

Public Safety and Security Committee
JOINT FAVORABLE REPORT

Bill No.: SB-17

AN ACT AUTHORIZING SPORTS WAGERING, INTERNET GAMING AND

Title: INTERNET KENO.

Vote Date: 3/19/2019

Vote Action: Joint Favorable

PH Date: 2/26/2019

File No.:

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SPONSORS OF BILL:

Sen. Catherine A. Osten, 19th Dist.
Rep. Kevin Ryan, 139th Dist.
Rep. Christine Conley, 40th Dist.
Sen. Steve Cassano, 4th Dist.
Rep. Emmett D. Riley, 46th Dist.
Rep. Joe de la Cruz, 41st Dist.
Rep. Susan M. Johnson, 49th Dist.
Rep. Doug Dubitsky, 47th Dist.
Rep. Mike France, 42nd Dist.
Rep. Holly H. Cheeseman, 37th Dist.
Sen. Paul M. Formica, 20th Dist.
Sen. Heather S. Somers, 18th Dist.
Rep. Kate Rotella, 43rd Dist.
Rep. Travis Simms, 140th Dist.
Rep. Larry B. Butler, 72nd Dist.
Rep. Henry J. Genga, 10th Dist.
Rep. Anthony L. Nolan, 39th Dist.
Rep. Rick L. Hayes, 51st Dist.

REASONS FOR BILL:

The bill requires the governor to enter into agreements with the tribes on operating sports wagering and online casino gaming in the tribal casinos and the commercial casino in East Windsor. These agreements must ensure that operating sports wagering and online casino gaming does not terminate the slots moratorium or relieve the tribes of having to provide the slot payments.

RESPONSE FROM ADMINISTRATION/AGENCY:

None

NATURE AND SOURCES OF SUPPORT:

Heather Somers, State Senator

She testifies that legalizing sport swaggering will provide the state with jobs and needed revenue. She states that by allowing the tribes to run sports gaming it will increase tourism and keep Connecticut competitive with other states.

Paul Formica, State Senator

He testifies that this bill would provide the casinos in Connecticut with sports betting, and would help the state to compete in this market, providing jobs and revenue.

Holly Cheeseman, State Representative

Rep. Cheeseman cites the court case Murphy v. National Collegiate Athletic Association and how Rhode Island specifically has modeled their sports wagering laws to abide by the courts rulings in that aforementioned case. Additionally, how Connecticut is in a good position to follow Rhode Island and pass a similar legislation.

Christine Conley, State Representative

She testifies on how this bill would provide revenue and jobs to the state, and it can enhance the revenue from agreements made between the state and federally recognized Indian tribes in CT.

Diana Goode, Executive Director, CT Council on Problem Gambling

She testifies how that if additional gaming were to be legalized more safeguards would be needed such as; funds dedicated to treating addiction, proper training for sports betting operators, establishing a regulatory agency, and age restrictions.

Greg Smith, President and CEO, Connecticut Lottery Corporation

He testifies that online betting isn't new to the state; horse races have been available to bet on online since 2013. He also testifies that in 10 other states you can currently purchase lottery tickets online, and Connecticut needs to modernize. He asks that the bill be amended to include all of their twelve draw games to be sold online; he estimates this would yield \$50 million to the general fund after five years of sales. Additionally, the cost to start up just Keno online versus all twelve games is virtually the same. He states that the bill should define specific game offerings so lottery operations do not overlap casino ones. He testifies that the lottery is the perfect partner for sports wagering for 2 reasons; the lottery projects to return 4-5 times as much revenue as any other operation, secondly they attest that the lottery is the only customizable option because they can offer it over several platforms. Lastly, lotteries have successfully run sports betting in 70% of jurisdictions worldwide.

Rodney Butler, Chairman, Mashantucket Pequot Tribe

Chairman Butler talks about how sports wagering is considered a casino game, and therefore would fall under the exclusivity portion of the agreement with the state. Ray Pineault (President and general manager of Mohegan Sun) speaks to have the states that surround

Connecticut have started to legalize sports wagering and that Connecticut needs to “get in the game”.

Aviram Alroy, Vice President of interactive gaming, Mohegan Sun

He references states that have started or increased their operations of legal and secured sport betting; Rhode Island, Pennsylvania, New Jersey, Delaware, West Virginia, and Mississippi. He states how New Jersey has been successfully operating iGaming and sport betting. Mr. Alroy also testifies how there is a market in Connecticut for sport betting and how they're currently losing out to black marketing betting.

David Benedict, Athletic Director, UConn

UConn decided, with some feedback from the NCAA, if sports betting legislation is enacted it is best for the University to try and cover additional compliance costs themselves. They are against any sports betting involving collegiate institutions, specifically UConn games.

Christopher Cipolla, Senior Manager of Government Affairs, DraftKings Inc.

He states how Draftkings was the first mobile sports wagering application outside of Nevada, and how they now currently operate in New Jersey. He states how sports wagering is already going on in Connecticut, and how 30 states are currently looking to pass sport wagering legislation. In addition, 7 jurisdictions have adopted legislation and are currently participating in sports wagering. In January 2019, New Jersey generated \$385 million from sports wagering, 80% of that from mobile devices. Mississippi, while strictly limiting themselves to on casino betting, generated \$157 million in 2018. The Executive Director of the Mississippi gaming commission acknowledged the importance of betting being available on mobile devices. He then states how it is very important for a state to have multiple operators to run sports wagering. Additionally, being able to register and pay via a mobile device would be important. Lastly, DraftKings uses a technology to determine if a customer is underage, and they track problematic gambling behavior.

Todd Hill, Marketing Manager, Sportech Venues

He testifies that one of the operations that his company runs “Winners” has thousands of registered account holders, who bet online and in person. He states that hundreds of customers have sent messages to their Representative or Senator requesting passage of this bill. Sportech estimated that \$600 million of illegal sport wagering is generated by CT residents. They are looking to increase the number of jobs they provide at “Winners”, which currently sits at 400.

Anika Howard, Vice President of Brand Marketing & Digital, Foxwoods Resort Casino

She testifies to the new technology used for sports betting, and how it is much safer. Specifically; restricting underage access and fingerprints/facial scan. Foxwoods was one of the first casinos to off a self-exclusion program, and they are a founding member of the Connecticut Council for Problem Gaming. Additionally they can incorporate play/spending limits, and game clocks to help limit time spent playing. She then cites Rhode Island and their push toward sports wagering, also New Jersey and their growth since adopting sports wagering. Lastly, she states that online gaming is already used in Connecticut through the black market.

Jocelyn Moore, Executive Vice President Communications & Public Affairs, NFL

She testifies that with the court decision “Professional and Amateur Sports Protection Act of 1992” there was nothing specified regarding a clear and enforceable legal standard for sports betting. The lack of standards could affect sporting contests. She asks that some core standards for sports betting be considered; regulated environment for betting, protection of content and intellectual property, fan access to league data, resources for law enforcement to protect fans. She also states that there are protective measures the legislature should put into place to safeguard from; the integrity of the betting process could be compromised to due insider information being used, people under the age of 21 attempting to gamble, a system to determine which betting fixtures might be too risky, having an official data base for game statistic to prevent from contradicting stats or “ghost games” being used by criminals. She also encourages Connecticut to require operators to abide by specific regulations and qualifications.

[John Osenenko, Vice President Business Development, Scientific Games International Inc.](#)

He references Canada’s lottery system, and how they have had much success over the internet. He also states how important the internet and mobile phones are in today’s society, and how the lottery should be taking advantage of that. That internet and mobile phones should be used for more than selling tickets; it could be used to drive back to existing lottery retailers through promotional and loyalty programs. Additionally, Osenenko requests that not only Keno be accessible via internet, but their entire game portfolio. Lastly, he then testifies that the Connecticut Lottery Cooperation is positioned to handle this transition very well, they have a history of supporting valuable services and programs.

[Jonathan Shaer, Executive Director, New England Convenience Store & Energy Marketers Association](#)

He testifies that legalizing sports betting can serve many benefits; moving money out of the black market, generating revenue for needed services, and creating a new revenue source for lottery agents.

[Ted Taylor, President, Sportech Venues](#)

He testifies that Sportech employs over 400 people in Connecticut with their online and telephone betting operations. He states that illegal sports’ betting is going on in the state today, by regulating and adding consumer protections it creates a simple new revenue stream for taxation for Connecticut. He states that Sportech and the casinos are already licensed and offering betting right now. Utilizing the existing betting operators will bring sports gaming to a safe, legal, regulated environment.

[Bobby Valentine](#)

He testifies that sports’ betting is happening now, mostly by offshore organizations operating over the web. He states that some citizens have driven to New Jersey to place bets and then back to Connecticut to watch the games. He states how Sportech has been a solid partner to him and his business. Lastly, he testifies to how Sportech invest a lot of money and jobs into the state, and wish to continue to do so.

NATURE AND SOURCES OF OPPOSITION:

[Michele Mudrick, Executive Director, The Coalition Against Casino Expansion in CT](#)

[Pamela Arifian](#), [Joan Armstrong](#), [Carla Dawson](#), [Martha Diamant](#), [Carla Dietz](#), [Deborah Kirk](#), [Grace O'Connor](#), [Rev. Cass Shaw](#), [Rev. Kent Siladi](#), [Rev. Dr. Rochelle Stackhouse](#), [Patrick Thibodeau](#), [Rev. Shannon Wall](#), [Phillip and Linda Yannone](#)

Are other members of the Coalition Against casino Expansion in CT who testified on this bill.

She testifies that the Institute of American Values published a report which detailed that casinos depend on problem gambler for up to 50% of their revenue. She states that casinos drain the wealth of communities, weaken businesses, hurt property values, reduce civic participation, and increase the risk of broken families and crime and bankruptcy. She states that there are many social costs that come with gaming. She testifies that the affect casinos have on surrounds businesses outweigh the jobs and revenue they bring in. She states the problems resident shave with casinos in New Jersey, and how casinos in Delaware are filing for bankruptcy. A study in 2009 found that there was a 400% increase in arrests for embezzlements since the casinos opened in Connecticut. She then testifies on how gaming increases risks for crimes, drugs, and addiction. She cites a study done by the UConn School of medicine which states that lower socioeconomic groups are being affected the worst. She states that, in a Quinnipiac poll, 3 out of 4 citizens of Connecticut opposed more casinos.

[Susan Bevan](#)

She testifies that by expanding gaming it would be a burden on the roads, trains, and parking density. She also states that gambling is addictive and costly to citizens of CT.

[Woody Bliss](#)

He is opposed to the bill, testifies it will spread addiction.

[Rev. Dr. Davida Foy Crabtree](#)

He testifies that alcohol, drug use, gambling, domestic violence and divorce have been on the rise. He states that gambling has a negative impact for residents of the state.

[John Dunn](#)

He testifies that an East Windsor casino would only redistribute money brought in from the other casinos, and a casino in Bridgeport would create more crime.

[Ralph Jones](#)

He testifies that the burden of gambling addiction tends to fall onto the spouse and children of the addict. He states that Connecticut financial problems will not be cured by more gambling.

[Deacon David Reynolds, Associate Director of Public Policy, Connecticut Catholic Public Affairs Conference](#)

He testifies that expansion of gaming is not in the best interest of the citizens. He references a study done by the Connecticut Division of Special Revenue which stated many negative social and economic impacts of the Indian casinos. He states that the UConn School of medicine said that gaming is affecting lower socioeconomic groups the hardest.

[Hector Rodriguez](#)

He testifies that a former teacher of his left his job to pursue gambling, and this could affect other people similarly.

[Rev. Paul D. Sinnott](#)

He testifies that he has sat with families affect by gambling addictions, and how their situations changed drastically. He states that it us becoming too easy to access gambling activities, and the social cost is too high.

Michele Vannelli

She testifies that more gaming is not a positive way to attack our states debt. She states that the casino in Springfield has showed Connecticut that the financial numbers are not meeting expectations.

Rev. Candace Whitman

She testifies that gaming will not guarantee revenue or jobs in the long run. She states that Connecticut should instead invest in growing business sectors, supporting infrastructure, and strong communities.

Reported by: Assistant Clerk Don Cretella

Date: 3/25/19