



General Assembly

February Session, 2024

Raised Bill No. 5282

LCO No. 1171



Referred to Committee on PUBLIC SAFETY AND SECURITY

Introduced by:
(PS)

AN ACT ALLOWING HARDSHIP WAIVERS OF INTEREST DUE FROM A DELINQUENT LOTTERY SALES AGENT AND CONCERNING LICENSING OF CONNECTICUT LOTTERY CORPORATION EMPLOYEES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-569 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2024*):

3 (a) For purposes of this section, "delinquency assessment" means the
4 principal amount due but unremitted as of the stated past settlement
5 date, the penalty imposed by the commissioner and the interest due and
6 outstanding.

7 [(a)] (b) (1) If the president of the Connecticut Lottery Corporation
8 determines that any lottery sales agent has breached such agent's
9 fiduciary responsibility to the corporation in that the account of such
10 lottery sales agent with respect to moneys received from the sale of
11 lottery tickets has become delinquent [in accordance with regulations
12 adopted under section 12-568a] by failure to remit all moneys due and
13 owing upon the settlement date established by the Connecticut Lottery

14 Corporation, the president shall notify the commissioner of the breach
15 of fiduciary duty. [and the] The commissioner shall impose (A) a
16 [delinquency assessment] penalty upon such delinquent account equal
17 to ten per cent of the principal amount due but unremitted or ten dollars,
18 whichever amount is greater, [plus] which shall be effective upon
19 delivery of notice to the agent, and (B) simple interest at the rate of one
20 and one-half per cent of such principal amount due but unremitted for
21 each month or fraction of a month from the date such principal amount
22 is due to the date of payment.

23 (2) A lottery sales agent whose account was delinquent prior to July
24 1, 2022, and whose delinquency assessment was subject to
25 compounding interest on June 30, 2022, may apply to the commissioner
26 on or after July 1, 2022, for a hardship waiver to reduce the amount of
27 interest delinquent, outstanding and payable to an amount based on
28 simple interest.

29 (3) A lottery sales agent whose account is delinquent on or after July
30 1, 2024, may file an application with the president of the Connecticut
31 Lottery Corporation for a hardship waiver to reduce the amount of
32 interest delinquent, outstanding and payable. Each lottery sales agent
33 applying for a hardship waiver shall pay, with such application, the
34 principal amount due but unremitted as of the stated past settlement
35 date and the penalty imposed in accordance with subdivision (1) of this
36 subsection, provided (A) if the president determines that an undue
37 hardship exists which prevents such agent from paying the principal
38 amount due but unremitted as of the stated past settlement date and the
39 penalty at the time of application for such hardship waiver, the
40 president may enter into a payment schedule permitting an agent to pay
41 the principal amount due but unremitted and the penalty over a period
42 of time not to exceed one year from the date the hardship waiver is
43 provisionally granted by the president, and (B) an agent who fails to pay
44 the principal amount due but unremitted and the penalty within the
45 period described in subparagraph (A) of this subdivision shall be
46 ineligible for a hardship waiver pursuant to this subdivision. If the
47 president determines that it would be beneficial to the state to do so, the

48 president may reduce the amount of any interest delinquent,
49 outstanding and payable by such agent. The president shall establish
50 procedures to be published and maintained on the Internet web site of
51 the Connecticut Lottery Corporation specifying requirements for
52 hardship waiver applications and availability of payment plans. In no
53 event shall a hardship waiver result in a refund or credit of any amount
54 of money, penalty or interest previously paid by such agent.

55 [(3)] (4) Subject to the provisions of section 12-3a, the commissioner
56 may waive all or part of the penalties provided under this subsection
57 when it is proven to the commissioner's satisfaction that the failure to
58 pay such moneys to the state within the time allowed was due to
59 reasonable cause and was not intentional or due to neglect.

60 [(4)] (5) Any such delinquent lottery sales agent shall be notified of
61 such delinquency assessment and shall be afforded an opportunity to
62 contest the validity and amount of such assessment before the
63 commissioner who may conduct such hearing. Upon request of the
64 president of the Connecticut Lottery Corporation, the commissioner
65 may prepare and sign a warrant directed to any state marshal, constable
66 or any collection agent employed by the Connecticut Lottery
67 Corporation for distraint upon any property of such delinquent lottery
68 sales agent within the state, whether personal or real property. An
69 itemized bill shall be attached to the warrant certified by the
70 commissioner as a true statement of the amount due from such lottery
71 sales agent. Such warrant shall have the same force and effect as an
72 execution issued in accordance with chapter 906. Such warrant shall be
73 levied on any real, personal, tangible or intangible property of such
74 agent and sale made pursuant to such warrant in the same manner and
75 with the same force and effect as a levy and sale pursuant to an
76 execution.

77 (b) The commissioner shall adopt regulations in accordance with the
78 provisions of chapter 54 to carry out the purposes of this section.

79 Sec. 2. Section 12-802a of the general statutes is repealed and the

80 following is substituted in lieu thereof (*Effective from passage*):

81 No person shall be employed by the Connecticut Lottery Corporation
82 until such person has obtained [an] the appropriate occupational license
83 issued by the Commissioner of Consumer Protection in accordance with
84 chapter 229a or 229b or regulations adopted under section 12-568a, as
85 applicable.

86 Sec. 3. Section 12-815a of the general statutes is repealed and the
87 following is substituted in lieu thereof (*Effective January 1, 2025*):

88 (a) The Commissioner of Consumer Protection shall issue vendor,
89 affiliate and occupational licenses in accordance with the provisions of
90 this section.

91 (b) No person or business organization awarded a primary contract
92 by the Connecticut Lottery Corporation to provide facilities,
93 components, goods or services that are necessary for and directly related
94 to the secure operation of the activities of said corporation shall do so
95 unless such person or business organization is issued a vendor license
96 by the Commissioner of Consumer Protection. For the purposes of this
97 subsection, "primary contract" means a contract to provide facilities,
98 components, goods or services to said corporation by a person or
99 business organization (1) that provides any lottery game or any online
100 wagering system related facilities, components, goods or services and
101 that receives or, in the exercise of reasonable business judgment, can be
102 expected to receive more than seventy-five thousand dollars or twenty-
103 five per cent of its gross annual sales from said corporation, or (2) that
104 has access to the facilities of said corporation and provides services in
105 such facilities without supervision by said corporation. Each applicant
106 for a vendor license shall pay a nonrefundable application fee of two
107 hundred fifty dollars.

108 (c) No person or business organization, other than a shareholder in a
109 publicly traded corporation, may be a subcontractor for the provision of
110 facilities, components, goods or services that are necessary for and
111 directly related to the secure operation of the activities of the

112 Connecticut Lottery Corporation, or may exercise control in or over a
113 vendor licensee unless such person or business organization is licensed
114 as an affiliate licensee by the commissioner. Each applicant for an
115 affiliate license shall pay a nonrefundable application fee of two
116 hundred fifty dollars.

117 (d) (1) Each employee of a vendor or affiliate licensee who has access
118 to the facilities of the Connecticut Lottery Corporation and provides
119 services in such facilities without supervision by said corporation or
120 performs duties directly related to the activities of said corporation shall
121 obtain an occupational license.

122 (2) Each officer, director, partner, trustee or owner of a business
123 organization licensed as a vendor or affiliate licensee and any
124 shareholder, executive, agent or other person connected with any
125 vendor or affiliate licensee who, in the judgment of the commissioner,
126 will exercise control in or over any such licensee shall obtain an
127 occupational license.

128 (3) Each employee of the Connecticut Lottery Corporation shall
129 obtain an occupational license.

130 (e) The commissioner shall issue occupational licenses in the
131 following classes: (1) Class I for persons specified in subdivision (1) of
132 subsection (d) of this section; (2) Class II for persons specified in
133 subdivision (2) of subsection (d) of this section; (3) Class III for persons
134 specified in subdivision (3) of subsection (d) of this section who, in the
135 judgment of the commissioner, will not exercise authority over or direct
136 the management and policies of the Connecticut Lottery Corporation;
137 and (4) Class IV for persons specified in subdivision (3) of subsection (d)
138 of this section who, in the judgment of the commissioner, will exercise
139 authority over or direct the management and policies of the Connecticut
140 Lottery Corporation. Each applicant for a Class I or III occupational
141 license shall pay a nonrefundable application fee of twenty dollars. Each
142 applicant for a Class II or IV occupational license shall pay a
143 nonrefundable application fee of one hundred dollars. The

144 nonrefundable application fee shall accompany the application for each
145 such occupational license.

146 (f) Each applicant for a Class III or Class IV occupational license shall
147 disclose, in such form and manner as the commissioner shall prescribe,
148 the forms of gaming operated by the corporation that such applicant
149 will be involved in as an employee of the corporation. The commissioner
150 shall issue appropriate endorsements applicable to the forms of gaming
151 each employee holding a Class III or Class IV occupational license is
152 involved in as an employee of the corporation. Each employee holding
153 a Class III or Class IV occupational license with appropriate
154 endorsements for such employee's involvement in the corporation's
155 operation of Internet games, as defined in section 12-850, shall not be
156 required to obtain any additional licensing under chapter 229b for
157 involvement in such games.

158 ~~[(f)]~~ (g) In determining whether to grant a vendor, affiliate or
159 occupational license to any such person or business organization, the
160 commissioner may require an applicant to provide information as to
161 such applicant's: (1) Financial standing and credit; (2) moral character;
162 (3) criminal record, if any; (4) previous employment; (5) corporate,
163 partnership or association affiliations; (6) ownership of personal assets;
164 and (7) such other information as the commissioner deems pertinent to
165 the issuance of such license, provided the submission of such other
166 information will assure the integrity of the state lottery. The
167 commissioner shall require each applicant for a vendor, affiliate or
168 occupational license to submit to state and national criminal history
169 records checks and may require each such applicant to submit to an
170 international criminal history records check before such license is
171 issued. The state and national criminal history records checks required
172 pursuant to this subsection shall be conducted in accordance with
173 section 29-17a. The commissioner shall issue a vendor, affiliate or
174 occupational license, as the case may be, to each applicant who satisfies
175 the requirements of this subsection and who is deemed qualified by the
176 commissioner. The commissioner may reject for good cause an
177 application for a vendor, affiliate or occupational license.

178 ~~[(g)]~~ (h) Each vendor, affiliate or Class I or II occupational license shall
179 be effective for not more than one year from the date of issuance. Each
180 Class III or IV occupational license shall remain in effect throughout the
181 term of employment of any such employee holding such a license. The
182 commissioner may require each employee issued a Class IV
183 occupational license to submit information as to such employee's
184 financial standing and credit annually. Initial application for and
185 renewal of any such license shall be in such form and manner as the
186 commissioner shall prescribe.

187 ~~[(h)]~~ (i) (1) The commissioner may suspend or revoke for good cause
188 a vendor, affiliate or occupational license after a hearing held before the
189 commissioner in accordance with chapter 54. The commissioner may
190 order summary suspension of any such license in accordance with
191 subsection (c) of section 4-182.

192 (2) Any such applicant aggrieved by the action of the commissioner
193 concerning an application for a license, or any person or business
194 organization whose license is suspended or revoked, may appeal
195 pursuant to section 4-183.

196 (3) The commissioner may impose a civil penalty on any licensee for
197 a violation of any provision of this chapter or any regulation adopted
198 under section 12-568a in an amount not to exceed two thousand five
199 hundred dollars after a hearing held in accordance with chapter 54.

200 ~~[(i)]~~ (j) The commissioner may require that the books and records of
201 any vendor or affiliate licensee be maintained in any manner which the
202 commissioner may deem best, and that any financial or other statements
203 based on such books and records be prepared in accordance with
204 generally accepted accounting principles in such form as the
205 commissioner shall prescribe. The commissioner or a designee may
206 visit, investigate and place expert accountants and such other persons
207 as deemed necessary in the offices or places of business of any such
208 licensee for the purpose of satisfying himself or herself that such licensee
209 is in compliance with the regulations of the department.

210 [(j)] (k) For the purposes of this section, (1) "business organization"
 211 means a partnership, incorporated or unincorporated association, firm,
 212 corporation, trust or other form of business or legal entity; (2) "control"
 213 means the power to exercise authority over or direct the management
 214 and policies of a licensee; and (3) "person" means any individual.

215 [(k)] (l) The Commissioner of Consumer Protection may adopt such
 216 regulations, in accordance with chapter 54, as are necessary to
 217 implement the provisions of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2024</i>	12-569
Sec. 2	<i>from passage</i>	12-802a
Sec. 3	<i>January 1, 2025</i>	12-815a

Statement of Purpose:

To allow hardship waivers of interest due from delinquent lottery sales agents and permit the Commissioner of Consumer Protection to place an endorsement on a Connecticut Lottery Corporation employee's license to permit such employee to be involved with specified types of gaming without obtaining additional licenses.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]