

# OFFICE OF FISCAL ANALYSIS

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sSB-146

AN ACT CONCERNING REVENUE FROM GAMING ACTIVITIES,  
GRANTS IN LIEU OF TAXES FOR TRIBAL LANDS AND SALE OF  
ALCOHOL BY CASINO PERMITTEES.

## ***OFA Fiscal Note***

### ***State Impact:***

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 22 \$</b>	<b>FY 23 \$</b>
Mental Health & Addiction Serv., Dept.	Chronic Gamblers Fund - Revenue Gain	2.3 million	2.3 million
Resources of the General Fund	GF - See Below	See Below	See Below
Department of Economic & Community Development	Tourism Fund - Potential Revenue Gain	See Below	See Below
Department of Economic & Community Development	GF- Statewide Tourism Marketing Account - Potential Revenue Gain	See Below	See Below
Board of Regents for Higher Education	GF - Potential Revenue Gain	See Below	See Below

Note: GF=General Fund

### ***Municipal Impact:***

<b>Municipalities</b>	<b>Effect</b>	<b>FY 22 \$</b>	<b>FY 23 \$</b>
Various Municipalities	See Below	See Below	See Below

### ***Explanation***

The bill, which makes various changes regarding gaming-related funding should sports wagering, online casino gaming, and online lottery draw games become legalized, results in the following fiscal impacts:

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**Section 1** requires funds received from authorized sports wagering and online casino gaming operators to be deposited in the General Fund. Beginning in FY 24 the bill earmarks those funds for the statewide tourism marketing account, the Arts, Culture and Tourism Fund, and the Mashantucket Pequot and Mohegan Fund. This results in a potential revenue gain to the General Fund, a potential revenue gain of \$20 million to the statewide tourism marketing account beginning in FY 24, and a potential revenue gain of \$10 million to the Arts, Culture, and Tourism Fund beginning in FY 24.

**Sections 2 to 5** require, beginning in FY 24, a General Fund transfer to the Mashantucket Pequot and Mohegan Fund of \$139.4 million and specifies the distribution of that funding. This reduces the revenue available in the General Fund by \$88.4 million annually beginning in FY 24, and results in a corresponding revenue gain to municipalities.

**Section 6** increases the cost to fully fund the State Property PILOT by up to \$4 million beginning in FY 23. The impact in future years would vary based on changes to municipal grand lists in the towns of Ledyard and Montville. This correspondingly results in a potential revenue gain to the towns of Ledyard and Montville that will vary based on funding levels for the State Property PILOT. Under current law, OPM may reduce payments in years that appropriations are insufficient to fully fund the grant.

**Sections 7 and 8** result in a potential General Fund revenue gain to the Board of Regents. The amount of the potential revenue gain will be equal to the revenues from the online lottery program (less program expenses), if it is authorized. **Section 7** requires the Connecticut Lottery Corporation (CLC) to establish a fund to receive all online lottery revenues, if an online lottery program is authorized. This potential fund would be used to pay all online lottery expenses and to defray the costs of the existing debt-free community college program, which provides grants to eligible students. A dedicated, nonlapsing debt-free community college account within the General Fund is established by **Section 8** of the bill to receive the funds from the CLC

online lottery account, if created. Account funds must be expended by the Board of Regents for the debt-free community college program, which is anticipated to cost the Board of Regents approximately \$13.9 million in FY 22 and \$15 million in FY 23, if program enrollment is uncapped.

**Section 11** increases the amount of CLC revenue to be deposited in the chronic gamblers treatment rehabilitation account. This results in a General Fund revenue loss of \$2.3 million, and a commensurate revenue gain to the chronic gamblers treatment rehabilitation account, annually beginning in FY 22.

**Sections 12 and 13** expand allowable hours of alcohol sales at casinos, which results in an estimated General Fund revenue gain of up to \$2 million on an annualized basis from additional slot revenues.

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

The annualized ongoing fiscal impacts identified above would continue into the future.