

Sec. 12-568a-5. Agents

(a) **Certification of the CLC.** The CLC shall certify on each lottery sales agent license application that it authorizes submission of the application by such applicant at such location and that it shall activate such applicant as an agent upon licensure. The CLC shall additionally provide a statement of any surety bond requirement.

(b) **Qualifications for licensure.** Any person desiring a lottery sales agent license shall make application on forms prescribed by the department. An applicant for a lottery sales agent license shall be required to supply in its application, at a minimum: The name, nature, and location of the applicant's business; the applicant's federal tax identification number, Connecticut tax registration number, and, where applicable, social security number; the names, addresses and dates of birth of officers, principal owners, and designated employees, as required by the commissioner; an explanation of any criminal conviction, other than minor traffic offenses, of the applicant and any of its officers, owners, or designated employees; an explanation of any tax disputes or delinquencies involving taxes owed to the state by the applicant; disclosure of any pending action, fine, suspension or revocation of any liquor or other permit, license, registration or authorization issued by any state, federal or tribal authority, or authority in any other state, of the applicant and any officer, owner or designated employee of the applicant; and the names and addresses of two business references. No applicant will be issued a lottery sales agent license to engage in business exclusively as an agent. No applicant shall have the word "lottery" or "lotto" contained within the business name, except as approved by the CLC. An applicant shall not withdraw its application without the permission of the commissioner. In determining an applicant's qualifications for licensure as an agent, the department shall consider the following factors:

(1) The financial responsibility of the applicant. The department may conduct an investigation into the credit worthiness of the applicant utilizing the services of a commercial credit-reporting agency or other method approved by the commissioner. The CLC may require that the applicant post and maintain a surety bond at the applicant's sole expense in an amount determined by the CLC;

(2) Any falsification of the information submitted with the lottery sales agent license application or failure to disclose any fact material to the application;

(3) The applicant's reputation for honesty and integrity;

(4) Insofar as permitted by law, any record of criminal convictions, however, the commissioner may defer a decision of whether to grant or deny a lottery sales agent license if criminal charges are pending against the applicant;

(5) Certification of municipal tax compliance and state tax compliance; and

(6) Such other information as the department may deem pertinent to the issuance of a lottery sales agent license.

(c) **Legal entity as applicant.** The department shall require that at least one principal owner of, or a natural person connected with, any corporation, company, partnership, or other legal business entity applicant acceptable to the department, assume, in writing, joint and several liability with the applicant prior to the issuance of any lottery sales agent license. In the event such corporation, company, partnership, or other legal business entity applicant acceptable to the department is thereafter adjudicated a delinquent agent pursuant to section 12-568a-12 of the Regulations of Connecticut State Agencies, and the official procedures

or rules of operation, the department or the CLC may avail itself of any appropriate collection procedures against such corporation, company, partnership, other legal business entity or natural person.

(d) **Change of operations.** A lottery sales agent license shall not be transferred or sold. Changes in the ownership, location, or name of an agent's business may only be made in accordance with the following provisions:

(1) When the ownership of the business enterprise is to be transferred, if the proposed transferee wishes to continue lottery sales in connection with such enterprise, said transferee shall submit an application for a new lottery sales agent license in advance of such transfer. Provision shall be made at closing for the resolution of any obligations owed the CLC as a result of the transferor's lottery business, and no lottery sales agent license will be issued to the transferee if the transferor's lottery obligations are unpaid. This subdivision shall also apply when there is any change in the parties who comprise the ownership of an agent's business or when there is a forty-nine percent (49%) or greater change in the ownership of any corporate stock of a corporate agent.

(2) An agent desiring to move its lottery business from one location to another shall make proper application on forms provided by the department.

(3) An agent wishing to change its name shall inform the department in writing. In considering whether to issue a lottery sales agent license to such transferee or to permit lottery sales following a change in business name or location, the department may apply the same criteria used in determining initial eligibility. The department, however, may defer action on or reject any such application or request based on an agent's delinquent payment history, a pending lottery sales agent license suspension or revocation action or a pending appeal of administrative action.

(e) **Lottery sales agent license suspension and revocation.** The commissioner may impose a penalty in accordance with section 12-815a of the Connecticut General Statutes on a lottery sales agent license holder or may suspend, revoke, or place conditions on a lottery sales agent license after a hearing held in accordance with chapter 54 of the Connecticut General Statutes for any one of the following reasons:

(1) If the lottery sales agent license application contains false or misleading information;

(2) If the agent violates or fails to comply with the provisions of sections 12-568a and 12-800 to 12-818, inclusive, of the Connecticut General Statutes or with sections 12-568a-1 to 12-568a-24, inclusive, of the Regulations of Connecticut State Agencies;

(3) If the agent commits an act which seriously impairs its reputation for honesty and integrity; or

(4) If the agent fails to sell and redeem tickets in accordance with the corresponding official procedures.

(f) **Lottery sales agent license renewal.**

(1) A lottery sales agent license issued by the department shall be valid for no more than one year, except that an extension of such license term may be approved by the commissioner for a period of no longer than one year.

(2) An agent having applied for a lottery sales agent license renewal prior to its expiration may continue lottery sales activity until final department action on the renewal application in accordance with section 4-182 of the Connecticut General Statutes.

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(3) Each applicant for a lottery sales agent license renewal shall certify on the application that all information on file with the department is current, accurate and complete. In the event of any changes, such changes shall be reported to the department within ten (10) days of such change and the department may require an applicant to apply for a new lottery sales agent license pursuant to the provisions of this section.

(Adopted effective October 6, 1999; Amended April 13, 2021)