



**Substitute House Bill No. 6451**

**Public Act No. 21-23**

**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:

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

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

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

(3) "Connecticut intercollegiate team" means any team associated with an intercollegiate program of a university or college of the state system of public higher education, as described in section 10a-1 of the general statutes, an independent institution of higher education, as defined in section 10a-173 of the general statutes, or a for-profit college or university physically located in the state that offers in-person classes

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within the state;

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

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

(6) "E-bingo machine" means an electronic device categorized as a class II machine under the federal Indian Gaming Regulatory Act, P.L. 100-497, 25 USC 2701 et seq. 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. "E-bingo machine" does not include any other electronic device, aid, instrument, tool or other technological aid used in the play of any in-person class II bingo game;

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

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

(9) "Fantasy contest" means any fantasy or simulated game or contest with an entry fee, conducted over the Internet, including through an Internet web site or a mobile device, in which: (A) The value of all prizes and awards offered to a winning fantasy contest player is established and made known to the players in advance of the game or contest; (B) all winning outcomes reflect the knowledge and skill of the players and are determined predominantly by accumulated statistical results of the performance of participants in events; and (C) no winning outcome is 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 any single event. "Fantasy contest" does not

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include lottery games;

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

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

(12) "Key employee" means 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: (A) President or chief officer, who is the top ranking individual of the licensee and is responsible for all staff and the overall direction of business operations; (B) financial manager, who is the individual who reports to the president or chief officer who is generally responsible for oversight of the financial operations of the licensee, including, but not limited to, revenue generation, distributions, tax compliance and budget implementation; or (C) compliance manager, who is the individual that reports to the president or chief officer and who is generally responsible for ensuring the licensee complies with all laws, regulations and requirements related to the operation of the licensee. "Key employee" includes an individual (i) who exercises control over technical systems; (ii) who has an ownership interest, provided the interest held by such individual and such individual's spouse, parent and child, in the aggregate, is five per cent or more of the total ownership or interest rights in the licensee; or (iii) who, in the judgment of the commissioner, exercises sufficient control in, or over, a licensee as to require licensure. Tribal membership in and of itself shall not constitute ownership for purposes of this subdivision;

(13) "Lottery draw game" means any game in which one or more

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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 keno, any game for which lottery draw tickets are not available through a lottery sales agent or any game that simulates online casino gaming;

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

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

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

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

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(18) "Mohegan memorandum of understanding" means the memorandum of understanding entered into by and between the state and the Mohegan Tribe of Indians of Connecticut on May 17, 1994, as amended from time to time;

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

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

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

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

(23) "Online gaming service provider" means 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;

(24) "Online sports wagering" means sports wagering conducted over

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the Internet, including through an Internet web site or a mobile device, through an electronic wagering platform that does not require a sports bettor to be physically present at a facility that conducts retail sports wagering;

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

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

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

(28) "Sports governing body" means the organization that prescribes

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final rules and enforces codes of conduct with respect to a sporting event and participants in the sporting event;

(29) "Sports wagering" means risking or accepting any money, credit, deposit or other thing of value for gain contingent in whole or in part, (A) by any system or method of wagering, including, but not limited to, in person or through an electronic wagering platform, and (B) based on (i) a live sporting event or a portion or portions of a live sporting event, including future or propositional events during such an event, or (ii) the individual performance statistics of an athlete or athletes in a sporting event or a combination of sporting events. "Sports wagering" does not include the payment of an entry fee to play a fantasy contest or a fee to participate in e-sports; and

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

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

(1) Permit the Mashantucket Pequot Tribe and Mohegan Tribe of Indians of Connecticut to each conduct (A) in-person sports wagering on the reservation of the tribe, (B) online sports wagering, provided an individual may only place a sports wager through such online sports wagering if the individual is physically present on the reservation of the tribe conducting the online sports wagering when placing the wager,

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and (C) fantasy contests, provided an individual may only participate in such a contest if the individual is physically present on the reservation of the tribe conducting the fantasy contest when paying the entry fee for such contest;

(2) Provide that any in-person sports wagering, online sports wagering, retail sports wagering or fantasy contests expressly authorized under subdivision (1) of this subsection and sections 3 to 5, inclusive, of this act during the ten-year initial term or the renewal term as provided in subdivision (3) of this subsection, shall not terminate the moratorium against the operation of video facsimile games by the Mashantucket Pequot Tribe and the Mohegan Tribe of Indians of Connecticut on each tribe's reservation, and provide that any new compact or amendment to each tribe's memorandum of understanding does not relieve each tribe from each tribe's obligation to contribute a percentage of the gross operating revenues of video facsimile games to the state as provided in each tribe's memorandum of understanding;

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

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



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to the state under its memorandum of understanding; and

(5) Provide that:

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

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

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

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

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

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

(c) Any amendment or new compact entered into pursuant to this

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

Sec. 3. (NEW) (*Effective July 1, 2021*) (a) The commissioner may issue a master wagering license to the Mashantucket Pequot Tribe, or an instrumentality or an affiliate wholly-owned by said tribe, and a master wagering license to the Mohegan Tribe of Indians of Connecticut, or an instrumentality or an affiliate wholly-owned by said tribe, and each master wagering license shall permit the licensee to operate one skin for online sports wagering within the state, operate one skin for online casino gaming within the state and operate fantasy contests within the state, pursuant to the provisions of sections 6 to 22, inclusive, of this act, as applicable, provided:

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

(2) The governing bodies of the Mashantucket Pequot Tribe and the Mohegan Tribe of Indians of Connecticut each enact a resolution providing that (A) such tribe waives the defense of sovereign immunity

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with respect to any action against such tribe as a master wagering licensee, and against an instrumentality of or affiliate wholly-owned by such tribe that is acting on behalf of such tribe as a master wagering licensee, to compel compliance with the provisions of sections 1 to 22, inclusive, of this act, and, as applicable, section 12-586f of the general statutes, as amended by this act, section 12-586g of the general statutes, as amended by this act, section 12-578f of the general statutes, as amended by this act, section 12-806c of the general statutes, as amended by this act, section 52-553 of the general statutes, as amended by this act, section 52-554 of the general statutes, as amended by this act, section 53-278a of the general statutes, as amended by this act, and section 53-278g of the general statutes, as amended by this act, and the regulations promulgated by the state pursuant to said sections, applicable to the operation of online casino gaming, online sports wagering and fantasy contests outside of the reservation lands of the tribe; (B) if such tribe as master wagering licensee, or such tribe's instrumentality or wholly-owned affiliate that is acting on behalf of such tribe as master wagering licensee, fails to pay any fees or taxes due to the state under sections 1 to 22, inclusive, of this act, or, as applicable, section 12-586f of the general statutes, as amended by this act, section 12-586g of the general statutes, as amended by this act, section 12-578f of the general statutes, as amended by this act, section 12-806c of the general statutes, as amended by this act, section 17a-713 of the general statutes, as amended by this act, section 52-553 of the general statutes, as amended by this act, section 52-554 of the general statutes, as amended by this act, section 53-278a of the general statutes, as amended by this act, or section 53-278g of the general statutes, as amended by this act, the tribe waives the defense of sovereign immunity with respect to any action by the state against such tribe as master wagering licensee, or against an instrumentality of or affiliate wholly-owned by such tribe acting on behalf of such tribe as master wagering licensee, to permit the collection of such fees or taxes against such master wagering licensee from the operation of online casino gaming, online sports wagering and fantasy

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contests, as applicable, outside the reservation lands of the tribe; and (C) the venue for such action or claim shall be in the judicial district of Hartford; and

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

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

(c) (1) A master wagering license issued pursuant to subsection (a) of this section shall expire (A) upon the expiration of any new compact or amendment, or renewal thereof, entered into pursuant to section 2 of this act, (B) if the tribe holding such license operates E-bingo machines at a casino on the tribe's reservation in this state at any time during the ten-year initial term of any amendment or new compact, as described in subdivision (3) of subsection (a) of section 2 of this act, or (C) if the holder of such master wagering license ceases to be a tribe, or an instrumentality of or an affiliate wholly-owned by a tribe.

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

(d) The holder of a master wagering license issued under subsection (a) of this section may enter into an agreement with an online gaming operator for the provision of services for a skin authorized pursuant to

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this section or for fantasy contests, provided such online gaming operator is licensed by the department under section 8 of this act.

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

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

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

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

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

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

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

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

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

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

(i) Drawings may occur not more frequently than once every three minutes; and

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

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

(A) Lottery draw games for which tickets are sold through the

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program occur regularly and not more frequently than once every four minutes;

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

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

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

(c) The Connecticut Lottery Corporation shall not conduct any of the activities authorized by subsection (a) of this section until regulations, including, but not limited to, emergency regulations, adopted by the commissioner pursuant to section 16 of this act are effective.

(d) After the corporation commences the sale of lottery tickets for lottery draw games through the corporation's Internet web site, online service or mobile application pursuant to subsection (a) of this section, the corporation: (1) May implement initiatives to promote the purchase of lottery tickets through lottery sales agents; (2) may implement initiatives to promote both the purchase of tickets for lottery draw

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games through the corporation's Internet web site, online service or mobile application and the purchase of lottery tickets through lottery sales agents; and (3) shall conduct a public awareness campaign to educate the public regarding responsible gambling and to inform the public of the programs available for the prevention, treatment and rehabilitation of compulsive gamblers in the state.

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

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

(f) For purposes of this section, "gross gaming revenue from keno" means the total of all sums actually received by the Connecticut Lottery Corporation from operating keno both through lottery sales agents and through the corporation's Internet web site, 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, provided the total of all sums paid as winnings to such patrons shall not include the cash equivalent value of any merchandise or thing of value included in a jackpot or payout.

Sec. 5. (NEW) (*Effective July 1, 2021*) (a) Pursuant to a license issued under section 4 of this act, the Connecticut Lottery Corporation may operate not more than fifteen retail sports wagering facilities in the state. The corporation (1) shall develop new facilities, or enter into an



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agreement with a state entity or a business entity to act as a sports wagering retailer at facilities in the cities of Bridgeport and Hartford, and (2) may enter into one or more other agreements, which may include an agreement or agreements with the off-track betting system licensee to act as a sports wagering retailer.

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

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

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

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

(b) The commissioner shall establish through regulations adopted pursuant to section 16 of this act, the criteria for determining when

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licensure as an online gaming service provider is required, based, in part, on whether the online gaming service provider (1) provides goods or services related to accepting wagers for Internet games or retail sports wagering, including, but not limited to, services to determine the location and identity of customers such as geolocation and "know your customer" services, payment processing and data provision, or (2) provides other goods or services that the department 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 this state.

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

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

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

Sec. 8. (NEW) (*Effective July 1, 2021*) (a) No online gaming operator shall provide services to a master wagering licensee or a licensed sports wagering retailer in the state without a license from the department. An

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online gaming operator shall apply for a license on a form and in a manner prescribed by the commissioner. Such license shall be renewed annually. The initial license application fee shall be two hundred fifty thousand dollars and the annual renewal fee shall be one hundred thousand dollars.

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

Sec. 9. (NEW) (*Effective July 1, 2021*) (a) An occupational employee, other than a key employee, of a master wagering licensee or a licensed online gaming operator, online gaming service provider or sports wagering retailer who will be directly or substantially involved in the operation of Internet games or retail sports wagering in a manner impacting the integrity of such gaming or wagering, data security, patron interaction, game or equipment testing or any other aspect of the gaming activity of a licensee that impacts the integrity of gaming, shall obtain an occupational employee license prior to commencing such employment. An occupational employee shall be deemed to be directly or substantially involved in the operation of Internet games or retail sports wagering in a manner impacting the integrity of such gaming or wagering if such employee: (1) Has the capability of affecting the outcome of a wager through deployment of code to production for any critical component of an electronic wagering platform; (2) (A) can deploy code to production, and (B) 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. For

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purposes of this subsection, a "critical component" means a component of an electronic wagering platform that records, stores, processes, shares, transmits or receives sensitive information, such as validation numbers and personal identification numbers, or which stores the results or the current state of a participant's wager for an Internet game.

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

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

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

(b) A key employee of a master wagering licensee or licensed online gaming operator, online gaming service provider or sports wagering retailer shall obtain a key employee license from the department pursuant to this section. The commissioner may establish, through regulations adopted pursuant to section 16 of this act, criteria to exercise

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discretion to determine that an individual who is a key employee is not required to be licensed as a key employee in order to protect the integrity of gaming.

(c) (1) A key employee shall apply for a license on a form and in a manner prescribed by the commissioner. Such form may require the applicant to: (A) Submit to a state and national criminal history records check conducted in accordance with section 29-17a of the general statutes, which may include a financial history check if requested by the commissioner, to determine the character and fitness of the applicant for the license, (B) provide information related to other business affiliations, and (C) provide or allow the department to obtain such other information as the department determines is consistent with the requirements of this section in order to determine the fitness of the applicant to hold a license.

(2) In place of the criminal history records check described in subparagraph (A) of subdivision (1) of this subsection, the commissioner may accept from an applicant for an initial key employee license the submission of a third-party 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 other such background screening as the commissioner may require. Any such third-party criminal background check shall 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.

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

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

Sec. 11. (NEW) (*Effective July 1, 2021*) Any individual who is a key employee or an occupational employee of a master wagering licensee described in section 3 of this act or of 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 shall not be permitted to raise sovereign immunity as a defense to any action to enforce applicable provisions of sections 1 to 22, inclusive, of this act or, as applicable, section 12-586f of the general statutes, as amended by this act, section 12-586g of the general statutes, as amended by this act, section 12-578f of the general statutes, as amended by this act, section 12-806c of the general statutes, as amended by this act, section 52-553 of the general statutes, as amended by this act, section 52-554 of the general statutes, as amended by this act, section 53-278a of the general statutes, as amended by this act, or section 53-278g of the general statutes, as amended by this act, and regulations adopted under said sections against such individual in his or her capacity as a key or occupational employee to the extent that such action may be brought against a key or occupational employee under any provision of the general statutes or the regulations of Connecticut state agencies.

Sec. 12. (NEW) (*Effective July 1, 2021*) (a) The commissioner may conduct investigations and hold hearings on any matter under the provisions of sections 3 to 22, inclusive, of this act. Each person or business entity issued a license pursuant to section 3 or 4, or sections 6 to 10, inclusive, of this act and each person in charge, or having custody,

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of documents on behalf of a licensee, shall maintain such documents that are related to any operations under the provisions of sections 3 to 22, inclusive, of this act, in an auditable format for the current taxable year and the five preceding taxable years. Upon request, such person or business entity shall make such documents immediately available for inspection and copying by the commissioner and shall produce copies of such documents to the commissioner or the commissioner's authorized representative within two business days. Such documents shall be provided to the commissioner in electronic format, unless not commercially practical. In complying with the provisions of this subsection, no person shall use a foreign language, codes or symbols in the keeping of any required document.

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

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

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

Sec. 13. (NEW) (*Effective July 1, 2021*) (a) For sufficient cause found pursuant to subsection (b) of this section, the commissioner may suspend or revoke a license issued pursuant to section 3 or 4 or sections 6 to 10, inclusive, of this act, issue fines of not more than twenty-five

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thousand dollars per violation, accept an offer in compromise or refuse to grant or renew a license issued pursuant to section 3 or 4 or sections 6 to 10, inclusive, of this act, place the holder of a license issued pursuant to section 3 or 4 or sections 6 to 10, inclusive, of this act on probation, place conditions on such license or take other actions permitted by the general statutes or the regulations of Connecticut state agencies.

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

(1) Furnishing of false or fraudulent information in any license application or failure 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 a license or registration, by any federal, state or local government or a foreign jurisdiction;

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

(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;



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(9) Failure to properly license occupational employees, or failure to notify the department 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 the department, 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 any provision of sections 1 to 22, inclusive, of this act, corresponding regulations or any other provision of the general statutes that has an impact on the integrity of gaming in this state, including, but not limited to, failure of an online gaming operator who contracts with the Connecticut Lottery Corporation to abide by the conditions for operation set forth in subparagraph (B), (C) or (E) of subdivision (2) of subsection (a) of section 4 of this act.

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

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

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of such revocation.

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

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

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

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

(A) Verify that an individual (i) with an account for online sports wagering, online casino gaming or retail sports wagering is twenty-one

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years of age or older and is physically present in the state when placing a wager or, in the case of retail sports wagering, is physically present at a retail sports wagering facility, (ii) with an account to participate in keno or to purchase lottery draw game tickets is eighteen years of age or older and is physically present in the state when participating or purchasing such tickets, or (iii) with an account for fantasy contests is eighteen years of age or older;

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

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

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

(1) Prohibit an individual from establishing more than one account on each electronic wagering platform operated by the licensee;

(2) Limit a person to the use of only one debit card or only one credit card for an account, and place a monetary limit on the use of a credit card over a period of time;

(3) Allow a person 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 owner of the account and may be withdrawn by the owner;

(5) Establish a voluntary self-exclusion process to allow a person to (A) exclude himself or herself from establishing an account, (B) exclude himself or herself from placing wagers through an account, or (C) limit the amount such person may spend using such an account;

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(6) Provide responsible gambling and problem gambling information to participants; and

(7) Conspicuously display on each applicable Internet web site or mobile application:

(A) A link to a description of the provisions of this subsection;

(B) A link to responsible gambling information;

(C) A toll-free telephone number an individual may use to obtain information about problem gambling;

(D) A link to information about the voluntary self-exclusion process described in subdivision (5) of this subsection;

(E) A clear display or periodic pop-up message of the amount of time an individual has spent on the operator's Internet web site or mobile application;

(F) A means to initiate a break in play to discourage excessive play; and

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

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

(e) No advertisement of online casino gaming, online sports wagering or retail sports wagering may: (1) Depict an individual under twenty-one years of age, unless such individual is a professional athlete or a collegiate athlete who, if permitted by applicable law, is able to profit

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from the use of his or her name and likeness; or (2) be aimed exclusively or primarily at individuals under twenty-one years of age.

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

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

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

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

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

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

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

(f) A sports governing body may request that the commissioner restrict, limit or exclude wagering on a sporting event or events by providing notice in such form and manner as the commissioner prescribes. The commissioner may take such action as the commissioner deems necessary to ensure the integrity of wagering on such sporting event or events.

Sec. 16. (NEW) (*Effective July 1, 2021*) The commissioner shall adopt regulations, in accordance with the provisions of chapter 54 of the general statutes, to the extent not prohibited by federal law or any gaming agreement or procedure entered into pursuant to the Indian Gaming Regulatory Act, P.L. 100-497, 25 USC 2701 et seq., to implement the provisions of sections 3 to 15, inclusive, of this act. Notwithstanding

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the requirements of subdivision (1) of subsection (g) of section 4-168 of the general statutes, the commissioner may adopt such regulations as emergency regulations without making the finding required under subparagraph (A) of subdivision (1) of subsection (g) of section 4-168 of the general statutes, provided the Governor approves the need for such emergency regulations, and the other requirements of subsection (g) of section 4-168 of the general statutes shall apply. Such regulations shall 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) 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) Standards for age and location verification programs;

(10) Revenue auditing and reporting standards, which shall include

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a requirement that all payments be accompanied by a detailed supporting report on a form approved by the commissioner;

(11) Compliance reporting and disclosure requirements;

(12) Marketing and advertising standards; and

(13) Any other provisions deemed necessary by the commissioner to protect the public interest and the integrity of gaming.

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

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

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



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

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

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each succeeding month, while such retail or online sports wagering is conducted.

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

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

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

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

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

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

(2) The estimated costs under subdivision (1) of this subsection shall

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not exceed the estimate of expenditure requirements transmitted by the commissioner pursuant to section 4-77 of the general statutes. The assessment for any fiscal year shall be: (A) Reduced pro rata by the amount of any surplus from the assessment of the prior fiscal year, which shall be maintained in accordance with subsection (d) of this section, or (B) increased pro rata by the amount of any deficit from the assessment of the prior fiscal year.

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

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

(c) (1) There is established a fund to be known as the "State Sports Wagering and Online Gaming Regulatory Fund". The fund shall contain any moneys required or permitted to be deposited in the fund, including licensing fees transferred by the department under the provisions of sections 6 and 8 to 10, inclusive, of this act, and shall be held by the Treasurer separate and apart from all other moneys, funds and accounts. Any balance remaining in said fund at the end of any fiscal year shall be carried forward in said fund for the fiscal year next succeeding. Moneys in the fund shall be expended by the Treasurer for

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the purposes of paying the costs incurred by the department to regulate online sports wagering and online casino gaming authorized under section 3 of this act.

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

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

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

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

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wagering licensee on behalf of said tribe, under section 17 or 18 of this act shall count toward the calculation of the minimum contribution for said tribe pursuant to the Mohegan memorandum of understanding.

(b) After the completion of the five-year period described in subsection (a) of this section, (1) the obligation of the Mashantucket Pequot Tribe to meet the minimum contribution shall continue as provided for in the Mashantucket Pequot memorandum of understanding, and the obligation of the Mohegan Tribe of Indians of Connecticut to meet the minimum contribution shall continue as provided for in the Mohegan memorandum of understanding, subject to any agreements entered into between the state and a tribe regarding the sources of payments that may be used to satisfy such minimum contribution, and (2) the state shall 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.

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

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

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(a) For the purposes of this section, "tribe" means the Mashantucket Pequot Tribe and "compact" means the Tribal-State Compact between the tribe and the state of Connecticut, as incorporated and amended in the Final Mashantucket Pequot Gaming Procedures prescribed by the Secretary of the United States Department of the Interior pursuant to Section 2710(d)(7)(B)(vii) of Title 25 of the United States Code and published in 56 Federal Register 24996 (May 31, 1991), as amended from time to time, and includes any new compact entered into between the state and the tribe pursuant to section 2 of this act.

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

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

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

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

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

(2) "Mashantucket Pequot memorandum of understanding" means the memorandum of understanding entered into by and between the state and the Mashantucket Pequot Tribe on January 13, 1993, as

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amended on April 30, 1993;

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

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

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

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

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

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

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

(B) The amendments to the Mashantucket Pequot procedures and the Mohegan compact shall include a provision that the authorization of



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MMCT Venture, LLC, to conduct authorized games in the state does not terminate the moratorium against the operation of video facsimile games by the Mashantucket Pequot Tribe and Mohegan Tribe of Indians of Connecticut on each tribe's reservation.

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

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

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

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

(5) The governing bodies of the Mashantucket Pequot Tribe and Mohegan Tribe of Indians of Connecticut enact resolutions providing:  
(A) That if MMCT Venture, LLC, fails to pay any fees or taxes due the

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state, the tribes, as the members of MMCT Venture, LLC, waive the possible defense of sovereign immunity with respect to any action or claim by the state against the tribes as the members of MMCT Venture, LLC, to the extent such action or claim is permitted to be brought against a member of a limited liability company under state law to collect any fees or taxes, while preserving any other defenses available to the tribes, and (B) that the venue for such action or claim shall be in the judicial district of Hartford.

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

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

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

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

(b) Notwithstanding the provisions of subsection (a) of this section, the requirement to make a payment to the state pursuant to subsection (a) of this section shall not be effective during the ten-year initial term that amendments to the Mashantucket Pequot procedures and to the Mashantucket Pequot memorandum of understanding with the Mashantucket Pequot Tribe, or a new compact with the Mashantucket Pequot Tribe, and amendments to the Mohegan compact and to the Mohegan memorandum of understanding with the Mohegan Tribe of Indians of Connecticut, or a new compact with the Mohegan Tribe of Indians of Connecticut, entered into pursuant to section 2 of this act are effective, as described in subdivision (3) of subsection (b) of section 2 of this act.

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

(a) Notwithstanding the provisions of section 3-6c, the Secretary of the Office of Policy and Management, on behalf of the state of Connecticut, may enter into separate agreements with the Mashantucket Pequot Tribe and the Mohegan Tribe of Indians of Connecticut concerning the operation of keno by the Connecticut

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Lottery Corporation in the state of Connecticut. Any such agreement shall provide that the state of Connecticut shall distribute to each tribe a sum not to exceed a twelve and one-half per cent share of the gross operating revenue received by the state from the operation of keno. The corporation may not operate keno until such separate agreements are effective. For the purposes of this section, "gross operating revenues" means the total amounts wagered, less amounts paid out as prizes.

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

(c) For purposes of this section, "keno" means a lottery game in which a subset of numbers are drawn from a larger field of numbers by a central computer system using an approved random number generator, wheel system device or other drawing device. "Keno" does not include a game operated on a video facsimile machine.

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

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

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

(2) "Corporation" means the Connecticut Lottery Corporation as

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created under section 12-802;

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

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

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

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

[(5)] (7) "Keno" means a lottery game in which a subset of numbers are drawn from a larger field of numbers by a central computer system using an approved random number generator, wheel system device or other drawing device; [. "Keno" does not include a game operated on a video facsimile machine;]

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

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

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

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

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

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

(a) The purposes of the corporation shall be to: (1) Operate and manage the lottery, and retail sports wagering, online sports wagering and fantasy contests if licensed pursuant to section 4 of this act, in an entrepreneurial and business-like manner free from the budgetary and other constraints that affect state agencies; (2) provide continuing and increased revenue to the people of the state through the lottery, and retail sports wagering, online sports wagering and fantasy contests if licensed pursuant to section 4 of this act, by being responsive to market forces and acting generally as a corporation engaged in entrepreneurial pursuits; (3) pay to the trustee of the Connecticut Teachers' Retirement Fund Bonds Special Capital Reserve Fund, established in section 10-183vv, the amounts, if any, required pursuant to subsection (c) of section 12-812, as amended by this act; and (4) ensure that the lottery, [continues] and retail sports wagering, online sports wagering and fantasy contests, if licensed pursuant to section 4 of this act, continue to be operated with integrity and for the public good.

(b) The corporation shall have the following powers:

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

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

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

(4) (A) To introduce new lottery games, modify existing lottery games, utilize existing and new technologies, determine distribution channels for the sale of lottery tickets, introduce keno pursuant to signed agreements with the Mashantucket Pequot Tribe and the Mohegan Tribe of Indians of Connecticut, in accordance with section 12-806c, as amended by this act, or pursuant to section 4 of this act, and, to the extent specifically authorized by regulations adopted by the Department of Consumer Protection pursuant to chapter 54, introduce instant ticket vending machines, kiosks and automated wagering systems or machines, with all such rights being subject to regulatory oversight by the Department of Consumer Protection; [, except that the corporation shall not offer any interactive on-line lottery games, including on-line video lottery games for promotional purposes;] and

(B) To sell tickets for lottery draw games through the corporation's

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Internet web site, online service or mobile application in accordance with section 4 of this act and to advertise lottery games on the corporation's Internet web site, online service or mobile application, except the corporation shall not offer any interactive lottery game, including for promotional purposes;

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

(20) To make and enter into all contracts and agreements necessary

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or incidental to the performance of its duties and the execution of its powers under sections 12-563a, as amended by this act, [and] 12-800 to 12-818, inclusive, as amended by this act, and sections 4, 5, 14 to 16, inclusive, 18 and 19 of this act;

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

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

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

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

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

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

(27) To pay or provide for payment from operating revenues all expenses, costs and obligations incurred by the corporation in the exercise of the powers of the corporation under sections 12-563a, as amended by this act, [and] 12-800 to 12-818, inclusive, [; and] as

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amended by this act, and sections 4, 5, 14 to 16, inclusive, 18 and 19 of this act;

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

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

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

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

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

Sec. 31. Section 12-810 of the general statutes is repealed and the

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following is substituted in lieu thereof (*Effective July 1, 2021*):

(a) The Freedom of Information Act, as defined in section 1-200, shall apply to all actions, meetings and records of the corporation, except (1) where otherwise limited by subsection (c) of this section as to new lottery games and serial numbers of unclaimed lottery tickets, [and] (2) with respect to financial, credit and proprietary information submitted by any person to the corporation in connection with any proposal to provide goods, services or professional advice to the corporation as provided in section 12-815, (3) with respect to any personally identifying, financial, credit or wagering information associated with any person's account for Internet games, as defined in section 1 of this act, and (4) where otherwise limited by subsection (d) of this section as to information submitted by any person to the corporation regarding such person's participation in the voluntary self-exclusion process established pursuant to subdivision (5) of subsection (c) of section 13 of this act.

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

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

(d) The name and any personally identifying information of a person who is participating or who has participated in the corporation's

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voluntary self-exclusion process shall not be deemed public records, as defined in section 1-200, and shall not be available to the public under the provisions of the Freedom of Information Act, as defined in section 1-200, except that the president may disclose the name and any relevant records of such person, other than records regarding such person's participation in the voluntary self-exclusion process, if such person claims a winning lottery ticket from the purchase of a ticket for a lottery draw game through the corporation's Internet web site, online service or mobile application or if such person claims or is paid a winning wager from online sports wagering or retail sports wagering or is paid a prize from a fantasy contest.

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

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

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

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

(a) (1) The president of the corporation, subject to the direction of the board, shall conduct daily, weekly, multistate, special instant or other lottery games and shall determine the number of times a lottery shall be held each year, the form and price of the tickets and the aggregate amount of prizes, which shall not be less than forty-five per cent of the sales unless required by the terms of any agreement entered into for the

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conduct of multistate lottery games. The proceeds of the sale of tickets shall be deposited in the lottery and gaming fund of the corporation from which prizes shall be paid, upon vouchers signed by the president, or by either of two persons designated and authorized by him, in such numbers and amounts as the president determines. The corporation may limit its liability in games with fixed payouts and may cause a cessation of sales of tickets of certain designation when such liability limit has been reached.

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

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

(c) On a weekly basis, the president shall estimate, and certify to the State Treasurer, that portion of the balance in the lottery and gaming fund which exceeds the current needs of the corporation for the payment of prizes and winnings, the payments required by sections 18 and 19 of this act, the payment of current operating expenses and funding of approved reserves of the corporation. The corporation shall transfer the amount so certified from the lottery and gaming fund of the corporation to the General Fund upon notification of receipt of such certification by the Treasurer, except that if the amount on deposit in the Connecticut Teachers' Retirement Fund Bonds Special Capital Reserve Fund, established in section 10-183vv, is less than the required minimum capital reserve, as defined in subsection (b) of said section, the corporation shall pay such amount so certified to the trustee of the

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fund for deposit in the fund. If the corporation transfers any moneys to the General Fund at any time when the amount on deposit in said capital reserve fund is less than the required minimum capital reserve, the amount of such transfer shall be deemed appropriated from the General Fund to the Connecticut Teachers' Retirement Fund Bonds Special Capital Reserve Fund.

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

The exercise of the powers granted by sections 1-120, 1-121, 1-125, 12-563, 12-563a, as amended by this act, 12-564, 12-566, 12-568a and 12-569, subsection (c) of section 12-574, [and] sections 12-800 to 12-818, inclusive, as amended by this act, and sections 4, 5, 14 to 16, inclusive, and 18 and 19 of this act constitute the performance of an essential governmental function and all operations of the corporation shall be free from any form of federal or state taxation. In addition, except pursuant to any federal requirements, the corporation shall not be required to pay any taxes or assessments upon or in respect to sales of lottery tickets, or any property or moneys of the corporation, levied by the state or any political subdivision or municipal taxing authority. The corporation and its assets, property and revenues shall at all times be free from taxation of every kind by the state and by the municipalities and all other political subdivisions or special districts having taxing powers in the state.

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

[For each of the fiscal years ending June 30, 2010, and June 30, 2011, the Connecticut Lottery Corporation shall transfer one million nine hundred thousand dollars of the revenue received from the sale of lottery tickets to the chronic gamblers treatment rehabilitation account created pursuant to section 17a-713. For the fiscal years ending June 30,



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2012, to June 30, 2013, inclusive, the Connecticut Lottery Corporation shall transfer one million nine hundred thousand dollars of the revenue received from the sale of lottery tickets to the chronic gamblers treatment rehabilitation account created pursuant to section 17a-713.]

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

(b) In addition to the amount transferred pursuant to subsection (a) of this section, the Connecticut Lottery Corporation shall transfer one million dollars of the revenue received from retail sports wagering, online sports wagering and fantasy contests to the chronic gamblers treatment rehabilitation account created pursuant to section 17a-713, as amended by this act, in each fiscal year that the corporation is licensed to operate retail sports wagering, online sports wagering or fantasy contests pursuant to section 4 of this act. The corporation may reduce the amount pro rata in any fiscal year that the corporation did not operate such wagering or contests for the entirety of the fiscal year.

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

No commissioner or unit head or employee of the department shall directly or indirectly, individually or as a member of a partnership or as a shareholder of a corporation, have any interest whatsoever 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. For purposes of this section, 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, provided the

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investment securities held by such person and such person's spouse, parent and child, in the aggregate, do not exceed one-half of one per cent of the total number of shares issued by such corporation. No commissioner or unit head shall, directly or indirectly, (1) wager at any off-track betting facility, race track or fronton authorized under this chapter, (2) purchase lottery tickets issued under this chapter, [or] (3) play [directly or indirectly,] any authorized game conducted at a casino gaming facility, (4) place a sports wager, as defined in section 1 of this act, or (5) participate in online casino gaming, as defined in section 1 of this act. The commissioner may adopt regulations in accordance with the provisions of chapter 54 to prohibit any employee of the department from engaging, directly or indirectly, in any form of legalized gambling activity in which such employee is involved because of his or her employment with the department. For purposes of this section, "unit head" means a managerial employee with direct oversight of a legalized gambling activity.

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

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

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

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All wagers, and all contracts and securities of which the whole or any part of the consideration is money or other valuable thing won, laid or bet, at any game, horse race, sport or pastime, and all contracts to repay any money knowingly lent at the time and place of such game, race, sport or pastime, to any person so gaming, betting or wagering, or to repay any money lent to any person who, at such time and place, so pays, bets or wagers, shall be void, provided nothing in this section shall (1) affect the validity of any negotiable instrument held by any person who acquired the same for value and in good faith without notice of illegality in the consideration, (2) apply to the sale of a raffle ticket pursuant to section 7-172, (3) apply to online casino gaming, online sports wagering, retail sports wagering and fantasy contests, as such terms are defined in section 1 of this act, and conducted pursuant to sections 3 to 16, inclusive, of this act, as applicable, (4) apply to the operation of keno through or the purchase of tickets for lottery draw games through the Internet web site, online service or mobile application of the Connecticut Lottery Corporation, pursuant to section 4 of this act, or [(3)] (5) apply to any wager or contract otherwise authorized by law.

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

Any person who, by playing at any game, or betting on the sides or hands of such as play at any game, excluding any game permitted under chapter 226 or any activity not prohibited under the provisions of sections 53-278a to 53-278g, inclusive, as amended by this act, loses the sum or value of one dollar in the whole and pays or delivers the same or any part thereof, may, within three months next following, recover from the winner the money or the value of the goods so lost and paid or delivered, with costs of suit in a civil action, without setting forth the special matter in his complaint. If the defendant refuses to testify, if called upon in such action, relative to the discovery of the property so

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won, [he] the defendant shall be defaulted; but no evidence so given by [him] the defendant shall be offered against him or her in any criminal prosecution. Nothing in this section shall prohibit any person from using a credit card to (1) participate in online casino gaming, online sports wagering, retail sports wagering or fantasy contests, as such terms are defined in section 1 of this act, and conducted pursuant to sections 3 to 16, inclusive, of this act, as applicable, or (2) participate in keno through or purchase tickets for lottery draw games through the Internet web site, online service or mobile application of the Connecticut Lottery Corporation, pursuant to section 4 of this act.

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

(2) "Gambling" means risking any money, credit, deposit or other thing of value for gain contingent in whole or in part upon lot, chance or the operation of a gambling device, including the playing of a casino gambling game such as blackjack, poker, craps, roulette or a slot machine, but does not include: Legal contests of skill, speed, strength or endurance in which awards are made only to entrants or the owners of entries; legal business transactions which are valid under the law of contracts; activity legal under the provisions of sections 7-169 to 7-186, inclusive; any lottery or contest conducted by or under the authority of any state of the United States, Commonwealth of Puerto Rico or any possession or territory of the United States; and other acts or transactions expressly authorized by law on or after October 1, 1973. [Fantasy contests, as defined in section 12-578aa shall not be considered gambling, provided the conditions set forth in subsection (b) of section 12-578aa have been met and the operator of such contests is registered pursuant to subdivision (1) of subsection (d) of section 12-578aa] Online casino gaming, online sports wagering, retail sports wagering and fantasy contests, as such terms are defined in section 1 of this act, shall

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not be considered gambling if the online casino gaming, online sports wagering, retail sports wagering or fantasy contest is conducted pursuant to sections 3 to 16, inclusive, of this act;

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

(4) "Gambling device" means any device or mechanism by the operation of which a right to money, credits, deposits or other things of value may be created, as the result of the operation of an element of chance; any device or mechanism which, when operated for a consideration, does not return the same value or thing of value for the same consideration upon each operation thereof; any device, mechanism, furniture or fixture designed primarily for use in connection with professional gambling; and any subassembly or essential part designed or intended for use in connection with any such device, mechanism, furniture, fixture, construction or installation, provided an immediate and unrecorded right of replay mechanically conferred on players of pinball machines and similar amusement devices shall be presumed to be without value. "Gambling device" does not include a crane game machine or device or a redemption machine. [A device or equipment used to play fantasy contests, as defined in section 12-578aa, shall not be considered a gambling device, provided the conditions set forth in subsection (b) of section 12-578aa have been met] A device or equipment used to participate in online casino gaming, online sports wagering, retail sports wagering or fantasy contests, as such terms are defined in section 1 of this act, shall not be considered a gambling device if the conditions set forth in sections 3 to 16, inclusive, of this act, as applicable, have been met;

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

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

(b) The Mashantucket Pequot [tribe] Tribe and the Mohegan Tribe of Indians of Connecticut, or their agents, may use and possess at any location within the state, solely for the purpose of training individuals in skills required for employment by the tribe or testing a gambling device, any gambling device which the tribes are authorized to utilize on their reservations pursuant to the federal Indian Gaming Regulatory Act; provided no money or other thing of value shall be paid to any person as a result of the operation of such gambling device in the course of such training or testing at locations outside of the reservation of the tribe. Any person receiving such training or testing such device may use any such device in the course of such training or testing. Whenever either of said tribes intends to use and possess at any location within the state any such gambling device for the purpose of testing such device, the tribe shall give prior notice of such testing to the Department of Consumer Protection.

(c) Any casino gaming facility, or its agents, may use and possess at any location within the state, solely for the purpose of training

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individuals in skills required for employment by the casino gaming facility or testing a gambling device, any gambling device which the casino gaming facility may use for conducting authorized games at the casino gaming facility, provided no money or other thing of value shall be paid to any person as a result of the operation of such gambling device in the course of such training or testing at locations outside of the casino gaming facility. Any person receiving such training or testing such device may use any such device in the course of such training or testing. Whenever a casino gaming facility intends to use and possess at any location within the state any such gambling device for the purpose of testing such device, the casino gambling facility shall give prior notice of such testing to the Department of Consumer Protection.

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

(a) The Department of Mental Health and Addiction Services shall establish a program for the treatment and rehabilitation of compulsive gamblers in the state. The program shall provide prevention, treatment and rehabilitation services for chronic gamblers. The department may enter into agreements with subregional planning and action councils and nonprofit organizations to assist in providing these services, provided not less than twenty-five per cent of the amount received pursuant to section 12-818, as amended by this act, annually shall be set aside for contracts with subregional planning and action councils established pursuant to section 17a-671 and nonprofit organizations and not less than five per cent of the amount received pursuant to section 12-818, as amended by this act, annually shall be set aside for a contract with the Connecticut Council on Problem Gambling. The department may impose a reasonable fee, on a sliding scale, on those participants who can afford to pay for any such services. The department shall implement such program when the account established under subsection (b) of this section is sufficient to meet initial operating

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expenses. As used in this section, "chronic gambler" means a person who is chronically and progressively preoccupied with gambling and the urge to gamble, and with gambling behavior that compromises, disrupts or damages personal, family or vocational pursuits.

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

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

Sec. 44. (*Effective July 1, 2021*) Notwithstanding the provisions of section 1-3 of the general statutes, if any provision of sections 1 to 22, inclusive, of this act, any amendment made to the provisions of the general statutes pursuant to this act, or any provision of an amendment or new compact entered into pursuant to section 2 of this act is held invalid by a court of competent jurisdiction in a final judgment which is not appealable, (1) the provisions of sections 1 to 22, inclusive, of this act



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shall cease to be effective, (2) the amendments made to the provisions of the sections of the general statutes pursuant to this act shall be inoperative, and (3) keno may be operated under the agreements that were entered into pursuant to section 12-806c of the general statutes, as amended by this act, and in effect on April 1, 2021.

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

Approved May 27, 2021