

# HB 7055: An Act Creating a Competitive Bidding Process for a Resort-Casino Facility

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## Issue

Analyze [HB 7055](#): An Act Creating a Competitive Bidding Process for a Resort-Casino Facility, which was reported favorably by the Public Safety and Security Committee on March 18, 2019.

## Summary

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

The bill requires, by November 1, 2019, the Department of Consumer Protection (DCP) commissioner to develop and issue a request for proposals (RFP) to qualify any person, business, or Indian tribe to develop, manage, operate, and maintain a Connecticut resort-casino facility.

RFP responses must be submitted by January 1, 2020 and accompanied by a \$5 million refundable fee. The RFP must require responders to, among other things:

1. submit a development agreement with a host municipality, that was approved by referendum, and agree to annually pay the municipality at least \$8 million when the proposed facility is operational;
2. (a) agree to make a capital investment of at least \$500 million and (b) demonstrate the ability to pay a one-time licensing fee of at least \$50 million;

3. agree to pay the state at least (a) 25% of the facility's gross gaming revenue from all gambling games and (b) 10% of the gross gaming revenue from the video slot machines;
4. provide an outline on the proposed facility's benefits; and
5. estimate the number of people who will be employed at the facility, which must be at least 2,000.

By April 1, 2020, the commissioner must submit a report to the Public Safety and Security and Commerce committees that, among other things, identifies the entity the commissioner selected to operate the proposed casino.

The bill is effective July 1, 2019.

## **RFP**

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

### ***Application Fee***

Under the bill, each proposal must be submitted by January 1, 2020, and be accompanied by a \$5 million fee. The state must refund the fee if (1) the commissioner does not choose the responder and the responder waives the right to challenge the decision or (2) the General Assembly does not authorize a casino to operate within the state.

### ***Requirements***

Generally, under the bill, the RFP must require responders to provide specified information about (1) investments in the state, host municipality, and surrounding areas; (2) construction and labor plans and standards; and (3) facility development and gaming operations. The RFP must also require responders to provide any other information the commissioner may deem necessary to evaluate their qualifications.

With respect to its investment in the state, host municipality, and surrounding areas, the RFP must require a responder to:

1. provide an outline of the significant benefits that the proposed facility will bring to the host municipality, the surrounding municipalities, and the state, and also include a marketing and tourism plan;

2. submit a development agreement for establishing the proposed facility, entered into by the responder and the host municipality, that (a) was approved through a municipal referendum by January 1, 2020, and (b) requires an annual payment to the municipality of at least \$8 million, if the casino becomes operational;
3. submit a plan for revenue sharing with surrounding municipalities;
4. submit a market analysis detailing the proposed resort-casino facility's benefits; and
5. agree to pay the state at least (a) 25% of the facility's gross gaming revenue from all gambling games and (b) 10% of the gross gaming revenue from the video slot machines.

With respect to its construction and labor plans and standards, the RFP must require a responder to:

1. submit designs and a construction timeline for the proposed facility;
2. submit a workforce development agreement, entered into by the responder with the municipality, to establish a regional workforce development center that trains facility employees;
3. estimate the number of people who will be employed at the facility, which must be at least 2,000 employees, and provide information on their pay rates and benefits;
4. provide evidence that the responder has a labor neutrality agreement with organized labor; and
5. describe the responder's plans to maximize the use of small contractors, minority business enterprises, and veteran-owned microbusinesses.

With respect to facility development and gaming operations, the RFP must require a responder to:

1. agree to make a capital investment of at least \$500 million in the proposed facility;
2. provide information and documentation demonstrating that the responder has sufficient business ability and experience and financial stability to develop, manage, operate, and maintain the proposed facility;
3. submit a responsible gaming plan associated with operating the proposed facility;
4. describe the types and numbers of games to be conducted at the proposed facility; and
5. demonstrate the responder's ability to pay a one-time licensing fee of at least \$50 million before beginning construction.

## ***Legislative Report***

The bill requires the commissioner to submit a report, by April 1, 2020, to the Commerce and Public Safety and Security committees. The report must (1) describe and summarize the RFP, responses received, and selection criteria; (2) identify the qualified person, business organization, or Indian tribe the commissioner selected to be qualified for the proposed facility; and (3) demonstrate that such person, entity, or tribe meets the RFP selection criteria.

## **Additional Information:**

Connecticut Casino Gaming Timeline ([2018-R-0256](#))

Issue Brief: Off-reservation Casinos ([2018-R-0257](#))

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

Attorney General Formal Opinions ([2017-02](#) & [2018-01](#))

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