

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 25-112—sSB 1235
General Law Committee
Judiciary Committee

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

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BACKGROUND

SUMMARY: This act makes various changes relating to gaming and the lottery, as described in the section-by-section analysis below.

EFFECTIVE DATE: Various, see below.

§ 1 — LOTTERY SALES AGENT DELINQUENCY ASSESSMENTS

Makes changes regarding lottery sales agent delinquencies including hardship waivers

By law, lottery sales agents are delinquent when they fail to remit money due from their lottery ticket sales by the settlement dates set by the Connecticut Lottery Corporation (CLC). The CLC president is responsible for making delinquency determinations and notifying the Department of Consumer Protection (DCP) commissioner. The DCP commissioner, in turn, must impose a penalty of 10% of the amount due or \$10, whichever is greater, plus interest of 1.5% per month or partial month from the due date to the payment date. The act specifies that the (1) penalty and interest are calculated based on the principal amount due but unremitted and (2) penalty is effective when the agent's notice is delivered.

Prior law refers to the penalty and interest as the delinquency assessment. The act instead defines "delinquency assessment" as the (1) principal amount due but unremitted as of the stated past settlement date, (2) penalty imposed by the DCP commissioner, and (3) interest due and outstanding.

Hardship Waivers

By law, lottery sales agents whose delinquency assessments were subject to compounding interest and were outstanding on June 30, 2022, could request hardship waivers from the DCP commissioner to reduce what they owe by

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recalculating the interest owed using simple interest.

Under the act, sales agents with delinquent accounts on or after July 1, 2025, may apply to the CLC president for a hardship waiver to reduce the amount of interest owed. When applying, they must pay any principal and penalties due. If the CLC president determines that an undue hardship prevents the agent from paying what he or she owes in principal and penalties, he may enter into a payment plan that allows the agent to pay CLC over a period of up to one year from the date the waiver is provisionally granted. If an agent does not make payments according to a plan, the agent is ineligible for a further waiver.

The act authorizes the CLC president to reduce the amount of interest owed by the agent if he determines that doing so would be beneficial for the state. He must (1) establish procedures specifying requirements for these waiver applications and the availability of payment plans and (2) publish and maintain them on CLC's website. The act prohibits any hardship waiver from resulting in a refund or credit of any amount an agent previously paid.

EFFECTIVE DATE: July 1, 2025

§§ 2, 10 & 12 — TECHNICAL CHANGES

Makes technical changes

The act makes various technical changes.

EFFECTIVE DATE: October 1, 2025, except the technical changes in § 10 are effective January 1, 2026, and those in § 12 are effective upon passage.

§ 3 — PUBLISHING WINNERS' NAMES, ADDRESSES, AND PHOTOS

Requires consent to disclose winners' names, addresses, and photos in all circumstances but does not affect CLC disclosure under FOIA

The act prohibits 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. Prior law allowed the CLC to provide this information but required CLC, on request, to remove a person's name from the list of winners on its website.

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

The act does not prohibit CLC from disclosing this information under the Freedom of Information Act (FOIA).

EFFECTIVE DATE: October 1, 2025

§ 4 — DELIVERY SERVICES FOR LOTTERY TICKETS

Sets conditions for CLC to use an unlicensed delivery service to deliver lottery tickets

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The act allows CLC to use a business that is not a licensed vendor as a delivery service to transport and deliver lottery tickets to lottery sales agents under certain circumstances.

To do so, CLC must give DCP a detailed plan, in a form and way set by DCP, that includes:

1. the business's name and contact information,
2. the proposed date that the business will start shipping for CLC,
3. a detailed description of the tamper-evident packaging that will be used and its security features,
4. the business's security measures during delivery, and
5. the process used by the business if delivery is not successful.

DCP must review and either approve or deny the plan within 30 days after receiving it. CLC must keep copies of its plan documents for at least three years.

In order to use the delivery service:

1. CLC employees must securely package the tickets in tamper-evident packaging on CLC premises while under video surveillance;
2. the exterior packaging must not indicate that it contains lottery tickets and "lottery" cannot appear on the packaging, including in the return address;
3. the packages must be tracked and require a signature on delivery; and
4. CLC must document each package with its lottery game number and name, number of packs and pack numbers, lottery sales agent's name and address, package shipment date, and the name of the business delivering the tickets.

If a lottery sales agent tells CLC that a package of tickets is damaged, missing, or compromised, CLC must immediately tell DCP and give the agent instructions to embargo the package until its contents are verified by CLC's documentation.

Generally, under existing law, a person or business awarded a primary contract to provide facilities, components, goods, or services necessary for and directly related to CLC's secure operation of activities must receive a vendor license from DCP.

PA 25-113, §§ 2 and 24, repeals these provisions but replaces them with identical provisions.

EFFECTIVE DATE: October 1, 2025

§§ 4, 7 & 8 — CLC LICENSED EMPLOYEES

Allows CLC licensed employees to receive endorsements on their licenses, rather than get a separate license, to work on different forms of gaming for CLC

By law, CLC staff members must be licensed by DCP as class III and IV occupational licensees. Previously, staff members who worked on its "Internet games" (online lottery, online keno, or online sports wagering) or retail sports wagering were required to get additional licensing. The act allows CLC employees and job applicants to instead receive endorsements on their CLC license, rather than having to get a separate DCP license.

The act requires each applicant for a class III or IV license and each currently licensed CLC employee, as of January 1, 2026, to disclose in a DCP-prescribed way the types of gaming the applicant or licensed employee will work on at CLC.

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For these individuals, the DCP commissioner may issue a separate endorsement allowing them to operate CLC's Internet games or retail sports wagering. Under the act, these employees are not required to apply for a separate DCP gaming license.

The act requires these CLC staff members to report to DCP any criminal conviction within two business days after any conviction order or judgment. CLC and its employees must immediately report to DCP any change in an employee's scope of employment that would require the employee to get an additional endorsement.

PA 25-113, §§ 2 and 24, repeals these provisions but replaces them with identical provisions.

EFFECTIVE DATE: October 1, 2025

§ 4 — VENDOR, AFFILIATE, LOTTERY SALE AGENT, AND CLC OCCUPATIONAL LICENSES

Specifies cause for taking action against certain licensees and authorizes a summary suspension of a lottery sales agent's license for (1) keeping unauthorized gambling devices, illegitimate lottery tickets, and illegal bookmaking equipment or (2) allowing any illegal gambling at its retail facility

The law allows DCP to reject a license application for, or suspend or revoke the license of, a vendor, affiliate, lottery sale agent, or CLC employee for good cause (see BACKGROUND). The law requires DCP to hold a hearing before revoking or suspending a license and the act also requires a hearing and cause before denying an application for, refusing to renew, or placing conditions on one of these licenses. DCP may also impose a civil penalty of up to \$2,500 for cause after a hearing (the act specifies that the \$2,500 civil penalty is for each violation).

The act specifies that cause for taking these actions includes:

1. failing to comply with the state's laws governing the lottery;
2. conduct likely to mislead, deceive, or defraud the public or DCP;
3. providing materially false or misleading information;
4. a criminal conviction or civil judgment involving fraud, theft, or financial crime;
5. insolvency, including filing for bankruptcy or failing to meet a material financial obligation that directly impacts the licensee's ability to comply with the laws governing the lottery; or
6. failing to complete an application.

The law allows DCP to require vendor and affiliate licensees to maintain books and records. The act adds that DCP can require these licensees to provide these books and records to DCP to ensure regulatory compliance.

PA 25-113, §§ 2 and 24, repeals these provisions but replaces them with nearly identical provisions.

Summary Suspension of Lottery Sales Agent's License for Certain Illegal Gambling Activities or Devices

The act prohibits lottery sales agents from (1) keeping unauthorized gambling

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devices, illegitimate lottery tickets, and illegal bookmaking equipment or (2) allowing any illegal gambling at its retail facility. DCP can fine an agent up to \$4,000 per violation.

DCP must notify the agent about the violation, which must include an order that summarily suspends the agent's license and informs the agent:

1. about the fine imposed and the license's suspension,
2. to immediately cease activities that require a license, and
3. that the agent has 15 days after receiving the notice to request a hearing in writing.

If a hearing is not requested, the summary suspension and fine are final decisions that are appealable to court.

A summary suspension remains in effect until it is lifted and all fines are paid. It can be lifted by a written order of the DCP commissioner or based on a final decision after a hearing.

PA 25-113, §§ 2 and 24, repeals these provisions but replaces them with identical provisions.

EFFECTIVE DATE: October 1, 2025

§ 5 — DEFINITION OF WAGERS

Defines “wager” for purposes of the statutes regulating sports wagering and online casino gaming

The act defines a “wager” for purposes of the statutes regulating sports wagering and online casino gaming as any money, credit, deposit, or cash equivalent, including any free play, loyalty point, or other redeemable betting credit, or any other thing of value risked or accepted based on an uncertain outcome of an event. It does not include an entry fee (a fee to participate in a fantasy contest).

It also makes technical changes.

EFFECTIVE DATE: Upon passage

§ 6 — VOIDING SPORTS WAGERS

Codifies rules on voiding and modifying wagers, which are substantially similar to those in existing regulations

The act codifies rules on voiding and modifying wagers, which are substantially similar to those in existing regulations.

PA 25-113, §§ 3 and 24, repeals these provisions but replaces them with substantially similar provisions.

Wagers That May Be Voided Without DCP Approval

The act permits an online gaming operator (see BACKGROUND) to void a sports wager without prior DCP approval if the wager is on:

1. a sporting event that was cancelled, delayed more than 24 hours from its original start time, or moved to a different venue;

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2. sporting event players that do not take part in the event;
3. one or more acts in an event that does not occur;
4. a specific team qualifying for a post-season tournament and the number of teams allowed in the tournament has been reduced; or
5. an event and the format or number of players scheduled in a phase of the event has changed or the event is no longer scheduled to occur.

The operator must indicate the voided wager in the patron's account and promptly credit funds from a voided wager to the account.

The act requires a sports wagering retailer to post a notice telling patrons how to know if a wager has been voided under the house rules (which the act defines as the terms and conditions for sports wagering) and how to get a refund. DCP must approve the notice's form and manner, which must be at least 8.5" x 11" in size, have at least 20 point font, and be posted in a location where patrons place sports wagers.

Wagers That Must Be Modified or Voided Without DCP Approval

The act requires an operator to modify or void a sports wager without DCP approval if a patron requests it before the event that is the subject of the wager begins and:

1. the operator or its electronic wagering platform mistakenly communicated to the patron the wager's type, amount, or parameters or
2. a sports wagering retailer's employee made a mistake entering a wager in the platform.

Records

The act requires operators to maintain records of wagers that are voided or modified in a form and way set by DCP. The record for each wager must at least include:

1. the patron's name;
2. the reason for voiding or modifying the wager;
3. the type of wager, broken down by market;
4. the event associated with the wager and its date or dates; and
5. other information DCP requires to identify and assess the impact of voiding or modifying the wager.

Requests to DCP to Void Wagers

The act allows an operator to ask DCP in writing to void any wagers not covered above. DCP must establish the form and way of submitting these requests, which must at least include the:

1. reason for the request,
2. names of affected patrons,
3. event associated with the wager and its date or dates,
4. wager type,

5. total amount of the wager, and
6. plan to contact affected patrons.

After receiving a request, DCP can ask for additional information that it needs to review and assess the impact that granting the request will have on affected patrons and the integrity of gaming. The operator must provide this information.

An operator cannot void these wagers until it receives written approval from DCP, in a form and way set by DCP.

Internal Controls

The act requires operators, by September 1, 2025, to give DCP, in a form and way set by DCP, their internal controls on voiding sports wagers and allocating patron funds. Under the act, internal controls are a master wagering licensee's or online gaming operator's written administrative and accounting procedures that ensure compliance with gaming laws, including financial reporting, operations' effectiveness and security, "know your customer" procedures, and fraud and money laundering deterrence.

DCP must ensure the internal controls:

1. give affected patrons notice within 24 hours after DCP approves a void request,
2. require prompt return of patron funds after voiding wagers, and
3. address any matter DCP believes is necessary to preserve gaming's integrity.

By December 1, 2025, DCP must notify each operator whether it approves or disapproves of the controls. If approved, the operator must include the control in its house rules and clearly and conspicuously on its platform.

EFFECTIVE DATE: July 1, 2025

§ 9 — LIVE GAME EMPLOYEE LICENSING

Requires all live game employees to be licensed

By law, a live game employee is a master wagering licensee's employee with certain responsibilities related to operating live online casino games. Prior law required live game employees directly or substantially involved in operating a live online casino game in a way that impacts the integrity of gaming to get a DCP-issued live game employee license, unless the person already had a key employee license. The act instead requires all live game employees to be licensed, unless they have a key employee license.

The act also only permits an authorized DCP employee to review a state and national criminal history records check related to licensing these employees.

EFFECTIVE DATE: Upon passage

§ 11 — ADVERTISING

Permits certain advertising relating to online keno and online lottery draw games that increase the chances of winning and establishes a DCP enforcement process for advertising violations

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The law generally prohibits gaming entity licensees, including CLC, or someone acting on their behalf, from conducting advertising that implies a greater chance of winning based on wagering a greater quantity or amount. Previously, this did not apply to a lottery draw game that (1) was approved before January 1, 2024; (2) was available on June 6, 2024; (3) had DCP-approved features that increase the chance of winning; and (4) was not exclusively sold by lottery sales agents. The act eliminates this exception and instead exempts advertising relating to online keno and online lottery draw games with DCP-approved features that increase the chances of winning.

By law, a “gaming entity licensee” is a master wagering licensee, a licensed online gaming operator, a licensed online gaming service provider, or a licensed sports wagering retailer (see BACKGROUND).

If DCP finds that someone violated any of the restrictions on advertising, the act allows it to issue a violation notice that includes an order to remove the advertisement in whole or in part within 10 days after issuing the notice. The subject of the order may request a hearing in writing within that period. The person must remove the advertisement and will not incur any fine until a decision is made after the hearing, unless otherwise ordered by a hearing officer or under a settlement the commissioner approves.

If the person does not request a hearing or comply within 10 days, DCP must impose a fine of up to \$1,000 per day until the person complies or there is a notice of decision.

The act specifies that it does not limit DCP’s authority to pursue other enforcement actions under state law.

EFFECTIVE DATE: October 1, 2025

§ 11 — WORDS OR GRAPHICS IN ONLINE CASINO GAMES

Prohibits certain displays on online casino games that confuse or mislead patrons to induce gaming or imply greater chances of winning or obscure material facts

The act prohibits an online casino game from displaying or including words or graphics as part of the game that:

1. are inaccurate or misleading and reasonably expected to confuse or mislead patrons to (a) induce them to engage in gaming or (b) imply a greater chance of winning compared to games from other licensees or based on wagering a greater quantity or amount or
2. obscure a material fact, due to type, size, location, highlighting, illustration, depiction, or color of the words or graphics.

EFFECTIVE DATE: October 1, 2025

§ 13 — BETTING ON BOXING AND MIXED MARTIAL ARTS

Specifies betting on boxing or mixed martial arts is permitted

The act specifies that betting on boxing or mixed martial arts is permitted if the bets are placed with someone licensed to operate sports betting.

EFFECTIVE DATE: Upon passage

§ 14 — CERTAIN SWEEPSTAKES AND PROMOTIONAL DRAWINGS

Prohibits unlicensed entities from conducting sweepstakes or promotional drawings that allow real or simulated online casino gaming or sports wagering and makes violations of sweepstakes and promotional drawing laws CUTPA violations

Existing law prohibits a person from conducting or promoting a sweepstakes or promotional drawing that (1) is not related to the bona fide sale of goods, services, or property or (2) uses a simulated gambling device. The act further prohibits anyone not licensed to operate online casino gaming or sports wagering from conducting or promoting a sweepstakes or promotional drawing that allows or facilitates participation in real or simulated online casino gaming or sports wagering.

The act makes it a violation of the Connecticut Unfair Trade Practices Act (CUTPA; see BACKGROUND) to violate the act's and existing law's provisions on sweepstakes and promotional drawings. As under existing law, a violation of these provisions is also a class A misdemeanor (see [Table on Penalties](#)).

EFFECTIVE DATE: October 1, 2025

§ 15 — ELIMINATION OF DCP DIRECTOR POSITION

Eliminates appointment of DCP director for certain gaming-related functions

The act eliminates a provision allowing the DCP commissioner to appoint a director to carry out functions related to gaming; the lottery; and certain provisions related to bingo, sealed tickets, bazaars, and raffles.

EFFECTIVE DATE: Upon passage

BACKGROUND

Related Act

As noted above, PA 25-113, §§ 2, 3, and 24, repeals certain provisions of this act, and contains substantially similar provisions, related to delivery services for lottery tickets; CLC licensed employees; vendor, affiliate, lottery sales agent, and CLC occupational licenses; and voiding sports wagers.

CUTPA

By law, CUTPA prohibits businesses from engaging in unfair and deceptive acts or practices. It allows the DCP commissioner, under specified procedures, to issue regulations defining an unfair trade practice, investigate complaints, issue cease and desist orders, order restitution in cases involving less than \$10,000, impose civil penalties of up to \$5,000, enter into consent agreements, ask the attorney general to seek injunctive relief, and accept voluntary statements of

compliance. It also allows individuals to sue. Courts may issue restraining orders; award actual and punitive damages, costs, and reasonable attorney's fees; and impose civil penalties of up to \$5,000 for willful violations and up to \$25,000 for a restraining order violation.

CLC Vendors, Affiliates, Lottery Sales Agents, and Occupational Licensees

By law, a person or business awarded a primary contract to provide facilities, components, goods, or services necessary for and directly related to CLC's secure operation of activities must get a vendor license.

By law, a person or business that may (1) be a contractor or subcontractor to provide facilities, components, goods, or services necessary for and directly related to CLC's secure operation of activities, or (2) exercise control over a vendor, must get an affiliate license.

By law, a person that contracts with CLC to sell lottery tickets or offer keno at a retail facility must get a lottery sales agent license.

By law, CLC employees and officials and certain others related to vendor and affiliate licensees must get an occupational license.

Prohibited Advertising

By law, gaming entity licensees and those acting on their behalf are restricted from conducting advertising in a number of ways, including prohibitions on advertising that (1) is aimed at, or is placed before, an audience where the majority of the viewers or participants are presumed to be people under age 21 (or under 18 if the advertising is related only to keno, online lottery sales, fantasy contests, or a combination of them); (2) contains misleading information that could confuse patrons; or (3) contains claims that gaming guarantees social, financial, or personal success.

Master Wagering Licensee

By law, a "master wagering licensee" is generally the Mashantucket Pequot or Mohegan tribes or CLC.

Online Gaming Operator

By law, an "online gaming operator" is a person or business that operates an electronic wagering platform and contracts directly with a master wagering licensee to provide (1) one or more Internet games or (2) retail sports wagering.

Online Gaming Service Provider

By law, an "online gaming service provider" is a person or business, 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.

Sports Wagering Retailer

By law, a “sports wagering retailer” is a person or business that contracts with CLC to facilitate retail sports wagering operated by CLC through an electronic wagering platform at up to 15 facilities in the state.