



General Assembly

January Session, 2023

Raised Bill No. 992

LCO No. 4048



Referred to Committee on PUBLIC SAFETY AND SECURITY

Introduced by:
(PS)

***AN ACT CONCERNING DELINQUENT LOTTERY SALES AGENTS
AND DISCLOSURE OF THE NAME AND ADDRESS OF LOTTERY
WINNERS.***

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

1 Section 1. Section 12-569 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2023*):

3 (a) (1) If the president of the Connecticut Lottery Corporation
4 determines that any lottery sales agent has breached such agent's
5 fiduciary responsibility to the corporation in that the account of such
6 lottery sales agent with respect to moneys received from the sale of
7 lottery tickets has become delinquent in accordance with regulations
8 adopted under section 12-568a, the president shall notify the
9 commissioner of the breach of fiduciary duty and the commissioner
10 shall impose a delinquency assessment upon such account equal to ten
11 per cent of the amount due or ten dollars, whichever amount is greater,
12 plus simple interest at the rate of one and one-half per cent of such
13 amount for each month or fraction of a month from the date such
14 amount is due to the date of payment.

15 (2) A lottery sales agent whose account [was] is delinquent [prior to
16 July 1, 2022, and whose delinquency assessment was subject to
17 compounding interest on June 30, 2022, may apply to the commissioner
18 on or after July 1, 2022,] on or after July 1, 2023, may file an application
19 with the president of the Connecticut Lottery Corporation for a
20 hardship waiver to reduce the amount of interest delinquent,
21 outstanding and payable. [to an amount based on simple interest.] Each
22 lottery sales agent applying for a hardship waiver shall pay, with such
23 application, an amount equal to all amounts due from such agent at the
24 time of application, less the interest assessed in accordance with
25 subdivision (1) of this subsection, provided (A) the president may enter
26 into a payment schedule permitting an agent to pay such amount over
27 a period of time not to exceed one year, as determined by the president,
28 if the president determines that an undue hardship exists which
29 prevents such agent from paying such amount at the time of application,
30 and (B) an agent who fails to pay such amount shall be ineligible for a
31 hardship waiver pursuant to this subdivision. If the president
32 determines that it would be beneficial to the state to do so, the president
33 may reduce the amount of any interest delinquent, outstanding and
34 payable by such agent, and may establish procedures for such
35 reduction. In no event shall a hardship waiver result in a refund or credit
36 of any amount of money, penalty or interest previously paid by such
37 agent.

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

43 (4) Any such delinquent lottery sales agent shall be notified of such
44 delinquency assessment and shall be afforded an opportunity to contest
45 the validity and amount of such assessment before the commissioner
46 who may conduct such hearing. Upon request of the president of the
47 Connecticut Lottery Corporation, the commissioner may prepare and
48 sign a warrant directed to any state marshal, constable or any collection

49 agent employed by the Connecticut Lottery Corporation for distraint
50 upon any property of such delinquent lottery sales agent within the
51 state, whether personal or real property. An itemized bill shall be
52 attached to the warrant certified by the commissioner as a true
53 statement of the amount due from such lottery sales agent. Such warrant
54 shall have the same force and effect as an execution issued in accordance
55 with chapter 906. Such warrant shall be levied on any real, personal,
56 tangible or intangible property of such agent and sale made pursuant to
57 such warrant in the same manner and with the same force and effect as
58 a levy and sale pursuant to an execution.

59 (b) The commissioner shall adopt regulations in accordance with
60 chapter 54 to carry out the purposes of this section.

61 Sec. 2. Section 12-742 of the general statutes is repealed and the
62 following is substituted in lieu thereof (*Effective July 1, 2023*):

63 (a) In cases where any person or entity is due a refund of state income
64 taxes, and that same person owes a debt or obligation for which the
65 Commissioner of Administrative Services is seeking reimbursement, the
66 Commissioner of Revenue Services, upon notification by the
67 Commissioner of Administrative Services, shall withhold the payment
68 of said refund to such person or entity to the extent of such debt or
69 obligation, provided the Commissioner of Revenue Services shall notify
70 such debtor that he or she has the right to a hearing before an officer
71 designated by the Commissioner of Administrative Services if he or she
72 contests the validity or amount of the Commissioner of Administrative
73 Services' claim, except that where the debt or obligation is a debt
74 resulting from failure to pay an order for child support, the
75 administrative review process will be held in accordance with
76 subsection (e) of section 52-362e. If the debtor fails to apply in writing to
77 the Commissioner of Administrative Services for a hearing within sixty
78 days of the issuance of notice of withholding, the Commissioner of
79 Revenue Services shall remit the amount of the withheld refund to the
80 Commissioner of Administrative Services. If the debtor elects an
81 administrative hearing within this time, the Commissioner of Revenue

82 Services shall remit the amount of the withheld refund in accordance
83 with any decisions of the hearing officer or the court upon an appeal of
84 the hearing officer's decision.

85 (b) (1) In cases where any person or entity is due a refund of state
86 income taxes, and that same person is in default of a student loan made
87 or guaranteed by the Connecticut Student Loan Foundation or the
88 Connecticut Higher Education Supplemental Loan Authority, the
89 Connecticut Student Loan Foundation or the Connecticut Higher
90 Education Supplemental Loan Authority, as appropriate, shall notify
91 the Commissioner of Administrative Services of such default. The
92 Commissioner of Revenue Services, upon notification by the
93 Commissioner of Administrative Services, shall withhold the payment
94 of said refund to such person to the extent of such default, provided the
95 Commissioner of Revenue Services shall notify such person in default
96 that he or she has the right to a hearing before an officer designated by
97 the Commissioner of Administrative Services if he or she contests the
98 validity or amount of the Commissioner of Administrative Services'
99 claim. If the person in default fails to apply in writing to the
100 Commissioner of Administrative Services for a hearing within sixty
101 days of the issuance of notice of withholding, the Commissioner of
102 Revenue Services shall remit the amount of the withheld refund to the
103 Commissioner of Administrative Services, who in turn shall remit the
104 amount of such withheld refund to the Connecticut Student Loan
105 Foundation or the Connecticut Higher Education Supplemental Loan
106 Authority, as appropriate. If the person in default elects an
107 administrative hearing within this time, the Commissioner of Revenue
108 Services shall remit the amount of the withheld refund in accordance
109 with any decisions of the hearing officer or the court upon an appeal of
110 the hearing officer's decision. If a person in default also owes a debt or
111 obligation described in subsection (a) of this section, the refund shall be
112 applied against such debt or obligation before being credited against the
113 amount of the default.

114 (2) The Commissioner of Revenue Services, the Commissioner of
115 Administrative Services, the president of the Connecticut Student Loan

116 Foundation or the executive director of the Connecticut Higher
117 Education Supplemental Loan Authority, as appropriate, on behalf of
118 such corporation, shall enter into an agreement for the crediting of
119 income tax refunds against the amount a taxpayer is in default of a loan
120 pursuant to subdivision (1) of this subsection. The agreement shall
121 include procedures for the Connecticut Student Loan Foundation or the
122 Connecticut Higher Education Supplemental Loan Authority, as
123 appropriate, to (A) notify the Commissioner of Administrative Services
124 of a default, and the amount of the default, and (B) reimburse the
125 Department of Administrative Services and the Department of Revenue
126 Services for any costs incurred by the departments in carrying out the
127 provisions of this subsection.

128 (c) (1) In cases where any person is due a refund of state income taxes,
129 and that same person is a delinquent lottery sales agent in accordance
130 with subsection (a) of section 12-569, as amended by this act, or is the
131 person who assumed joint and several liability with said delinquent
132 lottery sales agent in accordance with subsection (c) of section 12-568a-
133 5 of the regulations of Connecticut state agencies, the Connecticut
134 Lottery Corporation shall notify the Commissioner of Consumer
135 Protection of such default. The Commissioner of Revenue Services,
136 upon notification by the Commissioner of Consumer Protection, shall
137 withhold the payment of said refund to such person to the extent of such
138 default, provided the Commissioner of Revenue Services shall notify
139 such person in default that he or she has the right to a hearing before an
140 officer designated by the Commissioner of Consumer Protection if he or
141 she contests the validity or amount of the Commissioner of Consumer
142 Protection's claim. If the person in default fails to apply in writing to the
143 Commissioner of Consumer Protection for a hearing within sixty days
144 of the issuance of notice of withholding, the Commissioner of Revenue
145 Services shall remit the amount of the withheld refund to the
146 Commissioner of Consumer Protection, who in turn shall remit the
147 amount of such withheld refund to the Connecticut Lottery
148 Corporation. If the person in default elects an administrative hearing
149 within this time, the Commissioner of Revenue Services shall remit the

150 amount of the withheld refund in accordance with any decisions of the
151 hearing officer or the court upon an appeal of the hearing officer's
152 decision. If a person in default also owes a debt or obligation described
153 in subsection (a) or (b) of this section, the refund shall be applied against
154 such debt or obligation before being credited against the amount of the
155 default.

156 (2) The Commissioner of Revenue Services and the president of the
157 Connecticut Lottery Corporation, on behalf of such corporation, shall
158 enter into an agreement for the crediting of income tax refunds against
159 the amount a taxpayer is in default pursuant to subdivision (1) of this
160 subsection. The agreement shall include procedures for the Connecticut
161 Lottery Corporation to notify the Commissioner of Consumer
162 Protection of a default, and the amount of the default.

163 Sec. 3. Section 12-810 of the general statutes is repealed and the
164 following is substituted in lieu thereof (*Effective July 1, 2023*):

165 (a) The Freedom of Information Act, as defined in section 1-200, shall
166 apply to all actions, meetings and records of the corporation, except (1)
167 where otherwise limited by subsection (c) of this section as to new
168 lottery games and serial numbers of unclaimed lottery tickets, (2) with
169 respect to financial, credit and proprietary information submitted by
170 any person to the corporation in connection with any proposal to
171 provide goods, services or professional advice to the corporation as
172 provided in section 12-815, (3) with respect to any personally
173 identifying, financial, credit or wagering information associated with
174 any person's account for Internet games, as defined in section 12-850,
175 [and] (4) where otherwise limited by subsection (f) of section 12-863, and
176 (5) with respect to the name and address of any person who redeems a
177 winning lottery ticket.

178 (b) The records of proceedings as provided in subsection (a) of section
179 12-805 shall be subject to disclosure pursuant to the provisions of
180 subsection (a) of section 1-210.

181 (c) Any new lottery game and the procedures for such game, until the

182 game is publicly announced by the corporation, and any serial number
183 of an unclaimed lottery ticket shall not be deemed public records, as
184 defined in section 1-200, and shall not be available to the public under
185 the provisions of section 1-210. The president shall submit a fiscal note
186 prepared by the corporation with respect to the procedures for a new
187 lottery game to the joint standing committees of the General Assembly
188 having cognizance of matters relating to finance, revenue, bonding and
189 public safety after approval of such game by the board.

190 Sec. 4. Section 12-814 of the general statutes is repealed and the
191 following is substituted in lieu thereof (*Effective July 1, 2023*):

192 (a) In each advertisement intended to promote the purchase of lottery
193 tickets issued for games authorized under sections 12-563a, 12-800 to 12-
194 818, inclusive, and 12-850 to 12-872, inclusive, the corporation shall
195 include a prominent and clear statement of the average chances of
196 winning per specific lottery ticket. A prominent and clear statement in
197 any written digital or print advertising shall mean a type font no smaller
198 than ten per cent of the largest font included in such advertisement,
199 provided, for digital advertising posted in a physical retail location, the
200 type font shall be no smaller than ten per cent of the largest font
201 displayed that is applicable to the specific game to which the odds
202 apply.

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

211 (c) On or before October 1, 1999, the corporation shall implement a
212 code of standards for all advertisements and other activities intended to
213 promote the purchase of lottery tickets for games authorized pursuant

214 to this chapter. The code of standards shall include the requirement that
215 no advertisement or promotion shall denigrate the character or conduct
216 of nonlottery players or praise the character or conduct of lottery
217 players.

218 (d) The corporation shall not publish the name or address of any
219 person who redeems a winning lottery ticket, or publish the photograph
220 of any person who redeems a winning lottery ticket on the corporation's
221 Internet web site, without the prior written consent of such person.

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

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2023</i>	12-569
Sec. 2	<i>July 1, 2023</i>	12-742
Sec. 3	<i>July 1, 2023</i>	12-810
Sec. 4	<i>July 1, 2023</i>	12-814

Statement of Purpose:

To allow hardship waivers of interest due from delinquent lottery sales agents and require permission to disclose the name and address of lottery winners.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]