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## OLR Bill Analysis

### sHB 5282

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

#### **SUMMARY**

This bill extends eligibility for hardship waivers to include lottery sales agents with delinquent accounts on or after July 1, 2024, rather than just those whose delinquency assessments were subject to compounding interest and were outstanding on June 30, 2022.

The bill also allows Connecticut Lottery Corporation (CLC) employees to receive Department of Consumer Protection (DCP) endorsements for those who work on online lottery or online and retail sports wagering, instead of having to get a separate DCP license. Among other things, it requires these CLC employees to disclose to DCP when they have a criminal conviction or change in scope of employment requiring additional endorsements.

The bill also makes minor, technical, and conforming changes.

EFFECTIVE DATE: July 1, 2024

#### **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 set by CLC. The CLC president is responsible for making delinquency determinations and notifying the DCP commissioner. The DCP commissioner, in turn, must impose a penalty of 10% of the amount due or \$10, whichever is greater, plus interest of 1.5% per month or partial month from the due date to the payment date. The bill specifies that the (1) penalty and interest are calculated based on the principal amount

due but unremitted and (2) penalty is effective when the agent's notice is delivered.

Current law refers to the penalty and interest as the delinquency assessment. The bill instead defines "delinquency assessment" as the (1) principal amount due but unremitted as of the stated past settlement date, (2) penalty imposed by the DCP commissioner, and (3) interest due and outstanding.

### **HARDSHIP WAIVERS**

Current law allowed lottery sales agents whose delinquency assessments were subject to compounding interest and were outstanding on June 30, 2022, to be eligible for hardship waivers. The law allowed these agents to request the waiver from the DCP commissioner to reduce what they owe by recalculating the interest owed using simple interest.

Under the bill, sales agents with delinquent accounts on or after July 1, 2024, may apply to the CLC president for a hardship waiver to reduce the amount of interest owed. When applying for the waiver, they must pay any principal and penalties due as of the stated past settlement date, and agents that fail to do so are ineligible for the waiver. If the CLC president determines that an undue hardship prevents the agent from paying what he or she owes in principal and penalties, he may enter into a payment plan that allows the agent to pay CLC over a period of up to one year from the date the waiver is provisionally granted.

The bill authorizes the CLC president to reduce the amount of interest owed by the agent if he determines that doing so would be beneficial for the state. He must (1) establish procedures specifying requirements for these waiver applications and the availability of payment plans and (2) publish and maintain them on CLC's website. The bill prohibits any hardship waiver from resulting in a credit of any amount an agent previously paid.

### **DCP LICENSING**

Under existing law, all CLC staff members must be licensed by DCP

(i.e., class III and IV licensees). Current law also requires staff members who work on online lottery or online and retail sports wagering to get additional licensing. The bill instead allows CLC employees and applicants for those jobs to instead receive endorsements on the CLC license, rather than having to get a separate DCP license.

The bill requires each applicant for a CLC staff position and each current CLC employee, as of January 1, 2025, to disclose in a DCP-prescribed way the required gaming forms the applicant or licensed employee will work on at CLC. For these individuals, the DCP commissioner may issue a separate endorsement allowing them to operate CLC's Internet games or retail sports wagering. Under the bill, these employees are not required to apply for a separate DCP gaming license.

The bill requires these CLC staff members to report to DCP any criminal conviction within two business days of any rendered conviction order or judgment. CLC and its employees must immediately report to DCP any change in an employee's scope of employment that would require the employee to get an additional endorsement.

### **COMMITTEE ACTION**

Public Safety and Security Committee

Joint Favorable Substitute

Yea 20 Nay 5 (03/19/2024)