

# OFFICE OF FISCAL ANALYSIS

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sSB-1015

AN ACT CONCERNING ONLINE LOTTERY DRAW GAMES IN THE STATE.

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## **OFA Fiscal Note**

### **State Impact:**

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 20 \$</b>	<b>FY 21 \$</b>
Connecticut Lottery Corporation	Lottery Enterprise Fund - Potential Revenue Gain	7.5 million	10.4 million
Connecticut Lottery Corporation	Lottery Enterprise Fund - Potential Cost	2.8 million	2.8 million
Resources of the General Fund	GF - Potential Net Revenue Gain	4.7 million	7.6 million
Mental Health & Addiction Serv., Dept.	Chronic Gamblers Fund - Revenue Gain	500,000	500,000
Mental Health & Addiction Serv., Dept.	Chronic Gamblers Fund - Cost	See Below	See Below

Note: GF=General Fund

**Municipal Impact:** None

### **Explanation**

The bill, which requires the Connecticut Lottery Corporation (CLC) to establish a program to sell lottery draw game tickets online, results in a potential net revenue gain to the General Fund of \$4.7 million in FY 20 and \$7.6 million in FY 21. This is dependent on signed agreements with the Mashantucket Pequots and Mohegan tribes being executed by FY 20, and assumes that selling lottery draw game tickets online does not violate the agreements between the state and the tribes.

To the extent selling lottery draw tickets online does not violate the

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agreements between the state and the tribes and that the keno agreement with the tribes is modified, the bill results in a cost to the Connecticut Lottery Corporation (CLC). The CLC will need to hire 5 additional positions to promote and support online lottery draw games as well as partnering with a vendor, which will cost approximately \$2.3 million per year.

**Section 4** increases by \$500,000 the annual amount that must be transferred from the CLC to the chronic gamblers treatment and rehabilitation account.

The bill also requires the Department of Mental Health and Addiction Services (DMHAS) to develop and issue a request for proposals for a study to be performed by a Connecticut institution of higher learning. This results in a cost for DMHAS to execute a contract with such institution to study the socioeconomic impact of the program established by the CLC on problem gambling in the state. The bill allocates up to \$100,000 via a transfer of CLC funding for such purposes.

To the extent DMHAS contracts with a higher education constituent unit, such entity would experience a revenue gain associated with the contract to conduct the study.

### ***The Out Years***

The annualized ongoing fiscal impact to the Lottery Enterprise Fund and the General Fund identified above would continue into the future subject to inflation and growth in the online lottery draw game market. The annualized ongoing fiscal impact to the chronic gamblers treatment and rehabilitation account would remain static into the future.