

## Fact Sheet for Proposed Legislation Authorizing Video Lottery Terminals at Connecticut OTBs

The State's share of gaming revenue from Connecticut's two tribal casinos faces growing competition from casinos in the New York area, Rhode Island and the plans to build three casinos in Massachusetts. Additional limited gaming facilities for Video Lottery Terminals (VLTs) in Connecticut will prevent this loss of revenue, and prevent the loss of thousands of jobs the gaming industry brings to the state.

**Overview.** The plan provides for authorizing up to 2500 VLTs at each of the three existing Off-Track Betting facilities (OTBs): the Shoreline Star in Bridgeport, Sports Haven in new Haven and Bradley Tele-Theater in Windsor Locks.

### Cooperation with Tribes and Preservation of the State-Tribal Compact

- To ensure the integrity of the State's compact with the Mohegan and Mashantucket Pequot tribal nations, which own the Foxwoods and Mohegan Sun casinos and share 25% of their slot machine revenue with the State, the proposal would allow the tribes to invest in the VLT operators who supply and manage the machines at the OTB facilities.

### Strict Regulation

- Strict regulation, background investigation, and licensing requirements for gaming businesses and operators. Like in other states, the background investigations can be contracted out to experienced private third-parties gaming specialists, paid for by application fees, without requiring the state to hire additional investigation staff.
- All VLTs will be connected to a state-operated central computer system that continually monitors the devices and ensures the integrity and accounting of the VLTs.
- Separate licenses for the VLT machine manufacturers, the VLT operators who supply and manage the machines at the OTB facilities, the three OTB owners whose facilities host the machines, and the individuals having access to the machines and money. This four tier system ensures segregation of responsibilities, greater regulatory oversight of functions, and - as stated above - preserves the State-Tribal Compact.
- Best practices in responsible gambling, including a self-exclusion program for problem gamblers, and strict exclusion of minors under 21.

### Competitive, Feature Rich Market

- OTBs will be allowed up to 2500 VLTs at each of the three locations, with no maximum prize limitation, progressive jackpots (jackpots that are accumulated by linking multiple VLTs), ticket-in/ticket-out (TITO) functions, players' club account based cashless wagering, and 24 hour operations.

### Revenue for the State and Local Government

- Projected annual VLT revenue from 7500 machines of approximately \$410,625,000 annually.
- VLT revenue will be distributed accordingly: 40% to the VLT operators, 25% to the OTB locations, 25% to the State, 8% to the hosting OTB municipalities, and 2% to help support problem gambling programs and research.
- License fees for manufacturers (\$100,000 each), operators (\$100,000 each), OTB facilities (\$80,000) and individual licensees (\$250) each, renewable every four years.
- Require average VLT payout percentages no less than 80% and no more than 92% to ensure both fairness and sufficient state revenue.