



Senate

General Assembly

File No. 612

January Session, 2025

Substitute Senate Bill No. 1463

Senate, April 9, 2025

The Committee on General Law reported through SEN. MARONEY of the 14th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING DISCLOSURES, PAYMENTS AND REVENUE TRANSFERS BY THE CONNECTICUT LOTTERY CORPORATION.

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

1 Section 1. Section 12-801 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2025*):

3 As used in section 12-563a, [and] sections 12-800 to 12-818, inclusive,
4 and section 2 of this act, the following terms have the following
5 meanings unless the context clearly indicates another meaning:

6 (1) "Board" or "board of directors" means the board of directors of the
7 corporation;

8 (2) "Corporation" means the Connecticut Lottery Corporation as
9 created under section 12-802;

10 (3) "Department" means the Department of Consumer Protection;

11 (4) "Division" means the former Division of Special Revenue in the

12 Department of Revenue Services;

13 (5) "Fantasy contest" has the same meaning as provided in section 12-
14 850;

15 (6) "Gaming laboratory" means a business entity that (A) specializes
16 in the testing of technology systems for gaming operators licensed in the
17 United States, (B) is licensed by the department as an affiliate pursuant
18 to section 12-815a, and (C) is not owned or controlled by the corporation;

19 (7) "Keno" means a lottery game in which a subset of numbers are
20 drawn from a larger field of numbers by a central computer system
21 using an approved random number generator, wheel system device or
22 other drawing device;

23 (8) "Lottery" means (A) the Connecticut state lottery conducted prior
24 to the transfer authorized under section 12-808 by the Division of Special
25 Revenue, (B) after such transfer, the Connecticut state lottery conducted
26 by the corporation pursuant to sections 12-563a and 12-800 to 12-818,
27 inclusive, and section 12-853, (C) the state lottery referred to in
28 subsection (a) of section 53-278g, and (D) keno conducted by the
29 corporation pursuant to section 12-806c, or sections 12-851 and 12-853;

30 (9) "Lottery and gaming fund" (A) means a fund or funds established
31 by, and under the management and control of, the corporation, into
32 which all lottery, sports wagering and fantasy contest revenues of the
33 corporation are deposited, other than revenues derived from online
34 lottery ticket sales, from which all payments and expenses of the
35 corporation are paid, other than payments and expenses related to
36 online lottery ticket sales, and from which transfers to the General Fund
37 or the Connecticut Teachers' Retirement Fund Bonds Special Capital
38 Reserve Fund, established in section 10-183vv, are made pursuant to
39 section 12-812, as amended by this act, and (B) does not include the
40 Online Lottery Ticket Sales Fund established pursuant to section 2 of
41 this act;

42 (10) "Lottery draw game" has the same meaning as provided in

43 section 12-850;

44 (11) "Lottery gaming system" means the complete integrated set of
45 hardware and software elements that communicates, records, reports,
46 captures and accounts for gaming data, including, but not limited to,
47 issuing, canceling and validating wagers, determining winners and
48 other functions necessary for the technological operation of the lottery;

49 (12) "Lottery sales agent" has the same meaning as provided in
50 section 12-850;

51 (13) "Online lottery ticket sales" means the sale of lottery tickets for
52 lottery draw games through the corporation's Internet web site, an
53 online service or a mobile application, pursuant to a license issued to the
54 corporation under section 12-853;

55 (14) "Online sports wagering" has the same meaning as provided in
56 section 12-850;

57 (15) "Operating revenue" means total revenue received from lottery
58 sales and sports wagering less all cancelled sales and amounts paid as
59 prizes but before payment or provision for payment of any other
60 expenses;

61 (16) "Person in charge" means the person designated by a lottery sales
62 agent licensee, or the applicant for such a license, who is responsible for
63 managing such agent's compliance with the provisions of chapters 226
64 and 229a;

65 (17) "Retail sports wagering" has the same meaning as provided in
66 section 12-850; and

67 (18) "Skin" has the same meaning as provided in section 12-850.

68 Sec. 2. (NEW) (*Effective July 1, 2025*) The corporation shall establish an
69 Online Lottery Ticket Sales Fund into which all revenue from online
70 lottery ticket sales shall be deposited, from which all payments and
71 expenses of the corporation related to such sales shall be paid and from

72 which transfers to the Early Childhood Care and Education Fund,
73 established under section 10-511 of the general statutes, shall be made
74 pursuant to subsection (e) of section 12-812 of the general statutes, as
75 amended by this act.

76 Sec. 3. Subsections (a) and (b) of section 12-806 of the general statutes
77 are repealed and the following is substituted in lieu thereof (*Effective July*
78 *1, 2025*):

79 (a) The purposes of the corporation shall be to: (1) Operate and
80 manage the lottery, and retail sports wagering, online sports wagering
81 and fantasy contests if licensed pursuant to section 12-853, in an
82 entrepreneurial and business-like manner free from the budgetary and
83 other constraints that affect state agencies; (2) provide continuing and
84 increased revenue to the people of the state through the lottery, and
85 retail sports wagering, online sports wagering and fantasy contests if
86 licensed pursuant to section 12-853, by being responsive to market
87 forces and acting generally as a corporation engaged in entrepreneurial
88 pursuits; (3) pay to the trustee of the Connecticut Teachers' Retirement
89 Fund Bonds Special Capital Reserve Fund, established in section 10-
90 183vv, the amounts, if any, required pursuant to subsection (c) of section
91 12-812, as amended by this act; (4) transfer to the Early Childhood Care
92 and Education Fund, established under section 10-511, the amounts
93 required by subsection (e) of section 12-812, as amended by this act; and
94 [(4)] (5) ensure that the lottery, and retail sports wagering, online sports
95 wagering and fantasy contests, if licensed pursuant to section 12-853,
96 continue to be operated with integrity and for the public good.

97 (b) The corporation shall have the following powers:

98 (1) To receive as transferee from the state of Connecticut all of the
99 tangible and intangible assets constituting the lottery including the
100 exclusive right to operate the lottery as the exclusive lottery of the state
101 and, subject to subsection (b) of section 12-808, to assume and discharge
102 all of the agreements, covenants and obligations of the Department of
103 Consumer Protection entered into which constitute a part of the
104 operation and management of the lottery;

105 (2) To operate and manage the lottery consistent with the provisions
106 of sections 1-120, 1-121, 1-125, 12-563, 12-563a, 12-564, 12-566, 12-568a
107 and 12-569, subsection (c) of section 12-574, sections 12-800 to 12-818,
108 inclusive, and section 12-853, and as specifically provided in section 12-
109 812, as amended by this act;

110 (3) To have perpetual succession as a body corporate and to adopt
111 bylaws, policies and procedures for the operation of its affairs and
112 conduct of its businesses;

113 (4) (A) To introduce new lottery games, modify existing lottery
114 games, utilize existing and new technologies, determine distribution
115 channels for the sale of lottery tickets, introduce keno pursuant to signed
116 agreements with the Mashantucket Pequot Tribe and the Mohegan
117 Tribe of Indians of Connecticut, in accordance with section 12-806c, or
118 pursuant to section 12-853, and, to the extent specifically authorized by
119 regulations adopted by the Department of Consumer Protection
120 pursuant to chapter 54, introduce instant ticket vending machines,
121 kiosks and automated wagering systems or machines, with all such
122 rights being subject to regulatory oversight by the Department of
123 Consumer Protection; and

124 (B) To sell tickets for lottery draw games through the corporation's
125 Internet web site, online service or mobile application in accordance
126 with section 12-853 and to advertise lottery games on the corporation's
127 Internet web site, online service or mobile application, except the
128 corporation shall not offer any interactive lottery game, including for
129 promotional purposes;

130 (5) To establish an annual budget of revenues and expenditures,
131 along with reasonable reserves for working capital, capital
132 expenditures, debt retirement and other anticipated expenditures, in a
133 manner and at levels considered by the board of directors as appropriate
134 and prudent;

135 (6) To adopt such administrative and operating procedures which the
136 board of directors deems appropriate;

137 (7) To enter into agreements with one or more states or territories of
138 the United States for the promotion and operation of joint lottery games
139 and to continue to participate in any joint lottery game in which the
140 corporation participates on July 1, 2003, regardless of whether any
141 government-authorized lottery operated outside of the United States
142 participates in such game;

143 (8) Subject to the provisions of section 12-815, to enter into
144 agreements with vendors with respect to the operation and
145 management of the lottery, and retail sports wagering, online sports
146 wagering and fantasy contests if licensed pursuant to section 12-853,
147 including operation of lottery terminals, management services, printing
148 of lottery tickets, management expertise, marketing expertise,
149 advertising or such other goods or services as the board of directors
150 deems necessary and appropriate;

151 (9) To purchase or lease operating equipment, including, but not
152 limited to, computer gaming and automated wagering systems and to
153 employ agents or employees to operate such systems;

154 (10) To retain unclaimed prize funds as additional revenue for the
155 state, or to use unclaimed prize funds to increase sales, or to return to
156 participants unclaimed prize funds in a manner designed to increase
157 sales;

158 (11) To establish prize reserve accounts as the board of directors
159 deems appropriate;

160 (12) To pay lottery prizes as awarded under section 12-812, as
161 amended by this act, to purchase annuities to fund such prizes, and to
162 assure that all annuities from which payments to winners of lottery
163 prizes are made are invested in instruments issued by agencies of the
164 United States government and backed by the full faith and credit of the
165 United States, or are issued by insurance companies licensed to do
166 business in the state, provided the issuer has been determined by the
167 Department of Consumer Protection to be financially stable and meets
168 the minimum investment rating as determined by the department;

169 (13) To pay the Office of Policy and Management to reimburse the
170 Department of Consumer Protection for the reasonable and necessary
171 costs arising from the department's regulatory oversight of the
172 operation of the lottery, retail sports wagering, online sports wagering
173 and fantasy contests by the corporation, in accordance with the
174 assessment made pursuant to section 12-806b, including costs arising
175 directly or indirectly from the licensing of lottery agents, performance
176 of state police background investigations, and the implementation of
177 subsection (b) of section 12-562 and sections 12-563a, 12-568a, 12-569, 12-
178 570, 12-570a, 12-800 to 12-818, inclusive, and sections 12-853, 12-854, 12-
179 863 to 12-865, inclusive, as amended by this act, 12-867, as amended by
180 this act, and 12-868;

181 (14) In the event that the operation or management of the corporation
182 becomes subject to the federal gaming occupation tax, to pay such tax
183 on behalf of lottery sales agents and to assist agents subject thereto;

184 (15) To determine the commissions payable to lottery sales agents,
185 provided any agent's commission shall not average less than [four] five
186 and one-half per cent of such agent's lottery sales;

187 (16) To invest in, acquire, lease, purchase, own, manage, hold and
188 dispose of real property and lease, convey or deal in or enter into
189 agreements with respect to such property on any terms necessary or
190 incidental to carrying out the purposes of sections 12-563a, 12-800 to 12-
191 818, inclusive, and sections 12-853 and 12-854, provided such
192 transactions shall not be subject to approval, review or regulation
193 pursuant to title 4b or any other statute by any state agency, except that
194 real property transactions shall be subject to review by the State
195 Properties Review Board;

196 (17) To borrow money for the purpose of obtaining working capital;

197 (18) To hold patents, copyrights, trademarks, marketing rights,
198 licenses or any other evidence of protection or exclusivity issued under
199 the laws of the United States or any state;

200 (19) To employ such assistants, agents and other employees as may
201 be necessary or desirable to carry out its purposes in accordance with
202 sections 12-563a, 12-800 to 12-818, inclusive, 12-853, 12-854, 12-863 to 12-
203 865, inclusive, as amended by this act, 12-867, as amended by this act,
204 and 12-868, to fix their compensation and, subject to the provisions of
205 subsections (e) and (f) of section 12-802, establish all necessary and
206 appropriate personnel practices and policies; to engage consultants,
207 accountants, attorneys and financial and other independent
208 professionals as may be necessary or desirable to assist the corporation
209 in performing its purposes in accordance with sections 12-563a, 12-800
210 to 12-818, inclusive, 12-853, 12-854, 12-863 to 12-865, inclusive, as
211 amended by this act, 12-867, as amended by this act, and 12-868;

212 (20) To make and enter into all contracts and agreements necessary
213 or incidental to the performance of its duties and the execution of its
214 powers under sections 12-563a, 12-800 to 12-818, inclusive, 12-853, 12-
215 854, 12-863 to 12-865, inclusive, as amended by this act, 12-867, as
216 amended by this act, and 12-868;

217 (21) In its own name, to sue and be sued, plead and be impleaded,
218 adopt a seal and alter the same at pleasure;

219 (22) Subject to the approval of the board and to the requirement to
220 remit excess lottery funds to the General Fund as set forth in section 12-
221 812, as amended by this act, to invest any funds not needed for
222 immediate use or disbursement, including any funds held in approved
223 reserve accounts, in investments permitted by sections 3-20 and 3-27a
224 for the proceeds of state bonds;

225 (23) To procure insurance against any loss in connection with its
226 property and other assets in such amounts and from such insurers as it
227 deems desirable;

228 (24) To the extent permitted under any contract with other persons to
229 which the corporation is a party, to consent to any termination,
230 modification, forgiveness or other change of any term of any contractual
231 right, payment, royalty, contract or agreement of any kind;

232 (25) To acquire, lease, purchase, own, manage, hold and dispose of
233 personal property, and lease, convey or deal in or enter into agreements
234 with respect to such property on any terms necessary or incidental to
235 the carrying out of these purposes;

236 (26) To account for and audit funds of the corporation;

237 (27) To pay or provide for payment from operating revenues all
238 expenses, costs and obligations incurred by the corporation in the
239 exercise of the powers of the corporation under sections 12-563a, 12-800
240 to 12-818, inclusive, 12-853, 12-854, 12-863 to 12-865, inclusive, as
241 amended by this act, 12-867, as amended by this act, and 12-868;

242 (28) To operate retail sports wagering at up to fifteen facilities located
243 throughout the state and one skin for online sports wagering, if licensed
244 pursuant to section 12-853;

245 (29) To operate fantasy contests, if licensed pursuant to section 12-
246 853; and

247 (30) To exercise any powers necessary to carry out the purposes of
248 sections 12-563a, 12-800 to 12-818, inclusive, 12-853, 12-854, 12-863 to 12-
249 865, inclusive, as amended by this act, 12-867, as amended by this act,
250 and 12-868.

251 Sec. 4. Section 12-812 of the general statutes is repealed and the
252 following is substituted in lieu thereof (*Effective July 1, 2025*):

253 (a) (1) The president of the corporation, subject to the direction of the
254 board, shall conduct daily, weekly, multistate, special instant or other
255 lottery games and shall determine the number of times a lottery shall be
256 held each year, the form and price of the tickets and the aggregate
257 amount of prizes, which shall not be less than forty-five per cent of the
258 sales unless required by the terms of any agreement entered into for the
259 conduct of multistate lottery games. The proceeds of the sale of tickets,
260 other than from online lottery ticket sales, shall be deposited in the
261 lottery and gaming fund of the corporation from which prizes shall be
262 paid, upon vouchers signed by the president, or by either of two persons

263 designated and authorized by him, in such numbers and amounts as the
264 president determines. The corporation may limit its liability in games
265 with fixed payouts and may cause a cessation of sales of tickets of certain
266 designation when such liability limit has been reached.

267 (2) The president of the corporation, subject to the direction of the
268 board, shall conduct retail sports wagering, online sports wagering and
269 fantasy contests, if licensed to do so pursuant to section 12-853. The
270 proceeds of such wagering and contest activities shall be deposited in
271 the lottery and gaming fund of the corporation from which winnings
272 shall be paid and from which the payments required by sections 12-867,
273 as amended by this act, and 12-868 shall be made.

274 (b) The president, subject to the direction of the board, may enter into
275 agreements for the sale of product advertising on lottery tickets, play
276 slips and other lottery media.

277 (c) On a weekly basis, the president shall estimate, and certify to the
278 State Treasurer, that portion of the balance in the lottery and gaming
279 fund which exceeds the current needs of the corporation for the
280 payment of prizes and winnings, the payments required by sections 12-
281 867, as amended by this act, and 12-868, the payment of current
282 operating expenses and funding of approved reserves of the
283 corporation. The corporation shall transfer the amount so certified from
284 the lottery and gaming fund of the corporation to the General Fund
285 upon notification of receipt of such certification by the Treasurer, except
286 that if the amount on deposit in the Connecticut Teachers' Retirement
287 Fund Bonds Special Capital Reserve Fund, established in section 10-
288 183vv, is less than the required minimum capital reserve, as defined in
289 subsection (b) of said section, the corporation shall pay such amount so
290 certified to the trustee of the fund for deposit in the fund. If the
291 corporation transfers any moneys to the General Fund at any time when
292 the amount on deposit in said capital reserve fund is less than the
293 required minimum capital reserve, the amount of such transfer shall be
294 deemed appropriated from the General Fund to the Connecticut
295 Teachers' Retirement Fund Bonds Special Capital Reserve Fund.

296 (d) On a monthly basis, the president shall estimate and certify to the
297 Secretary of the Office of Policy and Management, the amount that the
298 corporation transferred to the General Fund, pursuant to subsection (c)
299 of this section and section 12-867, as amended by this act, that was from
300 the proceeds of retail sports wagering at a retail sports wagering facility
301 at the XL Center in Hartford that exceeds the payment of prizes and
302 winnings, the payment of any federal excise taxes applicable to such
303 sums received, the payment of current operating expenses and the
304 funding of approved reserves of the corporation.

305 (e) The proceeds of online lottery ticket sales shall be deposited in the
306 Online Lottery Ticket Sales Fund of the corporation established
307 pursuant to section 2 of this act. On a weekly basis, the president shall
308 estimate, and certify to the State Treasurer, that portion of the balance
309 in said fund which exceeds the current needs of the corporation for the
310 payment of prizes, the payment of current operating expenses and
311 funding of approved reserves of the corporation related to online lottery
312 ticket sales. For the fiscal year ending June 30, 2026, and each fiscal year
313 thereafter, the corporation shall, upon notification of receipt of such
314 certification by the State Treasurer, transfer the amount so certified to
315 said fund.

316 Sec. 5. Section 12-867 of the general statutes is repealed and the
317 following is substituted in lieu thereof (*Effective July 1, 2025*):

318 (a) (1) (A) A master wagering licensee, if licensed to operate online
319 sports wagering or retail sports wagering pursuant to section 12-852, [or
320 12-853,] shall pay to the state for deposit in the General Fund: Thirteen
321 and three-quarters per cent of the gross gaming revenue from online or
322 retail sports wagering authorized under section 12-852. [or 12-853, as
323 applicable.] Each such licensee shall commence payments under this
324 [subsection] subparagraph not later than the fifteenth day of the month
325 following the month that the operation of online or retail sports
326 wagering commences under section 12-852, [or 12-853, as applicable,]
327 and shall make payments not later than the fifteenth day of each
328 succeeding month, while such retail or online sports wagering is

329 conducted.

330 (B) (i) A master wagering licensee, if licensed to operate retail sports
331 wagering pursuant to section 12-853, shall pay to the state for deposit in
332 the General Fund: Thirteen and three-quarters per cent of the gross
333 gaming revenue from retail sports wagering authorized under section
334 12-853. Each such licensee shall commence payments under
335 subparagraph (B)(i) of this subdivision not later than the fifteenth day
336 of the month following the month that the operation of retail sports
337 wagering commences under section 12-853, and shall make payments
338 not later than the fifteenth day of each succeeding month, while such
339 retail sports wagering is conducted.

340 (ii) For calendar months commencing on or after July 1, 2025, a master
341 wagering licensee, if licensed to operate online sports wagering
342 pursuant to section 12-853, shall pay to the state, for deposit in the Early
343 Childhood Care and Education Fund established under section 10-511,
344 the gross gaming revenue from online sports wagering authorized
345 under section 12-853. Each such licensee shall commence payments
346 under subparagraph (B)(ii) of this subdivision not later than July 15,
347 2025, and shall make payments not later than the fifteenth day of each
348 succeeding month, while such online sports wagering is conducted.

349 (2) For calendar months commencing on or after July 1, 2025, the
350 commissioner shall deposit into the youth sports grant account
351 established pursuant to section 4-68aaa, as amended by this act, two per
352 cent of the amounts received by the state under this section.

353 (b) For purposes of this section, "gross gaming revenue" means the
354 total of all sums actually received by each such licensee from online
355 sports wagering or retail sports wagering, as applicable, less the total of
356 all sums paid as winnings to sports wagering patrons and any federal
357 excise tax applicable to such sums received, provided:

358 (1) The total of all sums paid as winnings to such patrons shall not
359 include the cash equivalent value of any merchandise or thing of value
360 included in a jackpot or payout.

361 (2) Coupons or credits that are issued to patrons for the sole purpose
362 of sports wagering and are linked to sports wagering in a documented
363 way as part of a promotional program and actually played by the
364 patrons shall not be included in the calculation of gross gaming revenue
365 from sports wagering, provided if the aggregate amount of such
366 coupons and credits played during a calendar month (A) exceeds
367 twenty-five per cent of the total amount of gross gaming revenue for
368 that month, for any month during the first year that the operation of
369 sports wagering is permitted, (B) exceeds twenty per cent of the total
370 amount of gross gaming revenue for that month, for any month during
371 the second year that the operation of sports wagering is permitted, or
372 (C) exceeds fifteen per cent of the total amount of gross gaming revenue
373 for that month, for any month during the third or succeeding year that
374 the operation of sports wagering is permitted, then the applicable excess
375 amount of coupons or credits used in such calendar month shall be
376 included in the calculation of gross gaming revenue. For the purpose of
377 this subdivision, the year of operation of sports wagering shall be
378 measured from the date that the first master wagering license is issued
379 pursuant to section 12-852 or 12-853 or the date that regulations,
380 including, but not limited to, emergency regulations, are adopted and
381 effective pursuant to section 12-865, whichever is later.

382 Sec. 6. Subsection (c) of section 4-68aaa of the general statutes is
383 repealed and the following is substituted in lieu thereof (*Effective July 1,*
384 *2025*):

385 (c) Not later than January 1, 2029, and biennially thereafter, the
386 Secretary of the Office of Policy and Management shall submit a report,
387 in accordance with the provisions of section 11-4a, to the joint standing
388 committees of the General Assembly having cognizance of matters
389 relating to children, education and finance, revenue and bonding, on the
390 youth sports grant program for the preceding two fiscal years. The
391 report shall include, but need not be limited to, for each fiscal year, (1)
392 the amounts deposited in the youth sports grant account pursuant to
393 subdivision (2) of subsection (a) of section 12-867, as amended by this
394 act, (2) the municipalities that applied for a grant, the municipalities that

395 were awarded a grant and the total amount of grants awarded, and (3)
396 the summaries provided to the secretary under subdivision (4) of
397 subsection (b) of this section.

398 Sec. 7. Section 12-810 of the general statutes is repealed and the
399 following is substituted in lieu thereof (*Effective October 1, 2025*):

400 (a) The Freedom of Information Act, as defined in section 1-200, shall
401 apply to all actions, meetings and records of the corporation, except (1)
402 where otherwise limited by subsection (c) of this section as to new
403 lottery games and serial numbers of unclaimed lottery tickets, (2) with
404 respect to financial, credit and proprietary information submitted by
405 any person to the corporation in connection with any proposal to
406 provide goods, services or professional advice to the corporation as
407 provided in section 12-815, (3) with respect to any personally
408 identifying, financial, credit or wagering information associated with
409 any person's account for Internet games, as defined in section 12-850,
410 [and] (4) where otherwise limited by subsection (g) of section 12-863, as
411 amended by this act, and (5) with respect to the name and address of
412 any person who redeems a winning lottery ticket, claims or is paid a
413 winning wager from online sports wagering or retail sports wagering or
414 is paid a prize from a fantasy contest.

415 (b) The records of proceedings as provided in subsection (a) of section
416 12-805 shall be subject to disclosure pursuant to the provisions of
417 subsection (a) of section 1-210.

418 (c) Any new lottery game and the procedures for such game, until the
419 game is publicly announced by the corporation, and any serial number
420 of an unclaimed lottery ticket shall not be deemed public records, as
421 defined in section 1-200, and shall not be available to the public under
422 the provisions of section 1-210. The president shall submit a fiscal note
423 prepared by the corporation with respect to the procedures for a new
424 lottery game to the joint standing committees of the General Assembly
425 having cognizance of matters relating to finance, revenue, bonding and
426 [public safety] legalized gambling after approval of such game by the
427 board.

428 Sec. 8. Section 12-814 of the general statutes is repealed and the
429 following is substituted in lieu thereof (*Effective October 1, 2025*):

430 (a) In each advertisement intended to promote the purchase of lottery
431 tickets issued for games authorized under sections 12-563a, 12-800 to 12-
432 818, inclusive, and 12-850 to 12-872, inclusive, the corporation shall
433 include a prominent and clear statement of the average chances of
434 winning per specific lottery ticket. A prominent and clear statement in
435 any written digital or print advertising shall mean a type font no smaller
436 than ten per cent of the largest font included in such advertisement,
437 provided, for digital advertising posted in a physical retail location, the
438 type font shall be no smaller than ten per cent of the largest font
439 displayed that is applicable to the specific game to which the odds
440 apply.

441 (b) The provisions of subsection (a) of this section shall apply to (1)
442 digital or print advertisements including, but not limited to, social
443 media, electronic mail communications, newspapers, magazines and
444 brochures and on posters, (2) video advertisements, and (3) audio-only
445 advertisements, except those that are less than thirty seconds for (A) the
446 sale of tickets for lottery draw games through the Internet, an online
447 service or a mobile application, or (B) keno through the Internet, an
448 online service or a mobile application.

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

456 (d) The corporation shall not publish the name or address of any
457 person who redeems a winning lottery ticket, claims or is paid a
458 winning wager from online sports wagering or retail sports wagering or
459 is paid a prize from a fantasy contest, or publish the photograph of any
460 person who redeems a winning lottery ticket, [on the corporation's

461 Internet web site] claims or is paid a winning wager from online sports
462 wagering or retail sports wagering or is paid a prize from a fantasy
463 contest, without the prior written consent of such person.

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

468 Sec. 9. Subsection (g) of section 12-863 of the general statutes is
469 repealed and the following is substituted in lieu thereof (*Effective October*
470 *1, 2025*):

471 (g) The name and any personally identifying information of a person
472 who is participating or who has participated in the voluntary self-
473 exclusion process established pursuant to subdivision (5) of subsection
474 (c) of this section or established by the Department of Consumer
475 Protection in regulations adopted pursuant to subdivision (4) of section
476 12-865 shall not be deemed public records, as defined in section 1-200,
477 and shall not be available to the public under the provisions of the
478 Freedom of Information Act, as defined in section 1-200, except [:]

479 [(1) The] the Department of Consumer Protection or Connecticut
480 Lottery Corporation may disclose the name and personally identifying
481 information of such person to a master wagering licensee, licensed
482 online gaming operator, licensed online gaming service provider or
483 licensed sports wagering retailer as necessary to achieve the purposes
484 of the voluntary self-exclusion process established pursuant to
485 subdivision (5) of subsection (c) of this section or established by the
486 Department of Consumer Protection in regulations adopted pursuant to
487 subdivision (4) of section 12-865. [; and]

488 [(2) The Connecticut Lottery Corporation may disclose the name and
489 any relevant records of such person, other than records regarding such
490 person's participation in the voluntary self-exclusion process, if such
491 person claims a winning lottery ticket or if such person claims or is paid
492 a winning wager from online sports wagering or retail sports wagering

493 or is paid a prize from a fantasy contest.]

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2025</i>	12-801
Sec. 2	<i>July 1, 2025</i>	New section
Sec. 3	<i>July 1, 2025</i>	12-806(a) and (b)
Sec. 4	<i>July 1, 2025</i>	12-812
Sec. 5	<i>July 1, 2025</i>	12-867
Sec. 6	<i>July 1, 2025</i>	4-68aaa(c)
Sec. 7	<i>October 1, 2025</i>	12-810
Sec. 8	<i>October 1, 2025</i>	12-814
Sec. 9	<i>October 1, 2025</i>	12-863(g)

Statement of Legislative Commissioners:

In Section 4(e), "such fund" was changed to "said fund" for consistency with standard drafting conventions; and in Section 5(a)(1)(B)(ii), in the last sentence, "this subsection" was changed to "subparagraph (B)(ii) of this subdivision" for accuracy and "such" was added before "online" for internal consistency.

GL *Joint Favorable Subst. -LCO*

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 \$
Connecticut Lottery Corporation	GF - Revenue Loss	23.4 million	28.9 million
Connecticut Lottery Corporation	ECCEF - Revenue Gain	16.4 million	21.9 million
Connecticut Lottery Corporation	Lottery Enterprise Fund - Cost	7 million	7 million
Resources of the Youth Sports Grant Account	YSGR - See Below	See Below	See Below

Note: GF=General Fund; ECCEF=Early Childhood Care and Education Fund; YSGR=Youth Sports Grant Account

Municipal Impact: None

Explanation

The bill, which establishes certain transfers of lottery revenues and makes various changes to the Connecticut Lottery Corporation's (CLC) policies and procedures, results in (1) a General Fund revenue loss of \$23.4 million in FY 26 and \$28.9 million in FY 27, (2) an Early Childhood Care and Education Fund (ECCEF) revenue gain of \$16.4 million in FY 26 and \$21.9 million in FY 27, (3) a cost to the Lottery Enterprise Fund of \$7 million annually beginning in FY 26, and (4) an uncertain impact to the Youth Sports Grant Account beginning in FY 26. Details of these impacts are outlined below.

Sections 1-4 divert CLC's online lottery ticket revenue from the General Fund to the ECCEF. This results in an estimated General Fund (GF) revenue loss, and a commensurate ECCEF revenue gain, of \$3.9 million in FY 26 and \$8.8 million in FY 27.

Section 3 increases the average commission of lottery sales agents from 4% to 5.5% resulting in (1) an annual cost to the Connecticut Lottery Corporation of \$7 million and (2) a commensurate revenue loss to the General Fund.¹

Sections 5 & 6 transfer all CLC online sports wagering gross gaming revenue from the GF to the ECCECF.² This results in an estimated GF revenue loss, and a commensurate ECCEF revenue gain, of \$12.5 million in FY 26 and \$13.1 million in FY 27. This also results in an uncertain impact to the Youth Sports Grant Account beginning in FY 26.³

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to fluctuation in CLC gaming activity in the state.

¹ It is anticipated that the additional cost to the CLC would be borne by the agency in the form of reduced revenue transfers to the GF.

² To the extent that the transfer of the full amount of gross gaming revenue associated with online sports betting causes CLC to be unable to cover its online sports betting costs, it is assumed that other CLC revenues (draw tickets, keno, retail sports betting, etc.) would be used to make up any deficit (and therefore be unavailable for transfer to the GF).

³ Under current law, two percent of sports betting revenue is to be transferred to a Youth Sports Grant Account beginning in FY 26. It is unclear how the bill's provisions interact with this requirement.

OLR Bill Analysis**sSB 1463*****AN ACT CONCERNING DISCLOSURES, PAYMENTS AND REVENUE TRANSFERS BY THE CONNECTICUT LOTTERY CORPORATION.*****SUMMARY**

This bill establishes a process to divert Connecticut Lottery Corporation (CLC) revenue from online lottery ticket sales and gross gaming revenue from online sports wagering that would otherwise be deposited in the General Fund and instead deposit it in the Early Childhood and Education Fund. By law, amounts in this fund must be used solely to support the state's early childhood and child care needs.

The bill also increases the minimum average commission the CLC must pay to a lottery sales agent from 4% to 5.5% of the agent's lottery sales. By law, the CLC can set the amount of agent commissions above the minimum.

The bill prohibits the CLC from publishing the name or address of a person who redeems a winning lottery ticket, claims or is paid a winning sports wager, or is paid a fantasy contest prize without the person's prior written consent. It also expands requirements for receiving written consent to publish a winner's photograph and exempts winners' names and addresses from disclosure under the Freedom of Information Act (FOIA).

Additionally, current law requires that the Finance, Revenue and Bonding and Public Safety and Security committees receive a fiscal note from the CLC about a new lottery game. The bill requires that the General Law Committee receive these notes instead of the Public Safety and Security Committee.

Finally, the bill makes technical and conforming changes.

EFFECTIVE DATE: July 1, 2025, except the provisions on disclosing winners' names, addresses, and photographs are effective October 1, 2025.

§§ 1-6 — ONLINE LOTTERY TICKET SALE AND SPORTS WAGERING REVENUE

Currently, CLC revenue from online lottery ticket sales and sports wagering is placed in the CLC's lottery and gaming fund along with other CLC revenue from the lottery. On a weekly basis, the CLC estimates and certifies to the treasurer the amount in the fund that is not needed for (1) prizes and winnings, (2) operating and other expenses, (3) required payments to the General Fund for online and retail sports wagering (see below) and fantasy contests, and (4) approved reserves. The CLC must transfer the certified amount to the General Fund after the treasurer provides notice of receiving the certification (certain conditions require a transfer to the Connecticut Teacher's Retirement Fund Bonds Special Capital Reserve Fund).

Online Lottery Ticket Sale Revenue (§§ 1-4)

The bill diverts the CLC's online lottery ticket sale revenue from this process and places it in a new Online Lottery Ticket Sales Fund. It establishes a process similar to the one described above regarding weekly estimates and certifications but requires, beginning with FY 26, the certified amount to be transferred to the Early Childhood and Education Fund.

The bill makes technical and conforming changes to the CLC's powers and processes.

Sports Wagering Revenue (§§ 5 & 6)

Currently, the CLC must pay 13.75% of its gross gaming revenue from online and retail sports wagering to the General Fund and remaining amounts are treated the same way as other CLC revenue.

The bill retains this requirement for gross gaming revenue from retail sports wagering but requires, beginning July 1, 2025, that all CLC gross gaming revenue from online sports wagering be deposited in the Early

Childhood and Education Fund. The CLC must make payments on the 15th of each month.

By law, gross gaming revenue is the total the CLC receives for online or retail sports wagering minus the amounts paid as winnings and any federal excise taxes (with specific provisions governing coupons, credits, and items that are included in a payout).

§§ 7-9 — DISCLOSING WINNERS' NAMES, ADDRESSES, AND PHOTOS

The bill prohibits the CLC from publishing the name or address of a person who redeems a winning lottery ticket, claims or is paid a winning sports wager, or is paid a fantasy contest prize without the person's prior written consent. Current law permits the CLC to provide this information but requires the CLC, on request, to remove a person's name from the list of winners on its website. The bill instead requires the CLC to receive the person's consent before publication.

Additionally, under current law, the CLC cannot put a picture of a lottery winner on its website without prior written consent. The bill expands this consent requirement to all of the winners described above and prohibits the CLC from publishing a winner's photo anywhere without prior written consent.

The bill also exempts these winners' names and addresses from disclosure under FOIA and eliminates the CLC's authority to share a winner's relevant records. Generally, other CLC records are subject to disclosure under FOIA except for information about lottery games before they are publicly announced, serial numbers of unclaimed lottery tickets, certain proprietary and financial information provided by those who seek to render services to the CLC, and personal information related to a person's account for internet gaming.

BACKGROUND

Related Bill

HB 5003 (File 198), favorably reported by the Children Committee, among other things, transfers up to \$100 million of unappropriated

surplus to the Early Childhood Care and Education Fund at the close of both FYs 25 and 26 and broadens the use of fund deposits to four specific early childhood and education programs.

COMMITTEE ACTION

General Law Committee

Joint Favorable

Yea 21 Nay 0 (03/21/2025)