

Public Safety and Security Committee JOINT FAVORABLE REPORT

Bill No.: SB-570

AN ACT AUTHORIZING A TRIBAL RESORT-CASINO IN BRIDGEPORT,

Title: SPORTS WAGERING, ONLINE CASINO GAMING AND ONLINE LOTTERY.

Vote Date: 3/24/2021

Vote Action: Joint Favorable Substitute

PH Date: 3/2/2021

File No.:

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SPONSORS OF BILL:

Public Safety and Security Committee

Co-Sponsors: Sen. Dennis A. Bradley, 23rd Dist.

REASONS FOR BILL:

The Covid-19 pandemic has economically burdened everyone, including the state of CT. The efforts for drafting this bill coincided with measures expanding gambling operations that were being considered to address the economic impact of the pandemic on the state. Knowledge of these initiatives brought together members of the Public Safety and Security committee and the Native American owners of a tribal resort casino in Bridgeport to discuss how the former could assist the latter in alleviating its financial stresses. Designed as a part of that initiative, this bill intends to authorize tribal resort-casino in Bridgeport to engage in sports wagering, online casino gaming, and online lottery.

The JFS for SB 570 made numerous changes to the provisions on the types of gaming that the Mashantucket Pequot Tribe, the Mohegan Tribe of Indians of Connecticut, and the Connecticut Lottery Corporation may conduct under agreements with the tribes and changed the requirements for payments to the state from such gaming.

RESPONSE FROM ADMINISTRATION/AGENCY:

Robert T. Simmelkjaer II, Chairperson, CT Lottery Corporation

The CT Lottery Corporation (CLC) supports this bill. The CLC states that it is a highly profitable source of state revenue, but generally believes that measures akin to this bill improve its capacity to provide for CT. In this light, it is the belief of the CLC that the state of CT should legalize sports betting. The CLC cites the exposure and acceptance of sports

betting across various states and sports-media platforms to illustrate the existence of an untapped source of state revenue via wagering. Although it is the opinion of the CLC that sports betting ought to be authorized to multiple operators, the CLC believes it can produce more money for the state if it is treated as a substantially involved operator in legislation addressing the matter. The CLC also supports efforts to enable online sports betting as well as retail out of consideration for the convenience of players and in respect to those establishments struggling during the pandemic.

The CLC states that modernizing lottery operations by making them available online will not hurt retail establishments since every state lottery that has begun selling lottery products online has seen growth both online and in retail. It is also the expressed opinion of the CLC that its operations need to modernize to maintain and improve its contributions to the state.

The CLC believes that responsible gaming in online lottery and/or sports betting can be ensured through account controls and online safeguards that, compared to retail operations, are easier to implement. The CLC, additionally, claims it intends to implement such measures in conjunction with its continued partnership with the Department of Mental Health and Addiction Services and the Connecticut Council on Problem Gambling. The CLC also states that it currently contributes \$2.3 million per year towards CT's responsible gaming programs as per set by the state legislature. Furthermore, the CLC also states that its current contributions to problem gaming services are about three times the national average per capita allocation for such services.

NATURE AND SOURCES OF SUPPORT:

Ted Taylor, President, Sportech Venues, Inc.

Sportech supports this bill. Sportech believes that the state is not only equipped to deal with expanding betting operations to sports but that it also should allow residents to choose who they wish to bet with. Sportech also believes that expanding sports betting to operators like tribal casino mentioned in this bill offers a greater opportunity to generate state revenue and profit themselves. In this, Sportech states that in 2020, New Jersey's direct State revenue from Sports Betting was \$50 million and almost three times that amount, \$146 million, was generated from internet casino gaming alone. It is also the belief of Sportech that the state has an obligation to treat all of its citizens fairly and that it must critically evaluate any proposal or proposed change in law that is deliberately structured to be preferential to certain parties, prejudicial to others, and unconstitutionally discriminates. Sportech believes that a level playing field for sports betting is beneficial for the state and each of its four existing gaming operators.

Jonathan Harrell, Yoga Kammili, Jacob Luecke – Medical Students, UCONN School of Medicine

The medical students of UCONN School of Medicine support this bill conditionally. While the group of medical students supports bills expanding gaming expansion only if a portion of revenue provided by said expansion efforts be allotted directly to support of adolescents who may be at risk for, or already involved in, disordered gambling practices. They state that adolescent gambling is significantly correlated to lower self-esteem, increase impulsivity, and even increase their risk of substance abuse. Based on the research they conducted, they believe that adolescent exposure and problem gambling online has increased during the pandemic. It is stated by the medical students that online gambling itself encourages problematic internet use and activity. The medical students are concerned that, based on

Connecticut's strong history in gaming and a lack of resources available for dealing with disordered gambling practices, the state of CT is unequipped to handle the ramifications of expanding gambling operations – especially among children and adolescents. As such, it is the belief of these medical students that Connecticut to look to expand such resources accordingly.

NATURE AND SOURCES OF OPPOSITION:

Michele Mudrick, Legislative Advocative & Executive Director, Southern New England Conference United Church of Christ (SNECUCC) & Coalition Against Casino Expansion in Connecticut (CACE)

SNECUCC and CACE oppose this bill. These groups state that Connecticut citizens have lost more than \$25 billion of personal wealth to commercialized gambling such as casinos (excluding losses on table games), the Connecticut lottery and off-track betting in the last twenty-five years as of 2017. These groups believe gambling inherently poses a burden upon Connecticut residents financially and on their general health. It is the opinion of these groups that "responsible gambling" cannot be justified because it is mathematically counterintuitive and harmful to its participants. These groups also claim that casino jobs negatively impact businesses in the vicinity of casinos and that the gambling establishments further come to cannibalize each other for profits. The groups additionally state that the aftermath of casinos competing against each other contributes to unemployment. Instead of expanding gambling, these groups believe that the state ought to focus on creating jobs that do not pose a burden on others and produce a tangible product or service.

Les Bernal, National Director, Stop Predatory Gambling (SPG)

SPG opposes this bill. SPG generally opposes measures to expanding gambling services partly because they believe that approving such bills will promote institutionalized racism through state-sanctioned gambling and enforcement of the state's tax code to benefit whites at the expense of minorities. SPG claims online gambling, commercialized sports betting and other forms of government-sanctioned gambling are a key contributor to the massive wealth disparity between whites and blacks. The SPG also claims that gambling retail locations such as the one being authorized in the bill are generally located economically-distressed regions and entice more low-income citizens, often in neighborhoods with large numbers of minorities, to partake in their activities. As a result, the SPG claims that of the \$25 billion personal wealth lost among constituents to gambling, a disproportionate amount of them were minorities.

Patrick Thibodeau, Martha Diamant, Ralph Jones Jr., Susan Bevan - Residents of CT

These constituents oppose this bill alongside other measures to expand gambling. It is the opinion of these constituents that expanding gambling is not a proper method to balance the state's budget. They believe that gambling addiction is not only self-destructive but also harmful to the families of addicts. It is also their general opinion that casino market in the state of CT is oversaturated enough and that any more additions would harm more constituencies than do good.

Reported by: John Gerke, Intern

Date: 4/5/2021