporate, partnership or association
915 affiliations; ownership of personal assets; and such other information
916 as it [or he] deems pertinent to the issuance of such license.

917 (h) The [commissioner] commission may reject for good cause an
918 application for a license. Any license granted under the provisions of
919 this chapter is a revocable privilege and no licensee shall be deemed to
920 have acquired any vested rights based on the issuance of such license.
921 The [commissioner, the deputy commissioner, the executive assistant]
922 commission members, executive director, any unit head or any
923 assistant unit head authorized by the [commissioner] commission may
924 suspend or revoke for good cause any license issued by the
925 [commissioner] commission after a hearing held in accordance with

926 chapter 54. If any affiliate licensee fails to comply with the provisions
927 of this chapter, the [commissioner] commission, after a hearing held in
928 accordance with chapter 54, may revoke or suspend the license of any
929 one or more of the following related licensees: Concessionaire, vendor
930 or totalizator, and may fine any one or more of such licensees in an
931 amount not to exceed two thousand five hundred dollars. In addition,
932 if any affiliate licensee fails to comply with the provisions of this
933 chapter, the [commissioner] commission, after a hearing held in
934 accordance with chapter 54, may revoke or suspend the license of the
935 related association licensee and may fine the related association
936 licensee in an amount not to exceed seventy-five thousand dollars or
937 both. If any license is suspended or revoked, the [commissioner]
938 commission shall state the reasons for such suspension or revocation
939 and cause an entry of such reasons to be made on the record books of
940 the [department] commission. Any licensee whose license is
941 suspended or revoked, or any applicant aggrieved by the action of the
942 [commissioner] commission concerning an application for a license,
943 may appeal pursuant to section 4-183.

944 (i) The [commissioner] commission shall adopt regulations
945 governing the operation of the off-track betting system and facilities,
946 tracks, stables, kennels and frontons, including the regulation of
947 betting in connection therewith, to insure the integrity and security of
948 the conduct of meetings and the broadcast of racing events held
949 pursuant to this chapter. Such regulations shall include provision for
950 the imposition of fines and suspension of licenses for violations
951 thereof. Prior to the adoption of any regulations concerning the
952 treatment of animals at any dog race track, the [commissioner]
953 commission shall notify the National Greyhound Association of the
954 contents of such regulations and of its right to request a hearing
955 pursuant to chapter 54. The [commissioner] commission shall have the
956 authority to impose a fine of up to (1) seventy-five thousand dollars for
957 any violation of such regulations by a licensee authorized to conduct a
958 meeting or operate the off-track betting system under this section; (2)
959 five thousand dollars for any violation of such regulations by a
960 business organization licensed as an affiliate licensee authorized to

961 exercise control over an association; and (3) two thousand five
962 hundred dollars for any such violation by any other licensee licensed
963 by the [commissioner] commission. The stewards or judges of a
964 meeting acting in accordance with such regulations shall have the
965 authority to impose a fine of up to five hundred dollars for any such
966 violation by such licensee, and the players' manager of a jai alai
967 exhibition acting in accordance with such regulations shall have the
968 authority to recommend to the judges that a fine should be considered
969 for a player who may have violated such regulations. The
970 [commissioner] commission may delegate to the stewards and judges
971 of a meeting the power to suspend the license of any occupational
972 licensee employed in this state by an association licensee for a period
973 not to exceed sixty days for any violation of such regulations. If any
974 license is suspended, such stewards and judges of a meeting shall state
975 the reasons therefor in writing. All fines imposed pursuant to this
976 section shall be paid over to the General Fund upon receipt by the
977 [department] commission. Any person or business organization fined
978 or suspended pursuant to this section shall have a right of appeal to
979 the [commissioner] commission for a hearing that shall be conducted
980 pursuant to chapter 54. Any person or business organization aggrieved
981 by a decision of the [commissioner] commission following such a
982 hearing shall have a right of appeal pursuant to section 4-183.

983 (j) The [commissioner] commission shall have the power to require
984 that the books and records of any licensee, other than an occupational
985 licensee, shall be maintained in any manner which [he] the commission
986 may deem best, and that any financial or other statements based on
987 such books and records shall be prepared in accordance with generally
988 accepted accounting principles in such form as [he] the commission
989 shall prescribe. The [commissioner or his] commission or a commission
990 designee shall also be authorized to visit, to investigate and to place
991 expert accountants and such other persons as [he] the commission may
992 deem necessary, in the offices, tracks, frontons, off-track betting
993 facilities or places of business of any such licensee, for the purpose of
994 satisfying [himself or herself] the commission that the [department's]
995 commission's regulations are strictly complied with.

996 (k) The [commissioner] commission may at any time for good cause
997 require the removal of any employee or official employed by any
998 licensee hereunder.

999 (l) The [commissioner] commission may, on [his or her own] the
1000 commission's motion or upon application, exempt any person or
1001 business organization from the licensing requirements of this chapter
1002 or some or all of the disclosure requirements of chapter 226b, provided
1003 the applicant does not exercise control in or over an integral part of
1004 any activity which is authorized under this chapter. The burden of
1005 proving that an exemption should be granted rests solely with the
1006 applicant. The [commissioner] commission may limit or condition the
1007 terms of an exemption and such determination shall be final.

1008 (m) Any person aiding or abetting in the operation of an off-track
1009 betting system or the conduct of any meeting within this state at which
1010 racing or the exhibition of the game of jai alai shall be permitted for
1011 any stake, purse or reward, except in accordance with a license duly
1012 issued and unsuspended or unrevoked by the [commissioner]
1013 commission, shall be guilty of a class A misdemeanor.

1014 (n) The majority of the membership of the board of directors of any
1015 corporation licensed to operate the off-track betting system or to hold
1016 or conduct any meeting within the state of Connecticut at which racing
1017 or the exhibition of the game of jai alai shall be permitted for any stake,
1018 purse or reward, shall be residents of the state of Connecticut.

1019 (o) Any license granted under this section, other than an association
1020 license authorizing the licensee to conduct a meeting or operate the off-
1021 track betting system, as described in subsection (a) of this section, or an
1022 affiliate license authorizing the licensee to exercise control in or over
1023 an association licensee, as described in subsection (e) of this section,
1024 shall be effective for not more than one year from the date of issuance.
1025 Initial application for and renewal of any license shall be in such form
1026 and manner as the [commissioner] commission shall prescribe by
1027 regulation.

1028 (p) Any person or business organization issued a license to conduct
1029 dog racing shall establish a pet adoption program for the proper
1030 housing and care of retired greyhounds and shall provide financial
1031 support for such program and any facility operated to implement such
1032 program.

1033 (q) Any person or business organization issued a license to conduct
1034 dog racing pursuant to subsection (c) of section 12-574c, as amended
1035 by this act, shall employ persons who, at the time of employment, are
1036 recipients of assistance under the state-administered general assistance
1037 program, state supplement program, medical assistance program,
1038 temporary family assistance program or supplemental nutrition
1039 assistance program to fill not less than twenty per cent of the positions
1040 created by the conversion of a jai alai fronton to a dog race track if such
1041 persons have been trained for such employment by public or publicly
1042 funded agencies in coordination with such licensee.

1043 (r) Any person or business organization issued a license to conduct
1044 dog racing pursuant to subsection (c) of section 12-574c, as amended
1045 by this act, shall provide an on-site child care center, as described in
1046 section 19a-77, for use by employees of the dog race track. Such
1047 licensee shall employ persons who, at the time of employment, are
1048 recipients of aid under chapter 302 or 308 to fill not less than fifty per
1049 cent of the positions at such child care center if such persons have been
1050 trained for such employment by public or publicly funded agencies in
1051 coordination with such licensee.

1052 (s) Notwithstanding any other provisions of this chapter to the
1053 contrary, any person or business organization issued a license to
1054 conduct dog racing may operate on a year-round basis and may
1055 conduct such number of performances as it may elect, provided the
1056 total number of such performances does not exceed five hundred
1057 eighty performances in any calendar year.

1058 Sec. 30. Section 12-574a of the general statutes is repealed and the
1059 following is substituted in lieu thereof (*Effective January 1, 2020*):

1060 (a) Whenever a person or business organization files an application
1061 with the [department] commission for a license to conduct an activity
1062 regulated by section 12-574, as amended by this act, exclusive of
1063 renewal license applications, the [department] commission shall
1064 forward within five days to the town clerk of the town within which
1065 such activity is proposed to be carried on a statement specifying the
1066 prospective applicant, the proposed activity, the site on which such
1067 activity is proposed to be conducted and the fact that an application
1068 has been filed with the [department] commission. Within ten days
1069 after such statement has been filed, such town clerk shall cause notice
1070 of such filing to be published in a newspaper having a circulation in
1071 the town wherein the activity is to be conducted. The question of the
1072 approval of the conducting of such activity shall be submitted to the
1073 electors of such town at a special election called for the purpose to be
1074 held not less than thirty nor more than sixty days after such
1075 publication, in conformity with the provisions of section 9-369, or at a
1076 regular town election if such election is to be held more than sixty but
1077 not more than one hundred twenty days after such publication, such
1078 question shall be so submitted and the vote shall be taken in the
1079 manner prescribed by said section 9-369. The town clerk shall notify
1080 the [department] commission of the results of such election. The
1081 disapproval of the conducting of such activity by a majority of those
1082 voting on the question shall be a bar to the granting of a license to such
1083 applicant to conduct such activity at such location. All costs incurred
1084 by a municipality in connection with such referendum shall be paid to
1085 said municipality by the person or business organization filing such
1086 application for such license. The provisions of this subsection shall not
1087 apply to any licensee authorized to operate the off-track betting system
1088 with respect to any off-track betting facility approved prior to June 25,
1089 1993.

1090 (b) No licensee may conduct any racing or jai alai event on any
1091 Sunday without the prior approval of the legislative body of the town
1092 in which the event is scheduled to take place.

1093 (c) No licensee authorized to operate the off-track betting system

1094 may conduct any off-track pari-mutuel wagering on any racing
1095 program on any Sunday without the prior approval of the legislative
1096 body of the town in which such off-track betting facility is located.

1097 (d) Notwithstanding the provisions of subsection (a) of this section,
1098 the prior approval of the legislative body only of the town shall be
1099 required in the event the [department] commission issues a license
1100 pursuant to subsection (c) of section 12-574c, as amended by this act.

1101 Sec. 31. Section 12-574c of the general statutes is repealed and the
1102 following is substituted in lieu thereof (*Effective January 1, 2020*):

1103 (a) The [Department of Consumer Protection] commission shall not
1104 issue a license authorizing any person, firm, corporation or association
1105 to conduct horse racing, dog racing or jai alai events.

1106 (b) Notwithstanding the provisions of subsection (a) of this section,
1107 the [department] commission may renew any license issued prior to
1108 May 23, 1979, or issue such a license to a currently operating facility.

1109 (c) Notwithstanding the provisions of subsection (a) of this section,
1110 the [department] commission may, on or after July 5, 1991, issue one
1111 additional license authorizing a person or business organization to
1112 conduct dog racing to a person or business organization holding a
1113 license to conduct jai alai events or to the successor of such business
1114 organization upon the surrender of the license to conduct jai alai
1115 events.

1116 (d) No licensee shall move any horse race track, dog race track or jai
1117 alai fronton to any municipality other than the municipality in which
1118 such facility was located on July 5, 1991.

1119 Sec. 32. Section 12-574d of the general statutes is repealed and the
1120 following is substituted in lieu thereof (*Effective January 1, 2020*):

1121 (a) The [Commissioner of Consumer Protection] commission may
1122 order the random collection and testing of urine specimens from
1123 racing dogs following a race or at any time during a meet conducted

1124 by any licensee authorized to conduct dog racing events under the
1125 pari-mutuel system. If the [commissioner] commission determines
1126 from such random testing that the integrity of dog racing events may
1127 be compromised, the [commissioner] commission may order the
1128 conduct of more frequent testing at one or more dog race tracks for
1129 such period of time as the [commissioner] commission deems
1130 necessary or advisable. The [commissioner] commission shall
1131 determine the laboratory responsible for the conduct of such testing
1132 and the amount of the fee for such test which shall be based upon the
1133 actual cost of such test and which shall be payable on a basis
1134 determined by the [commissioner] commission. Each such licensee
1135 shall pay such fee directly to such laboratory with respect to racing
1136 dogs at its dog race track.

1137 (b) The [commissioner] commission shall adopt regulations, in
1138 accordance with the provisions of chapter 54, to implement the
1139 provisions of subsection (a) of this section. The [commissioner]
1140 commission may implement policies and procedures necessary to
1141 carry out the provisions of subsection (a) of this section while in the
1142 process of adopting regulations, provided the [commissioner]
1143 commission prints notice of intent to adopt the regulations in the
1144 Connecticut Law Journal within twenty days after implementation.
1145 Such policies and procedures shall be valid until the time final
1146 regulations are effective.

1147 Sec. 33. Section 12-575 of the general statutes is repealed and the
1148 following is substituted in lieu thereof (*Effective January 1, 2020*):

1149 (a) The [department] commission may permit at racing events,
1150 exhibitions of the game of jai alai licensed under the provisions of this
1151 chapter or at off-track betting facilities, betting under a pari-mutuel
1152 system, so called, including standard pari-mutuel, daily double,
1153 exacta, quinella, trifecta, superfecta, twin trifecta, pick four and pick
1154 six betting, and such other forms of multiple betting as the
1155 [department] commission may determine.

1156 (b) The pari-mutuel system, so called, shall not be used or permitted

1157 at any location other than the race track at which the racing event is
1158 licensed to be conducted or the fronton at which the game of jai alai is
1159 licensed to be played or at an off-track betting facility operated by the
1160 [department] commission or by a licensee authorized to operate the
1161 off-track betting system. A computerized electronic totalizator system,
1162 approved by the [commissioner] commission, shall be used to conduct
1163 pari-mutuel wagering at each racing or jai alai event. A computerized
1164 electronic totalizator system approved by the [commissioner]
1165 commission and, where authorized by subsection (b) of section 12-
1166 571a, as amended by this act, and approved by the [commissioner]
1167 commission, a simulcast system shall be used to conduct pari-mutuel
1168 wagering and simulcasting of off-track betting race programs at off-
1169 track betting facilities. The [commissioner] commission may require
1170 any licensee to submit information concerning the daily operation of
1171 such totalizator or simulcast system which [he] the commission deems
1172 necessary for the effective administration of this chapter, including
1173 records of all wagering transactions, in such form and manner as [he]
1174 the commission shall prescribe.

1175 (c) (1) Except as provided in subdivision (2) of this subsection, each
1176 licensee conducting horse racing events under the pari-mutuel system
1177 shall distribute all sums deposited in any pari-mutuel program to the
1178 holders of winning tickets therein, less seventeen per cent of the total
1179 deposits plus the breakage to the dime of the amount so retained; each
1180 licensee conducting jai alai events shall distribute all sums deposited in
1181 any pari-mutuel program to the holders of winning tickets therein, less
1182 a maximum of eighteen per cent of the deposits in the win, place or
1183 show pools and less a maximum of twenty-three per cent of the
1184 deposits in all other pools plus the breakage to the dime of the amount
1185 so retained; each licensee conducting dog racing events shall distribute
1186 all sums deposited in any pari-mutuel program to the holders of
1187 winning tickets therein, less a maximum of nineteen per cent of the
1188 deposits in the win, place or show pools and less a maximum of
1189 twenty-seven per cent of the deposits in all other pools plus the
1190 breakage to the dime of the amount so retained, or, shall distribute all
1191 sums deposited in all of its pari-mutuel programs conducted on any

1192 day to the holders of winning tickets therein less twenty per cent of the
 1193 total deposits plus the breakage to the dime of the amount so retained,
 1194 provided on and after July 1, 1992, each licensee conducting dog racing
 1195 events on July 5, 1991, shall allocate four per cent of all sums deposited
 1196 in any pari-mutuel program to purses, one-quarter of one per cent to
 1197 capital expenditures for alterations, additions, replacement changes,
 1198 improvements or major repairs to or upon the property owned or
 1199 leased by any such licensee and used for such racing events, and one-
 1200 quarter of one per cent to promotional marketing, to reduce the costs
 1201 of admission, programs, parking and concessions and to offer
 1202 entertainment and giveaways. Each licensee conducting dog racing
 1203 events shall, on an annual basis, submit to the [department]
 1204 commission certified financial statements verifying the use of such
 1205 allocations for purses, capital improvements and promotional
 1206 marketing. (2) Each licensee conducting racing or jai alai events may
 1207 carry over all or a portion of the sums deposited in any pari-mutuel
 1208 program, less the amount retained as herein provided, in the twin
 1209 trifecta, pick four or pick six pari-mutuel pool to another pool,
 1210 including a pool in a succeeding performance.

1211 (d) Each licensee conducting horse racing events under the pari-
 1212 mutuel system shall pay to the state, and there is hereby imposed: (1)
 1213 A tax on the total money wagered in the pari-mutuel pool on each and
 1214 every day the licensee conducts racing events, pursuant to the
 1215 following schedule:

T1	Total Wagered	Tax
T2	0 to \$100,001	3.25% on the entire pool
T3	\$100,001 to \$200,001	3.75% on the entire pool
T4	\$200,001 to \$300,001	4.25% on the entire pool
T5	\$300,001 to \$400,001	4.75% on the entire pool
T6	\$400,001 to \$500,001	5.25% on the entire pool
T7	\$500,001 to \$600,001	5.75% on the entire pool
T8	\$600,001 to \$700,001	6.25% on the entire pool
T9	\$700,001 to \$800,001	6.75% on the entire pool
T10	\$800,001 to \$900,001	7.25% on the entire pool

T11	\$900,001 to \$1,000,001	7.75% on the entire pool
T12	\$1,000,001 and over	8.75% on the entire pool

1216 and (2) a tax equal to one-half of the breakage to the dime resulting
1217 from such wagering. The [commissioner] commission shall by
1218 regulation adopted in accordance with the provisions of chapter 54
1219 designate the percentage of the difference between the seventeen per
1220 cent specified in subsection (c) of this section and the tax specified in
1221 this subsection, which shall be allocated as prize or purse money for
1222 the horses racing at each facility.

1223 (e) Each licensee conducting dog racing events under the pari-
1224 mutuel system shall pay to the state, and there is hereby imposed: (1)
1225 (A) A tax at the rate of two per cent on the total money wagered in the
1226 pari-mutuel pool on each and every day the licensee conducts racing
1227 events or (B) on or after July 1, 1993, in the case of any licensee licensed
1228 prior to July 5, 1991, (i) a tax at the rate of two per cent on any amount
1229 up to and including fifty million dollars of the total money wagered in
1230 the pari-mutuel pool in any state fiscal year during which a licensee
1231 licensed prior to July 5, 1991, conducts racing events, (ii) a tax at the
1232 rate of three per cent on any amount in excess of fifty million dollars
1233 and up to and including eighty million dollars of the total money
1234 wagered in the pari-mutuel pool in any state fiscal year during which a
1235 licensee licensed prior to July 5, 1991, conducts racing events, and (iii)
1236 a tax at the rate of four per cent on any amount in excess of eighty
1237 million dollars of the total money wagered in the pari-mutuel pool in
1238 any state fiscal year during which a licensee licensed prior to July 5,
1239 1991, conducts racing events, and (2) a tax equal to one-half of the
1240 breakage to the dime resulting from such wagering.

1241 (f) Each licensee operating a fronton at which the game of jai alai is
1242 licensed to be played under the pari-mutuel system shall pay to the
1243 state and there is hereby imposed: (1) (A) A tax at the rate of two per
1244 cent on any amount up to and including fifty million dollars of the
1245 total money wagered on such games, (B) a tax at the rate of three per
1246 cent of any amount in excess of fifty million dollars and up to and

1247 including eighty million dollars of the total money wagered on such
1248 games, and (C) a tax at the rate of four per cent on any amount in
1249 excess of eighty million dollars of the total money wagered on such
1250 games, and (2) a tax equal to one-half of the breakage to the dime
1251 resulting from such wagering.

1252 (g) The licensee authorized to operate the system of off-track betting
1253 under the pari-mutuel system shall pay to the state and there is hereby
1254 imposed: (1) A tax at the rate of three and one-half per cent on the total
1255 money wagered in the pari-mutuel pool on each and every day the
1256 licensee broadcasts racing events, and (2) a tax equal to one-half of the
1257 breakage to the dime resulting from such wagering.

1258 (h) The [commissioner] commission shall assess and collect the taxes
1259 imposed by this chapter under such regulations as [he] the commission
1260 may prescribe, in accordance with the provisions of chapter 54. All
1261 taxes hereby imposed shall be due and payable by the close of the next
1262 banking day after each day's racing or jai alai exhibition. If any such
1263 tax is not paid when due, the [commissioner] commission shall impose
1264 a delinquency assessment upon the licensee in the amount of ten per
1265 cent of such tax or ten dollars, whichever amount is greater, plus
1266 interest at the rate of one and one-half per cent of the unpaid principal
1267 of such tax for each month or fraction of a month from the date such
1268 tax is due to the date of payment. Subject to the provisions of section
1269 12-3a, the [commissioner] commission may waive all or part of the
1270 penalties provided under this subsection when it is proven to [his] the
1271 commission's satisfaction that the failure to pay such tax within the
1272 time required was due to reasonable cause and was not intentional or
1273 due to neglect. Failure to pay any such delinquent tax upon demand
1274 may be considered by the [commissioner] commission as cause for
1275 revocation of license.

1276 (i) The [commissioner] commission shall devise a system of
1277 accounting and shall supervise betting at such track, fronton or off-
1278 track betting facility in such manner that the rights of the state are
1279 protected and shall collect all fees and licenses under such regulations

1280 as [he] the commission shall prescribe, in accordance with the
1281 provisions of chapter 54.

1282 (j) The amount of unclaimed moneys, as determined by the
1283 [commissioner] commission, held by any licensee other than by
1284 licensees authorized to operate a jai alai fronton, dog race track or the
1285 off-track betting system on account of outstanding and uncashed
1286 winning tickets, shall be due and payable to the [commissioner]
1287 commission, for deposit in the General Fund of the state, at the
1288 expiration of one year after the close of the meeting during which such
1289 tickets were issued. If any such unclaimed moneys are not paid when
1290 due, the [commissioner] commission shall impose a delinquency
1291 assessment upon the licensee in the amount of ten per cent of such
1292 moneys or ten dollars, whichever amount is greater, plus interest at the
1293 rate of one and one-half per cent of the unpaid principal of such
1294 moneys for each month or fraction of a month from the date such
1295 moneys are due to the date of payment. Subject to the provisions of
1296 section 12-3a, the [commissioner] commission may waive all or part of
1297 the penalties provided under this subsection when it is proven to [his]
1298 the commission's satisfaction that the failure to pay such moneys to the
1299 state within the time required was due to reasonable cause and was
1300 not intentional or due to neglect.

1301 (k) The [commissioner] commission may authorize deputies and the
1302 Commissioner of Revenue Services or his or her agents are authorized
1303 to enter upon the premises at any racing event, jai alai exhibition or
1304 off-track betting race event for the purpose of inspecting books and
1305 records, supervising and examining cashiers, ticket sellers, pool sellers
1306 and other persons handling money at said event and such other
1307 supervision as may be necessary for the maintenance of order at such
1308 event.

1309 (l) (1) The [commissioner] commission shall pay each municipality
1310 in which a horse race track is located, one-quarter of one per cent of the
1311 total money wagered on horse racing events at such race track, except
1312 that the [commissioner] commission shall pay each such municipality

1313 having a population in excess of fifty thousand one per cent of the total
1314 money wagered at such horse racing events in such municipality. The
1315 [commissioner] commission shall pay each municipality in which a jai
1316 alai fronton or dog race track is located one-half of one per cent of the
1317 total money wagered on jai alai games or dog racing events at such
1318 fronton or dog race track, except that the [commissioner] commission
1319 shall pay each such municipality having a population in excess of fifty
1320 thousand one per cent of the total money wagered on jai alai games or
1321 dog racing events at such fronton or dog race track located in such
1322 municipality. The [commissioner] commission shall pay each
1323 municipality in which an off-track betting facility is located one and
1324 three-fifths per cent of the total money wagered in such facility less
1325 amounts paid as refunds or for cancellations. The [commissioner]
1326 commission shall pay to both the city of New Haven and the town of
1327 Windsor Locks an additional one-half of one per cent of the total
1328 money wagered less any amount paid as a refund or a cancellation in
1329 any facility equipped with screens for simulcasting after October 1,
1330 1997, located within a fifteen-mile radius of facilities in New Haven
1331 and Windsor Locks. Payment shall be made not less than four times a
1332 year and not more than twelve times a year as determined by the
1333 [commissioner] commission, and shall be made from the tax imposed
1334 pursuant to subsection (d) of this section for horse racing, subsection
1335 (e) of this section for dog racing, subsection (f) of this section for jai alai
1336 games and subsection (g) of this section for off-track betting. (2) If, for
1337 any calendar year after the surrender of a license to conduct jai alai
1338 events by any person or business organization pursuant to subsection
1339 (c) of section 12-574c, as amended by this act, and prior to the opening
1340 of any dog race track by such person or business organization, any
1341 other person or business organization licensed to conduct jai alai
1342 events is authorized to conduct a number of performances greater than
1343 the number authorized for such licensee in the previous calendar year,
1344 the [commissioner] commission shall pay the municipality in which
1345 the jai alai fronton for which such license was surrendered was
1346 located, rather than the municipality in which the jai alai fronton
1347 conducting the increased performances is located, one-half of one per

1348 cent of the total money wagered on jai alai games for such increased
1349 performances at the fronton which conducted the additional
1350 performances, except that the [commissioner] commission shall pay
1351 each such municipality having a population in excess of fifty thousand
1352 one per cent of the total money wagered on jai alai games for such
1353 increased performances at such fronton. (3) During any state fiscal year
1354 ending on or after June 30, 1993, the [commissioner] commission shall
1355 pay each municipality in which a dog race track was operating prior to
1356 July 5, 1991, one per cent of the total money wagered on dog racing
1357 events at such dog race track. (4) During the state fiscal year ending
1358 June 30, 2001, each municipality in which a dog race track was
1359 operating prior to July 5, 1991, shall pay the Northeast Connecticut
1360 Economic Alliance, Inc. two-tenths of one per cent of the total money
1361 wagered on dog racing events at any dog race track operating prior to
1362 July 5, 1991. (5) In the event a licensee incurs a loss from the operation
1363 of a pari-mutuel facility, as determined by the [commissioner]
1364 commission, the legislative body of the city or town in which such
1365 facility is located may direct the [commissioner] commission to credit
1366 or rebate all or a part of the revenue otherwise due to the municipality
1367 back to the facility. In no case shall such credit and such
1368 reimbursement exceed the amount of the licensee's loss, and in no
1369 fiscal year shall these provisions affect the total fees paid to the state by
1370 the authorized operator of the off-track betting system on its off-track
1371 betting activities.

1372 Sec. 34. Section 12-575c of the general statutes is repealed and the
1373 following is substituted in lieu thereof (*Effective January 1, 2020*):

1374 (a) The [commissioner] commission may require all pari-mutuel
1375 betting conducted at any facility conducting betting under a pari-
1376 mutuel system within the state which is based on the results of any
1377 event which occurs at any place other than the facility conducting such
1378 betting, whether such place is within or without the state, to be
1379 combined into a single, state-wide pool for each such event, or for any
1380 of them, as the [commissioner] commission may determine.

1381 (b) The [commissioner] commission may permit all pari-mutuel
1382 betting conducted at any facility conducting betting under a pari-
1383 mutuel system within the state which is based on the results of any
1384 event which occurs at such facility, to be combined with the betting on
1385 such event at another facility where pari-mutuel betting is conducted,
1386 whether such facility is within or without the state, as a single pool for
1387 each event.

1388 Sec. 35. Section 12-576 of the general statutes is repealed and the
1389 following is substituted in lieu thereof (*Effective January 1, 2020*):

1390 (a) Any person who knowingly permits any minor to wager in any
1391 gambling activity authorized under this chapter and any minor who
1392 places a wager in any gambling activity authorized under this chapter
1393 shall be guilty of a class A misdemeanor.

1394 (b) Any person who knowingly permits a minor to be present in any
1395 room, office, building or establishment when off-track betting
1396 authorized under this chapter takes place, or at any racetrack or
1397 fronton when any meeting authorized under this chapter takes place,
1398 shall be fined not more than twenty-five dollars. No minor shall be
1399 present in any room, office, building or establishment when off-track
1400 betting authorized under this chapter takes place, or at any racetrack
1401 or fronton when any meeting authorized under this chapter takes
1402 place. Any minor sixteen years of age or over present in any room,
1403 office, building or establishment when off-track betting authorized
1404 under this chapter takes place, or at any racetrack or fronton when any
1405 meeting authorized under this chapter takes place, shall be fined not
1406 more than twenty-five dollars. Any licensee authorized to conduct a
1407 meeting for the purpose of jai alai or racing shall be fined not more
1408 than fifty dollars if any minor is found at such facility in violation of
1409 this subsection.

1410 (c) Notwithstanding any provision of subsection (a) or (b) of this
1411 section, the [commissioner] commission may issue a license to a minor
1412 sixteen years of age or older, under the provisions of section 12-578, as
1413 amended by this act, and the regulations adopted thereunder,

1414 provided written permission from a parent or legal guardian of such
1415 minor is filed with the [department] commission.

1416 (d) The [commissioner] commission shall not pay any claim for
1417 winnings when such claim is made by, or on behalf of, a minor who
1418 has wagered in any gambling activity authorized under this chapter.
1419 Nothing in this subsection shall prohibit an adult from making a
1420 wager on behalf of a minor, provided the money for such wager is not
1421 provided by the minor from funds under such minor's control.

1422 (e) Nothing in this section shall be construed to prohibit any minor
1423 from entering onto a parking area at any building or establishment
1424 described in subsection (b) of this section for the purpose of attending
1425 an event at which gambling activities do not occur.

1426 Sec. 36. Section 12-577 of the general statutes is repealed and the
1427 following is substituted in lieu thereof (*Effective January 1, 2020*):

1428 The [commissioner] commission shall annually cause to be made by
1429 some competent person or persons [in] within the [department]
1430 commission a thorough audit of the books and records of each
1431 association licensee under this chapter and each casino gaming facility
1432 and the [commissioner] commission may, from time to time, cause to
1433 be made by some competent person [in] within the [department]
1434 commission a thorough audit of the books and records of any other
1435 person or business organization licensed under this chapter. All such
1436 audit records shall be kept on file in the [commissioner's] commission's
1437 office at all times. Each licensee and casino gaming facility shall permit
1438 access to its books and records for the purpose of having such audit
1439 made, and shall produce, upon written order of the [commissioner]
1440 commission, any documents and information required for such
1441 purpose.

1442 Sec. 37. Section 12-578 of the general statutes is repealed and the
1443 following is substituted in lieu thereof (*Effective January 1, 2020*):

1444 (a) The [commissioner] commission shall adopt regulations, in

1445 accordance with the provisions of chapter 54, governing registration
1446 and the issuance and annual renewal of licenses and payment of
1447 annual nonrefundable application fees for the same in accordance with
1448 the following schedule:

1449 (1) Registration: (A) Stable name, one hundred dollars; (B)
1450 partnership name, one hundred dollars; (C) colors, twenty dollars; (D)
1451 kennel name, one hundred dollars.

1452 (2) Licenses: (A) Owner, one hundred dollars; (B) trainer, one
1453 hundred dollars; (C) assistant trainer, one hundred dollars; (D) jockey,
1454 forty dollars; (E) jockey agent, for each jockey, one hundred dollars; (F)
1455 stable employees, including exercise boy, groom, stable foreman, hot
1456 walker, outrider, twenty dollars; (G) veterinarian, one hundred dollars;
1457 (H) jockey apprentice, forty dollars; (I) driver, one hundred dollars; (J)
1458 valet, twenty dollars; (K) blacksmith, twenty dollars; (L) plater, twenty
1459 dollars; (M) concessionaire, for each concession, two hundred fifty
1460 dollars; (N) concessionaire affiliate, for each concession of the
1461 concessionaire, two hundred fifty dollars; (O) concession employees,
1462 twenty dollars; (P) jai alai players, one hundred dollars; (Q) officials
1463 and supervisors, one hundred dollars; (R) pari-mutuel employees,
1464 forty dollars; (S) other personnel engaged in activities regulated under
1465 this chapter, twenty dollars; (T) vendor, for each contract, two hundred
1466 fifty dollars; (U) totalizator, for each contract, two hundred fifty
1467 dollars; (V) vendor and totalizator affiliates, for each contract of the
1468 vendor or totalizator, two hundred fifty dollars; (W) gaming employee,
1469 forty dollars; (X) nongaming vendor, two hundred fifty dollars; (Y)
1470 gaming services, five hundred dollars; and (Z) gaming affiliate, two
1471 hundred fifty dollars. For the purposes of this subdivision,
1472 "concessionaire affiliate" means a business organization, other than a
1473 shareholder in a publicly traded corporation, that may exercise control
1474 in or over a concessionaire; and "concessionaire" means any individual
1475 or business organization granted the right to operate an activity at a
1476 dog race track or off-track betting facility for the purpose of making a
1477 profit that receives or, in the exercise of reasonable business judgment,
1478 can be expected to receive more than twenty-five thousand dollars or

1479 twenty-five per cent of its gross annual receipts from such activity at
1480 such track or facility.

1481 (b) The [commissioner] commission shall require each applicant for
1482 a license under subdivision (2) of subsection (a) of this section to
1483 submit to state and national criminal history records checks before
1484 such license is issued. The criminal history records checks required
1485 pursuant to this subsection shall be conducted in accordance with
1486 section 29-17a.

1487 Sec. 38. Section 12-578a of the general statutes is repealed and the
1488 following is substituted in lieu thereof (*Effective January 1, 2020*):

1489 (a) Not later than twelve months after the date any authorization of
1490 a casino gaming facility by any provision of the general statutes or a
1491 public or special act is effective, the [commissioner] commission shall
1492 adopt regulations, in accordance with the provisions of chapter 54, for
1493 the administration of casino gaming facilities. Such regulations shall
1494 include provisions to protect the public interest in the integrity of
1495 gaming operations and reduce the dangers of unsuitable, unfair or
1496 illegal practices, methods and activities in the conduct of gaming. Such
1497 regulations shall include, but need not be limited to:

1498 (1) Minimum accounting standards for a casino gaming facility;

1499 (2) Minimum security procedures including the video monitoring of
1500 casino gaming facilities;

1501 (3) Approved hours of operation for gaming and nongaming
1502 activities at casino gaming facilities;

1503 (4) Procedures governing the manufacture, sale, lease and
1504 distribution of gaming devices and equipment for use in casino
1505 gaming facilities;

1506 (5) Procedures for the recovery of winnings by patrons of casino
1507 gaming facilities;

1508 (6) Procedures governing how gross gaming revenue is calculated
1509 and reported by a casino gaming facility;

1510 (7) Requirements for regular auditing of the financial statements of a
1511 casino gaming facility;

1512 (8) Procedures to be followed by any casino gaming facility for cash
1513 transactions;

1514 (9) Procedures regarding the maintenance of lists of persons banned
1515 from any casino gaming facility and security measures to enforce such
1516 bans;

1517 (10) Standards for the provision of complimentary goods and
1518 services to casino gaming facility patrons;

1519 (11) Minimum standards of training for persons employed in a
1520 casino gaming facility;

1521 (12) Procedures governing the submission of standards of operation
1522 and management of gaming operations by casino gaming facilities to
1523 the [commissioner] commission; and

1524 (13) Requirements for information and reports from casino gaming
1525 facilities to enable effective auditing of casino gaming operations.

1526 (b) Until such regulations are adopted and in effect, a casino gaming
1527 facility may operate pursuant to its standards of operation and
1528 management, provided such standards are approved by the
1529 [commissioner] commission pursuant to section 12-578b, as amended
1530 by this act.

1531 Sec. 39. Section 12-578b of the general statutes is repealed and the
1532 following is substituted in lieu thereof (*Effective January 1, 2020*):

1533 (a) Each casino gaming facility shall submit to the [commissioner]
1534 commission a description of its standards of operation and
1535 management of all gaming operations. The description shall include:
1536 (1) Accounting controls to be used in casino gaming operations; (2) job

1537 descriptions for all positions involved in casino gaming operations; (3)
1538 procedures for the security of chips, cash and other cash equivalents
1539 used in authorized games; (4) procedures for the safety and security of
1540 patrons of the casino gaming facility; (5) procedures and rules
1541 governing the conduct of any authorized games conducted at the
1542 casino gaming facility; (6) a certification by the attorney of the casino
1543 gaming facility that the submitted standards of operation and
1544 management conform to state law and regulations governing casino
1545 gaming operations; (7) a certification by the chief financial officer of the
1546 casino gaming facility or an independent auditor that the submitted
1547 standards of operation and management provide adequate and
1548 effective controls, establish a consistent overall system of procedures
1549 and administrative and accounting controls and conform to generally
1550 accepted accounting principles; and (8) any other standards required
1551 by the [commissioner] commission.

1552 (b) The [commissioner] commission shall approve or reject a
1553 submission of standards of operation and management required under
1554 subsection (a) of this section not later than sixty days after the date on
1555 which the [commissioner] commission received such standards. If the
1556 [commissioner] commission fails to approve or reject a submission of
1557 standards of operation and management not later than sixty days after
1558 the date on which the [commissioner] commission received such
1559 standards of operation and management, such standards of operation
1560 and management shall be deemed approved. No casino gaming facility
1561 may commence casino gaming operations unless such standards of
1562 operation and management are approved by the [commissioner]
1563 commission or deemed approved.

1564 (c) No casino gaming facility shall revise any standards of operation
1565 and management that have been approved by the [commissioner]
1566 commission or deemed approved pursuant to subsection (b) of this
1567 section unless the revision has been approved by the [commissioner]
1568 commission. If the [commissioner] commission fails to approve or
1569 reject a submitted revision not later than sixty days after the date on
1570 which the [commissioner] commission received such revision, such

1571 revision shall be deemed approved.

1572 (d) A casino gaming facility aggrieved by an action of the
1573 [commissioner] commission under the provisions of this section may
1574 request a hearing before the [commissioner] commission. The
1575 [commissioner] commission shall hold such hearing in accordance
1576 with the provisions of chapter 54.

1577 (e) The [commissioner] commission shall periodically review a
1578 casino gaming facility's compliance with state law and regulations
1579 governing casino gaming facilities.

1580 Sec. 40. Section 12-578c of the general statutes is repealed and the
1581 following is substituted in lieu thereof (*Effective January 1, 2020*):

1582 (a) No person may commence or continue employment on the
1583 gaming floor or in a gaming-related position in a casino gaming facility
1584 unless such person holds a gaming employee license issued by the
1585 [commissioner] commission pursuant to this section.

1586 (b) No person or business organization may provide more than
1587 twenty-five thousand dollars of nongaming goods or services per year
1588 in a casino gaming facility unless such person or business organization
1589 holds a nongaming vendor license issued by the [commissioner]
1590 commission pursuant to this section.

1591 (c) No person or business organization may provide gaming
1592 services or gaming equipment to a casino gaming facility unless such
1593 person or business organization holds a gaming services license issued
1594 by the [commissioner] commission pursuant to this section.

1595 (d) No business organization, other than a shareholder in a publicly
1596 traded corporation, may exercise control in or over a licensee licensed
1597 pursuant to this section unless such business organization holds a
1598 gaming affiliate license issued by the [commissioner] commission
1599 pursuant to this section.

1600 (e) Each applicant for a license issued pursuant to this section shall

1601 submit a completed application on forms prescribed by the
1602 [commissioner] commission. Such application forms may require the
1603 applicant to submit information as to: (1) Financial standing and credit;
1604 (2) moral character; (3) criminal record, if any; (4) previous
1605 employment; (5) corporate, partnership or association affiliations; (6)
1606 ownership of personal assets; and (7) any other information as the
1607 [commissioner] commission deems pertinent to the issuance of such
1608 license.

1609 (f) The [commissioner] commission shall, as soon as practicable after
1610 the receipt of a completed license application, grant or deny the license
1611 application. Any license issued by the [commissioner] commission
1612 pursuant to this section shall be effective for not more than one year
1613 from the date of issuance. Applications for renewal of any such license
1614 shall be on such form as prescribed by the [commissioner] commission.
1615 Any holder of a license issued pursuant to this section who submits an
1616 application to renew such license may continue to be employed by a
1617 casino gaming facility or provide services to a casino gaming facility
1618 until the [commissioner] commission denies such renewal application.

1619 (g) The [commissioner] commission may issue a temporary license
1620 at the request of any person who has submitted an application for a
1621 license under this section. The [commissioner] commission shall
1622 require such applicant to submit to state and national criminal history
1623 records checks before receiving a temporary license. The criminal
1624 history records checks shall be conducted in accordance with section
1625 29-17a. A temporary license shall expire when the [commissioner]
1626 commission grants or denies the pending application for a license
1627 under this section.

1628 (h) The [commissioner] commission may investigate any person or
1629 business organization that holds a license pursuant to this section at
1630 any time and may suspend or revoke such license for good cause after
1631 a hearing held in accordance with the provisions of chapter 54. Any
1632 person or business organization whose license is suspended or
1633 revoked, or any applicant aggrieved by the action of the

1634 [commissioner] commission concerning an application for a license or
1635 renewal application, may appeal pursuant to section 4-183.

1636 Sec. 41. Section 12-578d of the general statutes is repealed and the
1637 following is substituted in lieu thereof (*Effective January 1, 2020*):

1638 (a) For the purposes of this section, "alcoholic liquor" has the same
1639 meaning as provided in section 30-1.

1640 (b) Except as provided in subsection (c) of this section, no person
1641 under the minimum age for the purchase of alcoholic liquor under the
1642 provisions of chapter 545 shall be admitted onto the gaming floor of
1643 any casino gaming facility nor be permitted to participate in any
1644 authorized games.

1645 (c) A person eighteen years of age or older but under the minimum
1646 age for the purchase of alcoholic liquor may be employed in a casino
1647 gaming facility, provided such person is licensed by the
1648 [commissioner] commission pursuant to section 12-578c, as amended
1649 by this act, and such employment does not involve handling or serving
1650 alcoholic liquor.

1651 Sec. 42. Section 12-578e of the general statutes is repealed and the
1652 following is substituted in lieu thereof (*Effective January 1, 2020*):

1653 (a) Commencing in any fiscal year that a casino gaming facility is
1654 authorized by any provision of the general statutes to conduct
1655 authorized games, and on or before September thirtieth in each fiscal
1656 year thereafter, the [commissioner] commission shall: (1) Estimate,
1657 after consultation with each casino gaming facility, the reasonable and
1658 necessary costs that will be incurred by the [department] commission
1659 in the next fiscal year to regulate casino gaming facilities under
1660 chapters 226 and 545; and (2) assess each casino gaming facility its
1661 share of such estimated costs pro rata according to its annualized share
1662 of the gross gaming revenue of all casino gaming facilities in the prior
1663 fiscal year, if any. The estimated costs shall not exceed the estimate of
1664 expenditure requirements transmitted by the [commissioner]

1665 commission pursuant to section 4-77. The assessment for any fiscal
1666 year shall be: (A) Reduced pro rata by the amount of any surplus from
1667 the assessment of the prior fiscal year, which shall be maintained in
1668 accordance with subsection (d) of this section, or (B) increased pro rata
1669 by the amount of any deficit from the assessment of the prior fiscal
1670 year.

1671 (b) Each casino gaming facility shall pay to the [commissioner]
1672 commission the amount assessed to such casino gaming facility not
1673 later than the date specified by the [commissioner] commission for
1674 payment, provided such date is not less than thirty days from the date
1675 of such assessment. The [commissioner] commission shall remit to the
1676 Treasurer all funds received pursuant to this section.

1677 (c) (1) There is established a fund to be known as the "State Gaming
1678 Regulatory Fund". The fund shall contain any moneys required or
1679 permitted to be deposited in the fund and shall be held by the
1680 Treasurer separate and apart from all other moneys, funds and
1681 accounts. Investment earnings credited to the assets of said fund shall
1682 become part of the assets of said fund. Any balance remaining in said
1683 fund at the end of any fiscal year shall be carried forward in said fund
1684 for the fiscal year next succeeding. Moneys in the fund shall be
1685 expended by the Treasurer for the purposes of paying the costs
1686 incurred by the [department] commission to regulate casino gaming
1687 facilities.

1688 (2) The Treasurer shall deposit all funds received pursuant to
1689 subsection (b) of this section in the State Gaming Regulatory Fund.

1690 (d) On or before September thirtieth, annually, the Comptroller shall
1691 calculate the actual reasonable and necessary costs incurred by the
1692 [department] commission to regulate casino gaming facilities during
1693 the prior fiscal year. The Treasurer shall set aside within the State
1694 Gaming Regulatory Fund amounts received in excess of such actual
1695 costs. Such excess amounts shall be considered a surplus for the
1696 purposes of subsection (a) of this section.

1697 (e) Any casino gaming facility aggrieved by an assessment under
1698 the provisions of this section may request a hearing before the
1699 [commissioner] commission not later than thirty days after such
1700 assessment. The [commissioner] commission shall hold such hearing in
1701 accordance with the provisions of chapter 54 not later than thirty days
1702 after receiving such request.

1703 Sec. 43. Section 12-578f of the general statutes is repealed and the
1704 following is substituted in lieu thereof (*Effective January 1, 2020*):

1705 (a) For the purposes of this section and section 12-578g:

1706 (1) "Authorized games" means any game of chance, including, but
1707 not limited to, blackjack, poker, dice, money-wheels, roulette, baccarat,
1708 chuck-a-luck, pan game, over and under, horse race game, acey-deucey,
1709 beat the dealer, bouncing ball, video facsimile game and any other
1710 game of chance authorized by the [Commissioner of Consumer
1711 Protection] commission;

1712 (2) "Mashantucket Pequot memorandum of understanding" means
1713 the memorandum of understanding entered into by and between the
1714 state and the Mashantucket Pequot Tribe on January 13, 1993, as
1715 amended on April 30, 1993;

1716 (3) "Mashantucket Pequot procedures" means the Final
1717 Mashantucket Pequot Gaming Procedures prescribed by the Secretary
1718 of the United States Department of the Interior pursuant to Section
1719 2710(d)(7)(B)(vii) of Title 25 of the United States Code and published in
1720 56 Federal Register 24996 (May 31, 1991);

1721 (4) "MMCT Venture, LLC" means a limited liability company
1722 described in subsection (d) of this section;

1723 (5) "Mohegan compact" means the Tribal-State Compact entered
1724 into by and between the state and the Mohegan Tribe of Indians of
1725 Connecticut on May 17, 1994; and

1726 (6) "Mohegan memorandum of understanding" means the

1727 memorandum of understanding entered into by and between the state
1728 and the Mohegan Tribe of Indians of Connecticut on May 17, 1994.

1729 (b) MMCT Venture, LLC, is authorized to conduct authorized
1730 games at a casino gaming facility at 171 Bridge Street, East Windsor,
1731 Connecticut.

1732 (c) Such authorization shall not be effective unless the following
1733 conditions have been met:

1734 (1) (A) The Governor enters into amendments to the Mashantucket
1735 Pequot procedures and to the Mashantucket Pequot memorandum of
1736 understanding with the Mashantucket Pequot Tribe and amendments
1737 to the Mohegan compact and to the Mohegan memorandum of
1738 understanding with the Mohegan Tribe of Indians of Connecticut
1739 concerning the operation of a casino gaming facility in the state.

1740 (B) The amendments to the Mashantucket Pequot procedures and
1741 the Mohegan compact shall include a provision that the authorization
1742 of MMCT Venture, LLC, to conduct authorized games in the state does
1743 not terminate the moratorium against the operation of video facsimile
1744 games by the Mashantucket Pequot Tribe and Mohegan Tribe of
1745 Indians of Connecticut on each tribe's reservation.

1746 (C) The amendments to each tribe's memorandum of understanding
1747 shall include a provision that the authorization of MMCT Venture,
1748 LLC, to conduct authorized games in the state does not relieve each
1749 tribe from each tribe's obligation to contribute a percentage of the gross
1750 operating revenues of video facsimile games to the state as provided in
1751 each tribe's memorandum of understanding.

1752 (2) The amendments to the Mashantucket Pequot procedures, the
1753 Mashantucket Pequot memorandum of understanding, the Mohegan
1754 compact and the Mohegan memorandum of understanding are
1755 approved or deemed approved by the Secretary of the United States
1756 Department of the Interior pursuant to the federal Indian Gaming
1757 Regulatory Act, P.L. 100-497, 25 USC 2701 et seq., and its

1758 implementing regulations. If such approval is overturned by a court in
1759 a final judgment, which is not appealable, the authorization provided
1760 under this section shall cease to be effective.

1761 (3) The amendments to the Mashantucket Pequot procedures and to
1762 the Mohegan compact are approved by the General Assembly
1763 pursuant to section 3-6c.

1764 (4) The amendments to the Mashantucket Pequot memorandum of
1765 understanding and to the Mohegan memorandum of understanding
1766 are approved by the General Assembly pursuant to the process
1767 described in section 3-6c.

1768 (5) The governing bodies of the Mashantucket Pequot Tribe and
1769 Mohegan Tribe of Indians of Connecticut enact resolutions providing:
1770 (A) That if MMCT Venture, LLC, fails to pay any fees or taxes due the
1771 state, the tribes, as the members of MMCT Venture, LLC, waive the
1772 possible defense of sovereign immunity with respect to any action or
1773 claim by the state against the tribes as the members of MMCT Venture,
1774 LLC, to the extent such action or claim is permitted to be brought
1775 against a member of a limited liability company under state law to
1776 collect any fees or taxes, while preserving any other defenses available
1777 to the tribes, and (B) that the venue for such action or claim shall be in
1778 the judicial district of Hartford.

1779 (d) Such authorization shall apply to MMCT Venture, LLC,
1780 provided: (1) MMCT Venture, LLC, is a limited liability company
1781 jointly and exclusively owned by the Mashantucket Pequot Tribe and
1782 the Mohegan Tribe of Indians of Connecticut; (2) no other person or
1783 business organization holds an equity interest in MMCT Venture, LLC;
1784 and (3) each tribe holds at least a twenty-five per cent equity interest in
1785 MMCT Venture, LLC. If MMCT Venture, LLC, ceases to be a limited
1786 liability company jointly and exclusively owned by the Mashantucket
1787 Pequot Tribe and the Mohegan Tribe of Indians of Connecticut in
1788 which each tribe holds at least a twenty-five per cent equity interest,
1789 such authorization shall be void.

1790 Sec. 44. Section 12-578aa of the general statutes is repealed and the
1791 following is substituted in lieu thereof (*Effective January 1, 2020*):

1792 (a) For the purposes of this section:

1793 (1) "Entry fee" means the amount of cash or cash equivalent that is
1794 required to be paid by a fantasy contest player to a fantasy contest
1795 operator to participate in a fantasy contest;

1796 (2) "Fantasy contest" means any online fantasy or simulated game or
1797 contest with an entry fee in which: (A) The value of all prizes and
1798 awards offered to winning fantasy contest players is established and
1799 made known to the players in advance of the game or contest; (B) all
1800 winning outcomes reflect the knowledge and skill of the players and
1801 are determined predominantly by accumulated statistical results of the
1802 performance of individuals, including athletes in the case of sporting
1803 events; and (C) no winning outcome is based on the score, point
1804 spread or any performance of any single actual team or combination of
1805 teams or solely on any single performance of an individual athlete or
1806 player in any single actual sporting event. Fantasy contests shall not
1807 include lottery games;

1808 (3) "Fantasy contest operator" means a person or entity that operates
1809 a fantasy contest and offers such fantasy contest to members of the
1810 general public in the state;

1811 (4) "Fantasy contest player" means a person who participates in a
1812 fantasy contest offered by a fantasy contest operator;

1813 (5) "Gross receipts" means the amount equal to the total of all entry
1814 fees that a fantasy contest operator collects from all fantasy contest
1815 players, less the total of all sums paid out as prizes to all fantasy
1816 contest players, multiplied by the location percentage;

1817 (6) "Location percentage" means the percentage rounded to the
1818 nearest tenth of a per cent of the total of entry fees collected from
1819 fantasy contest players located in the state, divided by the total of
1820 entry fees collected from all fantasy contest players;

1821 (7) "Mashantucket Pequot memorandum of understanding" means
1822 the memorandum of understanding entered into by and between the
1823 state and the Mashantucket Pequot Tribe on January 13, 1993, as
1824 amended on April 30, 1993;

1825 (8) "Mashantucket Pequot procedures" means the Final
1826 Mashantucket Pequot Gaming Procedures prescribed by the Secretary
1827 of the United States Department of the Interior pursuant to Section
1828 2710(d)(7)(B)(vii) of Title 25 of the United States Code and published in
1829 56 Federal Register 24996 (May 31, 1991);

1830 (9) "Mohegan compact" means the Tribal-State Compact entered
1831 into by and between the state and the Mohegan Tribe of Indians of
1832 Connecticut on May 17, 1994; and

1833 (10) "Mohegan memorandum of understanding" means the
1834 memorandum of understanding entered into by and between the state
1835 and the Mohegan Tribe of Indians of Connecticut on May 17, 1994.

1836 (b) The provisions of this section shall not be effective unless the
1837 following conditions have been met:

1838 (1) The Governor enters into amendments to the Mashantucket
1839 Pequot procedures and to the Mashantucket Pequot memorandum of
1840 understanding with the Mashantucket Pequot Tribe and amendments
1841 to the Mohegan compact and to the Mohegan memorandum of
1842 understanding with the Mohegan Tribe of Indians of Connecticut
1843 concerning the authorization of fantasy contests in the state.

1844 (2) The amendments to the Mashantucket Pequot procedures and
1845 the Mohegan compact shall include a provision that the authorization
1846 of fantasy contests in the state does not terminate the moratorium
1847 against the operation of video facsimile games by the Mashantucket
1848 Pequot Tribe and Mohegan Tribe of Indians of Connecticut on each
1849 tribe's reservation.

1850 (3) The amendments to each tribe's memorandum of understanding
1851 shall include a provision that the authorization of fantasy contests in

1852 the state does not relieve each tribe from each tribe's obligation to
1853 contribute a percentage of the gross operating revenues of video
1854 facsimile games to the state as provided in each tribe's memorandum
1855 of understanding.

1856 (4) The amendments to the Mashantucket Pequot procedures, the
1857 Mashantucket Pequot memorandum of understanding, the Mohegan
1858 compact and the Mohegan memorandum of understanding are
1859 approved or deemed approved by the Secretary of the United States
1860 Department of the Interior pursuant to the federal Indian Gaming
1861 Regulatory Act, P.L. 100-497, 25 USC 2701 et seq., and its
1862 implementing regulations. If such approval is overturned by a court in
1863 a final judgment, which is not appealable, the authorization provided
1864 under this section shall cease to be effective.

1865 (5) The amendments to the Mashantucket Pequot procedures and to
1866 the Mohegan compact are approved by the General Assembly
1867 pursuant to section 3-6c.

1868 (6) The amendments to the Mashantucket Pequot memorandum of
1869 understanding and to the Mohegan memorandum of understanding
1870 are approved by the General Assembly pursuant to the process
1871 described in section 3-6c.

1872 (c) Not later than July 1, 2018, the [Commissioner of Consumer
1873 Protection] commission shall adopt regulations, in accordance with the
1874 provisions of chapter 54, regarding the operation of, participation in
1875 and advertisement of fantasy contest in the state. Such regulations
1876 shall protect fantasy contest players who pay an entry fee to play
1877 fantasy contests from unfair or deceptive acts or practices. Such
1878 regulations shall include, but need not be limited to: (1) A prohibition
1879 on fantasy contest operators allowing persons under the age of
1880 eighteen to participate in a fantasy contest offered by such operators;
1881 (2) protections for fantasy contest players' funds on deposit with
1882 fantasy contest operators; (3) requirements regarding truthful
1883 advertising by fantasy contest operators; (4) procedures to ensure the
1884 integrity of fantasy contests offered by fantasy contest operators; (5)

1885 procedures to ensure that fantasy contest operators provide fantasy
1886 contest players with: (A) Information regarding responsible playing
1887 and places to seek assistance for addictive or compulsive behavior, and
1888 (B) protections against compulsive behavior; and (6) reporting
1889 requirements and procedures to demonstrate eligibility for a reduction
1890 of the initial registration fee and annual registration renewal fee
1891 pursuant to subsection (d) of this section.

1892 (d) (1) Not later than sixty days after the adoption of regulations
1893 pursuant to subsection (c) of this section, and thereafter, each fantasy
1894 contest operator that operates fantasy contests in the state shall register
1895 annually with the [Commissioner of Consumer Protection]
1896 commission on a form prescribed by the [commissioner] commission.
1897 Each fantasy contest operator shall submit an initial registration fee of
1898 fifteen thousand dollars and an annual registration renewal fee of
1899 fifteen thousand dollars, except that the [commissioner] commission
1900 shall reduce the initial registration fee and annual registration fee so
1901 that such fees do not exceed ten per cent of the gross receipts of such
1902 operator for the registration period.

1903 (2) To demonstrate the eligibility of a fantasy contest operator for a
1904 reduction of the initial registration fee or annual registration renewal
1905 fee pursuant to subdivision (1) of this subsection, the fantasy contest
1906 operator shall provide to the [commissioner] commission, in a manner
1907 prescribed by the [commissioner] commission, an estimation of the
1908 gross receipts such operator expects to receive in the upcoming
1909 registration period. Prior to renewing a registration where such
1910 operator paid a reduced registration fee for the previous registration
1911 period, or after a registration period where such operator should have
1912 paid a reduced fee for the previous registration period, such operator
1913 shall submit to the [commissioner] commission, in a manner
1914 prescribed by the [commissioner] commission, the actual amount of
1915 gross receipts received by such operator in the previous registration
1916 period. The [commissioner] commission shall calculate the difference,
1917 if any, between the estimated gross receipts and the actual gross
1918 receipts and determine if the registration fee previously paid by such

1919 operator was the correct amount. If such operator paid an amount in
1920 excess of the amount determined to be the correct amount of the
1921 registration fee, the [commissioner] commission shall refund such
1922 operator accordingly or credit such amount against the registration fee
1923 for the upcoming registration period, provided such operator renews
1924 his or her registration. If such operator did not pay the amount
1925 determined to be the correct amount of the registration fee, such
1926 operator shall pay to the [commissioner] commission the difference
1927 between the correct amount and the registration fee previously paid.

1928 (e) Any person who violates any provision of this section or any
1929 regulation adopted pursuant to subsection (c) of this section shall be
1930 fined not more than one thousand dollars for each violation.

1931 Sec. 45. Section 12-579 of the general statutes is repealed and the
1932 following is substituted in lieu thereof (*Effective January 1, 2020*):

1933 Any municipality may, by ordinance, impose a tax of ten per cent of
1934 the admission charge, as defined in subsection (3) of section 12-540, to
1935 any place licensed by the [Department of Consumer Protection]
1936 Commission on Gaming and containing a pari-mutuel system therein
1937 or to any off-track betting facility. The tax shall be imposed upon the
1938 person making such charge and reimbursement for the tax shall be
1939 collected by such person from the purchaser. Such reimbursement,
1940 termed "tax", shall be paid by the purchaser to the person making the
1941 admission charge. Such tax, when added to the admission charge, shall
1942 be a debt from the purchaser to the person making such charge and
1943 shall be recoverable at law.

1944 Sec. 46. Section 12-584 of the general statutes is repealed and the
1945 following is substituted in lieu thereof (*Effective January 1, 2020*):

1946 (a) Each licensee of the [department] Commission on Gaming, other
1947 than an occupational licensee, shall file, on or before April fifteenth of
1948 each year, with the [department] commission: (1) Certified financial
1949 statements for the prior calendar year or fiscal year, prepared in
1950 accordance with generally accepted accounting principles; (2) the

1951 names and addresses of every shareholder, person or business
1952 organization having a financial, property, leasehold, ownership or
1953 beneficial interest in such licensee; (3) (A) the names and addresses of
1954 every person or business organization which provides contractual
1955 services, equipment or property related to any of the activities
1956 authorized under chapter 226, and (B) the nature of such services
1957 rendered and equipment or property provided; and (4) copies of all
1958 state and federal tax returns filed by such licensee for the next
1959 preceding calendar year or taxable year, except that if any state or
1960 federal tax return has not been filed with the state or federal
1961 government on or before said date, such licensee may file such return
1962 with the [department] commission at the same time he or it files such
1963 return with the state or federal government.

1964 (b) The [commissioner] commission may require any person,
1965 business organization or shareholder disclosed under the provisions of
1966 subdivision (2) of subsection (a) of this section to file on or before April
1967 fifteenth of each year, with the [department] commission: (1) A
1968 statement of financial position to be submitted under oath on forms
1969 provided by the [department] commission; (2) a statement of interest
1970 in any other gambling activity, within or without the state of
1971 Connecticut; and (3) copies of state and federal tax returns filed by
1972 such person, business organization or shareholder for the next
1973 preceding calendar year or taxable year, except that if any state or
1974 federal tax return has not been filed with the state or federal
1975 government on or before said date, such person, business organization
1976 or shareholder may file such return with the [department] commission
1977 at the same time he or it files such return with the state or federal
1978 government. The [commissioner] commission shall not require such
1979 filing more than once a year, except that the [commissioner]
1980 commission may require additional filings or additional information to
1981 ensure the integrity of legalized gambling. All information gathered by
1982 the [department] commission under this chapter and section 12-562, as
1983 amended by this act, may be transmitted by the [department]
1984 commission to any agency or department of the state and shall be
1985 made available for public dissemination or inspection, except that any

1986 state or federal tax returns gathered by the [department] commission
1987 pursuant to this section shall only be open to inspection by the
1988 [department] commission, its staff and such other state agencies or
1989 departments which require return information to perform their official
1990 duties.

1991 (c) Failure by any licensee to comply with the requirements of this
1992 section shall constitute grounds for the [commissioner] commission: (1)
1993 To suspend or revoke such license; (2) to impose a fine of not more
1994 than two thousand five hundred dollars or, if the licensee is licensed to
1995 conduct a meeting or operate an off-track betting system under
1996 subsection (a) of section 12-575, as amended by this act, to impose a
1997 fine of not more than seventy-five thousand dollars; (3) to rescind the
1998 applicable contract; or (4) to impose any combination of such penalties.

1999 (d) Failure by any person, business organization or shareholder
2000 identified in subsection (b) of this section to comply with the
2001 requirements of this section shall constitute grounds for the
2002 [commissioner] commission: (1) To suspend or revoke such license; (2)
2003 to impose a fine of not more than two thousand five hundred dollars
2004 on such licensee or, if the licensee is licensed to conduct a meeting or
2005 operate an off-track betting system under subsection (a) of section 12-
2006 575, as amended by this act, a fine of not more than seventy-five
2007 thousand dollars on such licensee; or (3) to impose any combination of
2008 such penalties. In the case of a shareholder who fails to comply with
2009 the requirements of this section, the [department] commission shall
2010 notify the shareholder and the licensee which issued the shares of such
2011 failure. Upon receipt of such notice the shareholder shall immediately
2012 offer such shares to the licensee for purchase. The licensee shall
2013 purchase the shares not later than sixty days after they are so offered.
2014 Each licensee shall adopt appropriate amendments or additions to any
2015 existing corporate bylaws to permit compliance with this section.

2016 (e) Any licensee aggrieved by an action of the [commissioner]
2017 commission under this section shall have a right of appeal pursuant to
2018 section 4-183.

2019 Sec. 47. Section 12-585 of the general statutes is repealed and the
2020 following is substituted in lieu thereof (*Effective January 1, 2020*):

2021 (a) All reasonable expenses incurred by or on behalf of the
2022 [department] Commission on Gaming for any investigation of a person
2023 or business organization in connection with an initial application or
2024 contract, the application for transfer of ownership in whole or in part
2025 of an existing licensed facility, the assignment of an existing contract,
2026 or the addition of or change in any member of a board of directors,
2027 officer, shareholder or bondholder of any such person or business
2028 organization, shall be paid to the [department] commission by the
2029 person or business organization under investigation. All funds
2030 received by the [department] commission under the provisions of this
2031 subsection shall be paid into the General Fund.

2032 (b) Each such person or business organization shall be billed for
2033 such expenses on a quarterly basis or at the conclusion of the
2034 investigation, as determined by the [commissioner] commission.
2035 Failure on the part of the person or business organization to remit
2036 payment within fifteen days after receipt of an invoice from the
2037 [department] commission shall constitute grounds to refuse to grant
2038 approval of the request of the person or business organization for
2039 which such investigation was undertaken, or in the case of a licensee,
2040 failure to remit payment within fifteen days shall, in addition,
2041 constitute grounds for the [commissioner] commission: (1) To suspend
2042 or revoke such license; (2) to impose a fine of not more than two
2043 thousand five hundred dollars or, if the licensee is licensed to conduct
2044 a meeting or operate an off-track betting system under subsection (a)
2045 of section 12-575, as amended by this act, a fine of not more than
2046 seventy-five thousand dollars; (3) to rescind the applicable contract; or
2047 (4) to impose any combination of such penalties.

2048 Sec. 48. Section 12-586f of the general statutes is repealed and the
2049 following is substituted in lieu thereof (*Effective January 1, 2020*):

2050 (a) For the purposes of this section, "tribe" means the Mashantucket
2051 Pequot Tribe and "compact" means the Tribal-State Compact between

2052 the tribe and the state of Connecticut, as incorporated and amended in
2053 the Final Mashantucket Pequot Gaming Procedures prescribed by the
2054 Secretary of the United States Department of the Interior pursuant to
2055 Section 2710(d)(7)(B)(vii) of Title 25 of the United States Code and
2056 published in 56 Federal Register 24996 (May 31, 1991).

2057 (b) The expenses of administering the provisions of the compact
2058 shall be financed as provided in this section. Assessments for
2059 regulatory costs incurred by any state agency which are subject to
2060 reimbursement by the tribe in accordance with the provisions of the
2061 compact shall be made by the Commissioner of Revenue Services in
2062 accordance with the provisions of the compact, including provisions
2063 respecting adjustment of excess assessments. Any underassessment for
2064 a prior fiscal year may be included in a subsequent assessment but
2065 shall be specified as such. Payments made by the tribe in accordance
2066 with the provisions of the compact shall be deposited in the General
2067 Fund and shall be credited to the appropriation for the state agency
2068 incurring such costs.

2069 (c) Assessments for law enforcement costs incurred by any state
2070 agency which are subject to reimbursement by the tribe in accordance
2071 with the provisions of the compact shall be made by the Commissioner
2072 of Emergency Services and Public Protection in accordance with the
2073 provisions of the compact, including provisions respecting adjustment
2074 of excess assessments. Any underassessment for a prior fiscal year may
2075 be included in a subsequent assessment but shall be specified as such.
2076 Payments made by the tribe in accordance with the provisions of the
2077 compact shall be deposited in the General Fund and shall be credited
2078 to the appropriation for the state agency incurring such costs.

2079 (d) If the tribe is aggrieved due to any assessment levied pursuant to
2080 such compact and this section or by any failure to adjust an excess
2081 assessment in accordance with the provisions of the compact and this
2082 section, it may, within one month from the time provided for the
2083 payment of such assessment, appeal therefrom in accordance with the
2084 terms of the compact, to the superior court for the judicial district of

2085 Hartford, which appeal shall be accompanied by a citation to the
2086 [Commissioner of Consumer Protection] Commission on Gaming to
2087 appear before said court. Such citation shall be signed by the same
2088 authority, and such appeal shall be returnable at the same time and
2089 served and returned in the same manner as is required in case of a
2090 summons in a civil action. Proceedings in such matter shall be
2091 conducted in the same manner as provided for in section 38a-52.

2092 (e) The [Commissioner of Consumer Protection] Commission on
2093 Gaming shall require each applicant for a casino gaming employee
2094 license, casino gaming service license or casino gaming equipment
2095 license to submit to state and national criminal history records checks
2096 before such license is issued. The criminal history records checks
2097 required pursuant to this subsection shall be conducted in accordance
2098 with section 29-17a.

2099 Sec. 49. Section 12-586g of the general statutes is repealed and the
2100 following is substituted in lieu thereof (*Effective January 1, 2020*):

2101 (a) For the purposes of this section, "tribe" means the Mohegan Tribe
2102 of Indians of Connecticut and "compact" means the Tribal-State
2103 Compact between the tribe and the state of Connecticut, dated May 17,
2104 1994.

2105 (b) The expenses of administering the provisions of the compact
2106 shall be financed as provided in this section. Assessments for
2107 regulatory costs incurred by any state agency which are subject to
2108 reimbursement by the tribe in accordance with the provisions of the
2109 compact shall be made by the Commissioner of Revenue Services in
2110 accordance with the provisions of the compact, including provisions
2111 respecting adjustment of excess assessments. Any underassessment for
2112 a prior fiscal year may be included in a subsequent assessment but
2113 shall be specified as such. Payments made by the tribe in accordance
2114 with the provisions of the compact shall be deposited in the General
2115 Fund and shall be credited to the appropriation for the state agency
2116 incurring such costs.

2117 (c) Assessments for law enforcement costs incurred by any state
2118 agency which are subject to reimbursement by the tribe in accordance
2119 with the provisions of the compact shall be made by the Commissioner
2120 of Emergency Services and Public Protection in accordance with the
2121 provisions of the compact, including provisions respecting adjustment
2122 of excess assessments. Any underassessment for a prior fiscal year may
2123 be included in a subsequent assessment but shall be specified as such.
2124 Payments made by the tribe in accordance with the provisions of the
2125 compact shall be deposited in the General Fund and shall be credited
2126 to the appropriation for the state agency incurring such costs.

2127 (d) If the tribe is aggrieved due to any assessment levied pursuant to
2128 such compact and this section or by any failure to adjust an excess
2129 assessment in accordance with the provisions of the compact and this
2130 section, it may, within one month from the time provided for the
2131 payment of such assessment, appeal therefrom in accordance with the
2132 terms of the compact, to the superior court for the judicial district of
2133 New Britain, which appeal shall be accompanied by a citation to the
2134 [Commissioner of Consumer Protection] Commission on Gaming to
2135 appear before said court. Such citation shall be signed by the same
2136 authority, and such appeal shall be returnable at the same time and
2137 served and returned in the same manner as is required in case of a
2138 summons in a civil action. Proceedings in such matter shall be
2139 conducted in the same manner as provided for in section 38a-52.

2140 (e) The [Commissioner of Consumer Protection] Commission on
2141 Gaming shall require each applicant for a casino gaming employee
2142 license, casino gaming service license or casino gaming equipment
2143 license to submit to state and national criminal history records checks
2144 before such license is issued. The criminal history records checks
2145 required pursuant to this subsection shall be conducted in accordance
2146 with section 29-17a.

2147 Sec. 50. Section 12-802 of the general statutes is repealed and the
2148 following is substituted in lieu thereof (*Effective January 1, 2020*):

2149 (a) There is created a body politic and corporate, constituting a

2150 public instrumentality and political subdivision of the state created for
2151 the performance of an essential governmental revenue-raising
2152 function, which shall be named the Connecticut Lottery Corporation,
2153 and which may exercise the functions, powers and duties set forth in
2154 sections 12-563a, as amended by this act, and 12-800 to 12-818,
2155 inclusive, as amended by this act, to implement the purposes set forth
2156 in said sections, which are public purposes for which public funds may
2157 be expended. The Connecticut Lottery Corporation shall not be
2158 construed to be a department, institution or agency of the state with
2159 respect to budgeting, procurement or personnel requirements, except
2160 as provided in sections 1-120, 1-121, 1-125, 12-563, as amended by this
2161 act, 12-563a, as amended by this act, 12-564, as amended by this act, 12-
2162 566, as amended by this act, 12-568a, as amended by this act, and 12-
2163 569, as amended by this act, subsection (c) of section 12-574, as
2164 amended by this act, and sections 12-800 to 12-818, inclusive, as
2165 amended by this act.

2166 (b) [(1) The] Prior to January 1, 2020, the corporation shall be
2167 governed by a board of thirteen directors. [The Governor, with the
2168 advice and consent of the General Assembly, shall appoint five
2169 directors who have skill, knowledge and experience in the fields of
2170 management, finance or operations in the private sector. Two directors
2171 shall be the State Treasurer and the Secretary of the Office of Policy
2172 and Management, both of whom shall serve ex officio and shall have
2173 all of the powers and privileges of a member of the board of directors.
2174 Each ex-officio director may designate his or her deputy or any
2175 member of his or her staff to represent him or her at meetings of the
2176 corporation with full power to act and vote on his or her behalf. Each
2177 director appointed by the Governor shall serve at the pleasure of the
2178 Governor, but no longer than the term of office of the Governor or
2179 until the director's successor is appointed and qualified, whichever
2180 term is longer. The Governor shall fill any vacancy for the unexpired
2181 term of a director appointed by the Governor. The procedures of
2182 section 4-7 shall apply to the confirmation of the Governor's
2183 appointments by both houses of the General Assembly.

2184 (2) Six directors shall be appointed as follows: One by the president
2185 pro tempore of the Senate, one by the majority leader of the Senate,
2186 one by the minority leader of the Senate, one by the speaker of the
2187 House of Representatives, one by the majority leader of the House of
2188 Representatives and one by the minority leader of the House of
2189 Representatives. Each director appointed by a member of the General
2190 Assembly shall serve in accordance with the provisions of section 4-1a.
2191 The appropriate legislative appointing authority shall fill any vacancy
2192 for the unexpired term of a director appointed by such authority.

2193 (3) Any appointed director shall be eligible for reappointment. The
2194 Commissioner of Consumer Protection shall not serve as a director.
2195 Any director may be removed by order of the Superior Court upon
2196 application of the Attorney General for misfeasance, malfeasance or
2197 wilful neglect of duty. Such actions shall be tried to the court without a
2198 jury and shall be privileged in assignment for hearing. If the court,
2199 after hearing, finds there is clear and convincing evidence of such
2200 misfeasance, malfeasance or wilful neglect of duty it shall order the
2201 removal of such director. Any director so removed shall not be
2202 reappointed to the board.

2203 (c) The chairperson of the board shall be appointed by the Governor
2204 from among the members of the board. The directors shall annually
2205 elect one of their number as vice chairperson. The board may elect
2206 such other officers of the board as it deems proper. Directors shall
2207 receive no compensation for the performance of their duties under
2208 sections 12-563a and 12-800 to 12-818, inclusive, but shall be
2209 reimbursed for necessary expenses incurred in the performance of
2210 their duties.

2211 (d) Meetings of the corporation shall be held at such times as shall
2212 be specified in the bylaws adopted by the corporation and at such
2213 other time or times as the chairperson deems necessary.] On and after
2214 January 1, 2020, the corporation shall be governed by the Commission
2215 on Gaming established in section 1 of this act.

2216 (c) The corporation shall, within the first ninety days of the transfer

2217 to the corporation of the lottery, pursuant to section 12-808, as
2218 amended by this act, and on a fiscal quarterly basis thereafter, report
2219 on its operations for the preceding fiscal quarter to the Governor and
2220 the joint standing committees of the General Assembly having
2221 cognizance of matters relating to finance, revenue and bonding, and
2222 public safety. The report shall include a summary of the activities of
2223 the corporation, a statement of operations and, if necessary,
2224 recommendations for legislation to promote the purposes of the
2225 corporation. The accounts of the corporation shall be subject to audit
2226 by the state Auditors of Public Accounts. The corporation shall have
2227 independent certified public accountants audit its books and accounts
2228 at least once each fiscal year. The books, records and financial
2229 statements of the corporation shall be prepared in accordance with
2230 generally accepted accounting principles.

2231 [(e)] (d) The Connecticut Lottery Corporation shall be a successor
2232 employer to the state and shall recognize existing bargaining units and
2233 collective bargaining agreements existing at the time of transfer of the
2234 lottery to the corporation. The employees of the corporation shall be
2235 considered state employees under the provisions of sections 5-270 to 5-
2236 280, inclusive. The corporation shall not be required to comply with
2237 personnel policies and procedures of the Department of
2238 Administrative Services and the Office of Policy and Management
2239 with regard to approval for the creation of new positions, the number
2240 of such positions, the decision to fill such positions or the time for
2241 filling such positions. The corporation, not the executive branch, shall
2242 have the power to determine whether an individual is qualified to fill a
2243 vacancy at the corporation. Nonmanagerial employees of the
2244 corporation shall be members of the classified service. Managerial
2245 employees shall be exempt from the classified service. The corporation
2246 shall have the ability to determine the qualifications and set the terms
2247 and conditions of employment of managerial employees including the
2248 establishment of incentive plans.

2249 [(f)] (e) (1) The corporation may create one or more new
2250 classifications of entrepreneurial sales employees as determined by the

2251 [board of directors] commission. Such classifications shall not be
2252 deemed comparable to other classifications in state service.

2253 (2) Upon the expiration of the collective bargaining agreement
2254 covering transferred sales employees, all terms and conditions of
2255 employment in a new entrepreneurial sales classification shall be
2256 subject to collective bargaining as part of the negotiation of a common
2257 successor agreement.

2258 [(g)] (f) The executive branch shall negotiate on behalf of the
2259 corporation for employees of the corporation covered by collective
2260 bargaining and represent the corporation in all other collective
2261 bargaining matters. The corporation shall be entitled to have a
2262 representative present at all such bargaining.

2263 [(h)] (g) In any interest arbitration regarding employees of the
2264 corporation, the arbitrator shall take into account as a factor, in
2265 addition to those factors specified in section 5-276a, the purposes of
2266 sections 1-120, 1-121, 1-125, 12-563, as amended by this act, 12-563a, as
2267 amended by this act, 12-564, 12-566, as amended by this act, 12-568a, as
2268 amended by this act, and 12-569, as amended by this act, subsection (c)
2269 of section 12-574, as amended by this act, and sections 12-800 to 12-818,
2270 inclusive, as amended by this act, the entrepreneurial mission of the
2271 corporation and the necessity to provide flexibility and innovation to
2272 facilitate the success of the Connecticut Lottery Corporation in the
2273 marketplace. In any arbitration regarding any classification of
2274 entrepreneurial sales employees, the arbitrator shall include a term
2275 awarding incentive compensation for such employees for the purpose
2276 of motivating employees to maximize lottery sales.

2277 [(i)] (h) The officers and all other employees of the corporation shall
2278 be state employees for the purposes of group welfare benefits and
2279 retirement, including, but not limited to, those provided under chapter
2280 66 and sections 5-257 and 5-259. The corporation shall reimburse the
2281 appropriate state agencies for all costs incurred by such designation.

2282 Sec. 51. Section 12-802a of the general statutes is repealed and the

2283 following is substituted in lieu thereof (*Effective January 1, 2020*):

2284 No person shall be employed by the Connecticut Lottery
2285 Corporation until such person has obtained an occupational license
2286 issued by the [Commissioner of Consumer Protection] Commission on
2287 Gaming in accordance with regulations adopted under section 12-568a,
2288 as amended by this act.

2289 Sec. 52. Section 12-804 of the general statutes is repealed and the
2290 following is substituted in lieu thereof (*Effective January 1, 2020*):

2291 (a) [The] (1) Prior to January 1, 2020, the powers of the corporation
2292 shall be vested in and exercised by the board of directors.
2293 Notwithstanding subsection (a) of section 1-121, until the appointment
2294 of five directors, a majority of the ex-officio directors then in office or
2295 their deputy or member of their staff designated to represent them as a
2296 member may take such action, including, without limitation, the
2297 adoption of interim bylaws, and approval of the transfer of lottery
2298 operations contemplated under section 12-808, as amended by this act,
2299 as is necessary to organize the corporation. From and after the five or
2300 more directors, including ex-officio directors, have been seated a
2301 majority of the directors of the board then seated shall constitute a
2302 quorum. The affirmative vote of a majority of the directors present at a
2303 meeting of the board at which a quorum is present shall be necessary
2304 and sufficient for any action taken by the board. No vacancy in the
2305 membership of the board shall impair the right of a quorum to exercise
2306 all the rights and perform all the duties of the board. Any action taken
2307 by the board may be authorized by resolution at any regular or special
2308 meeting and shall take effect immediately unless otherwise provided
2309 in the resolution. Following the initial seating of five or more directors,
2310 the board shall have the power, from time to time, to ratify, adopt,
2311 amend and repeal bylaws for the conduct of its affairs. Notice of any
2312 regular meeting shall be given to directors as set forth in the bylaws of
2313 the corporation.

2314 (2) The terms of board members shall end on December 31, 2019,
2315 and the board shall cease its existence on said date. On and after

2316 January 1, 2020, the Commission on Gaming established in section 1 of
2317 this act shall assume the functions previously performed by the board.

2318 (b) [The board may delegate to three or more of the directors
2319 powers and duties as it deems proper.] The [board] commission shall
2320 establish such committees, subcommittees or other entities as it deems
2321 necessary to further the purposes of the corporation including, but not
2322 limited to, an executive committee and a finance committee.

2323 Sec. 53. Section 12-805 of the general statutes is repealed and the
2324 following is substituted in lieu thereof (*Effective January 1, 2020*):

2325 (a) The [board] Commission on Gaming shall appoint officers of the
2326 corporation, which shall include a president, a secretary, and such
2327 other officers as the [board] commission may approve. Such officers
2328 shall not be members of the [board] commission, shall serve at the
2329 pleasure of the [board] commission and shall receive such
2330 compensation as shall be determined by the [board] commission. The
2331 president and secretary shall not be the same person. The president
2332 shall be the chief executive officer of the corporation. The president
2333 shall have the general charge, supervision and control of the operation
2334 and management of business and affairs of the corporation subject to
2335 the direction of the [board of directors] commission. The president
2336 shall have such other powers and duties as are generally incident to
2337 the office of the president and as may be assigned by the [board of
2338 directors] commission. The president shall not be a state employee.
2339 The president shall attend all meetings of the [board] commission
2340 related to the business of the corporation. The secretary shall keep a
2341 true, faithful and correct record of all proceedings and maintain and be
2342 custodian of all books, documents and papers filed with the
2343 corporation and of the book of minutes of the corporation and of its
2344 official seal. The secretary may cause copies to be made of all minutes
2345 and other records and documents of the corporation and may give
2346 certificates under the official seal of the corporation to the effect that
2347 such copies are true copies, and all persons dealing with the
2348 corporation may rely upon such certificates. The president or [his] the

2349 president's designee may serve as a member of such other boards or
2350 committees as may be necessary or desirable to carry out the purposes
2351 of the corporation.

2352 (b) The president shall take all such action as to the operation and
2353 management of the corporation as [he] the president in [his] the
2354 president's discretion deems advisable in order to enhance the
2355 monetary value of the corporation and the lottery.

2356 Sec. 54. Section 12-806 of the general statutes is repealed and the
2357 following is substituted in lieu thereof (*Effective January 1, 2020*):

2358 (a) The purposes of the corporation shall be to: (1) Operate and
2359 manage the lottery in an entrepreneurial and business-like manner free
2360 from the budgetary and other constraints that affect state agencies; (2)
2361 provide continuing and increased revenue to the people of the state
2362 through the lottery by being responsive to market forces and acting
2363 generally as a corporation engaged in entrepreneurial pursuits; and (3)
2364 ensure that the lottery continues to be operated with integrity and for
2365 the public good.

2366 (b) The corporation shall have the following powers:

2367 (1) To receive as transferee from the state of Connecticut all of the
2368 tangible and intangible assets constituting the lottery including the
2369 exclusive right to operate the lottery as the exclusive lottery of the state
2370 and, subject to subsection (b) of section 12-808, as amended by this act,
2371 to assume and discharge all of the agreements, covenants and
2372 obligations of the [Department of Consumer Protection] Commission
2373 on Gaming entered into which constitute a part of the operation and
2374 management of the lottery;

2375 (2) To operate and manage the lottery consistent with the provisions
2376 of sections 1-120, 1-121, 1-125, 12-563, as amended by this act, 12-563a,
2377 as amended by this act, 12-564, as amended by this act, 12-566, as
2378 amended by this act, 12-568a, as amended by this act, and 12-569, as
2379 amended by this act, subsection (c) of section 12-574, as amended by

2380 this act, and sections 12-800 to 12-818, inclusive, as amended by this
2381 act, and as specifically provided in section 12-812, as amended by this
2382 act;

2383 (3) To have perpetual succession as a body corporate and to adopt
2384 bylaws, policies and procedures for the operation of its affairs and
2385 conduct of its businesses;

2386 (4) To introduce new lottery games, modify existing lottery games,
2387 utilize existing and new technologies, determine distribution channels
2388 for the sale of lottery tickets, introduce keno pursuant to signed
2389 agreements with the Mashantucket Pequot Tribe and the Mohegan
2390 Tribe of Indians of Connecticut, in accordance with section 12-806c,
2391 and, to the extent specifically authorized by regulations adopted by the
2392 [Department of Consumer Protection] Commission on Gaming
2393 pursuant to chapter 54, introduce instant ticket vending machines,
2394 kiosks and automated wagering systems or machines, with all such
2395 rights being subject to regulatory oversight by the [Department of
2396 Consumer Protection] commission, except that the corporation shall
2397 not offer any interactive on-line lottery games, including on-line video
2398 lottery games for promotional purposes;

2399 (5) To establish an annual budget of revenues and expenditures,
2400 along with reasonable reserves for working capital, capital
2401 expenditures, debt retirement and other anticipated expenditures, in a
2402 manner and at levels considered by the [board of directors]
2403 commission as appropriate and prudent;

2404 (6) To adopt such administrative and operating procedures which
2405 the [board of directors] commission deems appropriate;

2406 (7) To enter into agreements with one or more states or territories of
2407 the United States for the promotion and operation of joint lottery
2408 games and to continue to participate in any joint lottery game in which
2409 the corporation participates on July 1, 2003, regardless of whether any
2410 government-authorized lottery operated outside of the United States
2411 participates in such game;

2412 (8) Subject to the provisions of section 12-815, as amended by this
2413 act, to enter into agreements with vendors with respect to the
2414 operation and management of the lottery, including operation of
2415 lottery terminals, management services, printing of lottery tickets,
2416 management expertise, marketing expertise, advertising or such other
2417 goods or services as the [board of directors] commission deems
2418 necessary and appropriate;

2419 (9) To purchase or lease operating equipment, including, but not
2420 limited to, computer gaming and automated wagering systems and to
2421 employ agents or employees to operate such systems;

2422 (10) To retain unclaimed prize funds as additional revenue for the
2423 state, or to use unclaimed prize funds to increase sales, or to return to
2424 participants unclaimed prize funds in a manner designed to increase
2425 sales;

2426 (11) To establish prize reserve accounts as the [board of directors]
2427 commission deems appropriate;

2428 (12) To pay lottery prizes as awarded under section 12-812, as
2429 amended by this act, to purchase annuities to fund such prizes, and to
2430 assure that all annuities from which payments to winners of lottery
2431 prizes are made are invested in instruments issued by agencies of the
2432 United States government and backed by the full faith and credit of the
2433 United States, or are issued by insurance companies licensed to do
2434 business in the state, provided the issuer has been determined by the
2435 [Department of Consumer Protection] Commission on Gaming to be
2436 financially stable and meets the minimum investment rating as
2437 determined by the [department] commission;

2438 (13) To pay the Office of Policy and Management to reimburse the
2439 [Department of Consumer Protection] Commission on Gaming for the
2440 reasonable and necessary costs arising from the [department's]
2441 commission's regulatory oversight of the corporation, in accordance
2442 with the assessment made pursuant to section 12-806b, as amended by
2443 this act, including costs arising directly or indirectly from the licensing

2444 of lottery agents, performance of state police background
2445 investigations, and the implementation of subsection (b) of section 12-
2446 562, as amended by this act, and sections 12-563a, as amended by this
2447 act, 12-568a, as amended by this act, 12-569, as amended by this act, 12-
2448 570, 12-570a and 12-800 to 12-818, inclusive, as amended by this act;

2449 (14) In the event that the operation or management of the
2450 corporation becomes subject to the federal gaming occupation tax, to
2451 pay such tax on behalf of lottery sales agents and to assist agents
2452 subject thereto;

2453 (15) To determine the commissions payable to lottery sales agents,
2454 provided any agent's commission shall not average less than four per
2455 cent of such agent's lottery sales;

2456 (16) To invest in, acquire, lease, purchase, own, manage, hold and
2457 dispose of real property and lease, convey or deal in or enter into
2458 agreements with respect to such property on any terms necessary or
2459 incidental to carrying out the purposes of sections 12-563a, as amended
2460 by this act, and 12-800 to 12-818, inclusive, as amended by this act,
2461 provided such transactions shall not be subject to approval, review or
2462 regulation pursuant to title 4b or any other statute by any state agency,
2463 except that real property transactions shall be subject to review by the
2464 State Properties Review Board;

2465 (17) To borrow money for the purpose of obtaining working capital;

2466 (18) To hold patents, copyrights, trademarks, marketing rights,
2467 licenses or any other evidence of protection or exclusivity issued under
2468 the laws of the United States or any state;

2469 (19) To employ such assistants, agents and other employees as may
2470 be necessary or desirable to carry out its purposes in accordance with
2471 sections 12-563a, as amended by this act, and 12-800 to 12-818,
2472 inclusive, as amended by this act, to fix their compensation and,
2473 subject to the provisions of subsections [(e) and (f)] (d) and (e) of
2474 section 12-802, as amended by this act, establish all necessary and

2475 appropriate personnel practices and policies; to engage consultants,
2476 accountants, attorneys and financial and other independent
2477 professionals as may be necessary or desirable to assist the corporation
2478 in performing its purposes in accordance with sections 12-563a, as
2479 amended by this act, and 12-800 to 12-818, inclusive, as amended by
2480 this act;

2481 (20) To make and enter into all contracts and agreements necessary
2482 or incidental to the performance of its duties and the execution of its
2483 powers under sections 12-563a, as amended by this act, and 12-800 to
2484 12-818, inclusive, as amended by this act;

2485 (21) In its own name, to sue and be sued, plead and be impleaded,
2486 adopt a seal and alter the same at pleasure;

2487 (22) Subject to the approval of the board and to the requirement to
2488 remit excess lottery funds to the General Fund as set forth in section
2489 12-812, as amended by this act, to invest any funds not needed for
2490 immediate use or disbursement, including any funds held in approved
2491 reserve accounts, in investments permitted by sections 3-20 and 3-27a
2492 for the proceeds of state bonds;

2493 (23) To procure insurance against any loss in connection with its
2494 property and other assets in such amounts and from such insurers as it
2495 deems desirable;

2496 (24) To the extent permitted under any contract with other persons
2497 to which the corporation is a party, to consent to any termination,
2498 modification, forgiveness or other change of any term of any
2499 contractual right, payment, royalty, contract or agreement of any kind;

2500 (25) To acquire, lease, purchase, own, manage, hold and dispose of
2501 personal property, and lease, convey or deal in or enter into
2502 agreements with respect to such property on any terms necessary or
2503 incidental to the carrying out of these purposes;

2504 (26) To account for and audit funds of the corporation;

2505 (27) To pay or provide for payment from operating revenues all
2506 expenses, costs and obligations incurred by the corporation in the
2507 exercise of the powers of the corporation under sections 12-563a, as
2508 amended by this act, and 12-800 to 12-818, inclusive, as amended by
2509 this act; and

2510 (28) To exercise any powers necessary to carry out the purposes of
2511 sections 12-563a, as amended by this act, and 12-800 to 12-818,
2512 inclusive, as amended by this act.

2513 Sec. 55. Section 12-806a of the general statutes is repealed and the
2514 following is substituted in lieu thereof (*Effective January 1, 2020*):

2515 As used in this section, "procedure" has the same meaning as
2516 "procedure", as defined in subdivision (2) of section 1-120. The
2517 [Department of Consumer Protection] Commission on Gaming shall,
2518 for the purposes of section 12-568a, as amended by this act, subsection
2519 (c) of section 12-574, as amended by this act, sections 12-802a, as
2520 amended by this act, and 12-815a, as amended by this act, and this
2521 section, regulate the activities of the Connecticut Lottery Corporation
2522 to assure the integrity of the state lottery. In addition to the
2523 requirements of the provisions of chapter 12 and notwithstanding the
2524 provisions of section 12-806, as amended by this act, the Connecticut
2525 Lottery Corporation shall, prior to implementing any procedure
2526 designed to assure the integrity of the state lottery, obtain the written
2527 approval of the [Commissioner of Consumer Protection] Commission
2528 on Gaming in accordance with regulations adopted under section 12-
2529 568a, as amended by this act.

2530 Sec. 56. Section 12-806b of the general statutes is repealed and the
2531 following is substituted in lieu thereof (*Effective January 1, 2020*):

2532 (a) (1) Commencing July 1, 2011, and annually thereafter until July
2533 1, 2020, the Office of Policy and Management shall assess the
2534 Connecticut Lottery Corporation in an amount sufficient to
2535 compensate the Department of Consumer Protection for the reasonable
2536 and necessary costs incurred by the department for the regulatory

2537 activities specified in subdivision (13) of subsection (b) of section 12-
2538 806, as amended by this act, for the preceding fiscal year ending June
2539 thirtieth.

2540 (2) Commencing July 1, 2020, and annually thereafter, the Office of
2541 Policy and Management shall assess the Connecticut Lottery
2542 Corporation in an amount sufficient to compensate the Commission on
2543 Gaming for the reasonable and necessary costs incurred by the
2544 commission for the regulatory activities specified in subdivision (13) of
2545 subsection (b) of section 12-806, as amended by this act, for the
2546 preceding fiscal year ending June thirtieth.

2547 (b) For the assessment year ending June 30, 2012, the Office of Policy
2548 and Management shall, on or before August 1, 2012, submit the total of
2549 the assessment made in accordance with subsection (a) of this section,
2550 together with a proposed assessment for the succeeding fiscal year
2551 based on the preceding fiscal year cost, to the Connecticut Lottery
2552 Corporation. The assessment for the preceding fiscal year shall be
2553 determined not later than September 15, 2011, after receiving any
2554 objections to the proposed assessments and making such changes or
2555 adjustments as the Secretary of the Office of Policy and Management
2556 determines to be warranted. The corporation shall pay the total
2557 assessment in quarterly payments to the Office of Policy and
2558 Management, with the first payment commencing on October 1, 2011,
2559 and with the remaining payments to be made on January 1, 2012, April
2560 1, 2012, and June 1, 2012. The office shall deposit any such payment in
2561 the lottery assessment account established under subsection (d) of this
2562 section.

2563 (c) For the assessment year ending June 30, 2013, and each
2564 assessment year thereafter, the Office of Policy and Management shall,
2565 on or before May first of each year, submit the total of the assessment
2566 made in accordance with subsection (a) of this section, together with a
2567 proposed assessment for the succeeding fiscal year based on the
2568 preceding fiscal year cost, to the Connecticut Lottery Corporation. The
2569 assessment for the preceding fiscal year shall be determined not later

2570 than June fifteenth of each year, after receiving any objections to the
2571 proposed assessments and making such changes or adjustments as the
2572 Secretary of the Office of Policy and Management determines to be
2573 warranted. The corporation shall pay the total assessment in quarterly
2574 payments to the Office of Policy and Management, with the first
2575 payment commencing on July first of each year, and with the
2576 remaining payments to be made on October first, January first and
2577 April first annually. The office shall deposit any such payment in the
2578 lottery assessment account established under subsection (d) of this
2579 section.

2580 (d) (1) There is established an account to be known as the "lottery
2581 assessment account" which shall be a separate, nonlapsing account
2582 within the General Fund. The account shall contain any moneys
2583 required by law to be deposited in the account. Moneys in the account
2584 shall be expended by the [Department of Consumer Protection]
2585 Commission on Gaming.

2586 (2) The Office of Policy and Management shall transfer to the
2587 Department of Consumer Protection any portion of a payment that is
2588 received by the office under an assessment for the reasonable and
2589 necessary costs incurred by the department for regulatory activities
2590 related to the Connecticut Lottery Corporation prior to January 1, 2020.

2591 (e) Notwithstanding any provision of this section, the final quarterly
2592 payment for the assessment for the fiscal year ending June 30, 2011,
2593 shall be paid on July 1, 2011.

2594 Sec. 57. Section 12-807 of the general statutes is repealed and the
2595 following is substituted in lieu thereof (*Effective January 1, 2020*):

2596 (a) The corporation shall:

2597 (1) Comply with all laws, rules and regulations of the United States
2598 and the state of Connecticut;

2599 (2) Comply with regulations, adopted by the [Department of
2600 Consumer Protection] Commission on Gaming in accordance with

2601 chapter 54. [;]

2602 (b) The corporation shall not:

2603 (1) Sell, transfer, assign, deliver, license, grant or otherwise alienate
2604 any portion or aspect of the lottery or lottery operations, but may sell
2605 real or personal property, provided any revenue from such sale shall
2606 be remitted to the state;

2607 (2) Take any action with respect to the introduction or modification
2608 of lottery games which would cause a violation of any compact or any
2609 memorandum of understanding or agreement from time to time in
2610 force between the state and the Mashantucket Pequot Tribal Nation or
2611 the Mohegan Tribe of Montville, Connecticut, or any future compact or
2612 agreement with a federally recognized tribe.

2613 Sec. 58. Section 12-808 of the general statutes is repealed and the
2614 following is substituted in lieu thereof (*Effective January 1, 2020*):

2615 (a) As soon as practicable after July 1, 1996, and the organization of
2616 the corporation, the corporation shall enter into such agreements as the
2617 board shall authorize in order to effect the transfer, assignment and
2618 delivery to the corporation from the state of all the tangible and
2619 intangible assets constituting the lottery, including the exclusive right
2620 to operate the lottery, and, subject to subsection (b) of this section, to
2621 effect the assignment to and assumption by the corporation of all
2622 agreements, covenants and obligations of the [Department of
2623 Consumer Protection] Commission on Gaming and other agencies of
2624 the state relating to the operation and management of the lottery. Such
2625 agreements may contain such other provisions as the board deems
2626 necessary or appropriate for the continued operation of the lottery by
2627 the corporation pursuant to sections 12-563a, as amended by this act,
2628 and 12-800 to 12-818, inclusive, as amended by this act.

2629 (b) The state shall transfer to the corporation ownership of all
2630 annuities it purchased for payment of lottery prizes and shall not be
2631 liable for any lottery awards. In addition, the state shall not be liable

2632 for any obligations of the lottery arising prior to the date of transfer as
2633 described in subsection (a) of this section, including those arising in the
2634 ordinary course of business under existing contracts specifically
2635 assumed by the corporation. The [Department of Consumer
2636 Protection] Commission on Gaming shall assign to the corporation any
2637 annuity for payment of any lottery award arising on or before the date
2638 of such transfer. Unless otherwise agreed to in writing with the
2639 [department] commission, the corporation shall be solely responsible
2640 for the payment of all lottery prizes and the purchase of all annuities to
2641 provide revenue for such payment.

2642 (c) The corporation shall request and obtain all approvals, consents
2643 and rulings of and from all state and federal governmental agencies
2644 necessary or in order to effect the transactions contemplated by this
2645 section.

2646 Sec. 59. Section 12-809 of the general statutes is repealed and the
2647 following is substituted in lieu thereof (*Effective January 1, 2020*):

2648 [Each director and the] The president shall execute a surety bond in
2649 the penal sum of fifty thousand dollars. The [chairman of the board]
2650 Commission on Gaming may [execute] authorize the corporation to
2651 execute a blanket position surety bond, or arrange for separate surety
2652 bonds, covering [each director,] the president and the employees of the
2653 corporation at amounts determined by the [board] commission, but in
2654 no event less than the sum of fifty thousand dollars per person. Each
2655 surety bond shall be conditioned upon the faithful performance of the
2656 duties of the office or offices covered, be executed by a surety company
2657 authorized to transact business in this state as surety, be approved by
2658 the Attorney General and be filed in the office of the Secretary of the
2659 State. The cost of each such bond shall be paid by the corporation.

2660 Sec. 60. Section 12-811 of the general statutes is repealed and the
2661 following is substituted in lieu thereof (*Effective January 1, 2020*):

2662 (a) The president and all [directors,] officers and employees of the
2663 corporation shall be state employees for purposes of sections 1-79 to 1-

2664 89, inclusive.

2665 (b) No [director,] member of the Commission on Gaming or officer
2666 or employee of the corporation shall, directly or indirectly, participate
2667 in, or share in the winnings from, a game conducted pursuant to
2668 sections 12-563a, as amended by this act, and 12-800 to 12-818,
2669 inclusive, as amended by this act.

2670 Sec. 61. Section 12-812 of the general statutes is repealed and the
2671 following is substituted in lieu thereof (*Effective January 1, 2020*):

2672 (a) The president of the corporation, subject to the direction of the
2673 [board] Commission on Gaming, shall conduct daily, weekly,
2674 multistate, special instant or other lottery games and shall determine
2675 the number of times a lottery shall be held each year, the form and
2676 price of the tickets and the aggregate amount of prizes, which shall not
2677 be less than forty-five per cent of the sales unless required by the terms
2678 of any agreement entered into for the conduct of multistate lottery
2679 games. The proceeds of the sale of tickets shall be deposited in the
2680 lottery fund of the corporation from which prizes shall be paid, upon
2681 vouchers signed by the president, or by either of two persons
2682 designated and authorized by [him] the president, in such numbers
2683 and amounts as the president determines. The corporation may limit
2684 its liability in games with fixed payouts and may cause a cessation of
2685 sales of tickets of certain designation when such liability limit has been
2686 reached.

2687 (b) The president, subject to the direction of the [board] commission,
2688 may enter into agreements for the sale of product advertising on
2689 lottery tickets, play slips and other lottery media.

2690 (c) On a weekly basis, the president shall estimate, and certify to the
2691 State Treasurer, that portion of the balance in the lottery fund which
2692 exceeds the current needs of the corporation for the payment of prizes,
2693 the payment of current operating expenses and funding of approved
2694 reserves of the corporation. The corporation shall transfer the amount
2695 so certified from the lottery fund of the corporation to the General

2696 Fund, upon notification of receipt of such certification by the
2697 Treasurer.

2698 Sec. 62. Subsection (a) of section 12-813 of the general statutes is
2699 repealed and the following is substituted in lieu thereof (*Effective*
2700 *January 1, 2020*):

2701 (a) The corporation may sell lottery tickets at any location in the
2702 state determined by the president which, in the opinion of the
2703 president, will best enhance lottery revenues, except that no license
2704 shall be issued by the [Department of Consumer Protection]
2705 Commission on Gaming to any person to engage in business
2706 exclusively as a lottery sales agent. Subject to the provisions of
2707 subdivision (15) of subsection (b) of section 12-806, as amended by this
2708 act, the president may authorize compensation to such agents in such
2709 manner and amounts and subject to such limitations as he may
2710 determine if he finds such compensation is necessary to assure
2711 adequate availability of lottery tickets, provided, if such agent is a
2712 lessee of state property and [his] the agent's rental fee is based upon
2713 the gross receipts of [his] the agent's business conducted thereon, all
2714 receipts from the sale of such lottery tickets shall be excluded from
2715 such gross receipts for rental purposes. The president may suspend for
2716 cause any licensed agent, subject to a final determination through a
2717 hearing provided by the [Department of Consumer Protection]
2718 Commission on Gaming.

2719 Sec. 63. Subsection (a) of section 12-815 of the general statutes is
2720 repealed and the following is substituted in lieu thereof (*Effective*
2721 *January 1, 2020*):

2722 (a) The corporation shall establish and adopt specific policies, rules
2723 and procedures on purchasing and contracting. Such policies, rules
2724 and procedures or amendments thereto shall be approved by a two-
2725 thirds vote of the entire board. Notwithstanding any other provision of
2726 law to the contrary, the corporation may enter into management,
2727 consulting and other agreements for the provision of goods, services
2728 and professional advisors necessary or useful in connection with the

2729 operation and management of the lottery (1) pursuant to a process of
2730 open or competitive bidding, provided (A) the corporation shall first
2731 determine the format, content and scope of any agreement for any
2732 procurement of goods or services, the conditions under which bidding
2733 will take place and the schedule and stipulations for contract award,
2734 and (B) the corporation may select the contractor deemed to have
2735 submitted the most favorable bid, considering price and other factors,
2736 when, in the judgment of the corporation, such award is in the best
2737 interests of the corporation, or (2) if the corporation, in its discretion,
2738 determines that, due to the nature of the agreement to be contracted
2739 for or procured, open or public bidding is either impracticable or not in
2740 the best interests of the corporation, by negotiation with such
2741 prospective providers as the corporation may determine. The terms
2742 and conditions of agreements and the fees or other compensation to be
2743 paid to such persons shall be determined by the corporation. The
2744 agreements entered into by the corporation in accordance with the
2745 provisions of this section shall not be subject to the approval of any
2746 state department, office or agency, except as provided in regulations
2747 adopted by the [Department of Consumer Protection] Commission on
2748 Gaming. Nothing in this section shall be deemed to restrict the
2749 discretion of the corporation to utilize its own staff and workforce for
2750 the performance of any of its assigned responsibilities and functions
2751 whenever, in the discretion of the corporation, it becomes necessary,
2752 convenient or desirable to do so. Copies of all agreements of the
2753 corporation shall be maintained by the corporation at its offices as
2754 public records, subject to said exemption.

2755 Sec. 64. Section 12-815a of the general statutes is repealed and the
2756 following is substituted in lieu thereof (*Effective January 1, 2020*):

2757 (a) The [Commissioner of Consumer Protection] Commission on
2758 Gaming shall issue vendor, affiliate and occupational licenses in
2759 accordance with the provisions of this section.

2760 (b) No person or business organization awarded a primary contract
2761 by the Connecticut Lottery Corporation to provide facilities,

2762 components, goods or services that are necessary for and directly
2763 related to the secure operation of the activities of said corporation shall
2764 do so unless such person or business organization is issued a vendor
2765 license by the [Commissioner of Consumer Protection] Commission on
2766 Gaming. For the purposes of this subsection, "primary contract" means
2767 a contract to provide facilities, components, goods or services to said
2768 corporation by a person or business organization (1) that provides any
2769 lottery game or any online wagering system related facilities,
2770 components, goods or services and that receives or, in the exercise of
2771 reasonable business judgment, can be expected to receive more than
2772 seventy-five thousand dollars or twenty-five per cent of its gross
2773 annual sales from said corporation, or (2) that has access to the
2774 facilities of said corporation and provides services in such facilities
2775 without supervision by said corporation. Each applicant for a vendor
2776 license shall pay a nonrefundable application fee of two hundred fifty
2777 dollars.

2778 (c) No person or business organization, other than a shareholder in
2779 a publicly traded corporation, may be a subcontractor for the provision
2780 of facilities, components, goods or services that are necessary for and
2781 directly related to the secure operation of the activities of the
2782 Connecticut Lottery Corporation, or may exercise control in or over a
2783 vendor licensee unless such person or business organization is licensed
2784 as an affiliate licensee by the [commissioner] commission. Each
2785 applicant for an affiliate license shall pay a nonrefundable application
2786 fee of two hundred fifty dollars.

2787 (d) (1) Each employee of a vendor or affiliate licensee who has
2788 access to the facilities of the Connecticut Lottery Corporation and
2789 provides services in such facilities without supervision by said
2790 corporation or performs duties directly related to the activities of said
2791 corporation shall obtain an occupational license.

2792 (2) Each officer, director, partner, trustee or owner of a business
2793 organization licensed as a vendor or affiliate licensee and any
2794 shareholder, executive, agent or other person connected with any

2795 vendor or affiliate licensee who, in the judgment of the [commissioner]
2796 commission, will exercise control in or over any such licensee shall
2797 obtain an occupational license.

2798 (3) Each employee of the Connecticut Lottery Corporation shall
2799 obtain an occupational license.

2800 (e) The [commissioner] commission shall issue occupational licenses
2801 in the following classes: (1) Class I for persons specified in subdivision
2802 (1) of subsection (d) of this section; (2) Class II for persons specified in
2803 subdivision (2) of subsection (d) of this section; (3) Class III for persons
2804 specified in subdivision (3) of subsection (d) of this section who, in the
2805 judgment of the [commissioner] commission, will not exercise
2806 authority over or direct the management and policies of the
2807 Connecticut Lottery Corporation; and (4) Class IV for persons specified
2808 in subdivision (3) of subsection (d) of this section who, in the judgment
2809 of the [commissioner] commission, will exercise authority over or
2810 direct the management and policies of the Connecticut Lottery
2811 Corporation. Each applicant for a Class I or III occupational license
2812 shall pay a nonrefundable application fee of twenty dollars. Each
2813 applicant for a Class II or IV occupational license shall pay a
2814 nonrefundable application fee of one hundred dollars. The
2815 nonrefundable application fee shall accompany the application for
2816 each such occupational license.

2817 (f) In determining whether to grant a vendor, affiliate or
2818 occupational license to any such person or business organization, the
2819 [commissioner] commission may require an applicant to provide
2820 information as to such applicant's: (1) Financial standing and credit; (2)
2821 moral character; (3) criminal record, if any; (4) previous employment;
2822 (5) corporate, partnership or association affiliations; (6) ownership of
2823 personal assets; and (7) such other information as the [commissioner]
2824 commission deems pertinent to the issuance of such license, provided
2825 the submission of such other information will assure the integrity of
2826 the state lottery. The [commissioner] commission shall require each
2827 applicant for a vendor, affiliate or occupational license to submit to

2828 state and national criminal history records checks and may require
2829 each such applicant to submit to an international criminal history
2830 records check before such license is issued. The state and national
2831 criminal history records checks required pursuant to this subsection
2832 shall be conducted in accordance with section 29-17a. The
2833 [commissioner] commission shall issue a vendor, affiliate or
2834 occupational license, as the case may be, to each applicant who
2835 satisfies the requirements of this subsection and who is deemed
2836 qualified by the [commissioner] commission. The [commissioner]
2837 commission may reject for good cause an application for a vendor,
2838 affiliate or occupational license.

2839 (g) Each vendor, affiliate or Class I or II occupational license shall be
2840 effective for not more than one year from the date of issuance. Each
2841 Class III or IV occupational license shall remain in effect throughout
2842 the term of employment of any such employee holding such a license.
2843 The [commissioner] commission may require each employee issued a
2844 Class IV occupational license to submit information as to such
2845 employee's financial standing and credit annually. Initial application
2846 for and renewal of any such license shall be in such form and manner
2847 as the [commissioner] commission shall prescribe.

2848 (h) (1) The [commissioner] commission may suspend or revoke for
2849 good cause a vendor, affiliate or occupational license after a hearing
2850 held before the [commissioner] commission in accordance with chapter
2851 54. The [commissioner] commission may order summary suspension
2852 of any such license in accordance with subsection (c) of section 4-182.

2853 (2) Any such applicant aggrieved by the action of the
2854 [commissioner] commission concerning an application for a license, or
2855 any person or business organization whose license is suspended or
2856 revoked, may appeal pursuant to section 4-183.

2857 (3) The [commissioner] commission may impose a civil penalty on
2858 any licensee for a violation of any provision of this chapter or any
2859 regulation adopted under section 12-568a, as amended by this act, in
2860 an amount not to exceed two thousand five hundred dollars after a

2861 hearing held in accordance with chapter 54.

2862 (i) The [commissioner] commission may require that the books and
2863 records of any vendor or affiliate licensee be maintained in any
2864 manner which the [commissioner] commission may deem best, and
2865 that any financial or other statements based on such books and records
2866 be prepared in accordance with generally accepted accounting
2867 principles in such form as the [commissioner] commission shall
2868 prescribe. The [commissioner or a designee] commission may visit,
2869 investigate and place expert accountants and such other persons as
2870 deemed necessary in the offices or places of business of any such
2871 licensee for the purpose of satisfying [himself or herself] the
2872 commission that such licensee is in compliance with the commission's
2873 regulations. [of the department.]

2874 (j) For the purposes of this section, (1) "business organization"
2875 means a partnership, incorporated or unincorporated association, firm,
2876 corporation, trust or other form of business or legal entity; (2) "control"
2877 means the power to exercise authority over or direct the management
2878 and policies of a licensee; and (3) "person" means any individual.

2879 (k) The [Commissioner of Consumer Protection] commission may
2880 adopt such regulations, in accordance with chapter 54, as are necessary
2881 to implement the provisions of this section.

2882 Sec. 65. Subsection (b) of section 17a-713 of the general statutes is
2883 repealed and the following is substituted in lieu thereof (*Effective*
2884 *January 1, 2020*):

2885 (b) The program established by subsection (a) of this section shall be
2886 funded by: [imposition of:] (1) [A] Imposition of a fee of one hundred
2887 thirty-five dollars on each association license, for each performance of
2888 jai alai or dog racing conducted under the provisions of chapter 226,
2889 provided no such licensee shall contribute more than forty-five
2890 thousand dollars in any one year; (2) imposition of a fee of twenty-five
2891 dollars for each teletheater performance on each operator of a
2892 teletheater facility; [and] (3) the amount received from the Connecticut

2893 Lottery Corporation pursuant to section 12-818; and (4) a transfer of
2894 two per cent of the revenue the state obtains from any form of gaming
2895 newly enacted or authorized in the state on or after January 1, 2020.
2896 The [Commissioner of Consumer Protection] Commission on Gaming
2897 shall collect the fee from each association licensee or such operator on
2898 a monthly basis. The receipts shall be deposited in the General Fund
2899 and credited to a separate, nonlapsing chronic gamblers treatment and
2900 rehabilitation account which shall be established by the Comptroller.
2901 All moneys in the account are deemed to be appropriated and shall be
2902 expended for the purposes established in subsection (a) of this section.

2903 Sec. 66. Section 21a-1 of the general statutes is repealed and the
2904 following is substituted in lieu thereof (*Effective January 1, 2020*):

2905 (a) There shall be a Department of Consumer Protection which shall
2906 be under the direction and supervision of a Commissioner of
2907 Consumer Protection, who shall be appointed by the Governor in
2908 accordance with the provisions of sections 4-5 to 4-8, inclusive.

2909 (b) The Department of Consumer Protection shall constitute a
2910 successor agency, in accordance with the provisions of sections 4-38d
2911 and 4-39, to the Department of Public Safety with respect to all
2912 functions, powers and duties of the Department of Public Safety under
2913 chapter 532. Where any order or regulation of said departments
2914 conflict, the Commissioner of Consumer Protection may implement
2915 policies and procedures consistent with the provisions of chapter 532
2916 while in the process of adopting the policy or procedure in regulation
2917 form, provided notice of intention to adopt regulations is printed in
2918 the Connecticut Law Journal within twenty days of implementation.
2919 The policy or procedure shall be valid until the time final regulations
2920 are effective.

2921 [(c) The Department of Consumer Protection shall constitute a
2922 successor agency to the Division of Special Revenue in accordance
2923 with the provisions of sections 4-38d and 4-39. Where any order or
2924 regulation of said division and department conflict, the Commissioner
2925 of Consumer Protection may implement policies and procedures

2926 consistent with chapters 98, 226, 438a, 529, 545, 557 and 946, while in
2927 the process of adopting the policy or procedure in regulation form,
2928 provided notice of intention to adopt regulations is printed in the
2929 Connecticut Law Journal within twenty days of implementation. Any
2930 such policy or procedure shall be valid until the time final regulations
2931 are effective.

2932 (d) The Department of Consumer Protection shall constitute a
2933 successor agency to the Gaming Policy Board in accordance with the
2934 provisions of sections 4-38d and 4-39. Where any order or regulation of
2935 said board and department conflict, the Commissioner of Consumer
2936 Protection may implement policies and procedures consistent with
2937 chapters 98, 226 and 545 while in the process of adopting the policy or
2938 procedure in regulation form, provided notice of intention to adopt
2939 regulations is printed in the Connecticut Law Journal within twenty
2940 days of implementation. Any such policy or procedure shall be valid
2941 until the time final regulations are effective.]

2942 Sec. 67. Section 22-410 of the general statutes is repealed and the
2943 following is substituted in lieu thereof (*Effective January 1, 2020*):

2944 The Department of Agriculture and the [Department of Consumer
2945 Protection] Commission on Gaming, within the limitations of funds
2946 available, may offer cash awards to the breeders of Connecticut-bred
2947 horses which officially finish in first place in horse races conducted in
2948 this state where pari-mutuel betting is permitted and to those which
2949 finish first, second or third in horse races where pari-mutuel betting is
2950 permitted and the total purse is twenty thousand dollars or more, and
2951 to owners at the time of service of the stallions which sired such
2952 horses. Such awards shall be paid from the Connecticut Breeders' Fund
2953 to be administered by the [departments] department and commission.
2954 Said fund shall consist of revenues derived from pari-mutuel betting in
2955 such races in the state, both on and off-track, consisting of twenty-five
2956 per cent of the tax derived from the breakage of the state's share of the
2957 tax derived from such races, pursuant to subdivision (2) of subsection
2958 (d) of section 12-575, as amended by this act, with a limit set for the

2959 fund not to exceed fifty thousand dollars in any fiscal year.

2960 Sec. 68. Section 22-412 of the general statutes is repealed and the
2961 following is substituted in lieu thereof (*Effective January 1, 2020*):

2962 The Department of Agriculture and the [Department of Consumer
2963 Protection] Commission on Gaming shall use part of said fund for
2964 programs to promote the equine industry in the state of Connecticut,
2965 such as equine activities, facilities and research. The Department of
2966 Agriculture and the [Department of Consumer Protection]
2967 Commission on Gaming may adopt regulations, in accordance with
2968 the provisions of chapter 54, to carry out the purposes of this section
2969 and sections 22-410, as amended by this act, and 22-411.

2970 Sec. 69. Section 29-7c of the general statutes is repealed and the
2971 following is substituted in lieu thereof (*Effective January 1, 2020*):

2972 There is established a unit in the Division of State Police within the
2973 Department of Emergency Services and Public Protection to be known
2974 as the legalized gambling investigative unit. The unit, in conjunction
2975 with the special [policemen] police officers in the [Department of
2976 Consumer Protection] Commission on Gaming, shall be responsible for
2977 (1) the criminal enforcement of the provisions of sections 7-169 to 7-
2978 186, inclusive, as amended by this act, and chapters 226, 226b and 229a,
2979 as amended by this act, and (2) the investigation, detection of and
2980 assistance in the prosecution of any criminal matter or alleged
2981 violation of criminal law with respect to legalized gambling, provided
2982 the legalized gambling investigative unit shall be the primary criminal
2983 enforcement agency. Nothing in this section shall limit the powers
2984 granted to persons appointed to act as special [policemen] police
2985 officers in accordance with the provisions of section 29-18c, as
2986 amended by this act.

2987 Sec. 70. Section 29-18c of the general statutes is repealed and the
2988 following is substituted in lieu thereof (*Effective January 1, 2020*):

2989 The Commissioner of Emergency Services and Public Protection

2990 may appoint not more than four persons employed as investigators in
2991 the security unit of the [Department of Consumer Protection]
2992 Commission on Gaming, upon the nomination of the [Commissioner
2993 of Consumer Protection] commission, to act as special [policemen]
2994 police officers in said unit. Such appointees shall serve at the pleasure
2995 of the Commissioner of Emergency Services and Public Protection.
2996 During such tenure, they shall have all the powers conferred on state
2997 [policemen] police officers while investigating or making arrests for
2998 any offense arising from the operation of any off-track betting system
2999 or the conduct of any lottery game. Such special [policemen] police
3000 officers shall be certified under the provisions of sections 7-294a to 7-
3001 294e, inclusive.

3002 Sec. 71. Subsection (a) of section 30-20 of the general statutes is
3003 repealed and the following is substituted in lieu thereof (*Effective*
3004 *January 1, 2020*):

3005 (a) A package store permit shall allow the retail sale of alcoholic
3006 liquor not to be consumed on the premises, such sales to be made only
3007 in sealed bottles or other containers. The holder of a package store
3008 permit may, in accordance with regulations adopted by the
3009 Department of Consumer Protection pursuant to the provisions of
3010 chapter 54, offer free samples of alcoholic liquor for tasting on the
3011 premises, conduct fee-based wine education and tasting classes and
3012 demonstrations and conduct tastings or demonstrations provided by a
3013 permittee or backer of a package store for a nominal charge to
3014 charitable nonprofit organizations. Any offering, tasting, wine
3015 education and tasting class or demonstration held on permit premises
3016 shall be conducted only during the hours a package store is permitted
3017 to sell alcoholic liquor under section 30-91. No tasting of wine on the
3018 premises shall be offered from more than ten uncorked bottles at any
3019 one time. No store operating under a package store permit shall sell
3020 any commodity other than alcoholic liquor except that,
3021 notwithstanding any other provision of law, such store may sell (1)
3022 cigarettes and cigars, (2) publications, (3) bar utensils, which shall
3023 include, but need not be limited to, corkscrews, beverage strainers,

3024 stirrers or other similar items used to consume or related to the
3025 consumption of alcoholic liquor, (4) gift packages of alcoholic liquor
3026 shipped into the state by a manufacturer or out-of-state shipper, which
3027 may include a nonalcoholic item in the gift package that may be any
3028 item, except food or tobacco products, provided the dollar value of the
3029 nonalcoholic items does not exceed the dollar value of the alcoholic
3030 items of the package, (5) complementary fresh fruits used in the
3031 preparation of mixed alcoholic beverages, (6) cheese or crackers, or
3032 both, (7) olives, (8) nonalcoholic beverages, (9) concentrates used in the
3033 preparation of mixed alcoholic beverages, (10) beer and wine-making
3034 kits and products related to beer and wine-making kits, (11) ice in any
3035 form, (12) articles of clothing imprinted with advertising related to the
3036 alcoholic liquor industry, (13) gift baskets or other containers of
3037 alcoholic liquor, (14) multiple packages of alcoholic liquors, as defined
3038 in subdivision (3) of section 30-1, provided in all such cases the
3039 minimum retail selling price for such alcoholic liquor shall apply, (15)
3040 lottery tickets authorized by the [Department of Consumer Protection]
3041 Commission on Gaming, if licensed as an agent to sell such tickets by
3042 said department, and (16) gift baskets containing only containers of
3043 alcoholic liquor and commodities authorized for sale under
3044 subdivisions (1) to (15), inclusive, of this subsection. A package store
3045 permit shall also allow the taking and transmitting of orders for
3046 delivery of such merchandise in other states. Notwithstanding any
3047 other provision of law, a package store permit shall allow the
3048 participation in any lottery ticket promotion or giveaway sponsored by
3049 the [Department of Consumer Protection] Commission on Gaming.
3050 The annual fee for a package store permit shall be five hundred thirty-
3051 five dollars.

3052 Sec. 72. Subsection (h) of section 30-33b of the general statutes is
3053 repealed and the following is substituted in lieu thereof (*Effective*
3054 *January 1, 2020*):

3055 (h) "Special sporting facility" means all of the land and buildings in
3056 which the principal business conducted is racing or jai alai exhibitions
3057 with pari-mutuel betting licensed by the [Department of Consumer

3058 Protection] Commission on Gaming.

3059 Sec. 73. Subdivision (1) of subsection (b) of section 30-39 of the
3060 general statutes is repealed and the following is substituted in lieu
3061 thereof (*Effective January 1, 2020*):

3062 (b) (1) Any person desiring a liquor permit or a renewal of such a
3063 permit shall make a sworn application therefor to the Department of
3064 Consumer Protection upon forms to be furnished by the department,
3065 showing the name and address of the applicant and of the applicant's
3066 backer, if any, the location of the club or place of business which is to
3067 be operated under such permit and a financial statement setting forth
3068 all elements and details of any business transactions connected with
3069 the application. Such application shall include a detailed description of
3070 the type of live entertainment that is to be provided. A club or place of
3071 business shall be exempt from providing such detailed description if
3072 the club or place of business (A) was issued a liquor permit prior to
3073 October 1, 1993, and (B) has not altered the type of entertainment
3074 provided. The application shall also indicate any crimes of which the
3075 applicant or the applicant's backer may have been convicted.
3076 Applicants shall submit documents sufficient to establish that state and
3077 local building, fire and zoning requirements and local ordinances
3078 concerning hours and days of sale will be met, except that local
3079 building and zoning requirements and local ordinances concerning
3080 hours and days of sale shall not apply to any class of airport permit.
3081 The State Fire Marshal or the marshal's certified designee shall be
3082 responsible for approving compliance with the State Fire Code at
3083 Bradley International Airport. Any person desiring a permit provided
3084 for in section 30-33b, as amended by this act, shall file a copy of such
3085 person's license with such application if such license was issued by the
3086 [Department of Consumer Protection] Commission on Gaming. The
3087 department may, at its discretion, conduct an investigation to
3088 determine whether a permit shall be issued to an applicant.

3089 Sec. 74. Section 30-59a of the general statutes is repealed and the
3090 following is substituted in lieu thereof (*Effective January 1, 2020*):

3091 (a) The Department of Consumer Protection may suspend any
3092 permit issued under this chapter if the permittee has had a license
3093 suspended or revoked by the department until such license has been
3094 restored to such person.

3095 (b) The department may, upon notice from the Commission on
3096 Gaming of the name and address of any person who has had a license
3097 suspended or revoked by the commission, suspend any permit issued
3098 under this chapter until such license has been restored to such person.
3099 The department shall notify the commission of the name and address
3100 of any permittee whose permit has been suspended or revoked.

3101 Sec. 75. Subsection (c) of section 31-51y of the general statutes is
3102 repealed and the following is substituted in lieu thereof (*Effective*
3103 *January 1, 2020*):

3104 (c) Nothing in sections 31-51t to 31-51aa, inclusive, as amended by
3105 this act, shall restrict or prevent a urinalysis drug test program
3106 conducted under the supervision of the [Department of Consumer
3107 Protection] Commission on Gaming relative to jai alai players, jai alai
3108 court judges, jockeys, harness drivers or stewards participating in
3109 activities upon which pari-mutuel wagering is authorized under
3110 chapter 226.

3111 Sec. 76. Section 53-278g of the general statutes is repealed and the
3112 following is substituted in lieu thereof (*Effective January 1, 2020*):

3113 (a) Nothing in sections 53-278a to 53-278f, inclusive, shall be
3114 construed to prohibit the publication of an advertisement of, or the
3115 operation of, or participation in, a state lottery, pari-mutuel betting at
3116 race tracks licensed by the state, off-track betting conducted by the
3117 state or a licensee authorized to operate the off-track betting system,
3118 authorized games at a casino gaming facility, a promotional drawing
3119 for a prize or prizes, conducted for advertising purposes by any
3120 person, firm or corporation other than a retail grocer or retail grocery
3121 chain, wherein members of the general public may participate without
3122 making any purchase or otherwise paying or risking credit, money, or

3123 any other tangible thing of value or a sweepstakes conducted pursuant
3124 to sections 42-295 to 42-301, inclusive.

3125 (b) The Mashantucket Pequot tribe and the Mohegan Tribe of
3126 Indians of Connecticut, or their agents, may use and possess at any
3127 location within the state, solely for the purpose of training individuals
3128 in skills required for employment by the tribe or testing a gambling
3129 device, any gambling device which the tribes are authorized to utilize
3130 on their reservations pursuant to the federal Indian Gaming
3131 Regulatory Act; provided no money or other thing of value shall be
3132 paid to any person as a result of the operation of such gambling device
3133 in the course of such training or testing at locations outside of the
3134 reservation of the tribe. Any person receiving such training or testing
3135 such device may use any such device in the course of such training or
3136 testing. Whenever either of said tribes intends to use and possess at
3137 any location within the state any such gambling device for the purpose
3138 of testing such device, the tribe shall give prior notice of such testing to
3139 the [Department of Consumer Protection] Commission on Gaming.

3140 (c) Any casino gaming facility, or its agents, may use and possess at
3141 any location within the state, solely for the purpose of training
3142 individuals in skills required for employment by the casino gaming
3143 facility or testing a gambling device, any gambling device which the
3144 casino gaming facility may use for conducting authorized games at the
3145 casino gaming facility, provided no money or other thing of value shall
3146 be paid to any person as a result of the operation of such gambling
3147 device in the course of such training or testing at locations outside of
3148 the casino gaming facility. Any person receiving such training or
3149 testing such device may use any such device in the course of such
3150 training or testing. Whenever a casino gaming facility intends to use
3151 and possess at any location within the state any such gambling device
3152 for the purpose of testing such device, the casino gambling facility
3153 shall give prior notice of such testing to the [Department of Consumer
3154 Protection] Commission on Gaming.

3155 Sec. 77. Sections 12-570b and 21a-1b of the general statutes are

3156 repealed. (Effective January 1, 2020)

This act shall take effect as follows and shall amend the following sections:		
Section 1	January 1, 2020	New section
Sec. 2	January 1, 2020	4-5
Sec. 3	July 1, 2020	4-5
Sec. 4	January 1, 2020	4-38c
Sec. 5	July 1, 2020	4-38c
Sec. 6	January 1, 2020	7-169d
Sec. 7	January 1, 2020	7-169h
Sec. 8	January 1, 2020	7-169i
Sec. 9	January 1, 2020	7-178
Sec. 10	January 1, 2020	12-557b
Sec. 11	January 1, 2020	12-559
Sec. 12	January 1, 2020	12-560
Sec. 13	January 1, 2020	12-561
Sec. 14	January 1, 2020	12-562
Sec. 15	January 1, 2020	12-563
Sec. 16	January 1, 2020	12-563a
Sec. 17	January 1, 2020	12-564
Sec. 18	January 1, 2020	12-564a
Sec. 19	January 1, 2020	12-565
Sec. 20	January 1, 2020	12-565a
Sec. 21	January 1, 2020	12-566
Sec. 22	January 1, 2020	12-568a
Sec. 23	January 1, 2020	12-569
Sec. 24	January 1, 2020	12-571
Sec. 25	January 1, 2020	12-571a
Sec. 26	January 1, 2020	12-572
Sec. 27	January 1, 2020	12-573
Sec. 28	January 1, 2020	12-573a
Sec. 29	January 1, 2020	12-574
Sec. 30	January 1, 2020	12-574a
Sec. 31	January 1, 2020	12-574c
Sec. 32	January 1, 2020	12-574d
Sec. 33	January 1, 2020	12-575
Sec. 34	January 1, 2020	12-575c
Sec. 35	January 1, 2020	12-576
Sec. 36	January 1, 2020	12-577

Sec. 37	January 1, 2020	12-578
Sec. 38	January 1, 2020	12-578a
Sec. 39	January 1, 2020	12-578b
Sec. 40	January 1, 2020	12-578c
Sec. 41	January 1, 2020	12-578d
Sec. 42	January 1, 2020	12-578e
Sec. 43	January 1, 2020	12-578f
Sec. 44	January 1, 2020	12-578aa
Sec. 45	January 1, 2020	12-579
Sec. 46	January 1, 2020	12-584
Sec. 47	January 1, 2020	12-585
Sec. 48	January 1, 2020	12-586f
Sec. 49	January 1, 2020	12-586g
Sec. 50	January 1, 2020	12-802
Sec. 51	January 1, 2020	12-802a
Sec. 52	January 1, 2020	12-804
Sec. 53	January 1, 2020	12-805
Sec. 54	January 1, 2020	12-806
Sec. 55	January 1, 2020	12-806a
Sec. 56	January 1, 2020	12-806b
Sec. 57	January 1, 2020	12-807
Sec. 58	January 1, 2020	12-808
Sec. 59	January 1, 2020	12-809
Sec. 60	January 1, 2020	12-811
Sec. 61	January 1, 2020	12-812
Sec. 62	January 1, 2020	12-813(a)
Sec. 63	January 1, 2020	12-815(a)
Sec. 64	January 1, 2020	12-815a
Sec. 65	January 1, 2020	17a-713(b)
Sec. 66	January 1, 2020	21a-1
Sec. 67	January 1, 2020	22-410
Sec. 68	January 1, 2020	22-412
Sec. 69	January 1, 2020	29-7c
Sec. 70	January 1, 2020	29-18c
Sec. 71	January 1, 2020	30-20(a)
Sec. 72	January 1, 2020	30-33b(h)
Sec. 73	January 1, 2020	30-39(b)(1)
Sec. 74	January 1, 2020	30-59a
Sec. 75	January 1, 2020	31-51y(c)
Sec. 76	January 1, 2020	53-278g
Sec. 77	January 1, 2020	Repealer section

Statement of Legislative Commissioners:

In Section 1(b) and 1(f), "section 2 of this act," was removed as unnecessary; in Section 70, "serve at the pleasure of the Commissioner of Emergency Services and Public Protection" was restored for accuracy; in Section 56 (a)(1), "July 1, 2019" was changed to "July 1, 2020" for accuracy; and in Section 56(d)(2), "on or after July 1, 2019," was removed as unnecessary.

PS *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 20 \$	FY 21 \$
Consumer Protection, Dept.	GF - Transfer from	2,067,950	None
Commission on Gaming	GF - Transfer to	2,067,950	None
Commission on Gaming	GF - Cost	587,126	600,937
State Comptroller - Fringe Benefits ¹	GF - Cost	234,489	247,386

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill creates a Commission on Gaming as a separate executive branch agency and results in transfers and costs for various agencies described below.

Transfer from DCP to Commission on Gaming:

- The bill will result in a transfer of 27 positions and approximately \$2.1 million in costs for staff and expenses associated with regulation of gaming activities currently administered by the Department of Consumer Protection (DCP). Additionally, 12.5 positions funded by the two tribes via an memorandum of understanding (MOU) will be transferred to the Commission.

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.19% of payroll in FY 20 and FY 21.

Commission Costs:

- The bill is anticipated to result in a cost of \$821,615 in FY 20 and \$848,323 in FY 21 to the Commission for salary and fringe benefit costs associated with hiring seven new positions. The positions include: three commission members, one executive director, one secretary, one administrative assistant, and one staff attorney.
- The commission may have one-time potential costs related to moving and equipment and on-going costs related to rents and utilities.

Chronic Gamblers Treatment Fund:

- To the extent that new forms of gaming are introduced after January 1, 2020, there will be a revenue gain to the Chronic Gamblers Treatment Fund from the 2% set aside.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sHB 7334*****AN ACT ESTABLISHING A COMMISSION ON GAMING.*****SUMMARY**

This bill establishes a three-member Commission on Gaming as a separate, executive branch agency and transfers the gaming functions and responsibilities of the Department of Consumer Protection (DCP) to it. These functions and responsibilities include investigating, overseeing, licensing, and permitting, among other things: off-track betting (OTB); certain charitable games (e.g., sealed tickets); commercial casino and daily fantasy contests, if authorized; and the lottery.

The bill replaces the current 13-member Connecticut Lottery Corporation (CLC) board with the Gaming Commission. Under the bill, CLC board member terms end on December 31, 2019, when the board ceases to exist and the commission assumes the board's functions and duties on and after January 1, 2020.

The bill also requires the transfer of 2% of the revenue the state obtains from any new forms of gaming authorized on or after January 1, 2020, to the chronic gamblers treatment and rehabilitation account, which is a separate nonlapsing General Fund account.

The bill also makes minor, technical, and conforming changes.

EFFECTIVE DATE: January 1, 2020, except technical changes are effective on July 1, 2020.

GAMING COMMISSION

The bill establishes a Gaming Commission, which is under the direction and supervision of three commission members that the governor appoints with the advice and consent of either legislative

chamber. The commission members must have experience in one or more of the following:

1. legal and policy issues related to gaming,
2. gaming regulatory administration,
3. gaming industry management,
4. criminal investigations and law enforcement, or
5. corporate finance and securities.

The governor must designate the commission's chairperson, who presides at all the meetings.

Under the bill, the vote of a majority of the members is required for commission action, with two members constituting a quorum. The Department of Administrative Services (DAS) must determine each appointed member's salary.

Executive Director

The bill requires the governor to appoint an executive director, using the procedures used for appointing department heads (e.g., advice and approval of one legislative chamber), to supervise the commission's daily operations. The executive director must have professional experience in gaming regulatory administration or gaming industry management. DAS must establish the executive director's salary.

Commission's Responsibilities

Under the bill, the commission is responsible for:

1. implementing and administering the gaming laws,
2. licensing and overseeing Connecticut gambling entities,
3. analyzing the gaming industry and market for in-state gaming activities and promoting the Connecticut gaming industry, and

4. recommending legislation to implement a strategic plan for in-state gaming.

Transfer of Gaming Authority

Under the bill, the Gaming Commission constitutes the successor agency to DCP with respect to all functions, powers, and duties related to gaming. Such transfer includes, among other things, the assignment or transfer of relevant employees, records, and property and the continuance of existing orders and regulations; pending actions and proceedings; and any appropriations, as the governor determines.

The transferred functions and responsibilities include investigating, overseeing, licensing, and permitting, among other things: OTB; certain charitable games (e.g., sealed tickets); commercial casino and daily fantasy contests, if authorized; and the lottery. It also transfers the responsibility of certain (1) studies and reporting requirements to the governor and General Assembly and (2) accounting requirements and reimbursements for the cost of regulating certain entities (e.g., lottery). The bill also extends to commission members and the executive director certain existing prohibitions against owning or having any interest in, or participating in, certain gaming activities (e.g., buying lottery tickets or OTB wagering).

Under the bill, the commission may implement policies and procedures consistent with the bill's provisions and the gaming laws, while such policies and procedures are being adopted in regulation form, provided notice of intention to adopt regulations is posted on the eRegulations System within 20 days after implementation. Any such policy or procedure is valid until the final regulations are effective.

The bill requires the commission to consult with DCP on the department's powers and duties being transferred to the commission.

The bill allows the Legislative Commissioners' Officer, in codifying the transfer to make technical, grammatical, and punctuation changes needed to carry out the bill's purposes.

LOTTERY

The bill replaces the current 13-member CLC board of directors with the Gaming Commission. Under the bill, CLC board member terms end on December 31, 2019, when the board ceases to exist and the commission assumes the board's functions and duties on and after January 1, 2020.

Regulatory Cost

Under current law, the Office of Policy and Management (OPM) annually assesses CLC in an amount sufficient to compensate DCP for the reasonable and necessary costs the department incurs regulating the lottery for each preceding fiscal year. Under the bill, OPM must do this until July 1, 2020. Beginning July 1, 2020, and annually thereafter, OPM must make this assessment to compensate the commission. But OPM must transfer to DCP any portion of a payment that it received on or after July 1, 2019, for regulatory activities before January 1, 2020.

Surety Bond

Current law requires each CLC director to execute a surety bond in the penal sum of \$50,000. The bill does not extend this requirement to the Gaming Commission in transferring lottery functions and duties.

ALCOHOLIC LIQUOR PERMIT

Under current law, DCP may suspend an alcoholic liquor permit if the permittee has had a gaming license suspended or revoked until the license has been restored. Under the bill, DCP may, upon the commission's notice of a gaming license being suspended or revoked, suspend any alcoholic liquor permit until the gaming license has been restored. DCP must notify the commission of the name and address of the alcoholic liquor permittee whose permit was suspended or revoked.

BACKGROUND

Related Bills

sHB 1014, favorably reported by the Public Safety and Security Committee, requires 2% of the revenue obtained from new forms of

gaming authorized on or after January 1, 2019, to go to the chronic gamblers treatment and rehabilitation account.

sSB 1015, favorably reported by the Public Safety and Security Committee, increases the amount CLC must provide to the chronic gamblers treatment and rehabilitation account annually from \$2.3 million to \$2.8 million beginning with FY 20.

sHB 7331, favorably reported by the Public Safety and Security Committee, requires 2% of the sports wagering account, which the bill establishes, to be deposited into the chronic gamblers treatment and rehabilitation account.

COMMITTEE ACTION

Public Safety and Security Committee

Joint Favorable Substitute

Yea 20 Nay 4 (03/19/2019)