



# Senate

General Assembly

**File No. 894**

January Session, 2025

Substitute Senate Bill No. 858

*Senate, May 12, 2025*

The Committee on Appropriations reported through SEN. OSTEN of the 19th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

## **AN ACT CONCERNING THE MASHANTUCKET PEQUOT AND MOHEGAN FUND.**

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

1 Section 1. Section 3-55i of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective July 1, 2025*):

3 (a) (1) There is established the "Mashantucket Pequot and Mohegan  
4 Fund" which shall be a separate nonlapsing fund. All funds received by  
5 the state of Connecticut from the Mashantucket Pequot Tribe pursuant  
6 to the joint memorandum of understanding entered into by and  
7 between the state and the tribe on January 13, 1993, as amended on April  
8 30, 1993, and any successor thereto, shall be deposited in the General  
9 Fund. [During the fiscal year]

10 (2) For the fiscal years ending June 30, 2015, [and each fiscal year  
11 thereafter] to June 30, 2026, inclusive, from the funds received by the  
12 state from the tribe pursuant to said joint memorandum of  
13 understanding, as amended, and any successor thereto, an amount

14 equal to the appropriation to the Mashantucket Pequot and Mohegan  
15 Fund for Grants to Towns shall be transferred to the Mashantucket  
16 Pequot and Mohegan Fund and shall be distributed by the Office of  
17 Policy and Management, during said fiscal [year] years, in accordance  
18 with the provisions of section 3-55j, as amended by this act. For the fiscal  
19 year ending June 30, 2028, and each fiscal year thereafter, one hundred  
20 thirty-nine million three hundred eighty thousand dollars of the funds  
21 deposited in the General Fund pursuant to subdivision (1) of this  
22 subsection or received by the state pursuant to the memorandum of  
23 understanding entered into by and between the state and the Mohegan  
24 Tribe of Indians of Connecticut on May 17, 1994, as amended from time  
25 to time, shall be transferred from the General Fund to the Mashantucket  
26 Pequot and Mohegan Fund. During each fiscal year, the Office of Policy  
27 and Management shall make distributions of any funds transferred to  
28 the Mashantucket Pequot and Mohegan Fund pursuant to this section  
29 in accordance with the provisions of section 3-55j, as amended by this  
30 act. The amount of the grant payable to each municipality during any  
31 fiscal year, in accordance with [said] section 3-55j, as amended by this  
32 act, shall be reduced proportionately if the total of such grants exceeds  
33 the amount of funds available for such year. The grant shall be paid in  
34 three installments as follows: The Secretary of the Office of Policy and  
35 Management shall, annually, not later than the fifteenth day of  
36 December, the fifteenth day of March and the fifteenth day of June  
37 certify to the Comptroller the amount due each municipality under the  
38 provisions of section 3-55j, as amended by this act, and the Comptroller  
39 shall draw an order on the Treasurer on or before the fifth business day  
40 following the fifteenth day of December, the fifth business day  
41 following the fifteenth day of March and the fifth business day  
42 following the fifteenth day of June and the Treasurer shall pay the  
43 amount thereof to such municipality on or before the first day of  
44 January, the first day of April and the thirtieth day of June.

45 (b) The transfers from the General Fund to the Mashantucket Pequot  
46 and Mohegan Fund required by subsection (a) of this section shall not  
47 be reduced except upon (1) submission to the General Assembly by the  
48 Governor of a certification of an emergency requiring such reduction;

49 and (2) a vote of at least two-thirds of the members of each house of the  
 50 General Assembly approving such reduction.

51 Sec. 2. Subsection (i) of section 3-55j of the general statutes is repealed  
 52 and the following is substituted in lieu thereof (*Effective July 1, 2025*):

53 (i) (1) For the fiscal year ending June 30, 2003, to the fiscal year ending  
 54 June 30, 2006, inclusive, the municipalities of Ledyard, Montville,  
 55 Norwich, North Stonington and Preston shall each receive a grant of five  
 56 hundred thousand dollars, [which] and (2) for the fiscal year ending  
 57 June 30, 2026, and each fiscal year thereafter, the municipalities of  
 58 Ledyard and Montville shall each receive a grant of up to six hundred  
 59 thousand dollars if the state revokes taxation of non-Indian property on  
 60 reservation land. Such amounts shall be paid from the Mashantucket  
 61 Pequot and Mohegan Fund established pursuant to section 3-55i, as  
 62 amended by this act, and [which] shall be in addition to the grants paid  
 63 to said municipalities pursuant to subsections (a) to (g), inclusive, of this  
 64 section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2025	3-55i
Sec. 2	July 1, 2025	3-55j(i)

**APP** Joint Favorable Subst.

*The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.*

## **OFA Fiscal Note**

### **State Impact:**

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Policy & Mgmt., Off.	MP&MF - Savings	None	52,541,796

Note: MP&MF=Mashantucket Pequot and Mohegan Fund

### **Municipal Impact:**

Municipalities	Effect	FY 26 \$	FY 27 \$
Various Municipalities	Revenue Loss	None	52,541,796
Ledyard; Montville	Potential Revenue Gain	Up to \$1.2 million	Up to \$1.2 million

## **Explanation**

The bill maintains the current funding level of the Mashantucket Pequot and Mohegan Fund grant (MPMF) through FY 26 but does not specify a funding source in FY 27. This will result in a revenue loss to towns in FY 27 and a corresponding savings to the Office of Policy and Management (OPM) in FY 27 associated with not paying out the grant.<sup>1</sup>

The bill also requires an additional payment of \$1.2 million to be paid to Ledyard and Montville (\$600,000 each) beginning in FY 26 from the Mashantucket Pequot and Mohegan Grants to Towns if the state revokes taxation of non-Indian property on reservation land. This results in a potential revenue gain to Ledyard and Montville and corresponding cost to the General Fund to provide the funds necessary

<sup>1</sup> In FY 26, this grant is estimated to be \$52.5 million.

for this grant increase.

### ***The Out Years***

The bill also results in an annual revenue gain to various municipalities beginning in FY 28 associated with an increase of approximately \$86.9 million, to a total of \$139.38 million for the MPMF grant.

This results in a corresponding cost to the General Fund in FY 28 to provide the funds necessary for this grant increase.<sup>2</sup> Currently, 124 towns receive such grants.

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<sup>2</sup> Current law requires the amount equal to the grant total to be transferred from the General Fund to the Mashantucket Pequot and Mohegan Fund (MP & MF). The funds are then distributed by OPM from the MP & MF.

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**OFA Bill Analysis****SB 858*****AN ACT CONCERNING THE MASHANTUCKET PEQUOT AND MOHEGAN FUND.*****SUMMARY:**

The bill makes the following changes regarding the Mashantucket Pequot and Mohegan grant.

- Maintains current funding levels through FY 26, but does not specify funding in FY 27.
- Increases the grant total by approximately \$86.9 million for a new total of \$139.38 million beginning in FY 28.
- Prevents this grant amount from being reduced except by certification of an emergency from the Governor and a two-thirds vote from the members of the General Assembly.
- Increases the grant payment to Ledyard and Montville in the event that the state revokes taxation of non-Indian personal property on reservation land.

EFFECTIVE DATE: July 1, 2025

**BACKGROUND*****Mashantucket Pequot and Mohegan Grant***

PA 93-388 established the Mashantucket Pequot and Mohegan Fund. This fund is a separate, nonlapsing fund containing revenue from casino gaming. Casino gaming revenue is deposited into the General Fund and then transferred to the fund, in an amount equal to the grants to be distributed. Money in this fund is distributed to municipalities

according to various factors, including the value of state-owned property, private college and general hospitals, population, equalized net grand list, and per capita income. Host towns receive additional payments, and three tribes also receive grants.

Currently, towns receive the same Pequot grant they received in FY 20. Since FY 16, the total grant amount has ranged from \$49.9 million to \$61.7 million. In FY 25, the appropriation for this grant is approximately \$52.5 million.

### **COMMITTEE ACTION**

Appropriations

Joint Favorable Substitute

Yea    54    Nay   0    (04/24/2025)