



General Assembly

January Session, 2019

Raised Bill No. 1015

LCO No. 5453



Referred to Committee on PUBLIC SAFETY AND SECURITY

Introduced by:
(PS)

AN ACT CONCERNING ONLINE LOTTERY DRAW GAMES IN THE STATE.

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

- 1 Section 1. (NEW) (*Effective from passage*) (a) As used in this section,
2 "lottery draw game" means any draw game that is available for
3 purchase through a lottery sales agent.
- 4 (b) The Connecticut Lottery Corporation shall establish a program
5 to sell lottery tickets for lottery draw games through the corporation's
6 Internet web site, online service or mobile application, provided: (1)
7 Such program does not violate any compact, memorandum of
8 understanding or agreement in force between the state and the
9 Mashantucket Pequot Tribe or the Mohegan Tribe of Indians of
10 Connecticut; and (2) the keno draw game is offered pursuant to signed
11 agreements with the Mashantucket Pequot Tribe and the Mohegan
12 Tribe of Indians of Connecticut or signed amendments to such
13 agreements, in accordance with the provisions of section 12-806c of the
14 general statutes, as amended by this act.

15 (c) Such program shall, at a minimum: (1) Verify that a person who
16 establishes an online lottery account to purchase a lottery ticket
17 through such program is eighteen years of age or older and is located
18 in the state; (2) restrict the sale of lottery tickets to transactions initiated
19 and received within the state; (3) allow a person to deposit money into
20 an online lottery account through the use of a verified bank account,
21 prepaid lottery gift card, debit card or credit card; (4) limit a person
22 with an online lottery account to using only one debit card or credit
23 card; (5) provide that any money in an online lottery account belongs
24 solely to the owner of the account and may be withdrawn by the
25 owner at any time; (6) provide a mechanism to prevent the
26 unauthorized use of online lottery accounts; (7) establish a voluntary
27 self-exclusion process to allow a person to exclude himself or herself
28 from establishing an online lottery account or purchasing a lottery
29 ticket through such program; (8) provide a mechanism to prevent a
30 person who participates in the self-exclusion process from establishing
31 an online lottery account; (9) within one year from the date such
32 program is established, be the subject of an application for certification
33 from a national or international responsible gambling compliance
34 assessment program; (10) post a conspicuous link to responsible
35 gambling information on all online lottery account Internet web pages;
36 and (11) after consultation with advocacy groups for individuals with
37 gambling problems, (A) limit the amount of money a person may
38 deposit into an online lottery account, (B) limit the amount of money a
39 person may spend per day through such program, and (C) provide for
40 online messages regarding the importance of responsible gambling
41 when a person is using his or her online lottery account for an amount
42 of time specified by the corporation.

43 (d) Prior to implementing any procedure, as defined in subdivision
44 (2) of section 1-120 of the general statutes, to assure the integrity of
45 such program, the corporation shall obtain the written approval of the
46 Commissioner of Consumer Protection in accordance with regulations
47 adopted under section 12-568a of the general statutes.

48 (e) The corporation shall: (1) Implement initiatives to promote the

49 purchase of lottery tickets through lottery sales agents; (2) permit
50 lottery sales agents to sell prepaid lottery gift cards; and (3) conduct an
51 online public awareness campaign designed to educate the public
52 regarding compulsive gambling and to inform the public of the
53 programs available for the prevention, treatment and rehabilitation of
54 compulsive gamblers in the state.

55 Sec. 2. Subdivision (4) of subsection (b) of section 12-806 of the
56 general statutes is repealed and the following is substituted in lieu
57 thereof (*Effective from passage*):

58 (4) (A) To introduce new lottery games, modify existing lottery
59 games, utilize existing and new technologies, determine distribution
60 channels for the sale of lottery tickets, introduce keno pursuant to
61 signed agreements with the Mashantucket Pequot Tribe and the
62 Mohegan Tribe of Indians of Connecticut, in accordance with section
63 12-806c, as amended by this act, and, to the extent specifically
64 authorized by regulations adopted by the Department of Consumer
65 Protection pursuant to chapter 54, introduce instant ticket vending
66 machines, kiosks and automated wagering systems or machines, with
67 all such rights being subject to regulatory oversight by the Department
68 of Consumer Protection; and

69 (B) To offer lottery draw games, including for promotional
70 purposes, through the corporation's Internet web site, online service or
71 mobile application in accordance with section 1 of this act, except that
72 the corporation shall not offer any other interactive [on-line] lottery
73 games, including [on-line video] lottery games for promotional
74 purposes on the corporation's Internet web site, online service or
75 mobile application;

76 Sec. 3. Section 12-810 of the general statutes is repealed and the
77 following is substituted in lieu thereof (*Effective from passage*):

78 (a) The Freedom of Information Act, as defined in section 1-200,
79 shall apply to all actions, meetings and records of the corporation,
80 except (1) where otherwise limited by subsection (c) of this section as

81 to new lottery games and serial numbers of unclaimed lottery tickets,
82 [and] (2) with respect to financial, credit and proprietary information
83 submitted by any person to the corporation in connection with any
84 proposal to provide goods, services or professional advice to the
85 corporation as provided in section 12-815, and (3) where otherwise
86 limited by subsection (d) of this section as to information submitted by
87 any person to the corporation regarding such person's participation in
88 the corporation's voluntary self-exclusion process established pursuant
89 to subdivision (7) of subsection (c) of section 1 of this act.

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

93 (c) Any new lottery game and the procedures for such game, until
94 the game is publicly announced by the corporation, and any serial
95 number of an unclaimed lottery ticket shall not be deemed public
96 records, as defined in section 1-200, and shall not be available to the
97 public under the provisions of section 1-210. The president shall
98 submit a fiscal note prepared by the corporation with respect to the
99 procedures for a new lottery game to the joint standing committees of
100 the General Assembly having cognizance of matters relating to finance,
101 revenue, bonding and public safety after approval of such game by the
102 board.

103 (d) The name and any personally identifying information of a
104 person who is participating or has participated in the corporation's
105 voluntary self-exclusion process shall not be deemed public records, as
106 defined in section 1-200, and shall not be available to the public under
107 the provisions of section 1-210. The president may disclose the name
108 and any records of such person if such person claims a winning lottery
109 ticket from the use of the online lottery program established pursuant
110 to section 1 of this act.

111 Sec. 4. Section 12-818 of the general statutes is repealed and the
112 following is substituted in lieu thereof (*Effective from passage*):

113 For each of the fiscal years ending June 30, 2010, and June 30, 2011,
114 the Connecticut Lottery Corporation shall transfer one million nine
115 hundred thousand dollars of the revenue received from the sale of
116 lottery tickets to the chronic gamblers treatment rehabilitation account
117 created pursuant to section 17a-713, as amended by this act. For the
118 fiscal years ending June 30, 2012, to June 30, 2013, inclusive, the
119 [Connecticut Lottery Corporation] corporation shall transfer one
120 million nine hundred thousand dollars of the revenue received from
121 the sale of lottery tickets to the chronic gamblers treatment
122 rehabilitation account. [created pursuant to section 17a-713.] For the
123 fiscal [year] years ending June 30, 2014, [and each fiscal year thereafter]
124 to June 30, 2019, inclusive, the [Connecticut Lottery Corporation]
125 corporation shall transfer two million three hundred thousand dollars
126 of the revenue received from the sale of lottery tickets to the chronic
127 gamblers treatment rehabilitation account. [created pursuant to section
128 17a-713.] For the fiscal year ending June 30, 2020, and each fiscal year
129 thereafter, the corporation shall transfer two million four hundred
130 thousand dollars of the revenue received from the sale of lottery tickets
131 to the chronic gamblers treatment rehabilitation account.

132 Sec. 5. Section 17a-713 of the general statutes is repealed and the
133 following is substituted in lieu thereof (*Effective from passage*):

134 (a) The Department of Mental Health and Addiction Services shall
135 establish a program for the treatment and rehabilitation of compulsive
136 gamblers in the state. The program shall provide prevention, treatment
137 and rehabilitation services for chronic gamblers. The department may
138 enter into agreements with subregional planning and action councils
139 and nonprofit organizations to assist in providing these services,
140 provided not less than twenty-five per cent of the amount received
141 pursuant to section 12-818, as amended by this act, annually shall be
142 set aside for contracts with subregional planning and action councils
143 established pursuant to section 17a-671 and nonprofit organizations
144 and not less than five per cent of the amount received pursuant to
145 section 12-818, as amended by this act, annually shall be set aside for a
146 contract with the Connecticut Council on Problem Gambling. The

147 department may impose a reasonable fee, on a sliding scale, on those
148 participants who can afford to pay for any such services. The
149 department shall implement such program when the account
150 established under subsection (b) of this section is sufficient to meet
151 initial operating expenses. As used in this section, "chronic gambler"
152 means a person who is chronically and progressively preoccupied with
153 gambling and the urge to gamble, and with gambling behavior that
154 compromises, disrupts or damages personal, family or vocational
155 pursuits.

156 (b) The program established by subsection (a) of this section shall be
157 funded by imposition of: (1) A fee of one hundred thirty-five dollars on
158 each association license, for each performance of jai alai or dog racing
159 conducted under the provisions of chapter 226, provided no such
160 licensee shall contribute more than forty-five thousand dollars in any
161 one year; (2) a fee of twenty-five dollars for each teletheater
162 performance on each operator of a teletheater facility; and (3) the
163 amount received from the Connecticut Lottery Corporation pursuant
164 to section 12-818, as amended by this act. The Commissioner of
165 Consumer Protection shall collect the fee from each association
166 licensee or such operator on a monthly basis. The receipts shall be
167 deposited in the General Fund and credited to a separate, nonlapsing
168 chronic gamblers treatment and rehabilitation account which shall be
169 established by the Comptroller. All moneys in the account are deemed
170 to be appropriated and shall be expended (A) for the purposes
171 established in subsection (a) of this section, and (B) in an amount not to
172 exceed one hundred thousand dollars to fund the study described in
173 subsection (d) of this section.

174 (c) The department shall adopt regulations in accordance with the
175 provisions of chapter 54 to carry out the purposes of this section.

176 (d) Not later than January 1, 2023, the Commissioner of Mental
177 Health and Addiction Services shall develop and issue a request for
178 proposals to study the socioeconomic impact of the program
179 established by the Connecticut Lottery Corporation pursuant to section

180 1 of this act on problem gambling in this state. Such study shall be
181 performed by an institution of higher education located in the state
182 with expertise in problem gambling and addiction and the institution
183 shall submit the study for peer review to ensure accuracy, validity and
184 reliability. The corporation shall provide any information and data
185 needed by the institution of higher education to perform the study,
186 provided the information and data does not disclose the identity of
187 individuals. Not later than July 1, 2024, the commissioner shall submit
188 the results of such study, in accordance with the provisions of section
189 11-4a, to the joint standing committee of the General Assembly having
190 cognizance of matters related to public safety and security.

191 Sec. 6. Section 12-806c of the general statutes is repealed and the
192 following is substituted in lieu thereof (*Effective from passage*):

193 Notwithstanding the provisions of section 3-6c, the Secretary of the
194 Office of Policy and Management, on behalf of the state of Connecticut,
195 may enter into separate agreements with the Mashantucket Pequot
196 Tribe and the Mohegan Tribe of Indians of Connecticut concerning the
197 operation of keno by the Connecticut Lottery Corporation in the state
198 of Connecticut. Any such agreement shall provide that the state of
199 Connecticut shall distribute to each tribe a sum not to exceed a twelve
200 and one-half per cent share of the gross operating revenue received by
201 the state from the operation of keno. The corporation may not operate
202 keno until such separate agreements are effective. Any such agreement
203 may be amended concerning the operation of keno on the
204 corporation's Internet web site, online service or mobile application
205 pursuant to the program established pursuant to section 1 of this act.
206 The corporation may not operate keno through such program until
207 such separate agreements are amended and such agreements are
208 effective. For the purposes of this section, "gross operating revenues"
209 means the total amounts wagered, less amounts paid out as prizes.

210 Sec. 7. Section 52-553 of the general statutes is repealed and the
211 following is substituted in lieu thereof (*Effective from passage*):

212 All wagers, and all contracts and securities of which the whole or
213 any part of the consideration is money or other valuable thing won,
214 laid or bet, at any game, horse race, sport or pastime, and all contracts
215 to repay any money knowingly lent at the time and place of such
216 game, race, sport or pastime, to any person so gaming, betting or
217 wagering, or to repay any money lent to any person who, at such time
218 and place, so pays, bets or wagers, shall be void, provided nothing in
219 this section shall (1) affect the validity of any negotiable instrument
220 held by any person who acquired the same for value and in good faith
221 without notice of illegality in the consideration, (2) apply to the sale of
222 a raffle ticket pursuant to section 7-172, (3) apply to the participation in
223 the program established by the Connecticut Lottery Corporation
224 pursuant to section 1 of this act, or [(3)] (4) apply to any wager or
225 contract otherwise authorized by law.

226 Sec. 8. Section 52-554 of the general statutes is repealed and the
227 following is substituted in lieu thereof (*Effective from passage*):

228 Any person who, by playing at any game, or betting on the sides or
229 hands of such as play at any game, excluding any game permitted
230 under chapter 226 or any activity not prohibited under the provisions
231 of sections 53-278a to 53-278g, inclusive, loses the sum or value of one
232 dollar in the whole and pays or delivers the same or any part thereof,
233 may, within three months next following, recover from the winner the
234 money or the value of the goods so lost and paid or delivered, with
235 costs of suit in a civil action, without setting forth the special matter in
236 his complaint. If the defendant refuses to testify, if called upon in such
237 action, relative to the discovery of the property so won, he shall be
238 defaulted; but no evidence so given by him shall be offered against
239 him in any criminal prosecution. Nothing in this section shall preclude
240 any person from using a credit card to participate in the program
241 established by the Connecticut Lottery Corporation pursuant to section
242 1 of this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	12-806(b)(4)
Sec. 3	<i>from passage</i>	12-810
Sec. 4	<i>from passage</i>	12-818
Sec. 5	<i>from passage</i>	17a-713
Sec. 6	<i>from passage</i>	12-806c
Sec. 7	<i>from passage</i>	52-553
Sec. 8	<i>from passage</i>	52-554

Statement of Purpose:

To (1) authorize the Connecticut Lottery Corporation to offer online lottery draw games, (2) exempt certain records concerning the corporation's voluntary self-exclusion process from disclosure under the Freedom of Information Act, and (3) increase the corporation's contribution to the chronic gamblers treatment rehabilitation account.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]