



House of Representatives

File No. 709

General Assembly

January Session, 2021 **(Reprint of File No. 384)**

Substitute House Bill No. 6451
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
May 21, 2021

**AN ACT CONCERNING THE AUTHORIZATION, LICENSING AND
REGULATION OF ONLINE CASINO GAMING, RETAIL AND ONLINE
SPORTS WAGERING, FANTASY CONTESTS, KENO AND ONLINE
SALE OF LOTTERY TICKETS.**

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

1 Section 1. (NEW) (*Effective from passage*) For the purposes of this
2 section and sections 2 to 22, inclusive, of this act:

3 (1) "Business entity" means any partnership, limited liability
4 company, society, association, joint stock company, corporation, estate,
5 receiver, trustee, assignee, referee or any other legal entity and any other
6 person acting in a fiduciary or representative capacity, whether
7 appointed by a court or otherwise, and any combination thereof;

8 (2) "Commissioner" means the Commissioner of Consumer
9 Protection or the commissioner's designee;

10 (3) "Connecticut intercollegiate team" means any team associated

11 with an intercollegiate program of a university or college of the state
12 system of public higher education, as described in section 10a-1 of the
13 general statutes, an independent institution of higher education, as
14 defined in section 10a-173 of the general statutes, or a for-profit college
15 or university physically located in the state that offers in-person classes
16 within the state;

17 (4) "Department" means the Department of Consumer Protection;

18 (5) "Electronic wagering platform" means the combination of
19 hardware, software and data networks used to manage, administer,
20 offer or control Internet games or retail sports wagering at a facility in
21 this state;

22 (6) "E-bingo machine" means an electronic device categorized as a
23 class II machine under the federal Indian Gaming Regulatory Act, P.L.
24 100-497, 25 USC 2701 et seq. used to play bingo that is confined to a
25 game cabinet and is substantially similar in appearance and play to a
26 class III slot machine. "E-bingo machine" does not include any other
27 electronic device, aid, instrument, tool or other technological aid used
28 in the play of any in-person class II bingo game;

29 (7) "Entry fee" means the amount of cash or cash equivalent that is
30 required to be paid by an individual to a master wagering licensee in
31 order for such individual to participate in a fantasy contest;

32 (8) "E-sports" means electronic sports and competitive video games
33 played as a game of skill;

34 (9) "Fantasy contest" means any fantasy or simulated game or contest
35 with an entry fee, conducted over the Internet, including through an
36 Internet web site or a mobile device, in which: (A) The value of all prizes
37 and awards offered to a winning fantasy contest player is established
38 and made known to the players in advance of the game or contest; (B)
39 all winning outcomes reflect the knowledge and skill of the players and
40 are determined predominantly by accumulated statistical results of the
41 performance of participants in events; and (C) no winning outcome is

42 based on the score, point spread or any performance of any single team
43 or combination of teams or solely on any single performance of a
44 contestant or player in any single event. "Fantasy contest" does not
45 include lottery games;

46 (10) "Internet games" means (A) online casino gaming; (B) online
47 sports wagering; (C) fantasy contests; (D) keno through the Internet, an
48 online service or a mobile application; and (E) the sale of tickets for
49 lottery draw games through the Internet, an online service or a mobile
50 application;

51 (11) "Keno" has the same meaning as provided in section 12-801 of
52 the general statutes, as amended by this act;

53 (12) "Key employee" means an individual with the following position
54 or an equivalent title associated with a master wagering licensee or a
55 licensed online gaming service provider, online gaming operator or
56 sports wagering retailer: (A) President or chief officer, who is the top
57 ranking individual of the licensee and is responsible for all staff and the
58 overall direction of business operations; (B) financial manager, who is
59 the individual who reports to the president or chief officer who is
60 generally responsible for oversight of the financial operations of the
61 licensee, including, but not limited to, revenue generation, distributions,
62 tax compliance and budget implementation; or (C) compliance
63 manager, who is the individual that reports to the president or chief
64 officer and who is generally responsible for ensuring the licensee
65 complies with all laws, regulations and requirements related to the
66 operation of the licensee. "Key employee" includes an individual (i) who
67 exercises control over technical systems; (ii) who has an ownership
68 interest, provided the interest held by such individual and such
69 individual's spouse, parent and child, in the aggregate, is five per cent
70 or more of the total ownership or interest rights in the licensee; or (iii)
71 who, in the judgment of the commissioner, exercises sufficient control
72 in, or over, a licensee as to require licensure. Tribal membership in and
73 of itself shall not constitute ownership for purposes of this subdivision;

74 (13) "Lottery draw game" means any game in which one or more
75 numbers, letters or symbols are randomly drawn at predetermined
76 times, but not more frequently than once every four minutes, from a
77 range of numbers, letters or symbols, and prizes are paid to players
78 possessing winning plays, as set forth in each game's official game rules.
79 "Lottery draw game" does not include keno, any game for which lottery
80 draw tickets are not available through a lottery sales agent or any game
81 that simulates online casino gaming;

82 (14) "Mashantucket Pequot memorandum of understanding" means
83 the memorandum of understanding entered into by and between the
84 state and the Mashantucket Pequot Tribe on January 13, 1993, as
85 amended from time to time;

86 (15) "Mashantucket Pequot procedures" means the Final
87 Mashantucket Pequot Gaming Procedures prescribed by the Secretary
88 of the United States Department of the Interior pursuant to 25 USC
89 2710(d)(7)(B)(vii) and published in 56 Federal Register 24996 (May 31,
90 1991), as amended from time to time;

91 (16) "Master wagering licensee" means (A) the Mashantucket Pequot
92 Tribe, or an instrumentality of or an affiliate wholly-owned by said tribe,
93 if licensed to operate online sports wagering, online casino gaming and
94 fantasy contests pursuant to section 3 of this act; (B) the Mohegan Tribe
95 of Indians of Connecticut, or an instrumentality of or an affiliate wholly-
96 owned by said tribe, if licensed to operate online sports wagering, online
97 casino gaming and fantasy contests pursuant to section 3 of this act; or
98 (C) the Connecticut Lottery Corporation, if licensed pursuant to section
99 4 of this act to operate retail sports wagering, online sports wagering,
100 fantasy contests and keno and to sell tickets for lottery draw games
101 through the Internet, an online service or a mobile application;

102 (17) "Mohegan compact" means the Tribal-State Compact entered
103 into by and between the state and the Mohegan Tribe of Indians of
104 Connecticut on May 17, 1994, as amended from time to time;

105 (18) "Mohegan memorandum of understanding" means the

106 memorandum of understanding entered into by and between the state
107 and the Mohegan Tribe of Indians of Connecticut on May 17, 1994, as
108 amended from time to time;

109 (19) "Occupational employee" means an employee of a master
110 wagering licensee or a licensed online gaming operator, online gaming
111 service provider or sports wagering retailer;

112 (20) "Off-track betting system licensee" means the person or business
113 organization licensed to operate the off-track betting system pursuant
114 to chapter 226 of the general statutes;

115 (21) "Online casino gaming" means (A) slots, blackjack, craps,
116 roulette, baccarat, poker and video poker, bingo, live dealer and other
117 peer-to-peer games and any variations of such games, and (B) any
118 games authorized by the department, conducted over the Internet,
119 including through an Internet web site or a mobile device, through an
120 electronic wagering platform that does not require a bettor to be
121 physically present at a facility;

122 (22) "Online gaming operator" means a person or business entity that
123 operates an electronic wagering platform and contracts directly with a
124 master wagering licensee to offer (A) one or more Internet games on
125 behalf of such licensee, or (B) retail sports wagering on behalf of such
126 licensee at a facility in this state;

127 (23) "Online gaming service provider" means a person or business
128 entity, other than an online gaming operator, that provides goods or
129 services to, or otherwise transacts business related to Internet games or
130 retail sports wagering with, a master wagering licensee or a licensed
131 online gaming operator, online gaming service provider or sports
132 wagering retailer;

133 (24) "Online sports wagering" means sports wagering conducted over
134 the Internet, including through an Internet web site or a mobile device,
135 through an electronic wagering platform that does not require a sports
136 bettor to be physically present at a facility that conducts retail sports

137 wagering;

138 (25) "Retail sports wagering" means in-person sports wagering
139 requiring a sports bettor to be physically present at one of the up to
140 fifteen facility locations of the Connecticut Lottery Corporation or a
141 licensed sports wagering retailer in this state;

142 (26) "Skin" means the branded or cobranded name and logo on the
143 interface of an Internet web site or a mobile application that bettors use
144 to access an electronic wagering platform for Internet games;

145 (27) "Sporting event" means any (A) sporting or athletic event at
146 which two or more persons participate, individually or on a team, and
147 receive compensation in excess of actual expenses for such participation
148 in such sporting or athletic event; (B) sporting or athletic event
149 sponsored by an intercollegiate athletic program of an institution of
150 higher education or an association of such programs, except for those in
151 which one of the participants is a Connecticut intercollegiate team and
152 the event is not in connection with a permitted intercollegiate
153 tournament; (C) Olympic or international sports competition event; or
154 (D) e-sports event, except for those in which one of the participants is a
155 Connecticut intercollegiate team and the event is not in connection with
156 a permitted intercollegiate tournament. As used in this subdivision,
157 "permitted intercollegiate tournament" means an intercollegiate e-
158 sports, sporting or athletic event involving four or more intercollegiate
159 teams that involves one or more Connecticut intercollegiate teams and
160 the wager on the tournament is based on the outcome of all games
161 within the tournament. "Sporting event" does not include horse racing,
162 jai alai or greyhound racing;

163 (28) "Sports governing body" means the organization that prescribes
164 final rules and enforces codes of conduct with respect to a sporting event
165 and participants in the sporting event;

166 (29) "Sports wagering" means risking or accepting any money, credit,
167 deposit or other thing of value for gain contingent in whole or in part,
168 (A) by any system or method of wagering, including, but not limited to,

169 in person or through an electronic wagering platform, and (B) based on
170 (i) a live sporting event or a portion or portions of a live sporting event,
171 including future or propositional events during such an event, or (ii) the
172 individual performance statistics of an athlete or athletes in a sporting
173 event or a combination of sporting events. "Sports wagering" does not
174 include the payment of an entry fee to play a fantasy contest or a fee to
175 participate in e-sports; and

176 (30) "Sports wagering retailer" means a person or business entity that
177 contracts with the Connecticut Lottery Corporation to facilitate retail
178 sports wagering operated by said corporation through an electronic
179 wagering platform at up to fifteen facilities in this state.

180 Sec. 2. (NEW) (*Effective from passage*) (a) The Governor may enter into
181 amendments to the Mashantucket Pequot procedures and to the
182 Mashantucket Pequot memorandum of understanding with the
183 Mashantucket Pequot Tribe, or a new compact with the Mashantucket
184 Pequot Tribe, and may enter into amendments to the Mohegan compact
185 and to the Mohegan memorandum of understanding with the Mohegan
186 Tribe of Indians of Connecticut, or a new compact with the Mohegan
187 Tribe of Indians of Connecticut, to:

188 (1) Permit the Mashantucket Pequot Tribe and Mohegan Tribe of
189 Indians of Connecticut to each conduct (A) in-person sports wagering
190 on the reservation of the tribe, (B) online sports wagering, provided an
191 individual may only place a sports wager through such online sports
192 wagering if the individual is physically present on the reservation of the
193 tribe conducting the online sports wagering when placing the wager,
194 and (C) fantasy contests, provided an individual may only participate
195 in such a contest if the individual is physically present on the reservation
196 of the tribe conducting the fantasy contest when paying the entry fee for
197 such contest;

198 (2) Provide that any in-person sports wagering, online sports
199 wagering, retail sports wagering or fantasy contests expressly
200 authorized under subdivision (1) of this subsection and sections 3 to 5,

201 inclusive, of this act during the ten-year initial term or the renewal term
202 as provided in subdivision (3) of this subsection, shall not terminate the
203 moratorium against the operation of video facsimile games by the
204 Mashantucket Pequot Tribe and the Mohegan Tribe of Indians of
205 Connecticut on each tribe's reservation, and provide that any new
206 compact or amendment to each tribe's memorandum of understanding
207 does not relieve each tribe from each tribe's obligation to contribute a
208 percentage of the gross operating revenues of video facsimile games to
209 the state as provided in each tribe's memorandum of understanding;

210 (3) Provide that any amendment or new compact entered into
211 pursuant to this section shall be valid for an initial term of ten years and
212 an optional five-year renewal term, provided any such renewal term
213 shall only be effective if mutually consented to and exercised by the
214 Governor and both the Mashantucket Pequot Tribe and the Mohegan
215 Tribe of Indians of Connecticut;

216 (4) Provide that the cessation of authority for either tribe to conduct
217 online sports wagering, online casino gaming and fantasy contests
218 outside its reservation as a result of a violation of the conditions of such
219 authority, as provided for in sections 1 to 22, inclusive, of this act, and
220 the continued authorization of the other tribe, the Connecticut Lottery
221 Corporation or both to conduct activities authorized pursuant to
222 sections 1 to 22, inclusive, of this act, shall not itself terminate the
223 moratorium against the operation of video facsimiles machines or
224 relieve such tribe from any existing obligation to make the contribution
225 to the state under its memorandum of understanding; and

226 (5) Provide that:

227 (A) The amendments or new compacts entered into pursuant to this
228 section shall cease to be effective if:

229 (i) Any provision of an amendment or new compact entered into
230 pursuant to this section is held invalid by a court of competent
231 jurisdiction in a final judgment which is not appealable;

232 (ii) Any provision of sections 1 to 22, inclusive, of this act is held
233 invalid by a court of competent jurisdiction in a final judgment which is
234 not appealable; or

235 (iii) Any amendment made to the provisions of the general statutes
236 pursuant to this act is held invalid by a court of competent jurisdiction
237 in a final judgment which is not appealable; and

238 (B) If such amendments or new compacts cease to be effective
239 pursuant to subparagraph (A) of this subdivision, keno may be operated
240 under the agreements that were entered into pursuant to section 12-806c
241 of the general statutes, as amended by this act, and in effect on the
242 effective date of this section.

243 (b) Notwithstanding the provisions of section 3-6c of the general
244 statutes, each amendment or new compact, or renewal thereof, entered
245 into by the Governor with the Mashantucket Pequot Tribe and with the
246 Mohegan Tribe of Indians of Connecticut pursuant to subsection (a) of
247 this section shall be considered approved by the General Assembly
248 under section 3-6c of the general statutes upon the Governor entering
249 into such an agreement or new compact, or renewal thereof, without
250 any further action required by the General Assembly.

251 (c) Any amendment or new compact entered into pursuant to this
252 section shall be effective and final upon approval by the Secretary of the
253 United States Department of Interior and publication in the Federal
254 Register in accordance with federal law. If such approval is overturned
255 by a court of competent jurisdiction in a final judgment, which is not
256 appealable, (1) the provisions of sections 1 to 22, inclusive, of this act,
257 and the amendments made to provisions of the general statutes
258 pursuant to this act shall cease to be effective, and (2) keno may be
259 operated under the agreements that were entered into pursuant to
260 section 12-806c of the general statutes, as amended by this act, and in
261 effect on the effective date of this section.

262 Sec. 3. (NEW) (*Effective July 1, 2021*) (a) The commissioner may issue
263 a master wagering license to the Mashantucket Pequot Tribe, or an

264 instrumentality or an affiliate wholly-owned by said tribe, and a master
265 wagering license to the Mohegan Tribe of Indians of Connecticut, or an
266 instrumentality or an affiliate wholly-owned by said tribe, and each
267 master wagering license shall permit the licensee to operate one skin for
268 online sports wagering within the state, operate one skin for online
269 casino gaming within the state and operate fantasy contests within the
270 state, pursuant to the provisions of sections 6 to 22, inclusive, of this act,
271 as applicable, provided:

272 (1) Pursuant to section 2 of this act, (A) amendments to the
273 Mashantucket Pequot procedures and to the Mashantucket Pequot
274 memorandum of understanding with the Mashantucket Pequot Tribe,
275 or a new compact with the Mashantucket Pequot Tribe, and (B)
276 amendments to the Mohegan compact and to the Mohegan
277 memorandum of understanding with the Mohegan Tribe of Indians of
278 Connecticut, or a new compact with, the Mohegan Tribe of Indians of
279 Connecticut, are effective;

280 (2) The governing bodies of the Mashantucket Pequot Tribe and the
281 Mohegan Tribe of Indians of Connecticut each enact a resolution
282 providing that (A) such tribe waives the defense of sovereign immunity
283 with respect to any action against such tribe as a master wagering
284 licensee, and against an instrumentality of or affiliate wholly-owned by
285 such tribe that is acting on behalf of such tribe as a master wagering
286 licensee, to compel compliance with the provisions of sections 1 to 22,
287 inclusive, of this act, and, as applicable, section 12-586f of the general
288 statutes, as amended by this act, section 12-586g of the general statutes,
289 as amended by this act, section 12-578f of the general statutes, as
290 amended by this act, section 12-806c of the general statutes, as amended
291 by this act, section 52-553 of the general statutes, as amended by this act,
292 section 52-554 of the general statutes, as amended by this act, section 53-
293 278a of the general statutes, as amended by this act, and section 53-278g
294 of the general statutes, as amended by this act, and the regulations
295 promulgated by the state pursuant to said sections, applicable to the
296 operation of online casino gaming, online sports wagering and fantasy
297 contests outside of the reservation lands of the tribe; (B) if such tribe as

298 master wagering licensee, or such tribe's instrumentality or wholly-
299 owned affiliate that is acting on behalf of such tribe as master wagering
300 licensee, fails to pay any fees or taxes due to the state under sections 1
301 to 22, inclusive, of this act, or, as applicable, section 12-586f of the
302 general statutes, as amended by this act, section 12-586g of the general
303 statutes, as amended by this act, section 12-578f of the general statutes,
304 as amended by this act, section 12-806c of the general statutes, as
305 amended by this act, section 17a-713 of the general statutes, as amended
306 by this act, section 52-553 of the general statutes, as amended by this act,
307 section 52-554 of the general statutes, as amended by this act, section 53-
308 278a of the general statutes, as amended by this act, or section 53-278g
309 of the general statutes, as amended by this act, the tribe waives the
310 defense of sovereign immunity with respect to any action by the state
311 against such tribe as master wagering licensee, or against an
312 instrumentality of or affiliate wholly-owned by such tribe acting on
313 behalf of such tribe as master wagering licensee, to permit the collection
314 of such fees or taxes against such master wagering licensee from the
315 operation of online casino gaming, online sports wagering and fantasy
316 contests, as applicable, outside the reservation lands of the tribe; and (C)
317 the venue for such action or claim shall be in the judicial district of
318 Hartford; and

319 (3) The commissioner has determined that the requirements to issue
320 a master wagering license to the Connecticut Lottery Corporation under
321 section 4 of this act have been met.

322 (b) The holder of a master wagering license issued under subsection
323 (a) of this section may not operate online sports wagering, online casino
324 gaming or fantasy contests until the regulations, including, but not
325 limited to, emergency regulations, adopted by the commissioner
326 pursuant to section 16 of this act are effective.

327 (c) (1) A master wagering license issued pursuant to subsection (a) of
328 this section shall expire (A) upon the expiration of any new compact or
329 amendment, or renewal thereof, entered into pursuant to section 2 of
330 this act, (B) if the tribe holding such license operates E-bingo machines

331 at a casino on the tribe's reservation in this state at any time during the
332 ten-year initial term of any amendment or new compact, as described in
333 subdivision (3) of subsection (a) of section 2 of this act, or (C) if the
334 holder of such master wagering license ceases to be a tribe, or an
335 instrumentality of or an affiliate wholly-owned by a tribe.

336 (2) Upon the expiration of a master wagering license pursuant to
337 subdivision (1) of this subsection, all other licenses associated with the
338 expired master wagering license, including licenses for an online
339 gaming operator or online service provider, and all corresponding key
340 employee or occupational employee licenses, shall expire without the
341 need for any further action by the department.

342 (d) The holder of a master wagering license issued under subsection
343 (a) of this section may enter into an agreement with an online gaming
344 operator for the provision of services for a skin authorized pursuant to
345 this section or for fantasy contests, provided such online gaming
346 operator is licensed by the department under section 8 of this act.

347 Sec. 4. (NEW) (*Effective July 1, 2021*) (a) If amendments to the
348 Mashantucket Pequot procedures and to the Mashantucket Pequot
349 memorandum of understanding with the Mashantucket Pequot Tribe,
350 or a new compact with the Mashantucket Pequot Tribe, and
351 amendments to the Mohegan compact and to the Mohegan
352 memorandum of understanding with the Mohegan Tribe of Indians of
353 Connecticut, or a new compact with the Mohegan Tribe of Indians of
354 Connecticut, are effective pursuant to section 2 of this act, amendments
355 to the agreements entered into pursuant to section 12-806c of the general
356 statutes, as amended by this act, are effective, and the commissioner has
357 determined that the requirements to issue a master wagering license to
358 the Mashantucket Pequot Tribe, or an instrumentality or an affiliate
359 wholly-owned by said tribe, and a master wagering license to the
360 Mohegan Tribe of Indians of Connecticut, or an instrumentality or an
361 affiliate wholly-owned by said tribe, under section 3 of this act have
362 been met, the commissioner may issue a master wagering license to the
363 Connecticut Lottery Corporation to permit the corporation to:

364 (1) Operate retail sports wagering, pursuant to the provisions of
365 sections 5 to 16, inclusive, and section 18 of this act, as applicable, at not
366 more than fifteen facilities located throughout the state, provided no
367 such facility shall be located within twenty-five miles of either tribe's
368 reservation;

369 (2) Operate one skin for online sports wagering outside the
370 reservation of either tribe, pursuant to the provisions of sections 6 to 16,
371 inclusive, and section 18 of this act, as applicable, and the corporation
372 may enter into an agreement with an online gaming operator for the
373 provision of services for such skin provided:

374 (A) Such online gaming operator is licensed by the commissioner;

375 (B) Such skin is not branded along with an entity or brand that
376 operates a physical casino in any jurisdiction;

377 (C) Such skin does not directly market or promote a physical casino
378 that operates in any jurisdiction, including through awarding of players'
379 points or free play, promotions or other marketing activities;

380 (D) The corporation may contract with an entity that operates in a
381 physical casino in any jurisdiction; and

382 (E) If the corporation contracts with an entity that is owned by an
383 operator of a physical casino in any jurisdiction, the entity may not
384 utilize any patron information collected as a result of such contractual
385 agreement with such operator for purposes of marketing or any other
386 purposes related to acquiring patrons;

387 (3) Operate fantasy contests, pursuant to the provisions of sections 6
388 to 16, inclusive, and section 19 of this act, as applicable;

389 (4) Operate keno (A) at retail through retail lottery sales agents of
390 such corporation; and (B) through the corporation's Internet web site,
391 online service or mobile application, provided:

392 (i) Drawings may occur not more frequently than once every three

393 minutes; and

394 (ii) The state makes payments to the Mashantucket Pequot Tribe and
395 the Mohegan Tribe of Indians of Connecticut each in the amount of
396 twelve and one-half per cent of the gross gaming revenue from keno;
397 and

398 (5) Sell lottery tickets for lottery draw games through the
399 corporation's Internet web site, online service or mobile application,
400 provided:

401 (A) Lottery draw games for which tickets are sold through the
402 program occur regularly and not more frequently than once every four
403 minutes;

404 (B) The corporation submits to the commissioner official game rules
405 for each lottery draw game for which the corporation seeks to sell tickets
406 through the corporation's Internet web site, online service or mobile
407 application, and the commissioner, or an independent third-party
408 selected by the commissioner, approves, in writing, the official rules for
409 such game prior to the sale of any tickets through the corporation's
410 Internet web site, online service or mobile application for such game,
411 provided all costs associated with obtaining approval by an
412 independent third-party shall be paid by the corporation; and

413 (C) The results of lottery draw game drawings are displayed on the
414 corporation's Internet web site, online service or mobile application,
415 provided the lottery draw game drawings may not take place on the
416 corporation's Internet web site, online service or mobile application.

417 (b) Upon issuance of the master wagering licenses under section 3 of
418 this act, the commissioner may, as soon as practicable, issue a license
419 under subsection (a) of this section to the Connecticut Lottery
420 Corporation.

421 (c) The Connecticut Lottery Corporation shall not conduct any of the
422 activities authorized by subsection (a) of this section until regulations,

423 including, but not limited to, emergency regulations, adopted by the
424 commissioner pursuant to section 16 of this act are effective.

425 (d) After the corporation commences the sale of lottery tickets for
426 lottery draw games through the corporation's Internet web site, online
427 service or mobile application pursuant to subsection (a) of this section,
428 the corporation: (1) May implement initiatives to promote the purchase
429 of lottery tickets through lottery sales agents; (2) may implement
430 initiatives to promote both the purchase of tickets for lottery draw
431 games through the corporation's Internet web site, online service or
432 mobile application and the purchase of lottery tickets through lottery
433 sales agents; and (3) shall conduct a public awareness campaign to
434 educate the public regarding responsible gambling and to inform the
435 public of the programs available for the prevention, treatment and
436 rehabilitation of compulsive gamblers in the state.

437 (e) (1) The authority of the Connecticut Lottery Corporation to
438 conduct activities pursuant to a master wagering license issued under
439 subsection (a) of this section shall expire upon the expiration of any new
440 compact or amendment, or renewal thereof, entered into pursuant to
441 section 2 of this act.

442 (2) Upon the expiration of a master wagering license pursuant to
443 subdivision (1) of this subsection, all other licenses associated with the
444 expired master wagering license, including licenses for an online
445 gaming operator, online service provider or sports wagering retailer
446 and all corresponding key and occupational employee licenses, shall
447 expire without the need for any further action by the department.

448 (f) For purposes of this section, "gross gaming revenue from keno"
449 means the total of all sums actually received by the Connecticut Lottery
450 Corporation from operating keno both through lottery sales agents and
451 through the corporation's Internet web site, online service or mobile
452 application less the total of all sums paid as winnings to patrons and any
453 federal excise tax applicable to such sums received, provided the total
454 of all sums paid as winnings to such patrons shall not include the cash

455 equivalent value of any merchandise or thing of value included in a
456 jackpot or payout.

457 Sec. 5. (NEW) (*Effective July 1, 2021*) (a) Pursuant to a license issued
458 under section 4 of this act, the Connecticut Lottery Corporation may
459 operate not more than fifteen retail sports wagering facilities in the state.
460 The corporation (1) shall develop new facilities, or enter into an
461 agreement with a state entity or a business entity to act as a sports
462 wagering retailer at facilities in the cities of Bridgeport and Hartford,
463 and (2) may enter into one or more other agreements, which may
464 include an agreement or agreements with the off-track betting system
465 licensee to act as a sports wagering retailer.

466 (b) Prior to the corporation contracting with any person or entity to
467 act as a sports wagering retailer, the person or entity shall obtain a sports
468 wagering retailer license pursuant to section 7 of this act.

469 (c) Any retail sports wagering conducted under an agreement under
470 subsection (a) of this section, shall be conducted pursuant to sections 6
471 to 16, inclusive, of this act.

472 (d) Any agreement to conduct retail sports wagering pursuant to
473 subsection (a) of this section shall expire upon the expiration of any new
474 compact or amendment, or renewal thereof, entered into pursuant to
475 section 2 of this act.

476 Sec. 6. (NEW) (*Effective July 1, 2021*) (a) No online gaming service
477 provider shall provide goods or services to, or otherwise transact
478 business related to Internet games or retail sports wagering with, a
479 master wagering licensee or a licensed online gaming operator, sports
480 wagering retailer or online gaming service provider in the state without
481 a license from the department, if such a license is required under the
482 provisions of subsection (b) of this section. An online gaming service
483 provider shall apply for a license on a form and in a manner prescribed
484 by the commissioner. Such license shall be renewed annually. The initial
485 application fee for an online gaming service provider license shall be
486 two thousand dollars and the annual renewal fee shall be two thousand

487 dollars.

488 (b) The commissioner shall establish through regulations adopted
489 pursuant to section 16 of this act, the criteria for determining when
490 licensure as an online gaming service provider is required, based, in
491 part, on whether the online gaming service provider (1) provides goods
492 or services related to accepting wagers for Internet games or retail sports
493 wagering, including, but not limited to, services to determine the
494 location and identity of customers such as geolocation and "know your
495 customer" services, payment processing and data provision, or (2)
496 provides other goods or services that the department determines are
497 used in, or are incidental to, Internet games or retail sports wagering, in
498 a manner requiring licensing in order to contribute to the public
499 confidence and trust in the credibility and integrity of the gaming
500 industry in this state.

501 (c) The department shall transfer any licensing fee collected pursuant
502 to subsection (a) of this section for an online gaming service provider
503 that is affiliated with the holder of a master wagering license issued
504 under section 3 of this act to the State Sports Wagering and Online
505 Gaming Regulatory Fund established under section 20 of this act.

506 Sec. 7. (NEW) (*Effective July 1, 2021*) (a) No sports wagering retailer
507 shall provide services to the Connecticut Lottery Corporation under
508 section 5 of this act without a license from the department. A sports
509 wagering retailer shall apply for a license on a form and in a manner
510 prescribed by the commissioner. Such license shall be renewed
511 annually. The initial application fee for a sports wagering retailer license
512 shall be twenty thousand dollars and the annual renewal fee shall be
513 twenty thousand dollars.

514 (b) The Connecticut Lottery Corporation, if licensed to operate retail
515 sports wagering under section 4 of this act, shall not be required to
516 obtain a sports wagering retailer license.

517 Sec. 8. (NEW) (*Effective July 1, 2021*) (a) No online gaming operator
518 shall provide services to a master wagering licensee or a licensed sports

519 wagering retailer in the state without a license from the department. An
520 online gaming operator shall apply for a license on a form and in a
521 manner prescribed by the commissioner. Such license shall be renewed
522 annually. The initial license application fee shall be two hundred fifty
523 thousand dollars and the annual renewal fee shall be one hundred
524 thousand dollars.

525 (b) The department shall transfer any licensing fee collected pursuant
526 to subsection (a) of this section for an online gaming operator that is
527 affiliated with the holder of a master wagering license issued under
528 section 3 of this act to the State Sports Wagering and Online Gaming
529 Regulatory Fund established under section 20 of this act.

530 Sec. 9. (NEW) (*Effective July 1, 2021*) (a) An occupational employee,
531 other than a key employee, of a master wagering licensee or a licensed
532 online gaming operator, online gaming service provider or sports
533 wagering retailer who will be directly or substantially involved in the
534 operation of Internet games or retail sports wagering in a manner
535 impacting the integrity of such gaming or wagering, data security,
536 patron interaction, game or equipment testing or any other aspect of the
537 gaming activity of a licensee that impacts the integrity of gaming, shall
538 obtain an occupational employee license prior to commencing such
539 employment. An occupational employee shall be deemed to be directly
540 or substantially involved in the operation of Internet games or retail
541 sports wagering in a manner impacting the integrity of such gaming or
542 wagering if such employee: (1) Has the capability of affecting the
543 outcome of a wager through deployment of code to production for any
544 critical component of an electronic wagering platform; (2) (A) can
545 deploy code to production, and (B) directly supervises individuals who
546 have the capability of affecting the outcome of Internet games through
547 deployment of code to production for other than read-only access or the
548 equivalent access to any critical component of an electronic wagering
549 platform; or (3) directly manages gaming operations or directly
550 supervises an individual who directly manages gaming operations. For
551 purposes of this subsection, a "critical component" means a component
552 of an electronic wagering platform that records, stores, processes,

553 shares, transmits or receives sensitive information, such as validation
554 numbers and personal identification numbers, or which stores the
555 results or the current state of a participant's wager for an Internet game.

556 (b) An occupational employee shall apply for an occupational
557 employee license on a form and in a manner prescribed by the
558 commissioner. Such license shall be renewed annually. The initial
559 license application fee for an occupational employee licensee shall be
560 fifty dollars and the annual renewal fee shall be fifty dollars. The initial
561 license application fee shall be waived for any occupational employee
562 who holds an active occupational gaming license issued by the
563 department.

564 (c) The department shall transfer any licensing fee collected pursuant
565 to subsection (a) of this section for an occupational employee of the
566 holder of a master wagering license under section 3 of this act, or of an
567 online gaming operator or an online gaming service provider that is
568 affiliated with such a holder of a master wagering license, to the State
569 Sports Wagering and Online Gaming Regulatory Fund established
570 under section 20 of this act.

571 Sec. 10. (NEW) (*Effective July 1, 2021*) (a) Each master wagering
572 licensee or licensed online gaming operator, online gaming service
573 provider or sports wagering retailer shall, on or before July 1, 2022, and
574 annually thereafter, provide in writing, to the department a list of the
575 key employees representing the licensee.

576 (b) A key employee of a master wagering licensee or licensed online
577 gaming operator, online gaming service provider or sports wagering
578 retailer shall obtain a key employee license from the department
579 pursuant to this section. The commissioner may establish, through
580 regulations adopted pursuant to section 16 of this act, criteria to exercise
581 discretion to determine that an individual who is a key employee is not
582 required to be licensed as a key employee in order to protect the
583 integrity of gaming.

584 (c) (1) A key employee shall apply for a license on a form and in a

585 manner prescribed by the commissioner. Such form may require the
586 applicant to: (A) Submit to a state and national criminal history records
587 check conducted in accordance with section 29-17a of the general
588 statutes, which may include a financial history check if requested by the
589 commissioner, to determine the character and fitness of the applicant for
590 the license, (B) provide information related to other business affiliations,
591 and (C) provide or allow the department to obtain such other
592 information as the department determines is consistent with the
593 requirements of this section in order to determine the fitness of the
594 applicant to hold a license.

595 (2) In place of the criminal history records check described in
596 subparagraph (A) of subdivision (1) of this subsection, the
597 commissioner may accept from an applicant for an initial key employee
598 license the submission of a third-party local and national criminal
599 background check that includes a multistate and multijurisdictional
600 criminal record locator or other similar commercial nation-wide
601 database with validation, and other such background screening as the
602 commissioner may require. Any such third-party criminal background
603 check shall be conducted by a third-party consumer reporting agency or
604 background screening company that is in compliance with the federal
605 Fair Credit Reporting Act and accredited by the Professional
606 Background Screening Association.

607 (d) A key employee license shall be renewed annually. The initial
608 license application fee for a key employee licensee shall be two hundred
609 dollars and the annual renewal fee shall be two hundred dollars. The
610 initial application fee shall be waived for a key employee who holds an
611 active occupational gaming license issued by the department.

612 (e) The department shall transfer any licensing fee collected pursuant
613 to subsection (a) of this section for a key employee of the holder of a
614 master wagering license under section 3 of this act, or of an online
615 gaming operator or an online gaming service provider that is affiliated
616 with such a holder of a master wagering license, to the State Sports
617 Wagering and Online Gaming Regulatory Fund established under

618 section 20 of this act.

619 Sec. 11. (NEW) (*Effective July 1, 2021*) Any individual who is a key
620 employee or an occupational employee of a master wagering licensee
621 described in section 3 of this act or of an online gaming operator or
622 online gaming service provider that is an Indian tribe or an
623 instrumentality of or affiliate wholly-owned by an Indian tribe shall not
624 be permitted to raise sovereign immunity as a defense to any action to
625 enforce applicable provisions of sections 1 to 22, inclusive, of this act or,
626 as applicable, section 12-586f of the general statutes, as amended by this
627 act, section 12-586g of the general statutes, as amended by this act,
628 section 12-578f of the general statutes, as amended by this act, section
629 12-806c of the general statutes, as amended by this act, section 52-553 of
630 the general statutes, as amended by this act, section 52-554 of the general
631 statutes, as amended by this act, section 53-278a of the general statutes,
632 as amended by this act, or section 53-278g of the general statutes, as
633 amended by this act, and regulations adopted under said sections
634 against such individual in his or her capacity as a key or occupational
635 employee to the extent that such action may be brought against a key or
636 occupational employee under any provision of the general statutes or
637 the regulations of Connecticut state agencies.

638 Sec. 12. (NEW) (*Effective July 1, 2021*) (a) The commissioner may
639 conduct investigations and hold hearings on any matter under the
640 provisions of sections 3 to 22, inclusive, of this act. Each person or
641 business entity issued a license pursuant to section 3 or 4, or sections 6
642 to 10, inclusive, of this act and each person in charge, or having custody,
643 of documents on behalf of a licensee, shall maintain such documents
644 that are related to any operations under the provisions of sections 3 to
645 22, inclusive, of this act, in an auditable format for the current taxable
646 year and the five preceding taxable years. Upon request, such person or
647 business entity shall make such documents immediately available for
648 inspection and copying by the commissioner and shall produce copies
649 of such documents to the commissioner or the commissioner's
650 authorized representative within two business days. Such documents
651 shall be provided to the commissioner in electronic format, unless not

652 commercially practical. In complying with the provisions of this
653 subsection, no person shall use a foreign language, codes or symbols in
654 the keeping of any required document.

655 (b) The commissioner may issue subpoenas, administer oaths,
656 compel testimony and order the production of books, records and
657 documents. If any person refuses to appear, to testify or to produce any
658 book, record or document when so ordered, upon application of the
659 commissioner, a judge of the Superior Court may make such order as
660 may be appropriate to aid in the enforcement of this section.

661 (c) The Attorney General, at the request of the commissioner, is
662 authorized to apply in the name of the state to the Superior Court for an
663 order temporarily or permanently restraining and enjoining any person
664 from violating any provision of sections 3 to 22, inclusive, of this act.

665 (d) The provisions of this section shall not apply to any gaming
666 conducted on any reservation of the Mashantucket Pequot Tribe or the
667 Mohegan Tribe of Indians of Connecticut under the federal Indian
668 Gaming Regulatory Act, P.L. 100-497, 25 USC 2701 et seq.

669 Sec. 13. (NEW) (*Effective July 1, 2021*) (a) For sufficient cause found
670 pursuant to subsection (b) of this section, the commissioner may
671 suspend or revoke a license issued pursuant to section 3 or 4 or sections
672 6 to 10, inclusive, of this act, issue fines of not more than twenty-five
673 thousand dollars per violation, accept an offer in compromise or refuse
674 to grant or renew a license issued pursuant to section 3 or 4 or sections
675 6 to 10, inclusive, of this act, place the holder of a license issued pursuant
676 to section 3 or 4 or sections 6 to 10, inclusive, of this act on probation,
677 place conditions on such license or take other actions permitted by the
678 general statutes or the regulations of Connecticut state agencies.

679 (b) Any of the following may constitute sufficient cause for such
680 action by the commissioner, including, but not limited to:

681 (1) Furnishing of false or fraudulent information in any license
682 application or failure to comply with representations made in any

683 application;

684 (2) A civil judgment against, or criminal conviction of, a licensee or
685 key employee of an applicant or licensee;

686 (3) Discipline by, or a pending disciplinary action or an unresolved
687 complaint against, an owner, key employee or applicant regarding any
688 professional license or registration of any federal, state or local
689 government;

690 (4) Denial, suspension or revocation of a license or registration, or the
691 denial of a renewal of a license or registration, by any federal, state or
692 local government or a foreign jurisdiction;

693 (5) False, misleading or deceptive representations to the public or the
694 department;

695 (6) Involvement in a fraudulent or deceitful practice or transaction;

696 (7) Performance of negligent work that involves a substantial
697 monetary loss or a significant lack of sound judgment;

698 (8) Permitting another person to use the licensee's license;

699 (9) Failure to properly license occupational employees, or failure to
700 notify the department of a change in key employees or owners;

701 (10) An adverse administrative decision or delinquency assessment
702 against the licensee from the Department of Revenue Services;

703 (11) Failure to cooperate or give information to the department, local
704 law enforcement authorities or any other enforcement agency upon any
705 matter related to the licensee's credential or gaming operations; or

706 (12) Failure to comply with any provision of sections 1 to 22,
707 inclusive, of this act, corresponding regulations or any other provision
708 of the general statutes that has an impact on the integrity of gaming in
709 this state, including, but not limited to, failure of an online gaming

710 operator who contracts with the Connecticut Lottery Corporation to
711 abide by the conditions for operation set forth in subparagraph (B), (C)
712 or (E) of subdivision (2) of subsection (a) of section 4 of this act.

713 (c) Upon refusal to issue or renew a license, the commissioner shall
714 notify the applicant of the denial and of the applicant's right to request
715 a hearing not later than ten days after the date of receipt of the notice of
716 denial. If the applicant requests a hearing within such ten-day period,
717 the commissioner shall give notice of the grounds for the
718 commissioner's refusal and shall conduct a hearing concerning such
719 refusal in accordance with the provisions of chapter 54 of the general
720 statutes concerning contested cases. If the commissioner's denial of a
721 license is sustained after such hearing, an applicant shall not apply for a
722 new license issued pursuant to section 3 or 4 or sections 6 to 10,
723 inclusive, of this act, for a period of at least one year after the date on
724 which such denial was sustained.

725 (d) No person whose license has been revoked under this section may
726 apply for another license issued pursuant to section 3 or 4 or sections 6
727 to 10, inclusive, of this act, for a period of at least one year after the date
728 of such revocation.

729 (e) The voluntary surrender or failure to renew a license or
730 registration shall not prevent the commissioner from suspending or
731 revoking such license or registration or imposing other penalties
732 permitted by this section.

733 Sec. 14. (NEW) (*Effective July 1, 2021*) (a) (1) An individual may only
734 place a sports wager through retail sports wagering or online sports
735 wagering outside of the reservations of the Mashantucket Pequot Tribe
736 and the Mohegan Tribe of Indians of Connecticut or place a wager
737 through online casino gaming conducted outside of such reservations,
738 if the wagering is authorized pursuant to sections 3 to 5, inclusive, of
739 this act, and the individual (A) has attained the age of twenty-one, and
740 (B) is physically present in the state when placing the wager, and, in the
741 case of retail sports wagering, is physically present at a retail sports

742 wagering facility in this state.

743 (2) An individual may only participate in a fantasy contest outside of
744 the reservations of the Mashantucket Pequot Tribe and the Mohegan
745 Tribe of Indians of Connecticut if the contest is authorized pursuant to
746 section 3 or 4 of this act, and the individual has attained the age of
747 eighteen.

748 (b) Any electronic wagering platform used to (1) conduct online
749 sports wagering or online casino gaming, (2) conduct keno through the
750 Internet web site, an online service or a mobile application of the
751 Connecticut Lottery Corporation, (3) conduct retail sports wagering, (4)
752 sell lottery draw game tickets through the Internet web site, online
753 service or mobile application of the Connecticut Lottery Corporation, or
754 (5) conduct fantasy contests, shall be developed to:

755 (A) Verify that an individual (i) with an account for online sports
756 wagering, online casino gaming or retail sports wagering is twenty-one
757 years of age or older and is physically present in the state when placing
758 a wager or, in the case of retail sports wagering, is physically present at
759 a retail sports wagering facility, (ii) with an account to participate in
760 keno or to purchase lottery draw game tickets is eighteen years of age
761 or older and is physically present in the state when participating or
762 purchasing such tickets, or (iii) with an account for fantasy contests is
763 eighteen years of age or older;

764 (B) Provide a mechanism to prevent the unauthorized use of a
765 wagering account; and

766 (C) Maintain the security of wagering, participation or purchasing
767 data and other confidential information.

768 (c) A master wagering licensee and a licensed online gaming
769 operator, online gaming service provider and sports wagering retailer
770 shall each, where applicable based on the services provided:

771 (1) Prohibit an individual from establishing more than one account

- 772 on each electronic wagering platform operated by the licensee;
- 773 (2) Limit a person to the use of only one debit card or only one credit
774 card for an account, and place a monetary limit on the use of a credit
775 card over a period of time;
- 776 (3) Allow a person to limit the amount of money that may be
777 deposited into an account, and spent per day through an account;
- 778 (4) Provide that any money in an online account belongs solely to the
779 owner of the account and may be withdrawn by the owner;
- 780 (5) Establish a voluntary self-exclusion process to allow a person to
781 (A) exclude himself or herself from establishing an account, (B) exclude
782 himself or herself from placing wagers through an account, or (C) limit
783 the amount such person may spend using such an account;
- 784 (6) Provide responsible gambling and problem gambling information
785 to participants; and
- 786 (7) Conspicuously display on each applicable Internet web site or
787 mobile application:
- 788 (A) A link to a description of the provisions of this subsection;
- 789 (B) A link to responsible gambling information;
- 790 (C) A toll-free telephone number an individual may use to obtain
791 information about problem gambling;
- 792 (D) A link to information about the voluntary self-exclusion process
793 described in subdivision (5) of this subsection;
- 794 (E) A clear display or periodic pop-up message of the amount of time
795 an individual has spent on the operator's Internet web site or mobile
796 application;
- 797 (F) A means to initiate a break in play to discourage excessive play;
798 and

799 (G) A clear display of the amount of money available to the
800 individual in his or her account.

801 (d) At least every five years, each master wagering licensee shall be
802 subject to an independent review of operations conducted pursuant to
803 such license for responsible play, as assessed by industry standards and
804 performed by a third party approved by the department, which review
805 shall be paid for by the licensee.

806 (e) No advertisement of online casino gaming, online sports wagering
807 or retail sports wagering may: (1) Depict an individual under twenty-
808 one years of age, unless such individual is a professional athlete or a
809 collegiate athlete who, if permitted by applicable law, is able to profit
810 from the use of his or her name and likeness; or (2) be aimed exclusively
811 or primarily at individuals under twenty-one years of age.

812 Sec. 15. (NEW) (*Effective July 1, 2021*) (a) (1) No athlete, coach or
813 referee who takes part in a sporting event and no individual
814 participating in e-sports shall place any sports wager on any sporting
815 event in which such athlete, coach, referee or individual is participating.

816 (2) No athlete, coach or referee who takes part in a sporting event of
817 a sports governing body; employee of a sports governing body holding
818 a position of authority or influence sufficient to exert influence over
819 participants in a sporting event; employee of a member team of a sports
820 governing body holding a position of authority or influence sufficient to
821 exert influence over participants in a sporting event; or personnel of any
822 bargaining unit of a sports governing body's athletes or referees, shall
823 place any wager on any sporting event overseen by such governing
824 body.

825 (3) No owner with a direct or indirect legal or beneficial ownership
826 interest of five per cent or more of a member team of a sports governing
827 body shall place any wager on a sporting event in which such member
828 team participates. Tribal membership in and of itself shall not constitute
829 ownership for purposes of this section.

830 (b) In determining which individuals are prohibited from placing a
831 wager under subsection (a) of this section, a master wagering licensee
832 or a licensed online gaming operator, sports wagering retailer or online
833 gaming service provider shall use reasonably available public
834 information and exercise reasonable efforts to obtain information from
835 the department or the relevant sports governing body regarding (1)
836 owners with a direct or indirect legal or beneficial ownership interest of
837 five per cent or more of a member team of a sports governing body; and
838 (2) employees holding a position of authority or influence sufficient to
839 exert influence over participants in sporting events.

840 (c) An individual shall only place a sports wager on such individual's
841 behalf and shall not wager on the account of, or for, any other person.
842 No master wagering licensee or a licensed online gaming operator,
843 sports wagering retailer or online gaming service provider shall accept
844 a wager from a person on the account of, or for, any other person.

845 (d) An officer, director, owner, key employee or occupational
846 employee of a master wagering licensee or a licensed online gaming
847 operator, sports wagering retailer or online gaming service provider or
848 a family member who resides in the same household as such officer,
849 director, owner, key employee or occupational employee, shall not place
850 any wager on a sporting event with such master wagering licensee or its
851 licensed sports wagering retailer or online gaming operator. Tribal
852 membership in and of itself shall not constitute ownership for purposes
853 of this section.

854 (e) A master wagering licensee or a licensed online gaming operator,
855 sports wagering retailer or online gaming service provider shall not
856 knowingly pay any winnings to a person who places a wager in
857 violation of this section.

858 (f) A sports governing body may request that the commissioner
859 restrict, limit or exclude wagering on a sporting event or events by
860 providing notice in such form and manner as the commissioner
861 prescribes. The commissioner may take such action as the commissioner

862 deems necessary to ensure the integrity of wagering on such sporting
863 event or events.

864 Sec. 16. (NEW) (*Effective July 1, 2021*) The commissioner shall adopt
865 regulations, in accordance with the provisions of chapter 54 of the
866 general statutes, to the extent not prohibited by federal law or any
867 gaming agreement or procedure entered into pursuant to the Indian
868 Gaming Regulatory Act, P.L. 100-497, 25 USC 2701 et seq., to implement
869 the provisions of sections 3 to 15, inclusive, of this act. Notwithstanding
870 the requirements of subdivision (1) of subsection (g) of section 4-168 of
871 the general statutes, the commissioner may adopt such regulations as
872 emergency regulations without making the finding required under
873 subparagraph (A) of subdivision (1) of subsection (g) of section 4-168 of
874 the general statutes, provided the Governor approves the need for such
875 emergency regulations, and the other requirements of subsection (g) of
876 section 4-168 of the general statutes shall apply. Such regulations shall
877 address:

878 (1) The operation of, and participation in, Internet games and retail
879 sports wagering;

880 (2) Licensing requirements, including criteria for determining when
881 licensure as (A) an online gaming service provider is required; and (B)
882 a key employee is not necessary in order to protect the integrity of
883 gaming;

884 (3) Designation of additional games that may be permitted as online
885 casino gaming;

886 (4) Voluntary self-exclusion programs for Internet games and retail
887 sports wagering;

888 (5) Technical standards, security features and testing applicable to
889 gaming operations and systems, including electronic wagering
890 platforms;

891 (6) Game procedure approval;

- 892 (7) Complaint resolution processes;
- 893 (8) Enforcement actions;
- 894 (9) Standards for age and location verification programs;
- 895 (10) Revenue auditing and reporting standards, which shall include
896 a requirement that all payments be accompanied by a detailed
897 supporting report on a form approved by the commissioner;
- 898 (11) Compliance reporting and disclosure requirements;
- 899 (12) Marketing and advertising standards; and
- 900 (13) Any other provisions deemed necessary by the commissioner to
901 protect the public interest and the integrity of gaming.

902 Sec. 17. (NEW) (*Effective July 1, 2021*) (a) A master wagering licensee,
903 if licensed to operate online casino gaming pursuant to section 3 of this
904 act, shall pay to the state for deposit in the General Fund: (1) Eighteen
905 per cent of the gross gaming revenue from online casino gaming
906 authorized under section 3 of this act during the five-year period after
907 the first issuance of a license for such gaming under section 3 of this act,
908 or (2) twenty per cent of the gross gaming revenue from online casino
909 gaming authorized under section 3 of this act during the sixth and any
910 succeeding year after the first issuance of a license for such gaming
911 under section 3 of this act. Each such licensee shall commence payments
912 under this subsection not later than the fifteenth day of the month
913 following the month such licensee began the operation of online casino
914 gaming under section 3 of this act, and shall make payments not later
915 than the fifteenth day of each succeeding month, while such online
916 casino gaming is conducted.

917 (b) For purposes of this section, "gross gaming revenue" means the
918 total of all sums actually received by each such licensee from online
919 casino gaming less the total of all sums paid as winnings to online casino
920 gaming patrons and any federal excise tax applicable to such sums
921 received, provided:

922 (1) The total of all sums paid as winnings to such patrons shall not
923 include the cash equivalent value of any merchandise or thing of value
924 included in a jackpot or payout; and

925 (2) Coupons or credits that are issued to patrons for the sole purpose
926 of playing online casino games and are linked to online casino gaming
927 in a documented way as part of a promotional program and actually
928 played by the patrons shall not be included in the calculation of gross
929 gaming revenue from online casino gaming, provided if the aggregate
930 amount of such coupons and credits played during a calendar month
931 (A) exceeds twenty-five per cent of the total amount of gross gaming
932 revenue for that month, for any month during the first year that the
933 operation of online casino gaming is permitted, (B) exceeds twenty per
934 cent of the total amount of gross gaming revenue for that month, for any
935 month during the second year that the operation of online casino
936 gaming is permitted, or (C) exceeds fifteen per cent of the total amount
937 of gross gaming revenue for that month, for any month during the third
938 or succeeding year that the operation of online casino gaming is
939 permitted, then the applicable excess amount of coupons or credits used
940 in such calendar month shall be included in the calculation of gross
941 gaming revenue. For the purpose of this subdivision, the year of
942 operation of online casino gaming shall be measured from the date that
943 the first master wagering license is issued pursuant to section 3 of this
944 act or the date that regulations, including, but not limited to, emergency
945 regulations, are adopted and effective pursuant to section 16 of this act,
946 whichever is later.

947 Sec. 18. (NEW) (*Effective July 1, 2021*) (a) A master wagering licensee,
948 if licensed to operate online sports wagering or retail sports wagering
949 pursuant to section 3 or 4 of this act, shall pay to the state for deposit in
950 the General Fund: Thirteen and three-quarters per cent of the gross
951 gaming revenue from online or retail sports wagering authorized under
952 section 3 or 4 of this act, as applicable. Each such licensee shall
953 commence payments under this subsection not later than the fifteenth
954 day of the month following the month that the operation of online or
955 retail sports wagering commences under section 3 or 4 of this act, as

956 applicable, and shall make payments not later than the fifteenth day of
957 each succeeding month, while such retail or online sports wagering is
958 conducted.

959 (b) For purposes of this section, "gross gaming revenue" means the
960 total of all sums actually received by each such licensee from online
961 sports wagering or retail sports wagering, as applicable, less the total of
962 all sums paid as winnings to sports wagering patrons and any federal
963 excise tax applicable to such sums received, provided:

964 (1) The total of all sums paid as winnings to such patrons shall not
965 include the cash equivalent value of any merchandise or thing of value
966 included in a jackpot or payout.

967 (2) Coupons or credits that are issued to patrons for the sole purpose
968 of sports wagering and are linked to sports wagering in a documented
969 way as part of a promotional program and actually played by the
970 patrons shall not be included in the calculation of gross gaming revenue
971 from sports wagering, provided if the aggregate amount of such
972 coupons and credits played during a calendar month (A) exceeds
973 twenty-five per cent of the total amount of gross gaming revenue for
974 that month, for any month during the first year that the operation of
975 sports wagering is permitted, (B) exceeds twenty per cent of the total
976 amount of gross gaming revenue for that month, for any month during
977 the second year that the operation of sports wagering is permitted, or
978 (C) exceeds fifteen per cent of the total amount of gross gaming revenue
979 for that month, for any month during the third or succeeding year that
980 the operation of sports wagering is permitted, then the applicable excess
981 amount of coupons or credits used in such calendar month shall be
982 included in the calculation of gross gaming revenue. For the purpose of
983 this subdivision, the year of operation of sports wagering shall be
984 measured from the date that the first master wagering license is issued
985 pursuant to section 3 or 4 of this act or the date that regulations,
986 including, but not limited to, emergency regulations, are adopted and
987 effective pursuant to section 16 of this act, whichever is later.

988 Sec. 19. (NEW) (*Effective July 1, 2021*) (a) A master wagering licensee,
989 if licensed to operate fantasy contests pursuant to section 3 or 4 of this
990 act, shall pay to the state for deposit in the General Fund: Thirteen and
991 three-quarters per cent of the gross receipts from fantasy contests. Each
992 such licensee shall commence payments under this subsection not later
993 than the fifteenth day of the month following the month that such
994 licensee commences operation of fantasy contests, and shall make
995 payments not later than the fifteenth day of each succeeding month,
996 while such fantasy contests are conducted.

997 (b) For purposes of this section, (1) "gross receipts" means the amount
998 equal to the total of all entry fees that a master wagering licensee collects
999 from individuals who participate in a fantasy contest, less the total of all
1000 sums paid out as prizes to all fantasy contest participants, multiplied by
1001 the location percentage; and (2) "location percentage" means the
1002 percentage rounded to the nearest tenth of a per cent of the total of entry
1003 fees collected from fantasy contest participants located in the state,
1004 divided by the total of entry fees collected from all fantasy contest
1005 participants.

1006 Sec. 20. (NEW) (*Effective July 1, 2021*) (a) (1) At the commencement of
1007 operating online sports wagering or online casino gaming pursuant to
1008 section 3 of this act in any fiscal year, and on or before September
1009 thirtieth in each fiscal year thereafter that such wagering and gaming is
1010 conducted, the commissioner shall estimate and assess, after
1011 consultation with each holder of a master wagering license under
1012 section 3 of this act, the reasonable and necessary costs that will be
1013 incurred by the department to regulate the operation of such wagering
1014 or gaming under section 3 and sections 6 to 16, inclusive, of this act by
1015 each such licensee, (A) in the next fiscal year; and (B) in the case of the
1016 initial fiscal year of operating such wagering and gaming, in the current
1017 fiscal year.

1018 (2) The estimated costs under subdivision (1) of this subsection shall
1019 not exceed the estimate of expenditure requirements transmitted by the
1020 commissioner pursuant to section 4-77 of the general statutes. The

1021 assessment for any fiscal year shall be: (A) Reduced pro rata by the
1022 amount of any surplus from the assessment of the prior fiscal year,
1023 which shall be maintained in accordance with subsection (d) of this
1024 section, or (B) increased pro rata by the amount of any deficit from the
1025 assessment of the prior fiscal year.

1026 (3) The assessment under subdivision (1) of this subsection for the
1027 holder of a master wagering license issued under section 3 of this act
1028 shall be reduced by the amount of any licensing fees paid to the
1029 department for a license for an online gaming operator, an online
1030 gaming service provider and any corresponding key employee and
1031 occupational employee affiliated with such holder of a master wagering
1032 license during the prior fiscal year.

1033 (b) Each holder of a master wagering license under section 3 of this
1034 act shall pay to the commissioner the amount assessed to such licensee
1035 pursuant to subsection (a) of this section not later than the date specified
1036 by the commissioner for payment, provided such date is not less than
1037 thirty days from the date of such assessment and no payment shall be
1038 due prior to the commencement of wagering and gaming operations by
1039 such licensee. The commissioner shall remit to the State Treasurer all
1040 funds received pursuant to this section.

1041 (c) (1) There is established a fund to be known as the "State Sports
1042 Wagering and Online Gaming Regulatory Fund". The fund shall contain
1043 any moneys required or permitted to be deposited in the fund, including
1044 licensing fees transferred by the department under the provisions of
1045 sections 6 and 8 to 10, inclusive, of this act, and shall be held by the
1046 Treasurer separate and apart from all other moneys, funds and
1047 accounts. Any balance remaining in said fund at the end of any fiscal
1048 year shall be carried forward in said fund for the fiscal year next
1049 succeeding. Moneys in the fund shall be expended by the Treasurer for
1050 the purposes of paying the costs incurred by the department to regulate
1051 online sports wagering and online casino gaming authorized under
1052 section 3 of this act.

1053 (2) The Treasurer shall deposit all funds received pursuant to
1054 subsection (b) of this section in the State Sports Wagering and Online
1055 Gaming Regulatory Fund.

1056 (d) On or before September thirtieth, annually, the Comptroller shall
1057 calculate the actual reasonable and necessary costs incurred by the
1058 department to regulate such online sports wagering and online casino
1059 gaming authorized under section 3 of this act during the prior fiscal
1060 year. The Treasurer shall set aside amounts received pursuant to
1061 subsection (b) of this section in excess of such actual costs. Such excess
1062 amounts shall be considered a surplus for the purposes of subsection (a)
1063 of this section.

1064 (e) If the holder of a master wagering license under section 3 of this
1065 act is aggrieved by an assessment under the provisions of this section,
1066 the licensee may request a hearing before the commissioner not later
1067 than thirty days after such assessment. The commissioner shall hold
1068 such hearing in accordance with the provisions of chapter 54 of the
1069 general statutes not later than thirty days after receiving such request,
1070 and the decision of the commissioner may be appealed in accordance
1071 with the provisions of section 4-183 of the general statutes.

1072 Sec. 21. (NEW) (*Effective July 1, 2021*) (a) During the five-year period
1073 commencing on the date the first license is issued pursuant to section 3
1074 of this act, (1) any payment to the state made by the Mashantucket
1075 Pequot Tribe, or a master wagering licensee on behalf of said tribe,
1076 under section 17 or 18 of this act shall count toward the calculation of
1077 the minimum contribution for said tribe pursuant to the Mashantucket
1078 Pequot memorandum of understanding, and (2) any payment to the
1079 state made by the Mohegan Tribe of Indians of Connecticut, or a master
1080 wagering licensee on behalf of said tribe, under section 17 or 18 of this
1081 act shall count toward the calculation of the minimum contribution for
1082 said tribe pursuant to the Mohegan memorandum of understanding.

1083 (b) After the completion of the five-year period described in
1084 subsection (a) of this section, (1) the obligation of the Mashantucket

1085 Pequot Tribe to meet the minimum contribution shall continue as
1086 provided for in the Mashantucket Pequot memorandum of
1087 understanding, and the obligation of the Mohegan Tribe of Indians of
1088 Connecticut to meet the minimum contribution shall continue as
1089 provided for in the Mohegan memorandum of understanding, subject
1090 to any agreements entered into between the state and a tribe regarding
1091 the sources of payments that may be used to satisfy such minimum
1092 contribution, and (2) the state shall meet and confer in good faith with
1093 each tribe concerning which payments made to the state by each tribe
1094 should count toward each tribe's obligation.

1095 Sec. 22. (NEW) (*Effective July 1, 2021*) Each holder of a master
1096 wagering license under section 3 of this act shall contribute, in each
1097 fiscal year that such holder has such license, five hundred thousand
1098 dollars to support problem gambling programs in this state, any portion
1099 of which may be made to the state for deposit in the chronic gamblers
1100 treatment rehabilitation account created pursuant to section 17a-713 of
1101 the general statutes, as amended by this act, or to a nonprofit entity or
1102 nonprofit entities with programs to support problem gambling. Such
1103 contribution shall be reduced pro rata in any fiscal year that the licensee
1104 did not hold such license for the entirety of the fiscal year. Each licensee
1105 shall submit to the department, on an annual basis and as a condition of
1106 continued licensure, information regarding the recipients of the
1107 contribution required by this section.

1108 Sec. 23. Subsection (a) of section 12-586f of the general statutes is
1109 repealed and the following is substituted in lieu thereof (*Effective July 1,*
1110 *2021*):

1111 (a) For the purposes of this section, "tribe" means the Mashantucket
1112 Pequot Tribe and "compact" means the Tribal-State Compact between
1113 the tribe and the state of Connecticut, as incorporated and amended in
1114 the Final Mashantucket Pequot Gaming Procedures prescribed by the
1115 Secretary of the United States Department of the Interior pursuant to
1116 Section 2710(d)(7)(B)(vii) of Title 25 of the United States Code and
1117 published in 56 Federal Register 24996 (May 31, 1991), as amended from

1118 time to time, and includes any new compact entered into between the
1119 state and the tribe pursuant to section 2 of this act.

1120 Sec. 24. Subsection (a) of section 12-586g of the general statutes is
1121 repealed and the following is substituted in lieu thereof (*Effective July 1,*
1122 *2021*):

1123 (a) For the purposes of this section, "tribe" means the Mohegan Tribe
1124 of Indians of Connecticut and "compact" means the Tribal-State
1125 Compact between the tribe and the state of Connecticut, dated May 17,
1126 1994, as amended from time to time, and includes any new compact
1127 entered into between the state and the tribe pursuant to section 2 of this
1128 act.

1129 Sec. 25. Section 12-578f of the general statutes is repealed and the
1130 following is substituted in lieu thereof (*Effective July 1, 2021*):

1131 (a) For the purposes of this section and section 12-578g:

1132 (1) "Authorized games" means any game of chance, including, but not
1133 limited to, blackjack, poker, dice, money-wheels, roulette, baccarat,
1134 chuck-a-luck, pan game, over and under, horse race game, acey-deucey,
1135 beat the dealer, bouncing ball, video facsimile game and any other game
1136 of chance authorized by the Commissioner of Consumer Protection;

1137 (2) "Mashantucket Pequot memorandum of understanding" means
1138 the memorandum of understanding entered into by and between the
1139 state and the Mashantucket Pequot Tribe on January 13, 1993, as
1140 amended on April 30, 1993;

1141 (3) "Mashantucket Pequot procedures" means the Final
1142 Mashantucket Pequot Gaming Procedures prescribed by the Secretary
1143 of the United States Department of the Interior pursuant to Section
1144 2710(d)(7)(B)(vii) of Title 25 of the United States Code and published in
1145 56 Federal Register 24996 (May 31, 1991);

1146 (4) "MMCT Venture, LLC" means a limited liability company
1147 described in subsection (d) of this section;

1148 (5) "Mohegan compact" means the Tribal-State Compact entered into
1149 by and between the state and the Mohegan Tribe of Indians of
1150 Connecticut on May 17, 1994; and

1151 (6) "Mohegan memorandum of understanding" means the
1152 memorandum of understanding entered into by and between the state
1153 and the Mohegan Tribe of Indians of Connecticut on May 17, 1994.

1154 (b) MMCT Venture, LLC, is authorized to conduct authorized games
1155 at a casino gaming facility at 171 Bridge Street, East Windsor,
1156 Connecticut.

1157 (c) Such authorization shall not be effective unless the following
1158 conditions have been met:

1159 (1) (A) The Governor enters into amendments to the Mashantucket
1160 Pequot procedures and to the Mashantucket Pequot memorandum of
1161 understanding with the Mashantucket Pequot Tribe and amendments
1162 to the Mohegan compact and to the Mohegan memorandum of
1163 understanding with the Mohegan Tribe of Indians of Connecticut
1164 concerning the operation of a casino gaming facility in the state.

1165 (B) The amendments to the Mashantucket Pequot procedures and the
1166 Mohegan compact shall include a provision that the authorization of
1167 MMCT Venture, LLC, to conduct authorized games in the state does not
1168 terminate the moratorium against the operation of video facsimile
1169 games by the Mashantucket Pequot Tribe and Mohegan Tribe of Indians
1170 of Connecticut on each tribe's reservation.

1171 (C) The amendments to each tribe's memorandum of understanding
1172 shall include a provision that the authorization of MMCT Venture, LLC,
1173 to conduct authorized games in the state does not relieve each tribe from
1174 each tribe's obligation to contribute a percentage of the gross operating
1175 revenues of video facsimile games to the state as provided in each tribe's
1176 memorandum of understanding.

1177 (2) The amendments to the Mashantucket Pequot procedures, the

1178 Mashantucket Pequot memorandum of understanding, the Mohegan
1179 compact and the Mohegan memorandum of understanding are
1180 approved or deemed approved by the Secretary of the United States
1181 Department of the Interior pursuant to the federal Indian Gaming
1182 Regulatory Act, P.L. 100-497, 25 USC 2701 et seq., and its implementing
1183 regulations. If such approval is overturned by a court in a final
1184 judgment, which is not appealable, the authorization provided under
1185 this section shall cease to be effective.

1186 (3) The amendments to the Mashantucket Pequot procedures and to
1187 the Mohegan compact are approved by the General Assembly pursuant
1188 to section 3-6c.

1189 (4) The amendments to the Mashantucket Pequot memorandum of
1190 understanding and to the Mohegan memorandum of understanding are
1191 approved by the General Assembly pursuant to the process described
1192 in section 3-6c.

1193 (5) The governing bodies of the Mashantucket Pequot Tribe and
1194 Mohegan Tribe of Indians of Connecticut enact resolutions providing:
1195 (A) That if MMCT Venture, LLC, fails to pay any fees or taxes due the
1196 state, the tribes, as the members of MMCT Venture, LLC, waive the
1197 possible defense of sovereign immunity with respect to any action or
1198 claim by the state against the tribes as the members of MMCT Venture,
1199 LLC, to the extent such action or claim is permitted to be brought against
1200 a member of a limited liability company under state law to collect any
1201 fees or taxes, while preserving any other defenses available to the tribes,
1202 and (B) that the venue for such action or claim shall be in the judicial
1203 district of Hartford.

1204 (d) Such authorization shall apply to MMCT Venture, LLC, provided:
1205 (1) MMCT Venture, LLC, is a limited liability company jointly and
1206 exclusively owned by the Mashantucket Pequot Tribe and the Mohegan
1207 Tribe of Indians of Connecticut; (2) no other person or business
1208 organization holds an equity interest in MMCT Venture, LLC; and (3)
1209 each tribe holds at least a twenty-five per cent equity interest in MMCT

1210 Venture, LLC. If MMCT Venture, LLC, ceases to be a limited liability
1211 company jointly and exclusively owned by the Mashantucket Pequot
1212 Tribe and the Mohegan Tribe of Indians of Connecticut in which each
1213 tribe holds at least a twenty-five per cent equity interest, such
1214 authorization shall be void.

1215 (e) Notwithstanding the provisions of subsections (b) and (c) of this
1216 section, the authorization to conduct authorized games at a casino
1217 gaming facility pursuant to said subsections shall not be effective during
1218 the ten-year initial term that amendments to the Mashantucket Pequot
1219 procedures and to the Mashantucket Pequot memorandum of
1220 understanding with the Mashantucket Pequot Tribe, or a new compact
1221 with the Mashantucket Pequot Tribe, and amendments to the Mohegan
1222 compact and to the Mohegan memorandum of understanding with the
1223 Mohegan Tribe of Indians of Connecticut, or a new compact with the
1224 Mohegan Tribe of Indians of Connecticut, entered into pursuant to
1225 section 2 of this act are effective, as described in subdivision (3) of
1226 subsection (b) of section 2 of this act.

1227 Sec. 26. Section 12-578j of the general statutes is repealed and the
1228 following is substituted in lieu thereof (*Effective July 1, 2021*):

1229 (a) Not later than June 30, 2019, MMCT Venture, LLC, as defined in
1230 subsection (a) of section 12-578f, as amended by this act, shall pay to the
1231 state thirty million dollars for deposit in the General Fund. Such money
1232 shall be credited against any unpaid required payments pursuant to
1233 subsection (c) of section 12-578g for each month in which the casino
1234 gaming facility is conducting authorized games in such amount and
1235 manner as determined pursuant to an agreement between the Secretary
1236 of the Office of Policy and Management and MMCT Venture, LLC. No
1237 interest shall be charged.

1238 (b) Notwithstanding the provisions of subsection (a) of this section,
1239 the requirement to make a payment to the state pursuant to subsection
1240 (a) of this section shall not be effective during the ten-year initial term
1241 that amendments to the Mashantucket Pequot procedures and to the

1242 Mashantucket Pequot memorandum of understanding with the
1243 Mashantucket Pequot Tribe, or a new compact with the Mashantucket
1244 Pequot Tribe, and amendments to the Mohegan compact and to the
1245 Mohegan memorandum of understanding with the Mohegan Tribe of
1246 Indians of Connecticut, or a new compact with the Mohegan Tribe of
1247 Indians of Connecticut, entered into pursuant to section 2 of this act are
1248 effective, as described in subdivision (3) of subsection (b) of section 2 of
1249 this act.

1250 Sec. 27. Section 12-806c of the general statutes is repealed and the
1251 following is substituted in lieu thereof (*Effective July 1, 2021*):

1252 (a) Notwithstanding the provisions of section 3-6c, the Secretary of
1253 the Office of Policy and Management, on behalf of the state of
1254 Connecticut, may enter into separate agreements with the
1255 Mashantucket Pequot Tribe and the Mohegan Tribe of Indians of
1256 Connecticut concerning the operation of keno by the Connecticut
1257 Lottery Corporation in the state of Connecticut. Any such agreement
1258 shall provide that the state of Connecticut shall distribute to each tribe
1259 a sum not to exceed a twelve and one-half per cent share of the gross
1260 operating revenue received by the state from the operation of keno. The
1261 corporation may not operate keno until such separate agreements are
1262 effective. For the purposes of this section, "gross operating revenues"
1263 means the total amounts wagered, less amounts paid out as prizes.

1264 (b) Notwithstanding the provisions of section 3-6c, the Secretary of
1265 the Office of Policy and Management, on behalf of the state of
1266 Connecticut, and the Mashantucket Pequot Tribe and the Mohegan
1267 Tribe of Indians of Connecticut, may amend the agreements entered into
1268 pursuant to subsection (a) of this section to provide that such
1269 agreements shall not be effective during the period of time that the
1270 Connecticut Lottery Corporation is operating keno pursuant to a master
1271 wagering license issued under section 4 of this act.

1272 (c) For purposes of this section, "keno" means a lottery game in which
1273 a subset of numbers are drawn from a larger field of numbers by a

1274 central computer system using an approved random number generator,
1275 wheel system device or other drawing device. "Keno" does not include
1276 a game operated on a video facsimile machine.

1277 Sec. 28. Section 12-801 of the general statutes is repealed and the
1278 following is substituted in lieu thereof (*Effective July 1, 2021*):

1279 As used in section 12-563a, as amended by this act, and sections 12-
1280 800 to 12-818, inclusive, as amended by this act, the following terms
1281 [shall] have the following meanings unless the context clearly indicates
1282 another meaning:

1283 (1) "Board" or "board of directors" means the board of directors of the
1284 corporation;

1285 (2) "Corporation" means the Connecticut Lottery Corporation as
1286 created under section 12-802;

1287 (3) "Department" means the Department of Consumer Protection;

1288 [(3)] (4) "Division" means the former Division of Special Revenue in
1289 the Department of Revenue Services;

1290 (5) "Fantasy contest" has the same meaning as provided in section 1
1291 of this act;

1292 [(4)] (6) "Lottery" means (A) the Connecticut state lottery conducted
1293 prior to the transfer authorized under section 12-808 by the Division of
1294 Special Revenue, (B) after such transfer, the Connecticut state lottery
1295 conducted by the corporation pursuant to sections 12-563a, as amended
1296 by this act, and 12-800 to 12-818, inclusive, as amended by this act, and
1297 section 4 of this act, (C) the state lottery referred to in subsection (a) of
1298 section 53-278g, as amended by this act, and (D) keno conducted by the
1299 corporation pursuant to section 12-806c, as amended by this act, or
1300 sections 2 and 4 of this act;

1301 [(5)] (7) "Keno" means a lottery game in which a subset of numbers
1302 are drawn from a larger field of numbers by a central computer system

1303 using an approved random number generator, wheel system device or
1304 other drawing device; ["Keno" does not include a game operated on a
1305 video facsimile machine;]

1306 [(6) "Lottery fund"] (8) "Lottery and gaming fund" means a fund or
1307 funds established by, and under the management and control of, the
1308 corporation, into which all lottery, sports wagering and fantasy contest
1309 revenues of the corporation are deposited, from which all payments and
1310 expenses of the corporation are paid and from which transfers to the
1311 General Fund or the Connecticut Teachers' Retirement Fund Bonds
1312 Special Capital Reserve Fund, established in section 10-183vv, are made
1313 pursuant to section 12-812, as amended by this act; [and]

1314 (9) "Online sports wagering" has the same meaning as provided in
1315 section 1 of this act;

1316 [(7)] (10) "Operating revenue" means total revenue received from
1317 lottery sales and sports wagering less all cancelled sales and amounts
1318 paid as prizes but before payment or provision for payment of any other
1319 expenses; [.]

1320 (11) "Retail sports wagering" has the same meaning as provided in
1321 section 1 of this act; and

1322 (12) "Skin" has the same meaning as provided in section 1 of this act.

1323 Sec. 29. Section 12-806 of the general statutes is repealed and the
1324 following is substituted in lieu thereof (*Effective July 1, 2021*):

1325 (a) The purposes of the corporation shall be to: (1) Operate and
1326 manage the lottery, and retail sports wagering, online sports wagering
1327 and fantasy contests if licensed pursuant to section 4 of this act, in an
1328 entrepreneurial and business-like manner free from the budgetary and
1329 other constraints that affect state agencies; (2) provide continuing and
1330 increased revenue to the people of the state through the lottery, and
1331 retail sports wagering, online sports wagering and fantasy contests if
1332 licensed pursuant to section 4 of this act, by being responsive to market

1333 forces and acting generally as a corporation engaged in entrepreneurial
1334 pursuits; (3) pay to the trustee of the Connecticut Teachers' Retirement
1335 Fund Bonds Special Capital Reserve Fund, established in section 10-
1336 183vv, the amounts, if any, required pursuant to subsection (c) of section
1337 12-812, as amended by this act; and (4) ensure that the lottery,
1338 [continues] and retail sports wagering, online sports wagering and
1339 fantasy contests, if licensed pursuant to section 4 of this act, continue to
1340 be operated with integrity and for the public good.

1341 (b) The corporation shall have the following powers:

1342 (1) To receive as transferee from the state of Connecticut all of the
1343 tangible and intangible assets constituting the lottery including the
1344 exclusive right to operate the lottery as the exclusive lottery of the state
1345 and, subject to subsection (b) of section 12-808, to assume and discharge
1346 all of the agreements, covenants and obligations of the Department of
1347 Consumer Protection entered into which constitute a part of the
1348 operation and management of the lottery;

1349 (2) To operate and manage the lottery consistent with the provisions
1350 of sections 1-120, 1-121, 1-125, 12-563, 12-563a, as amended by this act,
1351 12-564, 12-566, 12-568a and 12-569, subsection (c) of section 12-574, [and]
1352 sections 12-800 to 12-818, inclusive, as amended by this act, and section
1353 4 of this act, and as specifically provided in section 12-812, as amended
1354 by this act;

1355 (3) To have perpetual succession as a body corporate and to adopt
1356 bylaws, policies and procedures for the operation of its affairs and
1357 conduct of its businesses;

1358 (4) (A) To introduce new lottery games, modify existing lottery
1359 games, utilize existing and new technologies, determine distribution
1360 channels for the sale of lottery tickets, introduce keno pursuant to signed
1361 agreements with the Mashantucket Pequot Tribe and the Mohegan
1362 Tribe of Indians of Connecticut, in accordance with section 12-806c, as
1363 amended by this act, or pursuant to section 4 of this act, and, to the
1364 extent specifically authorized by regulations adopted by the

1365 Department of Consumer Protection pursuant to chapter 54, introduce
1366 instant ticket vending machines, kiosks and automated wagering
1367 systems or machines, with all such rights being subject to regulatory
1368 oversight by the Department of Consumer Protection; [, except that the
1369 corporation shall not offer any interactive on-line lottery games,
1370 including on-line video lottery games for promotional purposes;] and

1371 (B) To sell tickets for lottery draw games through the corporation's
1372 Internet web site, online service or mobile application in accordance
1373 with section 4 of this act and to advertise lottery games on the
1374 corporation's Internet web site, online service or mobile application,
1375 except the corporation shall not offer any interactive lottery game,
1376 including for promotional purposes;

1377 (5) To establish an annual budget of revenues and expenditures,
1378 along with reasonable reserves for working capital, capital
1379 expenditures, debt retirement and other anticipated expenditures, in a
1380 manner and at levels considered by the board of directors as appropriate
1381 and prudent;

1382 (6) To adopt such administrative and operating procedures which the
1383 board of directors deems appropriate;

1384 (7) To enter into agreements with one or more states or territories of
1385 the United States for the promotion and operation of joint lottery games
1386 and to continue to participate in any joint lottery game in which the
1387 corporation participates on July 1, 2003, regardless of whether any
1388 government-authorized lottery operated outside of the United States
1389 participates in such game;

1390 (8) Subject to the provisions of section 12-815, to enter into
1391 agreements with vendors with respect to the operation and
1392 management of the lottery, and retail sports wagering, online sports
1393 wagering and fantasy contests if licensed pursuant to section 4 of this
1394 act, including operation of lottery terminals, management services,
1395 printing of lottery tickets, management expertise, marketing expertise,
1396 advertising or such other goods or services as the board of directors

1397 deems necessary and appropriate;

1398 (9) To purchase or lease operating equipment, including, but not
1399 limited to, computer gaming and automated wagering systems and to
1400 employ agents or employees to operate such systems;

1401 (10) To retain unclaimed prize funds as additional revenue for the
1402 state, or to use unclaimed prize funds to increase sales, or to return to
1403 participants unclaimed prize funds in a manner designed to increase
1404 sales;

1405 (11) To establish prize reserve accounts as the board of directors
1406 deems appropriate;

1407 (12) To pay lottery prizes as awarded under section 12-812, as
1408 amended by this act, to purchase annuities to fund such prizes, and to
1409 assure that all annuities from which payments to winners of lottery
1410 prizes are made are invested in instruments issued by agencies of the
1411 United States government and backed by the full faith and credit of the
1412 United States, or are issued by insurance companies licensed to do
1413 business in the state, provided the issuer has been determined by the
1414 Department of Consumer Protection to be financially stable and meets
1415 the minimum investment rating as determined by the department;

1416 (13) To pay the Office of Policy and Management to reimburse the
1417 Department of Consumer Protection for the reasonable and necessary
1418 costs arising from the department's regulatory oversight of the
1419 operation of the lottery, retail sports wagering, online sports wagering
1420 and fantasy contests by the corporation, in accordance with the
1421 assessment made pursuant to section 12-806b, including costs arising
1422 directly or indirectly from the licensing of lottery agents, performance
1423 of state police background investigations, and the implementation of
1424 subsection (b) of section 12-562 and sections 12-563a, as amended by this
1425 act, 12-568a, 12-569, 12-570, 12-570a and 12-800 to 12-818, inclusive, as
1426 amended by this act, and sections 4, 5, 14 to 16, inclusive, 18 and 19 of
1427 this act;

1428 (14) In the event that the operation or management of the corporation
1429 becomes subject to the federal gaming occupation tax, to pay such tax
1430 on behalf of lottery sales agents and to assist agents subject thereto;

1431 (15) To determine the commissions payable to lottery sales agents,
1432 provided any agent's commission shall not average less than four per
1433 cent of such agent's lottery sales;

1434 (16) To invest in, acquire, lease, purchase, own, manage, hold and
1435 dispose of real property and lease, convey or deal in or enter into
1436 agreements with respect to such property on any terms necessary or
1437 incidental to carrying out the purposes of sections 12-563a, as amended
1438 by this act, and 12-800 to 12-818, inclusive, as amended by this act, and
1439 sections 4 and 5 of this act, provided such transactions shall not be
1440 subject to approval, review or regulation pursuant to title 4b or any
1441 other statute by any state agency, except that real property transactions
1442 shall be subject to review by the State Properties Review Board;

1443 (17) To borrow money for the purpose of obtaining working capital;

1444 (18) To hold patents, copyrights, trademarks, marketing rights,
1445 licenses or any other evidence of protection or exclusivity issued under
1446 the laws of the United States or any state;

1447 (19) To employ such assistants, agents and other employees as may
1448 be necessary or desirable to carry out its purposes in accordance with
1449 sections 12-563a, as amended by this act, [and] 12-800 to 12-818,
1450 inclusive, as amended by this act, and sections 4, 5, sections 14 to 16,
1451 inclusive, 18 and 19 of this act, to fix their compensation and, subject to
1452 the provisions of subsections (e) and (f) of section 12-802, establish all
1453 necessary and appropriate personnel practices and policies; to engage
1454 consultants, accountants, attorneys and financial and other independent
1455 professionals as may be necessary or desirable to assist the corporation
1456 in performing its purposes in accordance with sections 12-563a, as
1457 amended by this act, [and] 12-800 to 12-818, inclusive, as amended by
1458 this act, and sections 4, 5, 14 to 16, inclusive, 18 and 19 of this act;

1459 (20) To make and enter into all contracts and agreements necessary
1460 or incidental to the performance of its duties and the execution of its
1461 powers under sections 12-563a, as amended by this act, [and] 12-800 to
1462 12-818, inclusive, as amended by this act, and sections 4, 5, 14 to 16,
1463 inclusive, 18 and 19 of this act;

1464 (21) In its own name, to sue and be sued, plead and be impleaded,
1465 adopt a seal and alter the same at pleasure;

1466 (22) Subject to the approval of the board and to the requirement to
1467 remit excess lottery funds to the General Fund as set forth in section 12-
1468 812, as amended by this act, to invest any funds not needed for
1469 immediate use or disbursement, including any funds held in approved
1470 reserve accounts, in investments permitted by sections 3-20 and 3-27a
1471 for the proceeds of state bonds;

1472 (23) To procure insurance against any loss in connection with its
1473 property and other assets in such amounts and from such insurers as it
1474 deems desirable;

1475 (24) To the extent permitted under any contract with other persons to
1476 which the corporation is a party, to consent to any termination,
1477 modification, forgiveness or other change of any term of any contractual
1478 right, payment, royalty, contract or agreement of any kind;

1479 (25) To acquire, lease, purchase, own, manage, hold and dispose of
1480 personal property, and lease, convey or deal in or enter into agreements
1481 with respect to such property on any terms necessary or incidental to
1482 the carrying out of these purposes;

1483 (26) To account for and audit funds of the corporation;

1484 (27) To pay or provide for payment from operating revenues all
1485 expenses, costs and obligations incurred by the corporation in the
1486 exercise of the powers of the corporation under sections 12-563a, as
1487 amended by this act, [and] 12-800 to 12-818, inclusive, [; and] as
1488 amended by this act, and sections 4, 5, 14 to 16, inclusive, 18 and 19 of

1489 this act;

1490 (28) To operate retail sports wagering at up to fifteen facilities located
1491 throughout the state and one skin for online sports wagering, if licensed
1492 pursuant to section 4 of this act;

1493 (29) To operate fantasy contests, if licensed pursuant to section 4 of
1494 this act; and

1495 [(28)] (30) To exercise any powers necessary to carry out the purposes
1496 of sections 12-563a, as amended by this act, [and] 12-800 to 12-818,
1497 inclusive, as amended by this act, and sections 4, 5, 14 to 16, inclusive,
1498 18 and 19 of this act.

1499 Sec. 30. Section 12-806a of the general statutes is repealed and the
1500 following is substituted in lieu thereof (*Effective July 1, 2021*):

1501 As used in this section, "procedure" has the same meaning as
1502 "procedure", as defined in subdivision (2) of section 1-120. The
1503 Department of Consumer Protection shall, for the purposes of section
1504 12-568a, subsection (c) of section 12-574, sections 12-802a, [and] 12-815a,
1505 and sections 4, 5, 14 to 16, inclusive, 18 and 19 of this act and this section,
1506 regulate the activities of the Connecticut Lottery Corporation to assure
1507 the integrity of the state lottery, retail sports wagering, online sports
1508 wagering and fantasy contests. In addition to the requirements of the
1509 provisions of chapter 12 and notwithstanding the provisions of section
1510 12-806, as amended by this act, the Connecticut Lottery Corporation
1511 shall, prior to implementing any procedure designed to assure the
1512 integrity of the state lottery, retail sports wagering, online sports
1513 wagering and fantasy contests, obtain the written approval of the
1514 Commissioner of Consumer Protection in accordance with regulations
1515 adopted under section 12-568a.

1516 Sec. 31. Section 12-810 of the general statutes is repealed and the
1517 following is substituted in lieu thereof (*Effective July 1, 2021*):

1518 (a) The Freedom of Information Act, as defined in section 1-200, shall

1519 apply to all actions, meetings and records of the corporation, except (1)
1520 where otherwise limited by subsection (c) of this section as to new
1521 lottery games and serial numbers of unclaimed lottery tickets, [and] (2)
1522 with respect to financial, credit and proprietary information submitted
1523 by any person to the corporation in connection with any proposal to
1524 provide goods, services or professional advice to the corporation as
1525 provided in section 12-815, (3) with respect to any personally
1526 identifying, financial, credit or wagering information associated with
1527 any person's account for Internet games, as defined in section 1 of this
1528 act, and (4) where otherwise limited by subsection (d) of this section as
1529 to information submitted by any person to the corporation regarding
1530 such person's participation in the voluntary self-exclusion process
1531 established pursuant to subdivision (5) of subsection (c) of section 13 of
1532 this act.

1533 (b) The records of proceedings as provided in subsection (a) of section
1534 12-805 shall be subject to disclosure pursuant to the provisions of
1535 subsection (a) of section 1-210.

1536 (c) Any new lottery game and the procedures for such game, until the
1537 game is publicly announced by the corporation, and any serial number
1538 of an unclaimed lottery ticket shall not be deemed public records, as
1539 defined in section 1-200, and shall not be available to the public under
1540 the provisions of section 1-210. The president shall submit a fiscal note
1541 prepared by the corporation with respect to the procedures for a new
1542 lottery game to the joint standing committees of the General Assembly
1543 having cognizance of matters relating to finance, revenue, bonding and
1544 public safety after approval of such game by the board.

1545 (d) The name and any personally identifying information of a person
1546 who is participating or who has participated in the corporation's
1547 voluntary self-exclusion process shall not be deemed public records, as
1548 defined in section 1-200, and shall not be available to the public under
1549 the provisions of the Freedom of Information Act, as defined in section
1550 1-200, except that the president may disclose the name and any relevant
1551 records of such person, other than records regarding such person's

1552 participation in the voluntary self-exclusion process, if such person
1553 claims a winning lottery ticket from the purchase of a ticket for a lottery
1554 draw game through the corporation's Internet web site, online service
1555 or mobile application or if such person claims or is paid a winning
1556 wager from online sports wagering or retail sports wagering or is paid
1557 a prize from a fantasy contest.

1558 Sec. 32. Section 12-811 of the general statutes is repealed and the
1559 following is substituted in lieu thereof (*Effective July 1, 2021*):

1560 (a) The president and all directors, officers and employees of the
1561 corporation shall be state employees for purposes of sections 1-79 to 1-
1562 89, inclusive.

1563 (b) No director, officer or employee of the corporation shall, directly
1564 or indirectly, participate in, or share in the winnings from, a game
1565 conducted pursuant to sections 12-563a, as amended by this act, [and]
1566 12-800 to 12-818, inclusive, as amended by this act, section 4 or 5 of this
1567 act or sections 14 to 16, inclusive, of this act.

1568 Sec. 33. Section 12-812 of the general statutes is repealed and the
1569 following is substituted in lieu thereof (*Effective July 1, 2021*):

1570 (a) (1) The president of the corporation, subject to the direction of the
1571 board, shall conduct daily, weekly, multistate, special instant or other
1572 lottery games and shall determine the number of times a lottery shall be
1573 held each year, the form and price of the tickets and the aggregate
1574 amount of prizes, which shall not be less than forty-five per cent of the
1575 sales unless required by the terms of any agreement entered into for the
1576 conduct of multistate lottery games. The proceeds of the sale of tickets
1577 shall be deposited in the lottery and gaming fund of the corporation
1578 from which prizes shall be paid, upon vouchers signed by the president,
1579 or by either of two persons designated and authorized by him, in such
1580 numbers and amounts as the president determines. The corporation
1581 may limit its liability in games with fixed payouts and may cause a
1582 cessation of sales of tickets of certain designation when such liability
1583 limit has been reached.

1584 (2) The president of the corporation, subject to the direction of the
1585 board, shall conduct retail sports wagering, online sports wagering and
1586 fantasy contests, if licensed to do so pursuant to section 4 of this act. The
1587 proceeds of such wagering and contest activities shall be deposited in
1588 the lottery and gaming fund of the corporation from which winnings
1589 shall be paid and from which the payments required by sections 18 and
1590 19 of this act shall be made.

1591 (b) The president, subject to the direction of the board, may enter into
1592 agreements for the sale of product advertising on lottery tickets, play
1593 slips and other lottery media.

1594 (c) On a weekly basis, the president shall estimate, and certify to the
1595 State Treasurer, that portion of the balance in the lottery and gaming
1596 fund which exceeds the current needs of the corporation for the
1597 payment of prizes and winnings, the payments required by sections 18
1598 and 19 of this act, the payment of current operating expenses and
1599 funding of approved reserves of the corporation. The corporation shall
1600 transfer the amount so certified from the lottery and gaming fund of the
1601 corporation to the General Fund upon notification of receipt of such
1602 certification by the Treasurer, except that if the amount on deposit in the
1603 Connecticut Teachers' Retirement Fund Bonds Special Capital Reserve
1604 Fund, established in section 10-183vv, is less than the required
1605 minimum capital reserve, as defined in subsection (b) of said section,
1606 the corporation shall pay such amount so certified to the trustee of the
1607 fund for deposit in the fund. If the corporation transfers any moneys to
1608 the General Fund at any time when the amount on deposit in said capital
1609 reserve fund is less than the required minimum capital reserve, the
1610 amount of such transfer shall be deemed appropriated from the General
1611 Fund to the Connecticut Teachers' Retirement Fund Bonds Special
1612 Capital Reserve Fund.

1613 Sec. 34. Section 12-816 of the general statutes is repealed and the
1614 following is substituted in lieu thereof (*Effective July 1, 2021*):

1615 The exercise of the powers granted by sections 1-120, 1-121, 1-125, 12-

1616 563, 12-563a, as amended by this act, 12-564, 12-566, 12-568a and 12-569,
1617 subsection (c) of section 12-574, [and] sections 12-800 to 12-818,
1618 inclusive, as amended by this act, and sections 4, 5, 14 to 16, inclusive,
1619 and 18 and 19 of this act constitute the performance of an essential
1620 governmental function and all operations of the corporation shall be free
1621 from any form of federal or state taxation. In addition, except pursuant
1622 to any federal requirements, the corporation shall not be required to pay
1623 any taxes or assessments upon or in respect to sales of lottery tickets, or
1624 any property or moneys of the corporation, levied by the state or any
1625 political subdivision or municipal taxing authority. The corporation and
1626 its assets, property and revenues shall at all times be free from taxation
1627 of every kind by the state and by the municipalities and all other
1628 political subdivisions or special districts having taxing powers in the
1629 state.

1630 Sec. 35. Section 12-818 of the general statutes is repealed and the
1631 following is substituted in lieu thereof (*Effective July 1, 2021*):

1632 [For each of the fiscal years ending June 30, 2010, and June 30, 2011,
1633 the Connecticut Lottery Corporation shall transfer one million nine
1634 hundred thousand dollars of the revenue received from the sale of
1635 lottery tickets to the chronic gamblers treatment rehabilitation account
1636 created pursuant to section 17a-713. For the fiscal years ending June 30,
1637 2012, to June 30, 2013, inclusive, the Connecticut Lottery Corporation
1638 shall transfer one million nine hundred thousand dollars of the revenue
1639 received from the sale of lottery tickets to the chronic gamblers
1640 treatment rehabilitation account created pursuant to section 17a-713.]

1641 (a) For the fiscal year ending June 30, 2014, and each fiscal year
1642 thereafter, the Connecticut Lottery Corporation shall transfer two
1643 million three hundred thousand dollars of the revenue received from
1644 the sale of lottery tickets to the chronic gamblers treatment rehabilitation
1645 account created pursuant to section 17a-713, as amended by this act.

1646 (b) In addition to the amount transferred pursuant to subsection (a)
1647 of this section, the Connecticut Lottery Corporation shall transfer one

1648 million dollars of the revenue received from retail sports wagering,
1649 online sports wagering and fantasy contests to the chronic gamblers
1650 treatment rehabilitation account created pursuant to section 17a-713, as
1651 amended by this act, in each fiscal year that the corporation is licensed
1652 to operate retail sports wagering, online sports wagering or fantasy
1653 contests pursuant to section 4 of this act. The corporation may reduce
1654 the amount pro rata in any fiscal year that the corporation did not
1655 operate such wagering or contests for the entirety of the fiscal year.

1656 Sec. 36. Section 12-561 of the general statutes is repealed and the
1657 following is substituted in lieu thereof (*Effective July 1, 2021*):

1658 No commissioner or unit head or employee of the department shall
1659 directly or indirectly, individually or as a member of a partnership or as
1660 a shareholder of a corporation, have any interest whatsoever in dealing
1661 in any lottery, racing, fronton, or betting enterprise or casino gaming
1662 facility or in the ownership or leasing of any property or premises used
1663 by or for any lottery, racing, fronton, or betting enterprise or casino
1664 gaming facility. For purposes of this section, an interest does not include
1665 ownership of investment securities in a publicly held corporation that is
1666 traded on a national exchange or over-the-counter market, provided the
1667 investment securities held by such person and such person's spouse,
1668 parent and child, in the aggregate, do not exceed one-half of one per cent
1669 of the total number of shares issued by such corporation. No
1670 commissioner or unit head shall, directly or indirectly, (1) wager at any
1671 off-track betting facility, race track or fronton authorized under this
1672 chapter, (2) purchase lottery tickets issued under this chapter, [or] (3)
1673 play [, directly or indirectly,] any authorized game conducted at a casino
1674 gaming facility, (4) place a sports wager, as defined in section 1 of this
1675 act, or (5) participate in online casino gaming, as defined in section 1 of
1676 this act. The commissioner may adopt regulations in accordance with
1677 the provisions of chapter 54 to prohibit any employee of the department
1678 from engaging, directly or indirectly, in any form of legalized gambling
1679 activity in which such employee is involved because of his or her
1680 employment with the department. For purposes of this section, "unit
1681 head" means a managerial employee with direct oversight of a legalized

1682 gambling activity.

1683 Sec. 37. Section 12-563a of the general statutes is repealed and the
1684 following is substituted in lieu thereof (*Effective July 1, 2021*):

1685 The Commissioner of Consumer Protection shall, within available
1686 resources, prepare and distribute informational materials designed to
1687 inform the public of the programs available for the prevention,
1688 treatment and rehabilitation of compulsive gamblers in this state. The
1689 commissioner shall require any casino gaming facility and any person
1690 or business organization which is licensed to sell lottery tickets, operate
1691 an off-track betting system or conduct wagering on racing events or jai
1692 alai games or conduct retail sports wagering, to display such
1693 informational materials at the casino gaming facility and each licensed
1694 premise or retail sports wagering facility, respectively.

1695 Sec. 38. Section 52-553 of the general statutes is repealed and the
1696 following is substituted in lieu thereof (*Effective July 1, 2021*):

1697 All wagers, and all contracts and securities of which the whole or any
1698 part of the consideration is money or other valuable thing won, laid or
1699 bet, at any game, horse race, sport or pastime, and all contracts to repay
1700 any money knowingly lent at the time and place of such game, race,
1701 sport or pastime, to any person so gaming, betting or wagering, or to
1702 repay any money lent to any person who, at such time and place, so
1703 pays, bets or wagers, shall be void, provided nothing in this section shall
1704 (1) affect the validity of any negotiable instrument held by any person
1705 who acquired the same for value and in good faith without notice of
1706 illegality in the consideration, (2) apply to the sale of a raffle ticket
1707 pursuant to section 7-172, (3) apply to online casino gaming, online
1708 sports wagering, retail sports wagering and fantasy contests, as such
1709 terms are defined in section 1 of this act, and conducted pursuant to
1710 sections 3 to 16, inclusive, of this act, as applicable, (4) apply to the
1711 operation of keno through or the purchase of tickets for lottery draw
1712 games through the Internet web site, online service or mobile
1713 application of the Connecticut Lottery Corporation, pursuant to section

1714 4 of this act, or [(3)] (5) apply to any wager or contract otherwise
1715 authorized by law.

1716 Sec. 39. Section 52-554 of the general statutes is repealed and the
1717 following is substituted in lieu thereof (*Effective July 1, 2021*):

1718 Any person who, by playing at any game, or betting on the sides or
1719 hands of such as play at any game, excluding any game permitted under
1720 chapter 226 or any activity not prohibited under the provisions of
1721 sections 53-278a to 53-278g, inclusive, as amended by this act, loses the
1722 sum or value of one dollar in the whole and pays or delivers the same
1723 or any part thereof, may, within three months next following, recover
1724 from the winner the money or the value of the goods so lost and paid or
1725 delivered, with costs of suit in a civil action, without setting forth the
1726 special matter in his complaint. If the defendant refuses to testify, if
1727 called upon in such action, relative to the discovery of the property so
1728 won, [he] the defendant shall be defaulted; but no evidence so given by
1729 [him] the defendant shall be offered against him or her in any criminal
1730 prosecution. Nothing in this section shall prohibit any person from
1731 using a credit card to (1) participate in online casino gaming, online
1732 sports wagering, retail sports wagering or fantasy contests, as such
1733 terms are defined in section 1 of this act, and conducted pursuant to
1734 sections 3 to 16, inclusive, of this act, as applicable, or (2) participate in
1735 keno through or purchase tickets for lottery draw games through the
1736 Internet web site, online service or mobile application of the Connecticut
1737 Lottery Corporation, pursuant to section 4 of this act.

1738 Sec. 40. Subdivision (2) of section 53-278a of the general statutes is
1739 repealed and the following is substituted in lieu thereof (*Effective July 1,*
1740 *2021*):

1741 (2) "Gambling" means risking any money, credit, deposit or other
1742 thing of value for gain contingent in whole or in part upon lot, chance
1743 or the operation of a gambling device, including the playing of a casino
1744 gambling game such as blackjack, poker, craps, roulette or a slot
1745 machine, but does not include: Legal contests of skill, speed, strength or

1746 endurance in which awards are made only to entrants or the owners of
1747 entries; legal business transactions which are valid under the law of
1748 contracts; activity legal under the provisions of sections 7-169 to 7-186,
1749 inclusive; any lottery or contest conducted by or under the authority of
1750 any state of the United States, Commonwealth of Puerto Rico or any
1751 possession or territory of the United States; and other acts or
1752 transactions expressly authorized by law on or after October 1, 1973.
1753 [Fantasy contests, as defined in section 12-578aa shall not be considered
1754 gambling, provided the conditions set forth in subsection (b) of section
1755 12-578aa have been met and the operator of such contests is registered
1756 pursuant to subdivision (1) of subsection (d) of section 12-578aa] Online
1757 casino gaming, online sports wagering, retail sports wagering and
1758 fantasy contests, as such terms are defined in section 1 of this act, shall
1759 not be considered gambling if the online casino gaming, online sports
1760 wagering, retail sports wagering or fantasy contest is conducted
1761 pursuant to sections 3 to 16, inclusive, of this act;

1762 Sec. 41. Subdivision (4) of section 53-278a of the general statutes is
1763 repealed and the following is substituted in lieu thereof (*Effective July 1,*
1764 *2021*):

1765 (4) "Gambling device" means any device or mechanism by the
1766 operation of which a right to money, credits, deposits or other things of
1767 value may be created, as the result of the operation of an element of
1768 chance; any device or mechanism which, when operated for a
1769 consideration, does not return the same value or thing of value for the
1770 same consideration upon each operation thereof; any device,
1771 mechanism, furniture or fixture designed primarily for use in
1772 connection with professional gambling; and any subassembly or
1773 essential part designed or intended for use in connection with any such
1774 device, mechanism, furniture, fixture, construction or installation,
1775 provided an immediate and unrecorded right of replay mechanically
1776 conferred on players of pinball machines and similar amusement
1777 devices shall be presumed to be without value. "Gambling device" does
1778 not include a crane game machine or device or a redemption machine.
1779 [A device or equipment used to play fantasy contests, as defined in

1780 section 12-578aa, shall not be considered a gambling device, provided
1781 the conditions set forth in subsection (b) of section 12-578aa have been
1782 met] A device or equipment used to participate in online casino gaming,
1783 online sports wagering, retail sports wagering or fantasy contests, as
1784 such terms are defined in section 1 of this act, shall not be considered a
1785 gambling device if the conditions set forth in sections 3 to 16, inclusive,
1786 of this act, as applicable, have been met;

1787 Sec. 42. Section 53-278g of the general statutes is repealed and the
1788 following is substituted in lieu thereof (*Effective July 1, 2021*):

1789 (a) Nothing in sections 53-278a to 53-278f, inclusive, as amended by
1790 this act, shall be construed to prohibit the publication of an
1791 advertisement of, or the operation of, or participation in, a state lottery,
1792 pari-mutuel betting at race tracks licensed by the state, off-track betting
1793 conducted by the state or a licensee authorized to operate the off-track
1794 betting system, authorized games at a casino gaming facility, online
1795 casino gaming, online sports wagering, retail sports wagering, and
1796 fantasy contests as authorized by sections 3 to 16, inclusive, of this act,
1797 a promotional drawing for a prize or prizes, conducted for advertising
1798 purposes by any person, firm or corporation other than a retail grocer
1799 or retail grocery chain, wherein members of the general public may
1800 participate without making any purchase or otherwise paying or risking
1801 credit, money, or any other tangible thing of value or a sweepstakes
1802 conducted pursuant to sections 42-295 to 42-301, inclusive.

1803 (b) The Mashantucket Pequot [tribe] Tribe and the Mohegan Tribe of
1804 Indians of Connecticut, or their agents, may use and possess at any
1805 location within the state, solely for the purpose of training individuals
1806 in skills required for employment by the tribe or testing a gambling
1807 device, any gambling device which the tribes are authorized to utilize
1808 on their reservations pursuant to the federal Indian Gaming Regulatory
1809 Act; provided no money or other thing of value shall be paid to any
1810 person as a result of the operation of such gambling device in the course
1811 of such training or testing at locations outside of the reservation of the
1812 tribe. Any person receiving such training or testing such device may use

1813 any such device in the course of such training or testing. Whenever
1814 either of said tribes intends to use and possess at any location within the
1815 state any such gambling device for the purpose of testing such device,
1816 the tribe shall give prior notice of such testing to the Department of
1817 Consumer Protection.

1818 (c) Any casino gaming facility, or its agents, may use and possess at
1819 any location within the state, solely for the purpose of training
1820 individuals in skills required for employment by the casino gaming
1821 facility or testing a gambling device, any gambling device which the
1822 casino gaming facility may use for conducting authorized games at the
1823 casino gaming facility, provided no money or other thing of value shall
1824 be paid to any person as a result of the operation of such gambling
1825 device in the course of such training or testing at locations outside of the
1826 casino gaming facility. Any person receiving such training or testing
1827 such device may use any such device in the course of such training or
1828 testing. Whenever a casino gaming facility intends to use and possess at
1829 any location within the state any such gambling device for the purpose
1830 of testing such device, the casino gambling facility shall give prior notice
1831 of such testing to the Department of Consumer Protection.

1832 Sec. 43. Section 17a-713 of the general statutes is repealed and the
1833 following is substituted in lieu thereof (*Effective July 1, 2021*):

1834 (a) The Department of Mental Health and Addiction Services shall
1835 establish a program for the treatment and rehabilitation of compulsive
1836 gamblers in the state. The program shall provide prevention, treatment
1837 and rehabilitation services for chronic gamblers. The department may
1838 enter into agreements with subregional planning and action councils
1839 and nonprofit organizations to assist in providing these services,
1840 provided not less than twenty-five per cent of the amount received
1841 pursuant to section 12-818, as amended by this act, annually shall be set
1842 aside for contracts with subregional planning and action councils
1843 established pursuant to section 17a-671 and nonprofit organizations and
1844 not less than five per cent of the amount received pursuant to section
1845 12-818, as amended by this act, annually shall be set aside for a contract

1846 with the Connecticut Council on Problem Gambling. The department
1847 may impose a reasonable fee, on a sliding scale, on those participants
1848 who can afford to pay for any such services. The department shall
1849 implement such program when the account established under
1850 subsection (b) of this section is sufficient to meet initial operating
1851 expenses. As used in this section, "chronic gambler" means a person who
1852 is chronically and progressively preoccupied with gambling and the
1853 urge to gamble, and with gambling behavior that compromises,
1854 disrupts or damages personal, family or vocational pursuits.

1855 (b) The program established by subsection (a) of this section shall be
1856 funded by: [imposition of: (1) A] (1) Imposition of a fee of one hundred
1857 thirty-five dollars on each association license, for each performance of
1858 jai alai or dog racing conducted under the provisions of chapter 226,
1859 provided no such licensee shall contribute more than forty-five
1860 thousand dollars in any one year; (2) imposition of a fee of twenty-five
1861 dollars for each teletheater performance on each operator of a teletheater
1862 facility; [and] (3) the amount received from the Connecticut Lottery
1863 Corporation pursuant to section 12-818, as amended by this act; and (4)
1864 any amount received pursuant to section 22 of this act from the holder
1865 of a master wagering license under section 3 of this act. The
1866 Commissioner of Consumer Protection shall collect the fee from each
1867 association licensee or such operator on a monthly basis. The receipts
1868 shall be deposited in the General Fund and credited to a separate,
1869 nonlapsing chronic gamblers treatment and rehabilitation account
1870 which shall be established by the Comptroller. All moneys in the
1871 account are deemed to be appropriated and shall be expended for the
1872 purposes established in subsection (a) of this section.

1873 (c) The department shall adopt regulations in accordance with the
1874 provisions of chapter 54 to carry out the purposes of this section.

1875 Sec. 44. (Effective July 1, 2021) Notwithstanding the provisions of
1876 section 1-3 of the general statutes, if any provision of sections 1 to 22,
1877 inclusive, of this act, any amendment made to the provisions of the
1878 general statutes pursuant to this act, or any provision of an amendment

1879 or new compact entered into pursuant to section 2 of this act is held
 1880 invalid by a court of competent jurisdiction in a final judgment which is
 1881 not appealable, (1) the provisions of sections 1 to 22, inclusive, of this act
 1882 shall cease to be effective, (2) the amendments made to the provisions of
 1883 the sections of the general statutes pursuant to this act shall be
 1884 inoperative, and (3) keno may be operated under the agreements that
 1885 were entered into pursuant to section 12-806c of the general statutes, as
 1886 amended by this act, and in effect on April 1, 2021.

1887 Sec. 45. Sections 12-565a, 12-578aa and 12-578bb of the general
 1888 statutes are repealed. (*Effective July 1, 2021*)

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>	New section
Sec. 3	<i>July 1, 2021</i>	New section
Sec. 4	<i>July 1, 2021</i>	New section
Sec. 5	<i>July 1, 2021</i>	New section
Sec. 6	<i>July 1, 2021</i>	New section
Sec. 7	<i>July 1, 2021</i>	New section
Sec. 8	<i>July 1, 2021</i>	New section
Sec. 9	<i>July 1, 2021</i>	New section
Sec. 10	<i>July 1, 2021</i>	New section
Sec. 11	<i>July 1, 2021</i>	New section
Sec. 12	<i>July 1, 2021</i>	New section
Sec. 13	<i>July 1, 2021</i>	New section
Sec. 14	<i>July 1, 2021</i>	New section
Sec. 15	<i>July 1, 2021</i>	New section
Sec. 16	<i>July 1, 2021</i>	New section
Sec. 17	<i>July 1, 2021</i>	New section
Sec. 18	<i>July 1, 2021</i>	New section
Sec. 19	<i>July 1, 2021</i>	New section
Sec. 20	<i>July 1, 2021</i>	New section
Sec. 21	<i>July 1, 2021</i>	New section
Sec. 22	<i>July 1, 2021</i>	New section
Sec. 23	<i>July 1, 2021</i>	12-586f(a)
Sec. 24	<i>July 1, 2021</i>	12-586g(a)

Sec. 25	<i>July 1, 2021</i>	12-578f
Sec. 26	<i>July 1, 2021</i>	12-578j
Sec. 27	<i>July 1, 2021</i>	12-806c
Sec. 28	<i>July 1, 2021</i>	12-801
Sec. 29	<i>July 1, 2021</i>	12-806
Sec. 30	<i>July 1, 2021</i>	12-806a
Sec. 31	<i>July 1, 2021</i>	12-810
Sec. 32	<i>July 1, 2021</i>	12-811
Sec. 33	<i>July 1, 2021</i>	12-812
Sec. 34	<i>July 1, 2021</i>	12-816
Sec. 35	<i>July 1, 2021</i>	12-818
Sec. 36	<i>July 1, 2021</i>	12-561
Sec. 37	<i>July 1, 2021</i>	12-563a
Sec. 38	<i>July 1, 2021</i>	52-553
Sec. 39	<i>July 1, 2021</i>	52-554
Sec. 40	<i>July 1, 2021</i>	53-278a(2)
Sec. 41	<i>July 1, 2021</i>	53-278a(4)
Sec. 42	<i>July 1, 2021</i>	53-278g
Sec. 43	<i>July 1, 2021</i>	17a-713
Sec. 44	<i>July 1, 2021</i>	New section
Sec. 45	<i>July 1, 2021</i>	Repealer section

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 22 \$	FY 23 \$
Connecticut Lottery Corporation	Lottery Enterprise Fund - Potential Cost	14.6-19.6 million	14.6-19.6 million
Consumer Protection, Dept.	State Sports Wagering and Online Gaming Regulatory Fund - Potential Cost	2.4-3.5 million	2.2-3.3 million
Consumer Protection, Dept.	State Sports Wagering and Online Gaming Regulatory Fund - Potential Revenue Gain	2.4-3.5 million	2.2-3.3 million
Mental Health & Addiction Serv., Dept.	Chronic Gamblers Fund - Potential Revenue Gain	Up to 1.5 million	Up to 1.5 million
Resources of the General Fund	GF - Potential Revenue Gain	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill, which legalizes, regulates, and taxes expanded gaming in

the state, results in the following fiscal impacts:¹

Potential Revenue Impacts

Sections 1-5, 18, and 37 authorize and tax sports wagering which results in a potential General Fund revenue gain of up to \$19.3 million in FY 22 and \$21.1 million in FY 23.² It is estimated that annual potential General Fund revenues could grow to \$24.8 million by FY 26.

Sections 1-3, and 17 authorize and tax online casino gaming by the tribes which results in a potential General Fund revenue gain of up to \$8.6 million in FY 22 and \$11.4 million in FY 23. It is estimated that annual potential General Fund revenues could grow to \$28.1 million by FY 26.

Sections 3-13 require the Department of Consumer Protection (DCP) to issue various new licenses and issue fines for violations resulting in a potential revenue gain to the General Fund and to the State Sports Wagering and Online Gaming Regulatory Fund to the extent licenses and fines are issued. The fees for certain licenses are deposited into the Sports Wagering and Online Gaming Regulatory Fund. All other license fees and revenue from violations are deposited into the General Fund.

Sections 4 and 29 authorize online lottery draw games by the Connecticut Lottery Corporation (CLC) which results in a potential revenue gain of up to \$2 million in FY 22 and \$3 million in FY 23. It is estimated that annual potential General Fund revenues could grow to

¹ The bill's provisions are subject to several conditions, including that the governor must first enter into specific contractual agreements with the Mashantucket Pequot and Mohegan tribes, which must then be approved or deemed approved by the U.S. Department of Interior secretary, pursuant to the federal Indian Gaming Regulatory Act and its implementing regulations. Consequently, all impacts are potential in nature.

² Under the bill, the CLC is subject to the same 13.75% tax on gross gaming revenue from sports betting that applies to the tribes. However, it is unclear what effect this would have as the CLC transfers all net revenue to the General Fund after paying all agency expenses (which presumably would include this tax).

\$19 million by FY 26.

Sections 1, 4, and 27-28 authorize online keno by the CLC which results in a potential General Fund revenue gain of up to \$0.7 million in FY 22 and \$0.9 million in FY 23. It is estimated that annual potential General Fund revenues could grow to \$2.1 million by FY 26.

Section 19 establishes a 13.75% tax on gross receipts that each tribe and the CLC must pay to the General Fund for the operation of fantasy contests. This results in a potential revenue gain to the General Fund beginning in FY 22.

Section 22 results in a potential revenue gain to the chronic gamblers treatment account to the extent that the tribes choose to contribute the required \$500,000 annual contribution to that account.

Sections 25 and 26 delay the authorization of an off-reservation casino gaming facility in East Windsor and suspends a provision requiring a \$30 million, interest-free advance to the state. This does not result in any fiscal impact as no such revenue is anticipated in current revenue projections.

Sections 35 and 43 increase the amount of CLC revenue to be deposited in the chronic gamblers treatment rehabilitation account. This results in a potential General Fund revenue loss of \$1 million, and a commensurate revenue gain to the chronic gamblers treatment rehabilitation account, annually beginning in FY 22.

Potential Cost Impacts

Sections 4-5 allow the Connecticut Lottery Corporation (CLC) to offer mobile and retail sports betting, online keno, and online lottery draw games resulting in a potential cost of \$14.6-\$19.6 million per year to the Lottery Enterprise Fund. To meet the requirements of the bill, CLC will need to hire approximately 20 new employees (\$3.3 million cost for salary and fringe benefits) for marketing, finance, IT, and security for sports betting and the new lottery games being offered.

The CLC will also need to partner with vendors (estimated \$11.3-\$16.3 million cost per year) to provide gaming systems and platforms, player account management systems, audit and regulatory expenses, and marketing services. The exact cost will depend upon the contracts between the CLC and the vendors.

Section 20 requires DCP to assess the holder of any master wagering license for the regulatory costs the department will incur resulting in a revenue gain and a corresponding cost to the State Sports Wagering and Online Gaming Regulatory Fund established by the bill. DCP will incur a regulatory cost of \$2.4-\$3.5 million in FY 22 and \$2.2-\$3.3 million in FY 23 to hire 15-24 full-time employees and one durational employee to meet the requirements of the bill. The assessment costs that DCP will charge will be made in consultation with the tribes and any holder of a master wagering license and the parties being assessed may request a hearing if they are aggrieved by an assessment.

The annual regulatory costs will be assessed to the Tribes and CLC, subject to negotiation and approval.

House "A" strikes the underlying bill and replaces it with the fiscal impacts described above.

The Out Years

The annualized ongoing cost impacts identified above would continue into the future subject to inflation. The annualized ongoing revenue impacts would continue into the future subject to growth in the gaming activities authorized under the bill, and an increase in the tax rate on online gaming to 20% beginning with the sixth year of operation as specified in the bill.

OLR Bill Analysis**sHB 6451 (as amended by House "A")******AN ACT CONCERNING GAMING AGREEMENTS WITH THE MASHANTUCKET PEQUOT TRIBE AND THE MOHEGAN TRIBE OF INDIANS OF CONNECTICUT.*****SUMMARY**

This bill establishes new frameworks for legalizing and regulating (1) in-person and online sports wagering, (2) online casino gaming, (3) in-person and online keno, (4) online lottery draw games other than keno, and (5) fantasy contests. These frameworks are subject to several conditions, principally that the governor must first enter into specific contractual agreements with the Mashantucket Pequot and Mohegan tribes. These agreements must then be approved by the U.S. Department of Interior (DOI) secretary and published in the Federal Register, pursuant to the federal Indian Gaming Regulatory Act (IGRA) and its implementing regulations.

The bill generally authorizes the tribes and the Connecticut Lottery Corporation (CLC) to operate these games subject to specific requirements, including limiting the authorizations to an initial 10-year period with an option for a five-year renewal.

The bill specifically allows the tribes to conduct the following wagering and gaming: on the tribes' reservations, in-person and online sports wagering as well as fantasy contests; outside the tribes' reservations, one skin for online sports wagering, one skin for online casino gaming, and fantasy contests. (Under the bill, a "skin" is a brand or cobranded name and logo on a website or mobile application for enabling certain online games.)

Under the bill, CLC is authorized to conduct in-person and online

sports wagering, online keno, and online lottery draw games. It may specifically conduct in-person sports wagering at up to fifteen facilities, which may be licensed off-track betting (OTB) facilities (i.e., Sportech Venues, Inc.) pursuant to an operating agreement.

The bill assigns several regulatory responsibilities to the Department of Consumer Protection (DCP), including adopting specific regulations, establishing and maintaining multiple new gaming licenses, and investigating and enforcing the bill's provisions.

Additionally, the bill requires monthly payments from the tribes and CLC to the General Fund ranging from 13.75% to 20% of gross revenues from sports wagering, online casino gaming, and fantasy contests, and annual payments of \$500,000 from each tribe and \$1 million from the CLC towards certain problem gambling accounts or programs. The bill also delays the authorization for an off-reservation casino gaming facility in East Windsor for 10 years and makes technical and conforming changes.

*House Amendment "A" strikes the underlying bill and replaces it with similar provisions that, among other things: (1) prohibit sports wagering on games involving Connecticut intercollegiate teams except for tournaments; (2) prevent sovereign immunity defenses from being raised by the tribes and their affiliates; (3) establish five license classes for people and businesses that contract with the tribes and CLC to provide the bill's gaming activities; (4) authorize DCP to issue emergency regulations; (5) require licensees to take specific actions related to responsible play; (6) limit the ability of athletes, coaches, and others to place sports wagers; and (7) require annual contributions by the tribes and CLC towards problem gambling programs.

EFFECTIVE DATE: July 1, 2021, except provisions defining terms and authorizing the governor to reach amended or new agreements with the tribes are effective upon passage.

DEFINITIONS, STATE-TRIBAL AGREEMENTS & SEVERABILITY

Gaming Definitions (§ 1)

Under the bill, “sports wagering” means risking or accepting any money, credit, deposit, or other thing of value for gain contingent in whole or in part on (1) all or part of a live sporting event, including future or propositional events during the sporting event, or (2) the individual performance statistics of an athlete or athletes in a sporting event or combination of events. “Sports wagering” does not include the fees for participating in fantasy contests or e-sports. The bill allows sports wagering to be done in-person or over the Internet through a website or mobile device.

“Sporting event” generally means any:

1. sporting or athletic event where two or more people participate, individually or on a team, and receive compensation in excess of actual expenses for their participation;
2. sporting or athletic event sponsored by a higher education institution’s intercollegiate athletic program or an association of intercollegiate athletic programs;
3. Olympic or international sports competition event; or
4. “e-sports” (i.e., electronic sports and competitive video games played as a game of skill) events.

“Sporting event” does not include horse racing, jai alai, or greyhound racing. It also does not include intercollegiate sporting, athletic, and e-sport events that involve a Connecticut intercollegiate team (i.e., a Connecticut public university or college or independent institution of higher education team, or a team for a for-profit college or university physically located in Connecticut that offers in-person classes within the state) unless (1) four or more intercollegiate teams are involved and (2) wagers on the tournament are based on the outcome of all the tournament’s games.

“Online casino gaming” means the following games conducted over

the Internet: (1) slots, blackjack, craps, roulette, baccarat, poker and video poker, bingo, live dealer, other peer-to-peer games, and any variations of these games and (2) any games authorized by the Department of Consumer Protection (DCP).

“Keno” is a lottery game where a subset of numbers is drawn from a larger field of numbers by a central computer system using an approved number generator, wheel system device, or other drawing device.

“Lottery draw game” is any game where one or more numbers, letters, or symbols are randomly drawn at predetermined times, but not more frequently than once every four minutes, from a range of numbers, letters, or symbols; and prizes are paid to players possessing winning plays as set forth in each game’s official game rules. “Lottery draw game” does not include (1) keno, (2) any game involving lottery draw tickets that are not available through a lottery sales agent, or (3) any game that simulates online casino gaming.

“Fantasy contest” is any fantasy or simulated game or contest (excluding lottery games) conducted over the Internet, including through a website or mobile device, in which:

1. players pay an entry fee;
2. the value of all prizes and awards is established and made known to players before the game or contest;
3. all winning outcomes reflect player knowledge and skill and are determined predominantly by accumulated statistical results of participants’ performance in events; and
4. the winning outcome is not based on the score, point spread, or any performance of any single team or combination of teams or solely on any single performance of a contestant or player in a single event.

Lastly, “Internet games” means (1) online casino gaming; (2) online sports wagering; (3) fantasy contests; (4) keno through the Internet, an

online service, or a mobile application; and (5) the sale of lottery draw game tickets through the Internet, an online service, or a mobile application.

State-Tribal Agreement Provisions and Requirements (§§ 1 & 2)

The bill authorizes the governor to enter into (1) amendments to the existing Mashantucket Pequot procedures, Mohegan compact, and related memoranda of understanding (MOUs) with each tribe (see BACKGROUND) and (2) new compacts with the tribes (“State-Tribal agreements”). These agreements must contain a series of five multi-part provisions.

First, they must permit each tribe to conduct on their tribal reservations (1) in-person sports wagering; (2) online sports wagering, so long as the wagers are placed by people physically present on the reservations; and (3) fantasy contests, so long as the entry fees are paid by participants physically present on the reservations.

Second, the agreements must provide that gaming activities authorized under the bill will not terminate the existing video facsimile moratorium and do not relieve the tribes from their obligations to contribute a percentage of their gross operating revenues from video facsimile games to the state as provided in each tribe’s MOU (see BACKGROUND). This second provision applies if state law at any time authorizes (1) each tribe to conduct the in-person and online sports wagering and fantasy contests described above; (2) each tribe to operate, outside of the tribes’ reservations, one skin for online sports wagering, one skin for online casino gaming, and fantasy contests; and (3) CLC to operate certain games. These games are generally as follows, subject to specific conditions (see below):

1. retail sports wagering at up to 15 facilities throughout the state (for the purposes of the bill, “retail sports wagering” refers to in-person sports wagering conducted in connection with CLC);
2. one skin for online sports wagering;

3. fantasy contests;
4. keno, both at retail through lottery sales agents and online through its website, online service, or mobile application; and
5. lottery ticket sales for lottery draw games through its website, online service, or mobile application.

Third, the State-Tribal agreements must provide that they will be valid for a 10-year initial term with an option for a five-year renewal term if mutually consented to and exercised by the governor and both tribes.

Fourth, the State-Tribal agreements must also provide that the existing video facsimile moratorium and existing contribution obligations will not terminate if (1) the tribe's authority to conduct online sports wagering, online casino gaming, and fantasy contests outside of the tribe's reservation is ended due to a violation of the bill's conditions of its authority and (2) the other tribe, CLC, or both continue to conduct activities authorized under the bill.

Fifth, and lastly, the State-Tribal agreements must contain a provision (1) ending the agreements' effectiveness if any of their provisions or the bill's provisions are held invalid by a court of competent jurisdiction in a non-appealable final judgment and (2) provide, if the agreements' effectiveness is so ended, that keno may be operated pursuant to the current memoranda of agreement (MOAs) with each tribe (see below).

Under existing state law, both houses of the legislature must approve a tribal-state compact (CGS § 3-6c). However, notwithstanding that law, the bill supersedes this law to instead deem the State-Tribal agreements and renewals described above approved once the governor enters into them without any further action by the legislature.

Under the bill, the State-Tribal agreements are effective and final once approved by the DOI secretary and published in the Federal Register. But if her approval is overturned by a court of competent jurisdiction in

a non-appealable final judgement, then the bill's provisions cease to be effective and keno may be operated pursuant to the MOAs with each tribe.

MOA Amendments (§ 27)

Under current law, CLC exclusively operates keno in Connecticut outside of the tribes' reservations pursuant to MOAs with each tribe (CGS §§ 12-806 & -806c). CLC's keno is currently played by purchasing paper tickets from lottery sales agents as both the agreements and current law prohibit playing keno through a video facsimile machine (e.g., through a computer).

The bill authorizes the Office of Policy and Management (OPM) secretary, on behalf of the state, and the Mashantucket Pequot and Mohegan tribes to amend the current MOAs to provide that they will not be effective during the period of the time that CLC is operating keno, both at retail through lottery sales agents and online through its website, online service, or mobile application, under a master wagering license issued under the bill (see below).

General Severability Provision (§ 44)

Under existing law, if any provision of an act or its application is held invalid, then its invalidity must not affect other provisions or applications of the act (CGS § 1-3). The bill supersedes this law and instead provides that if any of the bill's provisions are held invalid by a court of competent jurisdiction in a non-appealable final judgment, then all provisions in the bill will cease to be effective and keno may be operated pursuant to the current MOAs with each tribe (i.e., exclusively at retail through lottery sales agents).

LICENSES AND DCP REGULATIONS

The bill establishes master wagering licenses that DCP may issue to the Mashantucket Pequot and Mohegan tribes and the CLC. It also creates additional licenses for (1) online gaming operators, (2) sports wagering retailers, (3) online gaming service providers, and (4) key and occupational employees, as those terms are defined in the bill.

Applicants for the additional licenses must apply on a form in the manner prescribed by the DCP commissioner. Once obtained, these licenses must be renewed annually. The bill requires DCP to adopt certain regulations related to these licenses and other provisions of the bill.

Master Wagering Licenses (§§ 3 & 4)

The bill establishes a master wagering license that, when held by the Mashantucket Pequot or Mohegan tribe or an instrumentality or affiliate wholly-owned by a tribe, permits the holder to operate, within the state and outside of the tribes' reservations, (1) one skin for online sports wagering, (2) one skin for online casino gaming, and (3) fantasy contests.

The bill authorizes the DCP commissioner to issue this license to those entities if: (1) the State-Tribal agreements are effective, (2) she determines that the bill's requirements for issuing a master wagering license to CLC have been met (see below), and (3) the governing bodies of both tribes enact specific resolutions. Each resolution must provide that (1) the tribe waives the sovereign immunity defense with respect to any action against it as a master wagering licensee and against an instrumentality or affiliate wholly-owned by the tribe acting on behalf of the tribe as a master wagering licensee to compel compliance with requirements under the bill and regulations adopted under it, as applicable; (2) if the tribe, or its instrumentality or affiliate, fails to pay any fees or taxes due to the state applicable to gaming authorized under the bill, then the tribe waives the sovereign immunity defense with respect to any state action to collect the fees or taxes; and (3) the venue for these actions or claims must be in the Hartford judicial district.

Additionally, the bill authorizes the DCP commissioner to issue, as soon as practicable after issuing the above licenses, a master wagering license to CLC to operate certain games if (1) the State-Tribal agreements are effective, (2) amendments to the MOAs are effective, and (3) she determines that the bill's requirements for issuing master wagering licenses to the tribes or their instrumentalities or affiliates have been met. The games CLC may operate are generally as follows, subject to

specific conditions (see below):

1. retail sports wagering at up to 15 facilities throughout the state;
2. one skin for online sports wagering;
3. fantasy contests;
4. keno, both at retail through lottery sales agents and online through its website, online service, or mobile application; and
5. lottery ticket sales for lottery draw games through its website, online service, or mobile application.

Under the bill, each master wagering licensee may not operate their respective gaming until related DCP regulations adopted under the bill are effective (see below).

Online Gaming Operator License (§§ 1 & 8)

Under the bill, an “online gaming operator” is a person or business entity that operates an electronic wagering platform and contracts directly with a master wagering licensee to provide (1) one or more Internet games or (2) retail sports wagering. An “electronic wagering platform” is the hardware, software, and data networks used to manage, administer, offer, or control Internet games or retail sports wagering.

The bill requires all online gaming operators to obtain a license in order to provide services. The initial license application fee is \$250,000 and the annual renewal fee is \$150,000.

Sports Wagering Retailer License (§§ 1 & 7)

Under the bill, a “sports wagering retailer” is a person or business entity that contracts with CLC to facilitate retail sports wagering operated by CLC through an electronic wagering platform.

The bill requires all sports wagering retailers to obtain a license in order to provide services. The initial license application fee is \$20,000 and the annual renewal fee is \$20,000.

Under the bill, CLC is not required to obtain a sports wagering retailer license if it obtains a master wagering license.

Online Gaming Service Provider License (§§ 1 & 6)

Under the bill, an “online gaming service provider” is a person or business entity, other than an online gaming operator, that provides goods or services to, or otherwise transacts business related to, Internet games or retail sports wagering with a master wagering licensee or a licensed online gaming operator, online gaming service provider, or sports wagering retailer.

The bill requires certain online gaming service providers to obtain a license in order to provide goods or services or to otherwise transact business if DCP regulations require them to do so (see below). The initial license application fee is \$2,000, and the annual renewal fee is \$2,000.

Key Employee License (§§ 1 & 10)

Under the bill, a “key employee” is an individual with the following position or an equivalent title associated with a master wagering licensee or a licensed online gaming service provider, online gaming operator, or sports wagering retailer:

1. president or chief officer, who is the licensee’s top-ranking individual and is responsible for all staff and the overall direction of business operations;
2. financial manager, who is the individual who reports to the president or chief officer and is generally responsible for overseeing the licensee’s financial operations, including revenue generation, distributions, tax compliance, and budget implementation; or
3. compliance manager, who is the individual that reports to the president or chief officer and is generally responsible for ensuring the licensee complies with all laws, regulations, and requirements related to the licensee’s operation.

“Key employee” also includes an individual who (1) exercises control over technical systems; (2) has an ownership interest (i.e., holding 5% or more of the total ownership or interest rights in the licensee individually and in the aggregate with the individual’s spouse, parent, and child, though tribal membership in and of itself does not constitute ownership for these purposes); or (3) exercises sufficient control in, or over, a licensee as to require licensure in the DCP commissioner’s judgment.

The bill requires, by July 1, 2022, and annually thereafter, each master wagering licensee or licensed online gaming operator, online gaming service provider, or sports wagering retailer to provide to DCP a written list of key employees representing the licensee.

The bill requires key employees to obtain a license from DCP. It also requires the DCP commissioner to establish criteria, through regulations required under the bill, to exercise discretion to exempt a key employee from licensure requirements if the commissioner determines the key employee is not required to be licensed to protect the integrity of gaming.

As part of a key employee license application, the bill authorizes the DCP commissioner to require applicants to:

1. submit to a state and national criminal history records check conducted through the State Police in accordance with state law, which may include a financial history check if requested by the DCP commissioner, to determine the applicant’s character and fitness for the license;
2. provide information related to other business affiliations; and
3. provide, or allow DCP to obtain, other information in order to determine the applicant’s fitness to hold the license.

Alternatively, for initial license applicants, the bill authorizes the DCP commissioner to accept (1) a third-party’s local and national criminal background check that includes a multistate and multijurisdictional

criminal record locator or other similar commercial nation-wide database with validation and (2) other background screening as the commissioner may require. The bill requires that a third-party's criminal background check be conducted by a third-party consumer reporting agency or background screening company that is in compliance with the federal Fair Credit Reporting Act and accredited by the Professional Background Screening Association.

The initial license application fee is \$200, and the annual renewal fee is \$200; however, the initial fee is waived for any key employee who holds an active occupational gaming license issued by DCP.

Occupational Employee License (§§ 1 & 9)

Under the bill, an "occupational employee" is an employee of a master wagering licensee or a licensed online gaming service provider, online gaming operator, or sports wagering retailer.

The bill requires certain occupational employees, other than key employees, to obtain an occupational employee license before starting their employment based on their prospective job duties. Specifically, they must obtain the license if they will be directly or substantially involved in operating Internet games or retail sports wagering in a manner impacting the integrity of the gaming or wagering, data security, patron interaction, game or equipment testing, or any other aspect of a licensee's gaming activity that impacts the integrity of gaming. The bill further deems an occupational employee to be so directly or substantially involved if he or she:

1. is capable of affecting a wager's outcome through deployment of code to production for any critical component of an electronic wagering platform,
2. can deploy code to production and directly supervises individuals who have the capability of affecting the outcome of Internet games through deployment of code to production for other than read-only access or the equivalent access to any critical

component of an electronic wagering platform, or

3. directly manages gaming operations or directly supervises an individual who directly manages gaming operations.

Under the bill, a “critical component” is an electronic wagering platform component that records, stores, processes, shares, transmits, or receives sensitive information (e.g., validation numbers and personal identification numbers) or that stores the results or the current state of a participant’s wager for an Internet game.

The initial license application fee is \$50, and the annual renewal fee is \$50; however, the bill waives the initial fee for any occupational employee who holds an active occupational gaming license issued by DCP.

Licensees Document Maintenance and Production (§ 12)

The bill requires licensees and those keeping documents on their behalf to maintain documents related to the operations of gaming authorized under the bill in an auditable format for the current taxable year and the five preceding taxable years. The bill prohibits using a foreign language, codes, or symbols in keeping these documents.

The bill also requires people and businesses that receive a request for documents from DCP to (1) immediately make them available for inspection and copying by the DCP commissioner and (2) produce copies to the commissioner or her authorized representative within two business days. Requested documents must be provided in electronic format unless it is not commercially practical.

Under the bill, these requirements do not apply to any gaming conducted on the tribes’ reservations.

Licensees Suspensions, Fines, and Other Penalties (§ 13)

The bill authorizes the DCP commissioner, when there is sufficient cause found, to (1) suspend or revoke a license; (2) issue fines of up to \$25,000 per violation; (3) accept offers in compromise or refuse to grant

or renew a license; (4) place a license holder on probation; (5) place conditions on a license; or (6) take other actions permitted by law.

Under the bill, sufficient cause includes:

1. furnishing false or fraudulent information in any license application or failing to comply with representations made in any application;
2. a civil judgment against, or criminal conviction of, a licensee or key employee of an applicant or licensee;
3. discipline by, or a pending disciplinary action or an unresolved complaint against, an owner, key employee, or applicant regarding any professional license or registration of any federal, state, or local government;
4. denial, suspension, or revocation of a license or registration, or the denial of a renewal of the same, by any federal, state, or local government or a foreign jurisdiction;
5. false, misleading, or deceptive representations to the public or DCP;
6. involvement in a fraudulent or deceitful practice or transaction;
7. performance of negligent work that involves a substantial monetary loss or a significant lack of sound judgment;
8. permitting another person to use the licensee's license;
9. failure to properly license occupational employees or to notify DCP of a change in key employees or owners;
10. an adverse administrative decision or delinquency assessment against the licensee from the Department of Revenue Services;
11. failure to cooperate or give information to DCP, local law enforcement authorities, or any other enforcement agency upon

any matter related to the licensee's credential or gaming operations; or

12. failure to comply with the bill's provisions, corresponding regulations, or any other provision of the general statutes that impacts the integrity of gaming in this state, including failure of an online gaming operator who contracts with CLC to abide by the conditions for operating a skin for online sports wagering.

The bill requires the DCP commissioner, when refusing to issue or renew a license, to notify the applicant of the denial and the applicant's right to request a hearing within 10 days after the date of receiving the denial notice. If the applicant requests a hearing within that period, the commissioner must give notice of the grounds for her refusal and conduct a hearing on the refusal in accordance with the Uniform Administrative Procedure Act (UAPA) concerning contested cases. If the commissioner's license denial is sustained after a hearing, the bill prohibits the applicant from applying for a new license until at least one year after the denial was sustained.

Additionally, the bill prohibits anyone whose license has been revoked from applying for another license issued under the bill for a period of at least one year after the date of the revocation.

Under the bill, the DCP commissioner is not prevented from suspending or revoking a license or registration or imposing other permitted penalties if a holder voluntarily surrenders or fails to renew the license or registration.

License Expirations (§§ 3 & 4)

The bill requires a master wagering license held by a tribe or a tribe's instrumentality or affiliate to expire (1) upon the expiration of the State-Tribal agreements' initial or renewal period, (2) if a tribe operates E-bingo machines at a casino on the tribe's reservation at any time during the 10-year initial term of the agreements, or (3) if the holder ceases to be a tribe or an instrumentality or affiliate of a tribe. Under the bill, "E-

bingo machine” means an electronic device categorized as a class II machine under IGRA used to play bingo that is confined to a game cabinet and is substantially similar in appearance and play to a class III slot machine. It does not include any other electronic device, aid, instrument, tool, or other technological aid used to play any in-person class II bingo game.

The bill also requires a master wagering license held by CLC to expire upon the expiration of the State-Tribal agreements’ initial or renewal period.

In both circumstances, upon the expiration of a master wagering license, the bill requires all other licenses associated with it, including licenses for an online gaming operator, online service provider, or sports wagering retailer and all corresponding key and occupational employee licenses, to expire without the need for any further action by DCP.

DCP Regulations (§§ 6, 16 & 45)

The bill requires the DCP commissioner to adopt regulations, to the extent not prohibited by federal law or any IGRA-related agreement, to implement the bill’s gaming provisions. The regulations must address:

1. the operation of and participation in Internet games and retail sports wagering;
2. licensing requirements, including criteria for determining when licensure as (A) an online gaming service provider is required and (B) a key employee is not necessary in order to protect the integrity of gaming;
3. the designation of additional games that may be permitted as online casino gaming;
4. voluntary self-exclusion programs for Internet games and retail sports wagering;
5. technical standards, security features, and testing applicable to

- gaming operations and systems, including electronic wagering platforms;
6. game procedure approval;
 7. complaint resolution processes;
 8. enforcement actions;
 9. age and location verification program standards;
 10. revenue auditing and reporting standards, which must include a requirement that all payments be accompanied by a detailed supporting report on a form approved by the DCP commissioner;
 11. compliance reporting and disclosure requirements;
 12. marketing and advertising standards; and
 13. any other provisions the commissioner deems necessary to protect the public interest and gaming integrity.

For regulations establishing criteria for when licensure as an online gaming service provider is required, the bill requires they be based, in part, on whether a provider supplies:

1. goods or services related to accepting wagers for Internet games or retail sports wagering, including, services to determine the location and identity of customers such as geolocation and “know your customer” services, payment processing, and data provision; or
2. other goods or services that DCP determines are used in, or are incidental to, Internet games or retail sports wagering, in a manner requiring licensing in order to contribute to the public confidence and trust in the credibility and integrity of the gaming industry in the state.

The bill allows the DCP commissioner to adopt these regulations as

emergency regulations. By law, an agency may adopt an emergency regulation either without prior notice and hearing or with an abbreviated notice and hearing process if the agency makes a specific finding (e.g., due to an imminent peril to the public health, safety, or welfare) and states in writing its reasons for that finding and the governor approves the finding in writing (CGS § 4-168(g)). Notwithstanding that law, the bill allows for the adoption of these regulations as emergency regulations without the commissioner making the finding so long as the governor approves the need for them to be adopted as such.

Under existing law, an emergency regulation is effective for up to 180 days from the date it is approved and posted online, with limited exceptions. Regulations, including emergency regulations, are generally effective when the secretary of the state posts them on the eRegulations system (CGS § 4-168).

The bill also eliminates the requirement that DCP adopt regulations to regulate wagering on sporting events to the extent permitted by state and federal law (CGS § 12-565a). To date, DCP has not adopted such regulations.

SPECIFIC REQUIREMENTS FOR EACH GAME TYPE

Online Casino Gaming by the Tribes (§ 3)

The bill authorizes each tribe or a tribe's instrumentality or affiliate that holds a master wagering license to enter into an agreement with a licensed online gaming operator to provide skin services for online casino gaming.

Online Sports Wagering by the Tribes and CLC (§§ 3 & 4)

The bill authorizes each tribe or a tribe's instrumentality or affiliate that holds a master wagering license to enter into an agreement with a licensed online gaming operator to provide skin services for online sports wagering.

The bill authorizes CLC, under its master wagering license, to enter

into an agreement with a licensed online gaming operator to provide skin services for online sports wagering so long as:

1. the skin is not branded along with an entity or brand that operates a physical casino in any jurisdiction;
2. the skin does not directly market or promote a physical casino that operates in any jurisdiction, including through awarding players' points, free play, promotions, or other marketing activities;
3. CLC may contract with an entity that operates in a physical casino in any jurisdiction; and
4. if CLC contracts with an entity that is owned by a casino operator, the entity may not use any patron information collected as a result of CLC's agreement with an online gaming operator for purposes of marketing or any other purposes related to acquiring patrons.

Retail Sports Wagering by CLC (§§ 4, 5 & 37)

The bill authorizes CLC, under its master wagering license, to operate retail sports wagering at up to 15 facilities located throughout the state, so long as none of the facilities are located within 25 miles of either tribe's reservation. The bill specifically requires CLC to have facilities in Bridgeport and Hartford by developing new facilities or entering into an agreement with a licensed sports wagering retailer for facilities in Bridgeport and Hartford. It otherwise authorizes CLC to enter into one or more agreements to facilitate retail sports wagering with licensed sports wagering retailers, including the OTB licensee. Retail sports wagering conducted under these agreements must be done in accordance with the bill's requirements. Lastly, the bill requires these agreements to expire upon the expiration of the State-Tribal agreements' initial or renewal period.

Keno by CLC (§§ 4 & 28)

The bill authorizes CLC, under its master wagering license, to operate

keno, both at retail through lottery sales agents and online through its website, online service, or mobile application. The bill conditions this authorization on requirements that (1) drawings are limited to no more than once every three minutes and (2) Connecticut makes payments to each tribe of 12.5% of the gross gaming revenue from keno.

For the purposes of the payments under the bill, “gross gaming revenue from keno” means the total of all sums CLC receives from operating keno both through lottery sales agents and through CLC’s website, online service, or mobile application, less the total of all sums paid as winnings to patrons and any federal excise tax applicable to such sums received. For purposes of calculating winnings, the bill excludes merchandise or other things of value included in a jackpot or payout. Currently, under the MOAs, the state must distribute to each tribe 12.5% of the “gross operating revenues” (i.e., total sum wagered, less amounts paid out as prizes) from CLC’s current operation of keno.

Online Lottery by CLC (§§ 4 & 29)

The bill authorizes CLC, under its master wagering license, to sell lottery tickets for lottery draw games through CLC’s website, online service, or mobile application so long as:

1. the lottery draw games occur regularly and not more frequently than once every four minutes;
2. CLC submits to the DCP commissioner official game rules for each lottery draw game that CLC seeks to offer online and the DCP commissioner, or an independent third-party selected by her, approves, in writing, the official rules for a game before tickets are sold (the bill requires that CLC pay all costs associated with obtaining an approval from an independent third-party); and
3. the results of lottery draw game drawings are displayed on CLC’s website, online service, or mobile application, if the lottery draw game drawings do not take place on CLC’s website, online

service, or mobile application.

After starting its online lottery sales, the bill requires CLC to conduct a public awareness campaign to educate the public on responsible gambling and inform them of available programs that prevent, treat, and rehabilitate compulsive gamblers in Connecticut. Additionally, CLC may implement initiatives to promote purchasing lottery tickets through lottery sales agents and for online lottery draw games.

The bill also authorizes CLC to advertise lottery games on its website, online service, or mobile application. However, it prohibits CLC from offering any interactive lottery game, including for promotional purposes.

Fantasy Contests by the Tribes and CLC (§§ 3, 4, 28, 29 & 45)

Current law establishes a framework for legalizing and regulating fantasy contests under which prospective fantasy contest operators register with DCP. However, to date, the necessary conditions for that framework to go into effect have not been satisfied. The bill eliminates these provisions and instead authorizes master wagering licensees (i.e., each tribe, or a tribe's instrumentality or affiliate, and CLC) to operate fantasy contests as described above and makes conforming changes.

Off-Reservation Casino Gaming Facility (§§ 25 & 26)

Current law authorizes the operation of an off-reservation casino gaming facility in East Windsor, Connecticut by MMCT Venture, LLC, which is a company jointly owned and operated by the Mashantucket Pequot and Mohegan tribes. The bill delays this authorization through the 10-year initial term of the bill's State-Tribal agreements. Additionally, the bill suspends, through the 10-year initial term of the bill's State-Tribal agreements, a provision requiring MMCT to provide a \$30 million, interest-free advance to the state by June 30, 2019. To date, MMCT has not submitted the advance.

PROVISIONS AFFECTING MULTIPLE GAME TYPES

Tribal Employees Enforcement Defenses (§ 11)

The bill prohibits certain key and occupational employees from raising the defense of sovereign immunity with respect to actions brought against them in their employee capacities to enforce applicable provisions of the bill and regulations adopted under it. This prohibition specifically applies to key and occupational employees of (1) a tribe or its instrumentality or affiliate that holds a master wagering license, (2) an online gaming operator or online gaming service provider that is an Indian tribe or an instrumentality of or affiliate wholly-owned by an Indian tribe.

State Investigative and Injunctive Powers (§ 12)

The bill authorizes the DCP commissioner to conduct investigations and hold hearings on any matter relating to gaming authorized under the bill. She may also issue subpoenas, administer oaths, compel testimony, order the production of books, records, and documents, and, if a person refuses to appear, testify, or produce any book, record, or document, apply to Superior Court for order to aid in her enforcement. The bill also authorizes the Attorney General, at the DCP commissioner's request, to apply for temporary and permanent injunctions to prevent anyone from violating the bill's provisions. The bill expressly provides that these authorizations do not apply to any gaming conducted on the tribes' reservations under IGRA.

Age Monitoring and Location Restrictions (§ 14)

Under the bill, only people who are at least 21 years old and physically present in the state may place wagers through online sports wagering, retail sports wagering, and online casino gaming operations that are conducted outside of the tribes' reservations. In the case of retail sports wagering, a person must specifically be physically present at a retail sports wagering facility. For fantasy contests, the bill limits participation to people who are at least 18 years old.

Relatedly, the bill requires electronic wagering platforms used for online and retail sports wagering, online casino gaming, online keno, online lottery draw games, or fantasy contests to:

1. verify that gaming account holders meet age and physical presence requirements when participating (see below);
2. provide a mechanism to prevent the unauthorized use of an account; and
3. maintain the security of wagering, participation, or purchasing data and other confidential information.

In the case of online sports wagering and online casino gaming, the platforms must verify that account holders are at least 21 years old and physically present in the state when placing a wager. For retail sports wagering, the platforms must verify that account holders are at least 21 years old and physically present at a retail sports wagering facility. For keno and lottery draw game, the platforms must verify that account holders are at least 18 years old and physically present in the state when participating or purchasing tickets. For fantasy contests, the platforms must verify that account holders are at least 18 years old.

Athletes, Coaches, and Other Restricted Sports Wagering Participants (§§ 1 & 15)

The bill also establishes several restrictions on who may place a sports wager and the circumstances for doing so. Specifically, the bill prohibits:

1. athletes, coaches, and referees who take part in a sporting event and e-sport participants from placing a wager on any sporting event they participate in; and
2. owners with a direct or indirect legal or beneficial ownership interest of at least 5% of a sport governing body's member team from placing a wager on any sporting event in which the member team participates (tribal membership in and of itself does not constitute ownership for these purposes).

Under the bill, a sports governing body is an organization that prescribes final rules and enforces codes of conduct with respect to a

sporting event and its participants. The bill also prohibits the following people from placing a wager on any sporting event overseen by a sports governing body:

1. athletes, coaches, and referees who take part in a sporting event of the sports governing body;
2. the sports governing body's employees holding positions of authority or influence over sporting event participants;
3. employees of the sport governing body's member teams holding positions of authority or influence over sporting event participants; and
4. bargaining unit personnel of the sports governing body's athletes or referees.

Regarding these prohibitions, the bill requires master wagering licensees and licensed online gaming operators, online gaming service providers, and sports wagering retailers to use reasonably available public information and to exercise reasonable efforts to obtain information from DCP or the relevant sports governing body regarding the owners and employees described above.

The bill further prohibits anyone from placing a sports wager on another's behalf and to wager on the account of, or for, another person. It also prohibits master wagering licensees and licensed online gaming operators, online gaming service provider, and sports wagering retailers from accepting wagers from a person on the account of, or for, another person.

The bill also prohibits certain people associated with master wagering licensees and licensed online gaming operators, online gaming service providers, and sports wagering retailers from placing any wager on a sporting event with the respective licensee. The prohibition applies to licensee officers, directors, owners, and key and occupational employees, and their family members who reside in the

same household. The bill provides that tribal membership in and of itself does not constitute ownership for these purposes.

The bill prohibits master wagering licensees and licensed online gaming operators, online gaming service provider, and sports wagering retailers from knowingly paying any winnings to a person who places a wager in violation of the above sports wagering restrictions.

The bill authorizes sports governing bodies to request that the DCP commissioner restrict, limit, or exclude wagering on a sporting event by providing notice in a form and manner she prescribes. The commissioner may take any action she deems necessary to ensure the integrity of wagering on the event.

Consumer Protection Requirements (§ 14)

The bill requires master wagering licensees and licensed online gaming operators, online gaming service providers, and sports wagering retailers to, where applicable based on the service provided:

1. prohibit individuals from establishing more than one account on each electronic wagering platform operated by the licensee;
2. limit people to the use of only one debit card or only one credit card for an account and place a monetary limit on credit card use over a time period;
3. allow people to limit the amount of money that may be deposited into an account and spent per day through an account;
4. provide that any money in an online account belongs solely to the account's owner and may be withdrawn by the owner;
5. establish a voluntary self-exclusion process to allow people to (a) exclude themselves from establishing an account, (b) exclude themselves from placing wagers through an account, or (c) limit the amount they may spend using such an account; and
6. provide responsible gambling and problem gambling

information to participants.

The bill also requires these entities to conspicuously display on each applicable website or mobile application the following:

1. a link to a description of the above requirements in the bill,
2. a link to responsible gambling information,
3. the toll-free telephone number an individual may use to obtain information about problem gambling,
4. a link to information about the voluntary self-exclusion process described above,
5. a clear display or periodic pop-up message of the amount of time an individual has spent on the operator's website or mobile application,
6. a means to initiate a break in play to discourage excessive play, and
7. a clear display of the amount of money available to people in their accounts.

Responsible Play Review (§ 14)

The bill requires each master wagering licensee to, at least every five years, pay for and be subject to an independent review of the operations under its license regarding responsible play, as assessed by industry standards. This review must be performed by a third-party approved by DCP.

Advertisement Restrictions (§ 14)

The bill prohibits advertisements of online and retail sports wagering and online casino gaming from (1) depicting someone under 21 years old unless he or she is a professional or collegiate athlete who, if permitted by law, is able to profit from the use of his or her name, or (2) being aimed exclusively or primarily at people under 21 years old.

General Fund Payments & Transfers; Taxes (§§ 17-19 & 33-34)

Under the bill, each tribe or a tribe's instrumentality or affiliate that holds a master wagering license must pay to the General Fund 18% of its gross gaming revenue from online casino gaming outside the tribe's reservation during the first five years of operation and then 20% during the sixth and any succeeding year of operation. Licensees must start making payments by the 15th day of the month after the month the licensee begins operating online casino gaming and then by the 15th of each month afterwards.

Additionally, each tribe or a tribe's instrumentality or affiliate that holds a master wagering license must pay to the General Fund 13.75% of its (1) gross gaming revenue from its online sports wagering and (2) gross receipts from its fantasy contests, each of which are operated outside the tribe's reservation. As a master wagering licensee, CLC must also pay the same percentage based on its retail and online sports wagering gross gaming revenue and fantasy contest gross receipts. In all instances, these licensees must start making their payments by the 15th day of the month after the month the licensee begins operations and then by the 15th of each month afterwards.

Under the bill, gross gaming revenue for both online casino gaming and sports wagering is the total of all sums received, less the total of all sums paid as winnings to patrons and any federal excise tax applicable to such sums received. For purposes of calculating winnings, the bill excludes merchandise or other things of value included in a jackpot or payout. It also generally excludes from the calculation of gross gaming revenue coupons or credits issued to and played by patrons under a promotional program, as long as the aggregate amount does not exceed the following limits:

1. 25% of gross gaming revenue for any month during the first year the activity operates,
2. 20% of gross gaming revenue for any month during the second year the activity operates, or

3. 15% of gross gaming revenue for any month during the third or succeeding year the activity operates.

If coupons or credits exceed these limits, the bill requires the excess amount of coupons or credits used in the calendar month to be included in the calculation of gross gaming revenue. For the purpose of determining the year of operation, the bill requires it be measured from the date that the first master wagering license is issued to a tribe or a tribe's instrumentality or affiliate or the date that DCP adopts the above regulations, whichever is later.

Under the bill, gross receipts for fantasy contests is the total of all entry fees collected, less the total amount paid out as prizes to participants multiplied by the location percentage, which is the percentage rounded to the nearest tenth of a percent of the total entry fees collected from participants located in Connecticut divided by the total of entry fees collected from all participants.

Under current law, CLC must deposit the proceeds of its ticket sales into a lottery fund from which, among other things, prizes are paid. CLC must transfer to the General Fund on a weekly basis any balance of the lottery fund that exceeded the corporation's needs for paying lottery prizes and meeting operating expenses and reserves, with an exception for payments to instead be directed to the Connecticut Teachers' Retirement Fund Bonds Special Capital Reserve Fund in certain circumstances. The bill renames CLC's lottery fund as the lottery and gaming fund and directs the proceeds from online and retail sports wagering and fantasy contests into it from which winnings must be paid and the above payments to the General Fund based on their grosses be made.

The bill also specifies that CLC's operation of gaming authorized under the bill is considered performing an essential government function, and this operation must be free from any taxes as is the case under current law for existing games.

DCP Regulatory Assessments (§§ 6, 8-10, 20 & 29)

The bill requires the DCP commissioner to estimate and assess the reasonable and necessary costs the department will incur each fiscal year to regulate the operation of online sports wagering and online casino gaming conducted outside of the tribes' reservations by each tribe or a tribe's instrumentality or affiliate that holds a master wagering license. She must do this, after consulting with each licensee, at the start of any fiscal year in which a game is conducted and by September 30 of each fiscal year afterwards. The bill requires that these estimated costs not exceed the estimate of expenditure requirements that the commissioner must transmit as part of biennial budget requests.

Each licensee must submit payment by the date the DCP commissioner specifies, so long as it is at least 30 days after the assessment date and no payment will be due prior to the commencement of the licensee's online sports wagering and online casino gaming operations. The bill requires the commissioner to remit all funds received to the state treasurer, who in turn must deposit them into a fund established by the bill (the "State Sports Wagering and Online Gaming Regulatory Fund"). This fund must contain any moneys required or permitted to be deposited in it, including licensing fees collected by DCP for online gaming service providers, online gaming operators, and key and occupational employees that are affiliated with the licensee, and must be held by the treasurer separate and apart from all other moneys, funds, and accounts. Any balance remaining in the fund at the end of any fiscal year must be carried forward for the next fiscal year. The treasurer must expend money in the fund to pay the costs incurred by DCP to regulate the licensees' online sports wagering and online casino gaming.

The bill requires the comptroller to annually, by September 30, calculate the actual reasonable and necessary costs incurred DCP to regulate the licensees' online sports wagering and online casino gaming during the prior fiscal year. The treasurer must set aside amounts received through DCP's assessment in excess of those actual costs, which must be considered a surplus.

Under the bill, assessments for any fiscal year must be reduced pro rata by any surplus amount or increased pro rata by any deficit amount from the prior fiscal year's amount. Additionally, the assessments must be reduced by the amount of licensing fees paid to DCP during the prior fiscal year for licenses for online gaming service providers, online gaming operators, and key and occupational employees that are affiliated with the licensee.

If a licensee is aggrieved by an assessment, it may request a hearing before the DCP commissioner within 30 days of the assessment. The commissioner must hold a hearing, in accordance with the UAPA, within 30 days after receiving the request and her decision may be appealed to Superior Court in accordance with the UAPA.

Relatedly, by law, OPM must annually assess CLC an amount that is enough to compensate DCP for its reasonable and necessary costs for regulating specific CLC activities (CGS § 12-806b). The bill adds to those activities the operation of the lottery, keno, retail sports wagering, online sports wagering, and fantasy contests.

Tribe Minimum Contributions (§ 21)

Under the state's existing MOUs with the tribes, they must pay the state a minimum contribution each fiscal year to maintain their exclusive rights to operate video facsimile machines and other casino games (see BACKGROUND). The bill requires that online sports wagering and online casino gaming revenue payments from operations outside of the tribes' reservations during the first five years of operation be counted toward the minimum contribution.

After that five-year period, (1) the tribes' minimum contribution obligations must continue as provided in the MOUs, subject to any agreements between the state and a tribe regarding the source of payments that may be used to satisfy the obligation and (2) the state must meet and confer in good faith with each tribe concerning which payments made to the state by each tribe should count toward each tribe's obligation.

Contributions to Problem Gambling Programs (§§ 22, 35 & 43)

The bill requires each tribe or a tribe's instrumentality or affiliate that holds a master wagering license to contribute, in each fiscal year it holds the license, \$500,000 to support problem gambling programs in Connecticut. The licensee may specifically make payments to (1) the chronic gamblers treatment rehabilitation account or (2) nonprofit entities with problem gambling support programs. Under the bill, contributions must be reduced pro rata in any fiscal year that the licensee did not hold the license for the entire fiscal year. The bill requires each licensee to submit to DCP, on an annual basis and as a condition of continued licensure, information on the recipients of its contribution.

Additionally, the bill generally increases, from \$2.3 to \$3.3 million, the amount that CLC must transfer each fiscal year to the chronic gamblers treatment rehabilitation account from revenue it receives from its gaming. Under existing law, \$2.3 million must be from lottery ticket sales revenue, and, under the bill, \$1 million must be from revenue from retail and online sports wagering and fantasy contests. However, CLC may reduce the \$1 million transfer amount pro rata in any fiscal year that it does not operate that gaming for the entirety of the fiscal year.

Credit Cards (§§ 38 & 39)

The bill specifically allows the use of credit cards for online casino gaming, online and retail sports wagering, fantasy contests, online keno, and online lottery draw games. It does this by exempting participation in those games from the laws voiding and recovering certain wagering contracts.

Gambling Ban Exemptions (§§ 40-42)

The bill exempts from the state's illegal gambling law online casino gaming, online and retail sports wagering, and fantasy contests, along with the devices or equipment used to participate in those, if done or used in accordance with the bill's requirements. Under the bill, criminal laws on illegal gambling do not apply to advertising, operating, or participating in online casino gaming, online sports wagering, and retail sports wagering that is conducted outside of the tribes' reservations.

A violation of the gambling laws is generally a class B misdemeanor, punishable by up to six months imprisonment, a fine of up to \$1,000, or both (CGS § 53-278b). Additionally, anyone who, among other things, knowingly owns, possesses, or rents a gambling device is guilty of a class A misdemeanor, punishable by up to one-year imprisonment, a fine of up to \$2,000, or both (CGS § 53-278c).

OTHER PROVISIONS AFFECTING CLC AND DCP

DCP Oversight of CLC (§ 30)

The bill extends DCP's authority to regulate CLC's activities to include online and retail sports wagering and fantasy contests. Additionally, CLC must, before implementing a procedure designed to assure the integrity of online and retail sports wagering and fantasy contests, obtain the DCP commissioner's written approval, as is the case under existing law for state lottery-related procedures. By law, a "procedure" is generally a statement by a quasi-public agency of general applicability, without regard to its designation, that implements, interprets, or prescribes law or policy, or describes the organization or procedure of the agency (CGS § 1-120).

Freedom of Information Act (FOIA) and CLC (§ 31)

Under the bill, the personally identifying, financial, credit, or wagering information associated with any person's account for Internet games are not public records and are exempted from disclosure under FOIA. The same applies to the name and any personally identifying information of a person who participates or participated in CLC's voluntary self-exclusion process created under the bill, with one exception. The CLC president may disclose the name and any participation records of a person who (1) claims a winning lottery ticket from using the online lottery established under the bill, (2) claims or is paid a winning wager from online or retail sports wagering, or (3) is paid a prize from a fantasy contest.

By law, FOIA applies to CLC with certain exceptions. This means, among other things, that most of CLC's records are considered public and subject to disclosure, with limited exceptions (e.g., unclaimed

lottery ticket serial numbers).

Prohibitions on Gaming by DCP and CLC Personnel (§§ 32 & 36)

The bill extends a prohibition on CLC directors, officers, and employees directly or indirectly participating in, or sharing in the winnings from, existing CLC games to the ones authorized under the bill.

Existing law prohibits the DCP commissioner, unit heads, and employees from directly or indirectly, individually or as a member of a partnership or as a corporate shareholder, having any interest in dealing in any lottery, racing, fronton, or betting enterprise or casino gaming facility or in the ownership or leasing of any property or premises used by or for any lottery, racing, fronton, or betting enterprise or casino gaming facility. The bill specifies that an interest does not include ownership of investment securities in a publicly held corporation that is traded on a national exchange or over-the-counter market so long as the investment securities held by a person and his or her spouse, parent, and child, in the aggregate, does not exceed 0.5% of the total number of shares issued by that corporation.

Additionally, as is currently the case for making wagers on other forms of gambling (e.g., state lottery and OTB), the bill prohibits the DCP commissioner and unit heads from placing a sports wager or participating in online casino gaming. By law, a “unit head” is any managerial employee with direct oversight of a legalized gambling activity. Under existing law, the commissioner may adopt regulations prohibiting DCP employees from engaging, directly or indirectly, in any legalized gambling activity in which employees are involved because of their employment.

BACKGROUND

Tribal-State Procedures and Compact

Under IGRA, the Mashantucket Pequot and Mohegan tribes currently operate the Foxwoods and Mohegan Sun casinos, respectively, on their reservations. Gambling at the Foxwoods Casino is conducted

under federal procedures, which are a legal substitute for an IGRA-negotiated gaming compact. Gambling at the Mohegan Sun Casino is conducted under a legally negotiated IGRA tribal-state compact. Both the compact and procedures are like federal regulations. As such, they supersede state law.

Video Facsimiles

Under both the procedures and compact, “video facsimile” is any mechanical, electrical, or other device, contrivance, or machine, which, upon insertion of a coin, currency, token or similar object therein, or upon payment of any consideration whatsoever, is available to play or operate. The play or operation is a facsimile of a game of chance, which may deliver or entitle the person playing or operating the machine to receive cash or tokens to be exchanged for cash or to receive any merchandise or thing of value, whether the payoff is made automatically from the machine or in any other manner whatsoever. A common example of a video facsimile is a slot machine.

Moratorium on Video Facsimiles

The Mashantucket Pequot procedures and the Mohegan compact authorize the tribes to operate video facsimile machines only pursuant to (1) an agreement between the tribe and state (e.g., MOU); (2) a court order; or (3) a change in state law that allows the operation of video facsimile machines by any person, organization, or entity. Currently, both tribes can operate video facsimile machines because of the MOU each has with the state.

Tribal-State MOUs

The Mashantucket Pequot and Mohegan tribes have separate, binding MOUs with the state that give them the exclusive right to operate video facsimile machines and other casino games in exchange for a monthly contribution of, generally, 25% of their gross video facsimile machine revenue to the state. Under the terms of the current MOUs, if the state enacts a law to permit any other person to operate video facsimile machines or other casino games, the tribes would no longer need to pay the state any of their video facsimile revenue.

Tribal-State MOUs Minimum Contribution

Under both existing MOUs, the minimum contribution each tribe must contribute each fiscal year is the lesser of (1) 30% of gross operating revenues from video facsimiles during the fiscal year or (2) the greater of 25% of gross operating revenues from video facsimiles during the fiscal year or \$80 million.

Related Bills

sSB 146, reported favorably by the Public Safety and Security Committee, expands (1) grants to municipalities from the Mashantucket Pequot and Mohegan Fund and (2) funding for the state's debt-free community college program. These expansions are contingent on the legalization of and revenue generated from, respectively, (1) sports wagering and online casino gaming outside of Indian lands and (2) online lottery draw games.

sSB 570, reported favorably by the Public Safety and Security Committee, contains many of the same provisions in this bill, sHB 6451, and sSB 146 but also (1) authorizes a request for proposals to establish a casino gaming facility in Bridgeport and (2) prevents the tribes from using a third-party vendor to operate their skins for online sports wagering and casino gaming unless the legislature approves the contract.

sHB 6512, reported favorably by the Public Safety and Security Committee, regulates sports wagering contingent upon it becoming legal in the state. The bill includes restrictions on participants and requirements for sports wagering operators.

sHB 6443, reported favorably by the Finance, Revenue and Bonding Committee, requires CLC to establish a program to sell lottery tickets for lottery draw games through its website, an online service, or mobile application.

HB 6038, favorably reported by the Public Safety and Security Committee and passed by the House, prohibits CLC from publishing a

lottery winner's photograph on its website and requires CLC to remove a lottery winner's name from its website by request.

COMMITTEE ACTION

Public Safety and Security Committee

Joint Favorable Substitute

Yea 22 Nay 2 (03/24/2021)

Finance, Revenue and Bonding Committee

Joint Favorable

Yea 34 Nay 6 (05/20/2021)