



General Assembly

Substitute Bill No. 17

January Session, 2019



**AN ACT AUTHORIZING SPORTS WAGERING, INTERNET GAMING
AND INTERNET KENO.**

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

1 Section 1. (NEW) (*Effective July 1, 2019*) (a) For the purposes of this
2 section and sections 2 and 3 of this act:

3 (1) "Electronic wagering platform" or "platform" means the
4 combination of hardware, software and data networks used to
5 manage, administer, offer or control sports wagering or casino gaming
6 over the Internet, including through an Internet web site or a mobile
7 device;

8 (2) "Mashantucket Pequot memorandum of understanding" means
9 the memorandum of understanding entered into by and between the
10 state and the Mashantucket Pequot Tribe on January 13, 1993, as
11 amended from time to time;

12 (3) "Mashantucket Pequot procedures" means the Final
13 Mashantucket Pequot Gaming Procedures prescribed by the Secretary
14 of the United States Department of the Interior pursuant to 42 USC
15 2710(d)(7)(B)(vii) and published in 56 Federal Register 24996 (May 31,
16 1991), as amended from time to time;

17 (4) "MMCT Venture, LLC" means a limited liability company (A)

18 jointly and exclusively owned by the Mashantucket Pequot Tribe and
19 the Mohegan Tribe of Indians of Connecticut; (B) in which no other
20 person or business organization holds an equity interest; and (C) in
21 which each tribe holds at least a twenty-five per cent equity interest;

22 (5) "Mohegan compact" means the Tribal-State Compact entered
23 into by and between the state and the Mohegan Tribe of Indians of
24 Connecticut on May 17, 1994, as amended from time to time;

25 (6) "Mohegan memorandum of understanding" means the
26 memorandum of understanding entered into by and between the state
27 and the Mohegan Tribe of Indians of Connecticut on May 17, 1994, as
28 amended from time to time;

29 (7) "Online casino gaming" means any game of chance, including,
30 but not limited to, blackjack, poker, dice, money-wheels, roulette,
31 baccarat, chuck-a-luck, pan game, over and under, horse race game,
32 acey-deucey, beat the dealer, bouncing ball, video facsimile game and
33 any other game of chance, conducted over the Internet, including
34 through an Internet web site or a mobile device;

35 (8) "Sporting event" means (A) any sporting or athletic event at
36 which two or more persons participate and receive compensation in
37 excess of actual expenses for such participation in such sporting or
38 athletic event, or (B) any sporting or athletic event sponsored by an
39 intercollegiate athletic program of an institution of higher education.
40 "Sporting event" does not include horse racing or any sporting or
41 athletic event sponsored by a minor league or high school; and

42 (9) "Sports wagering" or "wagering" means risking or accepting any
43 money, credit, deposit or other thing of value for gain contingent in
44 whole or in part (A) by any system or method of wagering, including,
45 but not limited to, in person or over the Internet through an Internet
46 web site or a mobile device, and (B) based on (i) a sporting event or a
47 portion or portions of a sporting event, or (ii) the individual
48 performance statistics of an athlete or athletes in a sporting event or a

49 combination of sporting events. "Sports wagering" or "wagering" does
50 not include the payment of an entry fee to play fantasy contests, as
51 defined in section 12-578aa of the general statutes.

52 (b) (1) The Governor shall enter into amendments to the
53 Mashantucket Pequot procedures and to the Mashantucket Pequot
54 memorandum of understanding with the Mashantucket Pequot Tribe
55 and amendments to the Mohegan compact and to the Mohegan
56 memorandum of understanding with the Mohegan Tribe of Indians of
57 Connecticut concerning the operation of sports wagering and online
58 casino gaming by (A) casino gaming facilities located on Indian lands
59 pursuant to the Indian Gaming Regulatory Act, P.L. 100-947, 25 USC
60 2701 et seq., and (B) a casino gaming facility at 171 Bridge Street, East
61 Windsor, Connecticut operated by MMCT Venture, LLC, as authorized
62 pursuant to section 12-578f of the general statutes.

63 (2) The amendments to the Mashantucket Pequot procedures and
64 the Mohegan compact shall include a provision that any authorization
65 of the Mashantucket Pequot Tribe, the Mohegan Tribe of Indians of
66 Connecticut or MMCT Venture, LLC, to conduct sports wagering or
67 online casino gaming in the state does not terminate the moratorium
68 against the operation of video facsimile games by the Mashantucket
69 Pequot Tribe and Mohegan Tribe of Indians of Connecticut on each
70 tribe's reservation.

71 (3) The amendments to each tribe's memorandum of understanding
72 shall include a provision that any authorization of the Mashantucket
73 Pequot Tribe, the Mohegan Tribe of Indians of Connecticut or MMCT
74 Venture, LLC, to conduct sports wagering or online casino gaming in
75 the state does not relieve each tribe from each tribe's obligation to
76 contribute a percentage of the gross operating revenues of video
77 facsimile games to the state as provided in each tribe's memorandum
78 of understanding.

79 (c) No authorization to conduct sports wagering or online casino
80 gaming shall be effective unless the following conditions are met:

81 (1) The amendments to the Mashantucket Pequot procedures and to
82 the Mohegan compact are approved by the General Assembly
83 pursuant to section 3-6c of the general statutes.

84 (2) The amendments to the Mashantucket Pequot memorandum of
85 understanding and to the Mohegan memorandum of understanding
86 are approved by the General Assembly pursuant to the process
87 described in section 3-6c of the general statutes.

88 (3) The governing bodies of the Mashantucket Pequot Tribe and
89 Mohegan Tribe of Indians of Connecticut enact resolutions providing
90 that: (A) If MMCT Venture, LLC, fails to pay any fees or taxes due the
91 state, the tribes, as the members of MMCT Venture, LLC, waive the
92 possible defense of sovereign immunity with respect to any action or
93 claim by the state against the tribes as the members of MMCT Venture,
94 LLC, to the extent such action or claim is permitted to be brought
95 against a member of a limited liability company under state law to
96 collect any fees or taxes, while preserving any other defenses available
97 to the tribes, and (B) venue for such action or claim shall be in the
98 judicial district of Hartford.

99 (d) If MMCT Venture, LLC, ceases to be a limited liability company
100 jointly and exclusively owned by the Mashantucket Pequot Tribe and
101 the Mohegan Tribe of Indians of Connecticut in which each tribe holds
102 at least a twenty-five per cent equity interest, any authorization to
103 MMCT Venture, LLC, or the casino gaming facility at 171 Bridge
104 Street, East Windsor, Connecticut, authorized pursuant to section 12-
105 578f of the general statutes, to conduct sports wagering or online
106 casino gaming shall be void.

107 Sec. 2. (NEW) (*Effective July 1, 2019*) (a) An individual may only
108 place a sports wager on a sporting event or place wagers through an
109 online casino electronic wagering platform if the wagering is
110 authorized pursuant to section 1 of this act and the individual has
111 attained the age of twenty-one and is physically present in the state
112 when placing the wager.

113 (b) Any electronic wagering platform used for conducting online
114 sports wagering or online casino gaming shall be developed to: (1)
115 Verify that an individual with a wagering account is twenty-one years
116 of age or older and is located in the state, and (2) provide a mechanism
117 to prevent the unauthorized use of sports wagering accounts and
118 maintain the security of wagering data, sport bettor's data and other
119 confidential information.

120 Sec. 3. (NEW) (*Effective July 1, 2019*) Not later than twelve months
121 after the date any authorization of sports wagering or online casino
122 gaming becomes effective under section 1 of this act, the
123 Commissioner of Consumer Protection shall adopt regulations, in
124 accordance with the provisions of chapter 54 of the general statutes, to
125 implement the provisions of sections 1 and 2 of this act. Such
126 regulations shall address the operation of, participation in and
127 advertisement of sports wagering and online casino gaming, including,
128 but not limited to, provisions to protect the public interest in the
129 integrity of gaming. The commissioner may implement policies and
130 procedures while in the process of adopting such regulations,
131 provided notice of intention to adopt regulations is posted on the
132 eRegulations System not later than twenty days after implementation.
133 Any such policy or procedure shall be valid until the time final
134 regulations are effective.

135 Sec. 4. Subdivision (2) of section 53-278a of the general statutes is
136 repealed and the following is substituted in lieu thereof (*Effective July*
137 *1, 2019*):

138 (2) "Gambling" means risking any money, credit, deposit or other
139 thing of value for gain contingent in whole or in part upon lot, chance
140 or the operation of a gambling device, including the playing of a casino
141 gambling game such as blackjack, poker, craps, roulette or a slot
142 machine, but does not include: Legal contests of skill, speed, strength
143 or endurance in which awards are made only to entrants or the owners
144 of entries; legal business transactions which are valid under the law of
145 contracts; activity legal under the provisions of sections 7-169 to 7-186,

146 inclusive; any lottery or contest conducted by or under the authority of
147 any state of the United States, Commonwealth of Puerto Rico or any
148 possession or territory of the United States; and other acts or
149 transactions expressly authorized by law on or after October 1, 1973.
150 Fantasy contests, as defined in section 12-578aa, shall not be
151 considered gambling, provided the conditions set forth in subsection
152 (b) of section 12-578aa have been met and the operator of such contests
153 is registered pursuant to subdivision (1) of subsection (d) of section 12-
154 578aa. Sports wagering, as defined in section 1 of this act, and online
155 casino gaming, as defined in section 1 of this act, shall not be
156 considered gambling if the conditions set forth in section 1 of this act
157 have been met and the sports wagering or online casino gaming is
158 conducted pursuant to sections 2 and 3 of this act;

159 Sec. 5. Subdivision (4) of section 53-278a of the general statutes is
160 repealed and the following is substituted in lieu thereof (*Effective July*
161 *1, 2019*):

162 (4) "Gambling device" means any device or mechanism by the
163 operation of which a right to money, credits, deposits or other things
164 of value may be created, as the result of the operation of an element of
165 chance; any device or mechanism which, when operated for a
166 consideration, does not return the same value or thing of value for the
167 same consideration upon each operation thereof; any device,
168 mechanism, furniture or fixture designed primarily for use in
169 connection with professional gambling; and any subassembly or
170 essential part designed or intended for use in connection with any
171 such device, mechanism, furniture, fixture, construction or installation,
172 provided an immediate and unrecorded right of replay mechanically
173 conferred on players of pinball machines and similar amusement
174 devices shall be presumed to be without value. "Gambling device"
175 does not include a crane game machine or device or a redemption
176 machine. A device or equipment used to play fantasy contests, as
177 defined in section 12-578aa, shall not be considered a gambling device,
178 provided the conditions set forth in subsection (b) of section 12-578aa

179 have been met. A device or equipment used to participate in sports
180 wagering, as defined in section 1 of this act, or online casino gaming,
181 as defined in section 1 of this act, shall not be considered a gambling
182 device if the conditions set forth in sections 1 to 3, inclusive, of this act
183 have been met;

184 Sec. 6. Section 12-806c of the general statutes is repealed and the
185 following is substituted in lieu thereof (*Effective July 1, 2019*):

186 (a) Notwithstanding the provisions of section 3-6c, the Secretary of
187 the Office of Policy and Management, on behalf of the state of
188 Connecticut, may enter into separate agreements with the
189 Mashantucket Pequot Tribe and the Mohegan Tribe of Indians of
190 Connecticut concerning the operation of keno by the Connecticut
191 Lottery Corporation in the state of Connecticut. Any such agreement
192 shall provide that the state of Connecticut shall distribute to each tribe
193 a sum not to exceed a twelve and one-half per cent share of the gross
194 operating revenue received by the state from the operation of keno.
195 The corporation may not operate keno until such separate agreements
196 are effective. For the purposes of this section, "gross operating
197 revenues" means the total amounts wagered, less amounts paid out as
198 prizes.

199 (b) Notwithstanding the provisions of section 3-6c, the secretary, on
200 behalf of the state, may enter amendments to such agreements
201 described in subsection (a) of this section concerning the operation of
202 keno gaming over the Internet by the Connecticut Lottery Corporation
203 in the state of Connecticut.

204 (c) Any electronic platform or combination of hardware, software
205 and data networks used to manage, administer, offer or control keno
206 gaming over the Internet, including through an Internet web site or a
207 mobile device, shall at a minimum be developed to: (1) Verify that an
208 individual with a keno account is eighteen years of age or older and is
209 located in the state, and (2) provide a mechanism to prevent the
210 unauthorized use of a keno account and maintain the security of data

211 and other confidential information.

212 Sec. 7. Section 12-565a of the general statutes is repealed. (*Effective*
 213 *July 1, 2019*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2019</i>	New section
Sec. 2	<i>July 1, 2019</i>	New section
Sec. 3	<i>July 1, 2019</i>	New section
Sec. 4	<i>July 1, 2019</i>	53-278a(2)
Sec. 5	<i>July 1, 2019</i>	53-278a(4)
Sec. 6	<i>July 1, 2019</i>	12-806c
Sec. 7	<i>July 1, 2019</i>	Repealer section

Statement of Legislative Commissioners:

In Section 1, subdivisions were renumbered for consistency with standard drafting conventions; in Section 1(a)(4), subdivisions were inserted for clarity; and in Sections 2 and 3, "gaming" and "betting" were changed to "wagering" for consistency with other provisions of the section.

PS *Joint Favorable Subst. -LCO*