
OLR Bill Analysis

SB 160

AN ACT CONCERNING INTEREST ON LOTTERY SALES AGENT DELINQUENCY ASSESSMENTS AND LOTTERY ADVERTISING.

SUMMARY

This bill requires that the interest charged on lottery sales agents' (i.e., licensed lottery ticket retailers') delinquency assessments be calculated using simple rather than compound interest, which is the current practice (see BACKGROUND). By law, delinquency assessments are equal to 10% of the amount due or \$10, whichever is greater, plus interest at a rate of 1.5% per month or part of a month that elapses between the due date and payment date.

For delinquency assessments outstanding on June 30, 2022, the bill allows sales agents to request a hardship waiver from the Department of Consumer Protection (DCP) commissioner to reduce what is owed, by recalculating the interest owed using simple interest. Sales agents can apply beginning July 1, 2022.

Additionally, the bill makes several changes concerning advertising by the Connecticut Lottery Corporation (CLC). Current law requires CLC to include a prominent and clear statement of the average chances of winning in each advertisement promoting lottery ticket purchases for its retail draw games. The bill extends this requirement to its online lottery draw games and requires that the type font for this statement in any written digital or print advertising generally be at least 10% the size of the largest font included in the advertisement. For digital advertising posted in a physical retail location however, the bill requires the statement to be at least 10% the size of the largest font displayed that applies to the specific game related to the statement.

Current law limits the above statement requirement to advertisements (1) in newspapers, magazines, and brochures; (2) on

posters; and (3) on TV and radio that are at least 30 seconds long for one game. The bill changes this limitation so that the following must include the odds statement: (1) digital and print advertisements, including social media and email communications; (2) video advertisements; and (3) audio-only advertisements, except for ones that are less than 30 seconds involving the sale of tickets for online lottery draw games or online keno.

Lastly, the bill makes technical changes.

EFFECTIVE DATE: July 1, 2022

BACKGROUND

Current Practice Regarding Interest Charged

A May 5, 2010, declaratory ruling interpreting CGS § 12-569 issued by the executive director for the former Division of Special Revenue held that the statute supports imposing delinquency assessments using compound interest calculations. (PA 11-51 eliminated the division and transferred its responsibilities to DCP.) DCP currently uses compound interest calculations on delinquency assessments.

Delinquency Assessments

By law, lottery sales agents are delinquent when they fail to remit money due from their lottery ticket sales by the settlement dates established by CLC. The CLC president is responsible for making delinquency determinations and notifying the DCP commissioner, who in turn must impose the delinquency assessments (CGS § 12-569; Conn. Agencies Regs. §§ 12-568a-1 and -12).

COMMITTEE ACTION

Public Safety and Security Committee

Joint Favorable

Yea 23 Nay 0 (03/08/2022)