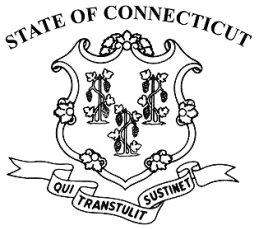

Substitute Senate Bill No. 1235

Public Act No. 25-112

AN ACT CONCERNING THE DEPARTMENT OF CONSUMER PROTECTION'S RECOMMENDATIONS REGARDING LOTTERY AND GAMING REGULATION.

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

Section 1. Section 12-569 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

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

[(a)**]** (b) (1) If the president of the Connecticut Lottery Corporation determines that any lottery sales agent has breached such agent's fiduciary responsibility to the corporation in that the account of such lottery sales agent with respect to moneys received from the sale of lottery tickets has become delinquent **[**in accordance with regulations adopted under section 12-568a**]** by failure to remit all moneys due and owing upon the settlement date established by the Connecticut Lottery Corporation, the president shall notify the commissioner of the breach of fiduciary duty. **[**and the**]** The commissioner shall impose (A) a **[**delinquency assessment**]** penalty upon such delinquent account equal

to ten per cent of the principal amount due but unremitted or ten dollars, whichever amount is greater, **[**plus**]** which shall be effective upon delivery of notice to the agent, and (B) simple interest at the rate of one and one-half per cent of such principal amount due but unremitted for each month or fraction of a month from the date such principal amount is due but unremitted to the date of payment.

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

(3) A lottery sales agent whose account is delinquent on or after July 1, 2025, may file an application with the president of the Connecticut Lottery Corporation for a hardship waiver to reduce the amount of interest delinquent, outstanding and payable. Each lottery sales agent applying for a hardship waiver shall pay, with such application, the principal amount due but unremitted as of the stated past settlement date and the penalty imposed in accordance with subdivision (1) of this subsection, except that if the president determines that an undue hardship exists which prevents such agent from paying the principal amount due but unremitted as of the stated past settlement date and the penalty at the time of application for such hardship waiver, the president may enter into a payment schedule permitting an agent to pay the principal amount due but unremitted and the penalty over a period of time not to exceed one year from the date the hardship waiver is provisionally granted by the president. An agent who fails to pay the principal amount due but unremitted and the penalty in accordance with a payment schedule entered into pursuant to this subdivision shall be ineligible for a further hardship waiver pursuant to this subdivision. If the president determines that it would be beneficial to the state to do

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

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

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

[(b)**]** (c) The commissioner shall adopt regulations in accordance with the provisions of chapter 54 to carry out the purposes of this section.

Sec. 2. Subsection (a) of section 12-810 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(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, (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 12-850, as amended by this act, and (4) where otherwise limited by subsection **[**(g)**]** (h) of section 12-863, as amended by this act.

Sec. 3. Section 12-814 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(a) In each advertisement intended to promote the purchase of lottery tickets issued for games authorized under sections 12-563a, 12-800 to 12-818, inclusive, and 12-850 to 12-872, inclusive, as amended by this act, the corporation shall include a prominent and clear statement of the average chances of winning per specific lottery ticket. A prominent and clear statement in any written digital or print advertising shall mean a type font no smaller than ten per cent of the largest font included in such advertisement, provided, for digital advertising posted in a physical retail location, the type font shall be no smaller than ten per cent of the largest font displayed that is applicable to the specific game to which the odds apply.

(b) The provisions of subsection (a) of this section shall apply to (1) digital or print advertisements including, but not limited to, social

media, electronic mail communications, newspapers, magazines and brochures and on posters, (2) video advertisements, and (3) audio-only advertisements, except those that are less than thirty seconds for (A) the sale of tickets for lottery draw games through the Internet, an online service or a mobile application, or (B) keno through the Internet, an online service or a mobile application.

(c) On or before October 1, 1999, the corporation shall implement a code of standards for all advertisements and other activities intended to promote the purchase of lottery tickets for games authorized pursuant to this chapter. The code of standards shall include the requirement that no advertisement or promotion shall denigrate the character or conduct of nonlottery players or praise the character or conduct of lottery players.

(d) The corporation shall not publish the name or address of any person who redeems a winning lottery ticket, claims or is paid a winning wager from online sports wagering or retail sports wagering or is paid a prize from a fantasy contest, or publish the photograph of any person who redeems a winning lottery ticket, **[**on the corporation's Internet web site**]** claims or is paid a winning wager from online sports wagering or retail sports wagering or is paid a prize from a fantasy contest, without the prior written consent of such person. The provisions of this subsection shall not be construed to prohibit the corporation from disclosing any such name, address or photograph under the Freedom of Information Act, as defined in section 1-200.

[(e) If a person who redeems a winning lottery ticket requests to be excluded from the list of winners published on the corporation's Internet web site, the corporation shall remove such person's name from such list not later than five days after receiving such request.**]**

Sec. 4. Section 12-815a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(a) The Commissioner of Consumer Protection shall issue vendor, affiliate, lottery sales agent and occupational licenses in a form and manner prescribed by the commissioner and in accordance with the provisions of this section.

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

(c) (1) The Connecticut Lottery Corporation may employ the delivery services of a business organization that does not hold a vendor license for the purpose of transporting and delivering lottery tickets to lottery sales agents, provided:

(A) All lottery tickets are securely packaged in tamper-evident packaging by employees of the corporation on the premises of the corporation while under video surveillance, the exterior of such packaging does not contain any word, graphic or symbol indicating that such packaging contains lottery tickets and the corporation does not include the word "lottery" anywhere on such packaging, including in

the return address;

(B) All packages are tracked and require a signature upon delivery;

(C) The corporation creates and retains documentation for each package, which documentation includes, at a minimum, the following information: (i) The lottery game number; (ii) the pack number or numbers; (iii) the lottery game name; (iv) the number of packs contained in such package; (v) the name and address of the lottery sales agent who is the intended recipient of the lottery tickets; (vi) the package shipment date; and (vii) the name of the business organization delivering the tickets from the corporation to the lottery sales agent.

(2) Prior to utilizing a business organization described in subdivision (1) of this subsection for the purpose set forth in said subdivision, the corporation shall provide a detailed plan to the department, in a form and manner prescribed by the commissioner, which plan shall be reviewed and approved or denied by the commissioner not later than thirty days after the department receives such plan. Such plan shall include, at a minimum, the following information:

(A) The name and contact information for the business organization;

(B) The proposed date to commence shipment through such business organization;

(C) A detailed description of the specific tamper-evident packaging to be used, which description shall include the security features for such packaging;

(D) The additional security measures to be provided by the business organization during transport and at the point of delivery; and

(E) A description of the processes to be employed by the business organization in transporting the lottery tickets in the event a delivery is

unsuccessful.

(3) The corporation shall retain a copy of all documentation created pursuant to subdivision (2) of this subsection for not less than three years. In the event the corporation is notified by a lottery sales agent that a package of lottery tickets appears to be damaged, missing or otherwise compromised at the time of delivery, the corporation shall immediately notify the department and shall provide instructions to the lottery sales agent to embargo the package until such time that the contents can be verified against the documentation retained by the corporation.

[(c)**]** (d) No person or business organization, other than a shareholder in a publicly traded corporation, may be a contractor or a subcontractor for the provision of facilities, components, goods or services that are necessary for and directly related to the secure operation of the activities of the Connecticut Lottery Corporation, or may exercise control in or over a vendor licensee unless such person or business organization is licensed as an affiliate licensee by the commissioner. Each applicant for an affiliate license shall pay a nonrefundable application fee of two hundred fifty dollars.

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

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

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

[(e)**]** (f) The commissioner shall issue occupational licenses in the following classes: (1) Class I for persons specified in subdivision (1) of subsection **[**(d)**]** (e) of this section; (2) Class II for persons specified in subdivision (2) of subsection **[**(d)**]** (e) of this section; (3) Class III for persons specified in subdivision (3) of subsection **[**(d)**]** (e) of this section who, in the judgment of the commissioner, will not exercise authority over or direct the management and policies of the Connecticut Lottery Corporation; and (4) Class IV for persons specified in subdivision (3) of subsection **[**(d)**]** (e) of this section who, in the judgment of the commissioner, will exercise authority over or direct the management and policies of the Connecticut Lottery Corporation. Each applicant for a Class I or III occupational license shall pay a nonrefundable application fee of twenty dollars. Each applicant for a Class II or IV occupational license shall pay a nonrefundable application fee of one hundred dollars. The nonrefundable application fee shall accompany the application for each such occupational license. Applicants for such licenses shall apply in a form and manner prescribed by the commissioner.

(g) Each applicant for a Class III or Class IV occupational license, and each employee of the corporation holding such a license on January 1, 2026, shall disclose, in a form and manner prescribed by the commissioner, the forms of gaming under this chapter and chapter 229b on which such applicant or such licensed employee will work as an employee of the corporation. For an applicant approved for a Class III or Class IV occupational license, or for an employee of the corporation who currently holds such a license, the commissioner may issue a separate endorsement authorizing such licensee to engage in the corporation's operation, under chapter 229b, of Internet games or retail sports wagering, as such terms are defined in section 12-850, as

amended by this act, and such employee shall not be required to apply for a license pursuant to section 12-858, as amended by this act, or section 12-859, as amended by this act, in order to engage in such operation. All Class III or Class IV occupational licensees shall report to the department any criminal conviction not later than two business days after the order or judgment of such conviction is rendered. The corporation and all Class III or Class IV occupational licensees shall immediately report to the department any change in the scope of employment of such licensee employed by the corporation that would require the employee to obtain an additional endorsement pursuant to this subsection.

[(f)**]** (h) No person or business organization may be a lottery sales agent unless such person or organization is licensed as a lottery sales agent by the commissioner.

[(g)**]** (i) In determining whether to grant a vendor, affiliate, lottery sales agent or occupational license to any such person or business organization, the commissioner may require an applicant to provide information as to such applicant and person in charge related to: (1) Financial standing and credit; (2) moral character; (3) criminal record, if any; (4) previous employment; (5) corporate, partnership or association affiliations; (6) ownership of personal assets; and (7) such other information as the commissioner deems pertinent to the issuance of such license, provided the submission of such other information will assure the integrity of the state lottery. The commissioner shall require each applicant for a vendor, affiliate, lottery sales agent or occupational license, provided if an applicant for a lottery sales agent is a business organization the commissioner shall require such entity's person in charge to submit to state and national criminal history records checks and may require each such applicant, or person in charge, to submit to an international criminal history records check before such license is issued. The state and national criminal history records checks required

pursuant to this subsection shall be conducted in accordance with section 29-17a. The commissioner shall issue a vendor, affiliate, lottery sales agent or occupational license, as the case may be, to each applicant who satisfies the requirements of this subsection and who is deemed qualified by the commissioner. **[**The commissioner may reject for good cause an application for a vendor, affiliate, lottery sales agent or occupational license.**]**

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

[(i)**]** (k) (1) Upon petition of the corporation, a vendor licensee or an affiliate licensee, the department may authorize an applicant for an occupational license to provisionally perform the work permitted under the license applied for, if: (A) The applicant has filed a completed occupational license application in the form and manner required by the commissioner, and (B) the corporation, vendor licensee or affiliate licensee attests that the provisional authorization is necessary to continue the efficient operation of the lottery, and is based on circumstances that are extraordinary and not designed to circumvent the otherwise applicable licensing procedures.

(2) The department may issue a provisional authorization to an applicant for an occupational license in advance of issuance or denial of such license for a period not to exceed six months. Provisional authorization shall permit such applicant to perform the functions and require the applicant to comply with the requirements of the

occupational license applied for as set forth in the provisions of this chapter and regulations adopted pursuant to this chapter. Provisional authorization shall not constitute approval for an occupational license. During the period of time that any provisional authorization is in effect, the applicant granted such authorization shall be subject to and comply with all applicable statutes and regulations. Any provisional authorization issued by the department shall expire immediately upon the earlier of: (A) The date of issuance of written notice from the department that the occupational license has been approved or denied, or (B) six months after the date the provisional authorization was issued.

(3) An individual whose occupational license application is denied after a period of provisional authorization shall not reapply for an occupational license for a period of one year from the date of the denial.

(4) An individual whose provisional authorization expires pursuant to subparagraph (B) of subdivision (2) of this subsection may apply for an additional provisional authorization. The department may issue such additional provisional authorization upon a determination that the conditions of subparagraph (B) of subdivision (1) of this subsection exist.

[(j)**]** (l) When an incident occurs, or is reasonably suspected to have occurred, that causes a disruption in the operation, security, accuracy, integrity or availability of the lottery gaming system, the vendor licensed to provide such lottery gaming system shall, immediately upon discovery of such incident, but not later than twenty-four hours after discovery of such incident, provide the department with a written incident report including the details of the incident and the vendor's proposed corrections. Not later than five business days after notifying the department of an incident, the vendor licensee shall provide the department with a written incident report that (1) details the incident, including the root cause of the incident, and (2) outlines the vendor's plan to make corrections, mitigate the effects of the incident and prevent

incidents of a similar nature from occurring in the future. If the vendor licensee is unable to determine the root cause and correct the incident within the initial five business days, the licensee shall continue to update the department every five business days with written incident reports until the root cause is determined and the incident is corrected. The department may require the vendor licensee to submit the lottery gaming system to a gaming laboratory for recertification.

[(k)**]** (m) (1) **[**The**]** After a hearing held in accordance with chapter 54, the commissioner may, for good cause, suspend, **[**or**]** revoke, **[**for good cause**]** refuse to renew or place conditions on a vendor, affiliate, lottery sales agent or occupational license, **[**after a hearing held before the commissioner in accordance with chapter 54**]** deny an application for any such license or impose a civil penalty on a vendor, affiliate, lottery sales agent or occupational licensee for cause, including, but not limited to: (A) Any failure to comply with the provisions of this chapter, chapter 226 or the regulations adopted pursuant to said chapters; (B) any conduct likely to mislead, deceive or defraud the public or the commissioner; (C) any provision of materially false or misleading information; (D) any criminal conviction or civil judgment involving fraud, theft or another financial crime; (E) any demonstrated insolvency, including, but not limited to, the filing of a bankruptcy petition or any failure to meet material financial obligations that directly impact the licensee's ability to operate in compliance with the provisions of this chapter and chapter 226; or (F) any failure to complete an application. The commissioner may order summary suspension of any such license in accordance with subsection (c) of section 4-182.

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

(3) The commissioner may impose a civil penalty on any licensee for

a violation of any provision of this chapter or any regulation adopted under section 12-568a in an amount not to exceed two thousand five hundred dollars per violation after a hearing held in accordance with chapter 54.

(4) No lottery sales agent shall keep any unauthorized gambling device, illegitimate lottery ticket or illegal bookmaking equipment, or allow any professional gambling, as defined in section 53-278a, at the lottery sales agent's retail facility. In the event the department finds any unauthorized gambling device, illegitimate lottery ticket, illegal bookmaking equipment or professional gambling at a lottery sales agent's retail facility, the lottery sales agent shall be fined not more than four thousand dollars per violation, and the commissioner shall issue a notice of violation to the lottery sales agent that (A) includes an order summarily suspending the lottery sales agent license the commissioner issued to the lottery sales agent, and (B) notifies the suspended lottery sales agent that the suspended lottery sales agent (i) is liable for the fine imposed pursuant to this subdivision, (ii) shall immediately cease all activity that requires a lottery sales agent license, and (iii) may, not later than fifteen days after the lottery sales agent receives such notice of violation, submit to the commissioner a written request that a hearing be held in accordance with the provisions of chapter 54 concerning such summary suspension and fine. If the suspended lottery sales agent requests a hearing within such fifteen-day period, the commissioner shall conduct a hearing in accordance with the provisions of chapter 54 concerning such summary suspension and fine. If the suspended lottery sales agent does not request a hearing within such fifteen-day period, the summary suspension order issued, and fine imposed, pursuant to this subdivision shall be deemed a final decision subject to appeal pursuant to section 4-183. A summary suspension order issued pursuant to this subdivision shall remain in effect until the summary suspension is lifted and all fines imposed pursuant to this subdivision have been paid. The summary suspension may be lifted by a written

order issued by the commissioner or upon a final decision rendered after a hearing held in accordance with the provisions of chapter 54.

[(l)**]** (n) The commissioner may require that the books and records of any vendor or affiliate licensee be maintained in any manner which the commissioner may deem best, and that any financial or other statements based on such books and records be prepared in accordance with generally accepted accounting principles in such form as the commissioner shall prescribe. The commissioner or a designee may visit, investigate and place expert accountants and such other persons as deemed necessary in the offices or places of business of any such licensee, or require that the books and records of any such licensee be provided to the department, for the purpose of satisfying **[**himself or herself**]** the commissioner that such licensee is in compliance with the regulations **[**of**]** adopted by the department.

[(m)**]** (o) For the purposes of this section, (1) "business organization" means a partnership, incorporated or unincorporated association, firm, corporation, limited liability company, trust or other form of business or legal entity; (2) "control" means the power to exercise authority over or direct the management and policies of a licensee; and (3) "person" means any individual.

[(n)**]** (p) The Commissioner of Consumer Protection may adopt such regulations, in accordance with chapter 54, as are necessary to implement the provisions of this section.

Sec. 5. Section 12-850 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

For the purposes of this section and sections 12-851 to 12-871, inclusive, and section 6 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, an independent institution of higher education, as defined in section 10a-173, or a for-profit college or university physically located in the state that offers in-person classes within the state;

(4) "Consumables" means nondurable items, including, but not limited to, dice, playing cards and roulette balls, used in live online casino gaming;

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

(6) "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;

(7) "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;

(8) "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;

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

(10) "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 include lottery games;

(11) "Gaming entity licensee" means a master wagering licensee, a licensed online gaming operator, a licensed online gaming service provider or a licensed sports wagering retailer;

(12) "Handling consumables" means physical contact with, or supervisory oversight over the acceptance, inventory, storage or destruction of, consumables, as well as being responsible for card inspection, counting and shuffling;

(13) "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;

(14) "Keno" has the same meaning as provided in section 12-801;

(15) "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; (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; (D) chief information officer, who is the individual generally responsible for establishing policies or procedures on, or making management decisions related to, information systems; or (E) chief data security officer, who is the individual generally responsible for establishing policies or procedures on, or making management decisions related to, technical systems. "Key employee" includes an individual (i) who is responsible for establishing the policies or procedures on, or making management decisions related to, wagering structures or outcomes for a licensee; or (ii) who has an ownership interest that is five per cent or more of the total ownership or interest rights in the licensee. Tribal membership in and of itself shall not constitute ownership for purposes of this subdivision;

(16) "Live game employee" means an employee of a master wagering licensee or a licensed online gaming operator or online gaming service provider that is operating live online casino gaming who is (A) responsible for handling consumables in a live online casino authorized under this chapter; **[**,**]** (B) responsible for presenting live online casino gaming in a live online casino authorized under this chapter; **[**,**]** or (C) a direct manager of an individual who is a live game employee under

subparagraph (A) or (B) of this subdivision;

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

(18) "Lottery sales agent" means a person that contracts with the Connecticut Lottery Corporation to sell lottery tickets or offer keno at a retail facility in the state and not over the Internet, and is licensed in accordance with chapters 226 and 229a;

(19) "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;

(20) "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;

(21) "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 12-852; (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 12-852; or (C)

the Connecticut Lottery Corporation, if licensed pursuant to section 12-853 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;

(22) "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;

(23) "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;

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

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

(26) "Online casino gaming" or "online casino games" 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;

(27) "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;

(28) "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;

(29) "Online sports wagering" means sports wagering conducted over 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;

(30) "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;

(31) "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;

(32) "Sporting event" (A) means any **[**(A)**]** (i) sporting or athletic event at which two or more persons participate, individually or on a team, and may be eligible to receive compensation in excess of actual expenses for such participation in such sporting or athletic event; **[**(B)**]** (ii) 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)**]** (iii) Olympic or international sports competition event; or **[**(D)**]** (iv) 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;

and (B) does not include horse racing, jai alai or greyhound racing. 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;**]**

(33) "Sports governing body" means the organization that prescribes final rules and enforces codes of conduct with respect to a sporting event and participants in the sporting event;

(34) "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**]**

(35) "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; and

(36) "Wager" (A) means any money, credit, deposit or cash equivalent, including, but not limited to, any free play, loyalty point or other redeemable betting credit, or any other thing of value, that is risked or accepted based on an uncertain occurrence or an uncertain outcome of an event; and (B) does not include any entry fee.

Sec. 6. (NEW) (*Effective July 1, 2025*) (a) For purposes of this section:

(1) "House rules" means the terms and conditions for sports wagering; and

(2) "Internal controls" means the written system of administrative and accounting processes and procedures implemented or anticipated to be implemented at a master wagering licensee or online gaming operator that are designed to ensure compliance with chapter 229b of the general statutes and the regulations promulgated thereunder, including, but not limited to, (A) financial reporting, (B) effectiveness and security of operations, (C) "know your customer" procedures, and (D) deterring fraud and anti-money laundering.

(b) (1) (A) An online gaming operator may void any sports wagers that the online gaming operator has accepted from patrons, without obtaining prior approval from the department, if:

(i) The sporting event for which such wagers were accepted has been cancelled, delayed for more than twenty-four hours beyond the originally scheduled start time of such sporting event or transferred to another venue;

(ii) Such wagers were accepted on sporting event players that take no part in the sporting event;

(iii) Such wagers were accepted for an act, or set of acts, to be performed during a sporting event and such act, or set of acts, does not occur;

(iv) Such wagers were accepted based on a specific team qualifying to participate in a post-season tournament and a reduction has been made in the number of teams that are allowed to participate in such tournament; or

(v) Such wagers were accepted on a sporting event and (I) there has been a change in the format of, or the number of participants scheduled to participate in, a phase of the sporting event, or (II) a phase of the sporting event is no longer scheduled to occur.

(B) For all sports wagers voided under subparagraph (A) of this subdivision, the online gaming operator shall reflect such voidance in the patrons' online gaming accounts and promptly credit the funds from such voided wagers to such patrons' online gaming accounts.

(C) Each sports wagering retailer shall post and maintain a notice that informs patrons how to determine whether a sports wager has been voided subject to the house rules and how to receive a refund for a voided sports wager. Such notice shall be (i) in a form and manner approved by the commissioner, (ii) at least eight and one-half inches by eleven inches in size, (iii) in at least twenty-point font, and (iv) posted and maintained at any location in such sports wagering retailer's facility or facilities where a patron may place a sports wager.

(2) An online gaming operator shall modify or void a sports wager that the online gaming operator has accepted from a patron, without obtaining prior approval from the department, if:

(A) The patron requests that the online gaming operator modify or void such wager prior to the sporting event for which such wager was accepted; and

(B) (i) The online gaming operator, or the electronic wagering platform operated by the online gaming operator, erroneously communicated the type, amount or parameters of such wager to the patron, or (ii) an employee of a sports wagering retailer committed an error in entering such wager into the electronic wagering platform operated by the online gaming operator.

(3) Each online gaming operator shall maintain a change log record

of all sports wagers that such online gaming operator voids or modifies pursuant to subdivision (1) or (2) of this subsection. Such record shall be maintained in a form and manner prescribed by the commissioner. For each such wager, such record shall, at a minimum, include the following information:

(A) The name of the affected patron;

(B) The reason the online gaming operator voided or modified such wager;

(C) The type of such wager, broken down by market;

(D) The sporting event associated with such wager and the date or dates on which such sporting event occurred or was scheduled to occur; and

(E) Any other information the commissioner, in the commissioner's discretion, requires to properly identify and assess the impact of such voided or modified wager.

(c) (1) If an online gaming operator may not void a specific sports wager under subsection (b) of this section, the online gaming operator may submit a written request to the department, in a form and manner prescribed by the commissioner, to void such wager. Such request shall, at a minimum, include the following information:

(A) The reason for such request;

(B) The name of each patron who would be affected by voiding such wager;

(C) The sporting event associated with such wager and the date or dates on which the sporting event occurred or was scheduled to occur;

(D) The type of such wager;

(E) The total amount of such wager; and

(F) The online gaming operator's plan to contact the patrons who would be affected by voiding such wager.

(2) Upon receiving a written request submitted under subdivision (1) of this subsection, the department may request, and the online gaming operator shall disclose to the department, any additional information the department requires in order to review such request and assess the potential impact that granting such request would have on the affected patrons and the integrity of gaming.

(3) No online gaming operator that submits a request to the department under subdivision (1) of this subsection shall void any sports wager that is the subject of the request unless the department has issued a written notice to the online gaming operator, in a form and manner prescribed by the commissioner, approving such request.

(d) (1) Not later than September 1, 2025, each online gaming operator shall submit to the department, in a form and manner prescribed by the commissioner, such online gaming operator's internal controls concerning voiding sports wagers and allocating patron funds. The department shall review such internal controls to ensure that such internal controls (A) provide for affected patrons to be notified not later than twenty-four hours after the department approves a request to void any sports wager, regardless of whether such wager was placed online or at a sports wagering retailer facility, (B) provide for the prompt return of patron funds after the online gaming operator or sports wagering retailer voids any sports wager, and (C) address any other matter the commissioner, in the commissioner's discretion, determines is integral to preserving the integrity of gaming. Not later than December 1, 2025, the department shall send notice to each online gaming operator disclosing whether the department has approved or disapproved the internal controls such online gaming operator submitted to the

department pursuant to this subdivision.

(2) If the department approves an online gaming operator's internal controls pursuant to subdivision (1) of this subsection, the online gaming operator shall include such internal controls in the online gaming operator's house rules, and the online gaming operator shall display such house rules in a clear and conspicuous location on the electronic wagering platform operated by the online gaming operator.

Sec. 7. Subsection (a) of section 12-858 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(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. <u>An employee of the Connecticut Lottery Corporation holding an active Class III or Class IV license with an endorsement to operate Internet games or retail sports wagering issued pursuant to subsection (g) of section 12-815a, as amended by this act, shall not be required to obtain an occupational employee license pursuant to this section.</u> 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 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.

Sec. 8. Subsection (b) of section 12-859 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(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. An employee of the Connecticut Lottery Corporation holding an active Class III or Class IV license with an endorsement to operate Internet games or retail sports wagering issued pursuant to subsection (g) of section 12-815a, as amended by this act, shall not be required to obtain a key employee license pursuant to this section. The commissioner may establish, through regulations adopted pursuant to section 12-865, criteria to exercise 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.

Sec. 9. Subsections (a) and (b) of section 12-859a of the general statutes are repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) A live game employee, other than an individual who holds a key employee license, **[**who will be directly or substantially involved in the operation of live online casino gaming in a manner impacting the

integrity of such gaming,**]** shall obtain a live game employee license prior to commencing such employment.

(b) (1) A live game employee shall apply for a live game employee license on a form and in a manner prescribed by the commissioner. Such form shall require the applicant to: **[**(1)**]** (A) Submit to a fingerprint-based state and national criminal history records check conducted in accordance with section 29-17a, which may include a financial history check if requested by the commissioner, to determine the character and fitness of the applicant for the license, **[**(2)**]** (B) provide information related to other business affiliations, and **[**(3)**]** (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) No person shall review a state and national criminal history records check conducted pursuant to subparagraph (A) of subdivision (1) of this subsection unless: (A) Such person is employed by the department, and (B) the department has authorized such person to review such state and national criminal history records check.

Sec. 10. Section 12-859c of the general statutes is repealed and the following is substituted in lieu thereof (*Effective January 1, 2026*):

In place of the criminal history records check required of an applicant for a key employee license under subsection (c) of section 12-859, an applicant for a live game employee license under subsection (b) of section 12-859a, as amended by this act, an applicant for a lottery sales agent license, or person in charge of such agent, under subsection **[**(g)**]** (i) of section 12-815a, as amended by this act, the commissioner may accept from such applicant 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.

Sec. 11. Section 12-863 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(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 12-852 to 12-854, inclusive, 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 12-852 or 12-853, 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 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, provided single-use stored value instruments purchased by cash or debit card only, including, but not limited to, a gift card or a lottery terminal printed value voucher, may be used pursuant to subdivision (3) of subsection (d) of section 12-853;

(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;

(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) Advertising, marketing and other promotional materials published, aired, displayed or disseminated by or on behalf of any gaming entity licensee shall:

(1) Not depict an individual who is, or appears to be, 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 from the use of his or her name and likeness;

(2) Not be aimed exclusively or primarily at individuals under twenty-one years of age, or at individuals under eighteen years of age if pertaining exclusively to keno, online lottery ticket sales or fantasy contests, or any combination thereof;

(3) Not directly advertise, target or promote Internet games or retail sports wagering to specific individuals, rather than a general audience, who are excluded pursuant to a self-exclusion process as described in subdivision (5) of subsection (c) of this section, through methods, including, but not limited to, electronic mail, telephone calls, text messages, direct messaging applications, mail and social media;

(4) State that individuals shall be eighteen or twenty-one years of age or older, as applicable, to participate in the type of gaming advertised, marketed or promoted;

(5) Not contain images, symbols, celebrity or entertainer endorsements or language designed to appeal specifically to those under twenty-one years of age, or, if pertaining exclusively to keno, online lottery ticket sales or fantasy contests, or any combination thereof, to those under eighteen years of age;

(6) Not contain inaccurate or misleading information that would reasonably be expected to confuse and mislead patrons in order to induce them to engage in gaming;

(7) Not be published, aired, displayed or disseminated to a media outlet or on social media, that appeal primarily to individuals under twenty-one years or age, or, if pertaining exclusively to keno, online lottery ticket sales or fantasy contests, or any combination thereof, to those under eighteen years of age;

(8) Not be placed before any audience where the majority of the viewers or participants is presumed to be under twenty-one years of age, or, if pertaining exclusively to keno, online lottery ticket sales or fantasy contests, or any combination thereof, to those under eighteen years of age;

(9) Not imply greater chances of winning compared to other licensees;

(10) Not imply greater chances of winning based on wagering in greater quantity or amount, except for **[**a lottery draw game that was approved prior to January 1, 2024, is available for patron wagering as of June 6, 2024, includes**]** online keno and online lottery draw games that include game features approved by the department that increase the chances of winning; **[**and is not exclusively sold by lottery sales agents;**]**

(11) Not contain claims or representations that gaming will guarantee an individual's social, financial or personal success;

(12) Not use any type, size, location, lighting, illustration, graphic, depiction or color resulting in the obscuring of any material fact; and

(13) If a direct or targeted advertisement or promotion sent to an individual, including, but not limited to, electronic mail or text message, include a clear and conspicuous Internet link that allows the recipient to unsubscribe by clicking on one link.

(f) No online casino game shall display or include any in-game verbiage or graphic that (1) is inaccurate or misleading and would

reasonably be expected to confuse or mislead patrons (A) in order to induce patrons to engage in gaming, or (B) by implying a greater chance of winning (i) compared to the online casino games offered by other licensees, or (ii) based on wagering in any greater quantity or amount, or (2) by virtue of the type, size, location, highlighting, illustration, depiction or color of such in-game verbiage or graphic, obscures any material fact.

[(f)**]** (g) No master wagering licensee, online gaming operator licensee or sports wagering retailer licensee may enter into an agreement with a third party to conduct advertising or marketing on behalf of, or to the benefit of, such licensee that provides that compensation is dependent on, or related to, the volume of individuals who become patrons, the volume or amount of wagers placed or the outcome of wagers. A master wagering licensee or online gaming operator licensee may compensate a third party for advertising services based on the click through of an individual to an online gaming operator licensee's Internet web site, provided such compensation is not based on an individual creating an account or placing a wager.

[(g)**]** (h) The name and any personally identifying information of a person who is participating or who has participated in the voluntary self-exclusion process established pursuant to subdivision (5) of subsection (c) of this section or established by the Department of Consumer Protection in regulations adopted pursuant to subdivision (4) of section 12-865 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:

(1) The Department of Consumer Protection or Connecticut Lottery Corporation may disclose the name and personally identifying information of such person to a master wagering licensee, licensed online gaming operator, licensed online gaming service provider or

licensed sports wagering retailer as necessary to achieve the purposes of the voluntary self-exclusion process established pursuant to subdivision (5) of subsection (c) of this section or established by the Department of Consumer Protection in regulations adopted pursuant to subdivision (4) of section 12-865; and

(2) The Connecticut Lottery Corporation 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 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.

(i) If the commissioner determines, upon investigation by the department, that any advertisement has been published, aired, displayed or disseminated by or on behalf of any gaming entity licensee in violation of the provisions of subsection (e) of this section, the commissioner may issue a notice of violation that includes an order requiring the removal of such advertisement, in whole or in part, not later than ten days after the date on which the commissioner issues such notice. During such ten-day period, any person who is the subject of such notice of violation may submit to the department a written request that a hearing be held in accordance with the provisions of chapter 54. Such person shall remove such advertisement and not incur any fine for such violation pending issuance of a notice of decision following such hearing, unless otherwise ordered by the hearing officer or pursuant to a settlement agreement approved by the commissioner. If such person fails to request a hearing or comply with such order during such ten-day period, such person shall be fined not more than one thousand dollars per day until such person complies with the order included in such notice of violation or notice of decision, as applicable. Nothing in this subsection shall be construed to limit the department's authority to pursue any other enforcement action available to the department under

any other provision of the general statutes.

Sec. 12. Section 12-866 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) For purposes of this section, "gross gaming revenue" means, for each master wagering licensee licensed to operate online casino gaming pursuant to section 12-852, the total of all sums actually received by 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 (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 purposes of this subsection, 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 12-852 or the date that regulations, including, but not limited to, emergency

regulations, are adopted and effective pursuant to section 12-865, whichever is later.

[(a)**]** (b) A master wagering licensee, if licensed to operate online casino gaming pursuant to section 12-852, 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 12-852 during the five-year period after the first issuance of a license for such gaming under section 12-852, or (2) twenty per cent of the gross gaming revenue from online casino gaming authorized under section 12-852 during the sixth and any succeeding year after the first issuance of a license for such gaming under section 12-852. 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 12-852, 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

(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 12-852 or the date that regulations, including, but not limited to, emergency regulations, are adopted and effective pursuant to section 12-865, whichever is later.**]**

Sec. 13. Section 29-143w of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

No person shall bet or wager upon the result of any boxing or mixed martial arts match, unless such bet or wager is conducted pursuant to sections 12-850 to 12-872, inclusive, as amended by this act.

Sec. 14. Section 42-301 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(a) No person shall conduct or promote a sweepstakes or a promotional drawing authorized by the provisions of section 53-278g that (1) is not related to the bona fide sale of goods, services or property, **[**or**]** (2) uses a simulated gambling device, or (3) allows or facilitates participation in any real or simulated online casino gaming or sports wagering, unless such person is licensed under chapter 229b.

[(b) Any person who violates the provisions of this section shall be subject to the penalty for professional gambling, as provided in subsection (b) of section 53-278b.**]**

[(c)**]** (b) Any simulated gambling device used in a sweepstakes or a promotional drawing shall be deemed a common nuisance and be subject to seizure, as provided in section 53-278c.

[(d)**]** (c) Any premises used for a sweepstakes or a promotional drawing in violation of the provisions of this section shall be deemed a common nuisance and shall be subject to the provisions in section 53-278e.

[(e)**]** (d) Nothing in this section shall be construed to prohibit a retail grocery chain from conducting or promoting a sweepstakes that uses a simulated gambling device, provided such sweepstakes is related to the sale of groceries, the prize is not redeemed or redeemable for cash and the prize is only used as a discount to reduce the price of items purchased from such retail grocery chain. For the purposes of this **[**section**]** subsection, "retail grocery chain" means an operator or franchisor of five or more retail establishments whose primary business is the sale of groceries.

(e) Any person who violates the provisions of this section shall be subject to the penalty for professional gambling, as provided in subsection (b) of section 53-278b.

(f) Any violation of subsection (a) of this section shall be deemed an unfair or deceptive trade practice under subsection (a) of section 42-110b.

Sec. 15. Section 21a-1c of the general statutes is repealed. (*Effective from passage*)

Governor's Action:
Approved June 24, 2025