

General Law Committee JOINT FAVORABLE REPORT

Bill No.: SB-1463

AN ACT CONCERNING DISCLOSURES, PAYMENTS AND REVENUE

Title: TRANSFERS BY THE CONNECTICUT LOTTERY CORPORATION.

Vote Date: 3/21/2025

Vote Action: Joint Favorable

PH Date: 3/12/2025

File No.:

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SPONSORS OF BILL:

General Law Committee

REASONS FOR BILL:

The General Law Committee raised this legislation to incorporate several ideas brought to the committee's attention that pertain to the Connecticut Lottery.

- Various stakeholders have expressed interest in finding a dedicated source of revenue to improve families' access to high-quality early childhood care. This legislation proposes a requirement that revenue from online lottery and sports betting be transferred into the Early Childhood Care and Education Fund.
- In response to concerns about lottery winners' safety, SB 1463 would require the Connecticut Lottery Corporation (CLC) to obtain consent before publishing a winner's name, address, or picture, and it would protect that information from Freedom of Information Act requests.
- It was brought to the committee's attention that many convenience store owners were making very small commission on their lottery sales, so this bill would raise that commission to an average of at least 5.5% of the agent's sales.

RESPONSE FROM ADMINISTRATION/AGENCY:

[Frank Suarez, President and CEO, Connecticut Lottery Corporation \(CLC\)](#) provided detailed written comments on the legislation's impact on CLC operations and revenue. CLC appreciates the committee's desire to fund early childhood programs but remains neutral on how the state spends funds raised by CLC. Mr. Suarez details technical concerns about the use of the term "gross gaming revenue" in that section of the legislation, expressing that as drafted, the language would require CLC to pay its expenses by depleting other funds. He further raises the possibility that if CLC has to pay out a lower tier prize with a multiplier, it

could deplete iLottery funds completely, and the Early Childhood Care and Education Fund would see no return.

With respect to the name disclosure provisions, Mr. Suarez notes that while it is not required that they obtain a winner's permission prior to sharing their information, it is current practice for CLC to do so. He stresses the importance of showing the public that people do win the lottery, and he adds that name disclosure has helped uncover instances of potential fraud.

Mr. Suarez asserts that CLC meets and often exceeds the proposed 5.5% payout to retailers, and their commission structure is aligned with what is done in other states. He estimates that a mandated 0.5% increase would reduce CLC's return to the state by \$6.9 million annually.

Colleen Murphy, Executive Director, Freedom of Information (FOI) Commission

opposes exempting lottery winners' names from FOI disclosure. Ms. Murphy asserts that disclosure is essential to ensuring that the lottery operates transparently. She cites three recent examples of fraud pertaining to the lottery system, and she argues that these stories "should give pause to any efforts to limit access to lottery records."

NATURE AND SOURCES OF SUPPORT:

Emily Byrne, Executive Director, Connecticut Voices for Children (CT Voices) testified in support of SB 1463, with her comments focusing on the early childhood funding provisions. CT Voices argues that the new revenue would "help provide foundational building blocks for children, affordability for parents, and resource a sector that is critical for Connecticut's economic success." Ms. Byrne details the benefits of high-quality early childhood education but notes that only 76.6 percent of the state's kindergarteners have attended preschool. She argues that early childhood care supports need additional assistance and explains the challenges providers face when attempting to keep care affordable while paying their staff living wages. Ms. Byrne notes that although CT Voices has the ultimate goal of ensuring universal access to high-quality early childhood education, the steps taken in SB 1463 are consistent with their organization's values.

Merrill Gay, Executive Director, Connecticut Early Childhood Alliance supports SB 1463, citing the importance and impact of high-quality early childhood care. He relays many stories of families who are struggling to find and afford care for their children. Mr. Gay argues that programs that attempt to stay affordable are often unable to afford sufficient wages for staff, leading to high turnover and negatively impacting the quality of care. He noted that while the General Assembly created the Early Childhood Care and Education Fund last year, it did not put any money into it. Mr. Gay stresses the importance of finding a dedicated revenue stream to support this fund.

Debbie Plourde, Connecticut Early Childhood Alliance supports SB 1463's provisions that provide "dedicated, stable funding" for early childhood education. She points to the benefits of high quality early childhood education for children, families, and Connecticut's economy. Ms. Plourde details her 35-year career in early childhood education and recounts her struggles to pay her bills on an early childhood educator's pay. She is now the director of Mansfield Discovery Depot, and she states that she consistently faces budgetary challenges and needs permanent funding. She characterizes SB 1463 as "the legislation we need to start fixing child care in CT."

[Krista Pisano, School Readiness Liaison, City of Waterbury and Steering Committee Member, CT Early Childhood Alliance](#) strongly supports SB 1463's efforts to ensure that all families can find and afford high-quality care for their children. She asserts that the additional funding could strengthen the state's workforce by helping parents stay employed and encouraging workers to stay in the early childhood sector. Ms. Pisano argues that the funding would help address the childcare shortage, help students enter kindergarten ready to learn, and improve equity in access to high quality care. She urges the committee to support the bill.

[Laura Cordeira](#) testified in support of the bill's provisions that dedicate revenue to the Early Childhood Care and Education Fund. She relays a personal story about her family's struggle to find and afford care for her daughter. Overall, she supports SB 1463 because it would enable critical investments in early childhood education.

Four convenience store owners submitted identical testimony in support of increasing lottery retailer commission by 0.5%. They note that they face rising costs, but their commission rate has not changed accordingly. They urge the committee to pass SB 1463 in support of their small businesses.

Ten convenience store owners submitted testimony expressing general support for the bill and/or its commission increase.

NATURE AND SOURCES OF OPPOSITION:

[Michele Jacklin, Co-President, Connecticut Council on Freedom of Information](#) testified in opposition to exempting lottery winners from name and address disclosure requirements. Ms. Jacklin stresses the importance of public disclosure to ensuring that the lottery is administered fairly. She notes that only 11 states allow winners to remain anonymous, and none of those states are in New England. Ms. Jacklin relays seven stories of fraud that have been uncovered since 2016, and she raises the possibility that if information had remained hidden, the wrongdoing might not have been uncovered.

Reported by: Betsy Francolino

Date: March 26, 2025