

Request for Proposals #CLC202105 Addendum #5 Sports Betting Solution and Services Proposer Questions and CLC Responses Post Legislation (Public Act No. 21-23) June 9, 2021

Sec. 14 provides:

- (c) A master wagering licensee and a licensed online gaming operator, online gaming service provider and sports wagering retailer shall each, where applicable based on the services provided:
- (2) Limit a person to the use of only one debit card or only one credit card for an account, and place a monetary limit on the use of a credit card over a period of time.

Questions relating to the above section:

- 1. Is this intended to mean one credit card <u>and</u> one debit card may be on file for a patron at any given time? Said another way, can a patron have both one debit <u>and</u> one credit card on file at once, or just one debit card <u>or</u> one credit card?
- 2. If a patron removes a card number, can they have the ability to add a new card number? Said another way, if a patron uses their Visa debit card for their first deposit and stores that card on their account, if they remove that card, can they use their MasterCard debit card for their second deposit?
- 3. Would the CLC please clarify if the intention is to disallow players from circumventing any imposed deposit or spend limits by using more than one credit or debit card?

Response: One debit card or one credit card, meaning one active funding source at a time. It is expected that account holders may wish to switch funding sources, so system should allow for changes. It is a good responsible gaming practice to place controls on the frequency of changing funding sources. Deposit and spending limits will need to function regardless of the funding source or changes to it.

Sec. 14 provides:

- (c) A master wagering licensee and a licensed online gaming operator, online gaming service provider and sports wagering retailer shall each, where applicable based on the services provided:
- (5) Establish a voluntary self-exclusion process to allow a person to (A) exclude himself or herself from establishing an account.

Question relating to the above section:

4. It appears this will be a requirement will allow non-account holders to prevent themselves from ever establishing an account. Will CLC maintain a portal for patrons to add their names, which we could then ingest, or is the expectation that the RFP winner will build and maintain this enrollment process/portal for non-account holders to self-exclude?

Response: CLC will learn from Proposer how their system manages voluntary self-exclusion, and from there determine the best process for complying with this requirement.

Sec. 33 (A) (2) provides:

(2) The president of the corporation, subject to the direction of the board, shall conduct retail sports wagering, online sports wagering and fantasy contests, if licensed to do so pursuant to section 4 of this act. The proceeds of such wagering and contest activities shall be deposited in the lottery and gaming fund of the corporation from which winnings shall be paid and from which the payments required by sections 18 and 19 of this act shall be made.

Question relating to the above section:

5. We interpret this section to mean that the CLC will pay all state taxes on revenue earned from online and retail sports betting. Are the minimum guarantees requested by the CLC net of taxes? Said another way, will taxes be paid from the CLC's revenue share or should the RFP winner/operator plan to cover the taxes in addition to paying the revenue share to the CLC.

Response: CLC will contribute all of its proceeds from sports betting and fantasy contests to the General Fund, making payments required by sections 18-19 and by section 33. The successful proposer/operator will not be responsible for state taxes after paying the negotiated revenue share to CLC.

Sec. 35 provides:

(b) In addition to the amount transferred pursuant to subsection (a) of this section, the Connecticut Lottery Corporation shall transfer one million dollars of the revenue received from retail sports wagering, online sports wagering and fantasy contests to the chronic gamblers treatment rehabilitation account created pursuant to section 17a-713, as amended by this act, in each fiscal year that the corporation is licensed to operate retail sports wagering, online sports wagering or fantasy contests pursuant to section 4 of this act.

Question relating to the above section:

6. Similar to the previous question, is the \$1M chronic gamblers payment expected to be covered by the CLC through their revenue share or should the RFP winner/operator plan to cover the payment.

Response: The CLC anticipates making this payment from its share of revenue. The revenue sharing will be determined by the final negotiations with the Successful Proposer.

Sec. 5 (2) provides:

(2) may enter into one or more other agreements, which may include an agreement or agreements with the off-track betting system licensee to act as a sports wagering retailer".

Question relating to the above section:

7. Would the CLC please advise if contracting with an "off-track betting system licensee" will be required per this new law? If not, what is the function of this language in practice?

Response: Contracting with the licensee if not required by law, but is allowed by law. CLC will decide whether and how to partner with the OTB licensee in consultation with the Successful Proposer.

Questions not citing a specific section:

8. Could you provide some detail on the licensing process and timeline and which types of vendor/suppliers will need to be licensed? It would be helpful to know which of our suppliers will need to be licensed prior to launching so we work toward the target launch date.

Response: The licensing process with the Department of Consumer Protection can begin once the Successful Proposer is notified. Any Proposer can begin reviewing the requirements for submission prior to that occurrence. Any subcontractor who touches the System, offerings and data should be considered for licensing.

9. Does the backup server need to be live on the launch date?

Response: Yes.

10. For Fantasy Sports, will the server need to be located within the State of Connecticut? Will it need a backup server as well?

Response: The server location needing to be in Connecticut is still under review. Having a backup server to the primary server is expected regardless of location. The Fantasy Contest is an optional inclusion in a Proposal. Specific requirements have not been established for operating Fantasy Contests as part of this RFP.