

March 1, 2021

Co-Chair Dennis Bradley, Co-Chair Maria Horn, Senator Dan Champagne, Representative Robin Green and members of the Public Safety and Security Committee:

I am here today to testify on **S.B. 146, AN ACT AUTHORIZING SPORTS WAGERING, ONLINE CASINO GAMING, ONLINE LOTTERY AND ONLINE KENO.**

As a business who offers lottery, I am troubled that the proposed legislation may result in exclusive rights to offer sports betting to another entity that may not utilize the vast network of locally owned convenience stores. Other states successfully use local businesses for sports wagering and so should ours.

With the large hike in the minimum wage significantly increasing the cost of doing business, allowing for sports wagering at our store would help us offset the increase.

There are 1,400 mostly family owned convenience stores in our state who responsibly market and offer lottery, adding sports wagering will help our business and our employees.

Lottery agents have been an essential part of selling lottery games and generating hundreds of millions of dollars that have gone to support the state budget. As proven partners in generating revenue, it only makes sense to continue to work with us if you decide to approve sports gambling.

We also play an important role in preventing underage gambling. We are the gatekeepers when it comes to underage gambling and our employees are trained to identify and verify the age of customers before they purchase age restricted products like cigarettes and lottery tickets. Requiring that sports betting be done where lottery is sold will ensure that safeguards remain in place that prevent children from gambling.

I am also concerned about any attempt to approve the sale of lottery tickets online. Any potential loss of ticket sales to online purchases would also result in the loss of ancillary sales that go along with purchasing tickets in our stores. Online lottery will put children who will eventually figure out ways to gain access to the lottery at risk.

If legislation is going to advance please include language that accomplishes the following:

1. Create an Online Lottery Advisory Group will be formed and be accountable for developing the online lottery program including available games, payment acceptance, coordination with brick and mortar agents, etc. No less than 25% of the seats on the committee will be held by NECSEMA or CEMA (or its designees) and brick and mortar lottery agents.

- 2. Should Connecticut legalize sports wagering, Connecticut Lottery will be provided a license for which it will be authorized to utilize at brick and mortar lottery agents.**

3. Current funding for marketing of lottery products at brick and mortar agents will be reduced from current funding levels and will not fall below 50% of overall marketing expenditure.

**4. Any and all payment types the Connecticut Lottery accepts for online lottery transactions will be available for acceptance at brick and mortar lottery agents, and all associated transactions fees will be paid by the Connecticut Lottery.**

5. Programs will be developed to encourage online lottery players to visit brick and mortar agents.

**6. Instant tickets will not be sold online and will be exclusively sold at brick and mortar agent stores.**

**7. A baseline of the lottery's net profit will be established and on the 3rd anniversary in which online lottery is introduced and each 3rd subsequent year, thereafter, the Connecticut Lottery will increase lottery agent commissions relative to the total increase in profit the lottery experienced attributable to online lottery. Lottery commissions may increase, but not decrease from their current level effective January 1, 2021.**

**8. Upon registration, online lottery players will select a brick and mortar agent with a zip-code radius which will receive commissions for tickets purchased by that player online.**

**9. On an annual basis, the Connecticut Lottery will distribute 10% of online lottery sales to brick and mortar agents on the basis of store's percent contribution to brick and mortar lottery sales.**

**10. Require that winning tickets be cashed at brick and mortar retail locations, so that a live person can verify the age of the player/customer.**

**11. Prepaid cards used to access online lottery games are linked to the retailer so that commissions on winning tickets are not lost by the retailer.**

We believe that including these items in the bill will help protect under age people from gambling and they will protect small businesses like ours from losing sales to online purchases.

If the committee is going to move forward on this bill, we urge you to consider adding these items (outlined above) to S.B. 146, AN ACT AUTHORIZING SPORTS WAGERING, ONLINE CASINO GAMING, ONLINE LOTTERY AND ONLINE KENO.

Sincerely,

George McCloskey  
Vice Pres  
Standard Petroleum Co.