

Legislative History for Connecticut Act

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If you would turn to page 20 of today's Calendar, on Calendar 382, Substitute House Bill 5559, we passed it originally with Senate A. The House rejected Senate A and yesterday we re-adopted Senate A. Consequently, we are in a Disagreeing Action with the House. At this time, I will appoint a Committee of Conference of three Senators to meet with the House Members to work out a solution to the problem, if possible. I appoint Senator John Prete, Senator William Sullivan and Senator Rusty Post as the Committee of Conference. That is on Calendar 382, House Bill 5559. You may proceed with the Calendar.

THE CLERK:

Turning to page 12 of the Calendar, Calendar 1020, File 1022, Favorable Report of the Joint Standing Committee on Appropriations, Substitute Senate Bill 1387, AN ACT ESTABLISHING A DIVISION OF SPECIAL REVENUE.

THE CHAIR:

Senator Leonhardt.

SENATOR LEONHARDT:

Thank you Mr. President. I move acceptance of the Joint Committee's Favorable Report and passage of the Bill.

THE CHAIR:

The question is on acceptance and passage. Will you remark?

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SENATOR LEONHARDT:

Before taking up some Amendments Mr. President, that the Clerk has, I would like at the outset to publicly express my appreciation to Senator Santaniello for his consistently courteous and gentlemanly and fair conduct as ranking member of the Public Safety Committee during this Session of the General Assembly. I don't mean, by these remarks to associate him with what I'm about to say, because we did at times, differ on our views of public policy for Connecticut, but our differences Mr. President, were always in good faith and good spirit and at the personal level, I'd like to say that it was a pleasure for me to work with him and he has made my experience in the General Assembly more rewarding this year. Would the Clerk please call the first Amendment?

THE CLERK:

Clerk has Senate Amendment A, File 1022, Substitute Senate Bill 1387, offered by Senator Leonhardt. It's LCO 6883. Copies are on the desks. 6883.

SENATOR LEONHARDT:

Mr. President, this is essentially a technical Amendment which would transfer the Auditing functions presently performed by the Commissioner of Revenue Services to the Executive Director of the new Commission of Special Revenue that this Bill would create. This Amendment would guarantee and insure that all the auditing functions

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of the pari-mutuel facilities were done in one shop, under one roof by a new Division of Special Revenue, rather than having functions spread out through the State as they are at present.

THE CHAIR:

The question is on adoption of Senate A.

SENATOR LEONHARDT:

If there is no objection, I move adoption of the Amendment, Mr. President.

THE CHAIR:

Further discussion on adoption of Senate A? Hearing no further discussion, those in favor of adoption signify by saying aye. Those in opposition to? Senate A is adopted. Proceed Senator Leonhardt.

SENATOR LEONHARDT:

Would the Clerk please call the second Amendment?

THE CLERK:

Clerk has Senate Amendment Schedule B, File 1022, Substitute Senate Bill 1387, offered by Senator Leonhardt. It's LCO 6888.

SENATOR LEONHARDT:

This Amendment, Mr. President, would restore to the Bill the annual renewal of all licenses except for licenses of operators - of the actual people who operated the pari-mutuel facilities. They

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are not in our judgment, it is not necessary for them to have annual renewal of their licenses because they already have that anyway, through the awarding of racing dates, through the other function of awarding racing dates. This Amendment would restore the annual renewal for all other licensees. This is people like the Jai-Alai players themselves, like people who execute under the employ of operator's sensitive functions, such as being in the money room counting money, being in the computer room where there is sensitive betting information, this sort of thing. Restoring this language and here's a very important point, Mr. President, to the Bill will only restore the status quo ante of the present law. This is not a change in present law. This is to stop an erosion of present law because this type of annual renewal is presently being executed and indeed, restoring this language is in line with the Public Act that has already gone through both houses of the General Assembly this year and has been signed by the Governor. If there is no objection, I move adoption of the Amendment.

THE CHAIR:

The question is on adoption of Senate B. Will you remark further? Hearing no further remarks, those in favor indicate by saying aye. Those in opposition to? Senate B is adopted. The Bill is properly before us as amended by Senate Amendment A and B.

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Senator Leonhardt, you have the floor.

SENATOR LEONHARDT:

Thank you Mr. President. Any major Bill concerning gambling often seems to evoke more heat than light, Mr. President and so, for the next few minutes, I'm going to try to lay out, without rhetorical flourish, the rationale underlying this Bill.

I think the first question that we want to address is why do we need to restructure the Commission on Special Revenue at all? Why not leave things just as they are? My fundamental point in this area is that while it's absolutely true in my judgment, that it's very unlikely that the State will ever have legalized gambling which is totally free of irregularities - we're never going to have in my judgment, problem free legalized gambling, I would say that at present we're now, on a 1 to 10 scale, at a point of about 6 and I think that if we restructure the Commission on Special Revenue in the form that this Bill lays out, it's true we're never going to get perfection. We're not going to get to 10, but let's get to 8½ or 9 and if we're very lucky and we get just the right people who will do a very tough job, we might get to 9½. It's true, we're never going to have a problem free environment in my judgment.

Mr. President, I think the present Commission on Special Revenue, first of all speaking from a structural point of view, is a poor structure for the State of Connecticut. First of all, 9

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Commission members is an unweildy Commission and I think as many Members of the Circle know, this 9 member Commission was created at a time when one party controlled the Governor's residence and another party controlled the General Assembly and so that members of both parties could be amply represented on a new commission, and I think that this is an excellent example of a situation which compromise did not produce the best result for the State of Connecticut. Additionally, this structure is defective because the appointments are split between a minimum of three and, depending on the outcome of elections, up to five officials. So that with the appointments spread out across the board to the Governor having five and the Minority Leaders having two of each House, you have a Commission, Mr. President, which is answerable to no one. It is not an accountable commission. No one, no elected official in the State of Connecticut is held to task, is called to task, for the conduct and the regulation of gambling in the State. An inherently unhealthy situation, I would suggest. And indeed, this is a serious deviation from the recommendations of the Fyler Committee twoyears ago and the resulting governmental reorganization that took place in 1977 which, in every other instance, gave, with only the smallest exception, gave the Governor appointing authority, the

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Governor is the Chief Executive Official, the elected official. They make the appointment. If the people are unhappy with the way gambling or any other activity is conducted in the State, they register that protest at the polls in the next election. That's our Democratic process, of course, and that in this Bill, is an extension of that.

Third, the present situation lacks a clear division of responsibilities between the Commission and the Executive Director. And, as we'll get into further in a minute, the situation has resulted where the present Commission on Special Revenue has become over involved in daily administrative detail to the ultimate exclusion of considering important policy questions. And Committees, as we'll discuss further, are good for making policies but not good for organizing day to day administration.

Fourth, the present situation lacks important procedural safeguards; people who are on the present Commission or working in high, unclassified positions for the Commission can remain active in politics while they're on the job. There's no ban or regulation of ex parte communications between Board members and Members of the regulated industry. Also, at variance with modern standards in the PUCA area and of course, for judges. And also, members of the present Commission are free, under present law, to leave the employ

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of the Commission one day and work for the industry they've been regulating the next, an unhealthy situation I would suggest, Mr. President. And finally, the members of the present Commission on Special Revenue are not required under statute, to have any particular forms of professional expertise.

In addition to these structural deficiencies in the present situation, I think it's necessary Mr. President, to discuss the performance of the present Commission on Special Revenue. I don't want today to engage in any public discussion of individual's job performance, but I think we do have to honestly face a record and say that collectively, many questions must be raised concerning the performance of the present Commission on Special Revenue. Before getting in to these shortcomings, I would like to say that the Commission was created by the legislature to bring in legalized gambling into the State and has been performing that function pursuant to a legislative mandate. Since the Commission was created, it's raised \$260 million and I do think that at times people who were unreconciled to the decision of having legalized gambling in the State of Connecticut at all, have taken cheap shots at the present Commission on Special Revenue and I hope that in my own presentation I will be avoiding that and making, I hope, valid criticisms of their performance and not into the area of cheap shots that have been taken by people who don't want gambling here in the

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first place. Because I think an important aspect of this Bill Mr. President, is that the Bill does not go to whether we have legalized gambling in the State or not; or whether we like to have it or not, it's really a question of now that it's here, let's regulate it the best we can and I think whether people like gambling or don't, I'm asking them today to agree on the question that it should be regulated the most professional possible manner.

Now, having in fairness tried to lay out some of these points, let's talk a little bit more about the performance. Last year, the Commissioner or the Secretary of the Office of Policy and Management commissioned a study to look into what the Commission on Special Revenue had been doing and the way it was managing its functions. That Commission came in and reported in March, showing 37 major deficiencies in the management as executed by the present Commission on Special Revenue. And every Member of this Circle has a listing of the highlights of those deficiencies in a letter that I circulated back on April 25th. We can get into it if you like, in further debate although I'm not going to read those now 'cause you have them before, in an attempt to keep these remarks as brief as possible.

Basically, the report found deficiencies in the auditing area, particularly with receipts - in the area of receipts to the State and also in the security area, dealing with the lottery and pari-

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mutuel facilities, both security for the lottery and for the pari-mutuel facilities. In addition to these shortcomings, we have a Commission which, at the present time, has never, never adequately determined what these pari-mutuel facilities are really making so we don't know the truth about what the profits are in a way that would allow the State and this legislature to determine whether the State is getting its fair share. I think that the Commission should pull this kind of information together so that we know whether we're getting our fair share as a State and that's a function that has not been done.

Nor has the Commission, this present Commission, ever audited the owners to determine if any owners are fronts for other people. I think the important point in our discussion here today is that we don't know the answers to these questions; that we haven't been given answers. I don't know the answers. In addition to these points, Mr. President, we also have the whole area of criminal law violation. We have a situation where a systems bettor and a handicapper were convicted for commercial bribery, flowing out of activities at the Milford Fronton in 1977. We have a situation where the management of the Hartford Fronton was fined \$37,000 for failure to report player fixing. At the present time, we have a lottery grand jury out in the field looking at problems and on February 29th of this year, we had a Jai Ali Grand Jury appointed

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by a Justice of the State Supreme Court to look into alleged Jai Alai problems. Now, of course, grand juries being in the field does not mean that people have been indicted; does not mean that there have been convictions, but I think it does mean that at a really quite early operational stage of legalized gambling in this State, these facilities have only been open a few years, two or three years, we already have ominous gray clouds on the horizon concerning criminal conduct, in addition to the other failings that we know about the Commission's performance as particularly reported in the Management Study.

Also Mr. President, we have a situation in which this present Commission is a very expensive operation for the State of Connecticut. The present Commission costs the State, in terms of salaries for its commissioners and in terms of the Executive Secretary's salaries, about \$136,00.00. I think under the Bill that we're looking at today, we could eliminate a lot of this expensive, political superstructure and get the expense of administering the top - not the whole budget for the new body, of course, but just the top part, in terms of the Board members and in terms of the Executive Director, down into the area of about \$50,000.00. I'd like, if I could briefly, Mr. President, to read - I thought, a very interesting letter that I received on February 6th and this is a letter that I would particularly hope that minority or members of the loyal opposition here in

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the Circle could listen to because this is a letter from John McDonald who was Executive Secretary of the Commission on Special Revenue between October of '73 and October of '76. He was appointed by Governor Meskill. He wrote - Dear Senator Leonhardt: - just in part here, although I have copies of the full letter mailed, if anyone would like to see it. I've been following with great interest your hearings. I served as Executive Director. The Commission on Special Revenue is an administrative nightmare. The original legislative intent was that the so-called Commissioners should vote on pari-mutuel licenses and not really get into the day to day administration of OTB, lottery and racing. However, they used the power to appoint the Executive Secretary as a hammer to run everything on the Commission. That was the start of most of their problems. Kellis hit the nail on the head. This agency could be costing the State close to \$300,000.00, he estimated in his letter, per year, in unnecessary politicians. I was on the Board of Trustees of the University of Connecticut, a Board with more real responsibility consuming more real time than the Commission on Special Revenue, no UConn Board Members are paid. One good Executive could run the Commission on Special Revenue far better than it is run now, at a cost far below the present cost.

That, Members of the Circle, was a letter from a Republican, an Executive Director appointed in a Republican administration, to run the Commission on Special Revenue. By the way, both of these

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letters that I received were unsolicited and in a second letter that I received, on March 26th from Mr. McDonald, he wrote - in 1974, I was asked to provide Governor Meskill with my recommendations for the incoming Governor on the Commission. My recommendations regarding the organization of the Commission were almost identical to the consultants - that's referring to the Management Report on which the Bill that we have before us today is importantly based - almost identical to the consultants. I have been out of politics for almost three years. My interest in this matter stems from knowing the waste and lack of good management in the Commission on Special Revenue. As a taxpayer, I hope you can improve it. Good luck. Sincerely, John McDonald.

Finally Mr. President, I'd like to read briefly, some excerpts from the Fyler Report to the General Assembly, concerning the Special Revenue functions. We generally do not favor government by Committee. There is much to be said for the view that day to day administrative functions are better handled by a single individual than a Board. A Board comparable to the present commission would sit as a quasi-judicial agency for the granting of racing dates and permits to operate wagering activities. Its members would be unpaid, but would be appointed by the Governor with the advice and consent of the General Assembly. This Board would review those decisions where diffusion of responsibility for decision might help to reduce the possibility for corruption but it would not have day

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to day management responsibilities. So what we have, I think both from the Fyler Committee as well as from experience from Republicans who have dealt with this function, unsolicited and actually the Fyler thing totally before this year's inquiry got going, are very interesting to me - previous recommendations to follow the course of this present Bill.

So, onto the Bill itself. At the outset, let me say that any structure in the end is only going to be as good as the people who run it and to regulate gaming, people have to have great perceptiveness, integrity and the courage of their convictions, but I think the point is here that structures themselves can still promote or discourage effective gaming regulations. As some Members of the Circle probably know, this Bill creates a five person gaming policy board and an Executive Director of the Commission on Special Revenue, the Department of Business Regulations. The Governor appoints all five gaming policy board members and also the Executive Director. And this is an important structural change in terms of tracking with the Fyler Commission and the reorganization concept; making the revenue functions accountable to the Governor. Now, giving the Governor control and, therefore, responsibility of the special revenue functions is going to play a very important role and this is, in a lot of ways, the heart of the Bill. It's going to put pressure on the Governor to make sure that a good job is done, because - and it's really an extension of the classic accountability

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doctrine. In fact, I'd go one step further, Mr. President. This restructuring Bill, in a lot of ways, places a dagger at the heart of any administration of either party because if there's a scandal, the Governor will lose the next election or the party of the Governor will lose the next election if the Governor's not seeking election or it will be a mar on that Governor in history. And so out of political self-interest, every Governor, of either party, and this is why I think it's a good structure, will be under great pressure to have the finest people on the policy board and the finest people serve as Executive Director.

We have here a system that doesn't depend on enlightened, high mindedness to operate effectively. It's a system that, through its construction, puts great pressure on the Governor to appoint good people and in this respect, I'd say particularly to members of the Minority members of the Circle, we're putting, not a plumb to the Governor, but a hot potato to the Governor's lap. But we want to do it because it's the right structure, regardless of who is Governor.

Also, this Bill would provide for a careful division of duties between the gaming policy board and the Executive Director. It would prevent the board from repeating the Commission's error of becoming over involved in petty, administrative details to the exclusion of policy questions. But, in this area, I would like to point out that the Public Safety Committee deviated to an extent from the Management Study Report in the sense that we put all the

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important policy decisions, all the sensitive kinds of duties that have lead to problems in other states, into the policy board. I'd like to read you quickly, a list of those duties that are in the board, not the Executive Director. First of all, the granting and revoking of pari-mutuel facility licenses, the granting of racing dates, which each para-mutuel facility has to have to operate every year; the power to confirm or veto personnel selected by the Executive Director to head various units; the power to levy fines; the power to approve sophisticated betting options, the types of trifectas and so forth that have caused problems with systems bettors; the power to call investigations and hold hearings; the power though advice and consent, to oversee State lotteries and off-track betting; the power to approve all regulations; the power to revoke and suspend all licenses; the power to approve all contracts. Mr. President, it's a misnomer that this proposal creates any kind of gaming czar. With all those important duties on the policy board, you have an Executive Director who is under substantial and important control. The Board is creating the policy. The Executive Director is executing routine, day to day administrative functions.

Some Members may ask why we didn't pay the policy board members more. We didn't pay them more because you either pay these types of positions a lot or a little. In between, you're kind of creating a \$10,000 a year political plumb for people who want to come in often for a half a day a week work week. If we paid these people a

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lot, naturally they would have to come into work every day and if you can give them work to do, these policy board members, by paying them a lot, inevitably, they would have to become involved in day to day administrative functions on a specialized basis. You know, one policy board member would head up OTB, the other one would run racing, lottery, so forth, like that. In this manner, we would lose the pluralism that is comforting to us once they became specialized doing these administrative functions and also, we would lose the whole concept of people who didn't have a vested interest in the day to day decisions coming in and reviewing those decisions. I think the beauty of this proposal is you have people coming in who don't have a vested interest in the day to day decisions coming into review what has been done.

You would lose that if you had full time board members who were well paid. I think also, people who are called on to take on these functions, these board functions, and we have to insist in the State of Connecticut that we're going to have people regulating gambling who are a match for the well paid, sophisticated, very intelligent talent that the gaming industry can hire, in terms of accountants, lawyers, and all the rest. Now, we have to insist that we have that and we're going to have that. We're going to get that

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from people whether it's in the public or private sector, who are already well established in their professional life and whether it's a high ranking official of the University of Connecticut or whether it's a high ranking official from an insurance industry person, that person is going to be in a position in their life where they can serve the State two days a week without being paid to do that. And before we finalize this system in the Committee, I made it my business, Mr. President, to speak with well known people, heads of major banks in the State, heads of major insurance companies in the State, names that would be well known around the Circle to see if they felt that people would be willing to serve on this basis and, in speaking with three different members of both parties, people who were well known, every one of them assured me that they could help a Governor to find the people to do this type of job.

Finally, the present Bill has in it, a requirement that these board members have - four out of the five of them - have some experience in corporate finance, economics, law, accounting, law enforcement or computer science.

The Bill also, Mr. President, has important procedural safeguards. It has a ban on political activity for policy board members and the Executive Director while they serve in those positions. It doesn't refer to prior activities upon the part of these people, but

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it does ban them like a judge is banned; like PUCA Commissioners are banned from executing these functions while they're in the job. There's a ban on ex parte communication concerning matters before the board between - would it be possible to close the door - There's a ban on ex parte -

THE CHAIR:

The Senate will come to order. Will one of the messengers please find out who's doing that sawing up there and tell them to either stop or at least close the door.

SENATOR LEONHARDT:

Thank you very much Mr. President. I'm going to wrap up in about 120 seconds. The Bill would have a ban on ex parte communications between or concerning matters before the Board and between Board Members and members of the regulated industry, just as judges have, just as PUCA Commissioners have. Also, there would be a ban on people who have been on the Board or the Executive Director for working for the gaming industry within two years after leaving State service and finally, the Executive Director with the advice and consent of the Board, would be called upon the conduct studies biennially concerning the gaming habits of people in the State, and through those studies, we want to see what the effect is on the society in the State. Again, we're not making allegations,

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of this Bill so I ask that when the vote be taken, it be taken by Roll Call.

THE CHAIR:

When the vote is taken, it shall be taken by Roll Call. Will you remark further on the acceptance and passage of the Bill? Senator Santaniello.

SENATOR SANTANIELLO:

Thank you Mr. President. First I would like to thank Senator Leonhardt for the kind words. I know the pressure and the amount of time put in by the Committee - this particular item and this particular project, but I do rise to oppose this piece of legislation before us and I will be mercifully brief to you, Mr. President, and Members of the Chamber.

I oppose it for a number of reasons. First reason lies within the File Cop-y, the statutorily proposed language itself. I find numerous problem areas and I'd just like to touch on a few of them, very, very quickly. I see in Section 12, where judges are allowed to bet. Security staff members are allowed to bet and security people are allowed to bet. I think, Mr. President, that this goes to the very integrity of the system to allow a judge to wager on a certain event and then be a judge in that event and then, in the event he wins, be able to collect. In another section, Mr. President, I see that concession licenses are issued by the director with no board approval. I see also the language in the File Copy calling for a unit head while no classification in State service describes or explains what a unit head is. Also, off track betting, Section 21, is allowed and permitted by

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of any type concerning problem gambling or anything like that. I think the basic fact of the matter is we don't know the answers to these questions and the answers have not been developed. And I think a study like that on the one hand might help isolate certain abuses. On the other hand, it might help curb unsubstantiated and exaggerated claims that might be being made concerning excesses in gambling if those don't in fact exist.

Finally Mr. President, I want to say that this Bill is not an attack on gambling. I think whether people originally wanted to have it in the State or didn't, the point is that it's here now. We want to regulate it well. Many of the owners, and I think this is an important point, many of the owners and top operators of gambling in Connecticut have come around to see me since I've been Chairman of Public Safety and many of them have told me that they would like to see a change in the present Commission on Special Revenue because they want people that will give a firm and steady regulation that can give a kind of stability to the industry that would make it less controversial; that would take it off the front pages of papers. They want a firm regulation so that they can build some public confidence in their industry. So I think we have a situation in which even some enlightened members of the gambling industry recognize the need to have a more stable and professionally managed environment which is essential for the operation and regulation of this complex and sensitive business. Mr. President, I presume that it will not be unanimity in support

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the Executive Director himself to place such a facility, though the board does have approval and that approval is simply limited to the physical building itself. Those are minor areas.

The real problem, I think, lies in conceptually and what do we have conceptually? I differ with Senator Leonhardt. We do have a gaming czar in the State of Connecticut. We've entrusted, I think, far too, too much power into one individual, in an area that is wrought with sensitivity. But we're doing it. Why? I don't think it's right, Mr. President. I think the system as it stands now, with a good cross reference of members is a safeguard and a surety to people of Connecticut in a sensitive area. I think given the correct tools, Mr. President, with the correct equipment, the wherewithall to do the job, that job and the good job they've done would be increased in quality. But I think the bottom line, Mr. President, is the one that upsets me the most is I think that politics has entered into this very, very clearly and very, very pronounced. We had a rush, \$100,000 submitted to do a study, if you will, on this. The bottom line was, I think, cast in stone. The bottom line simply was political consideration. It was a commission that no longer had its use in politics; that was an area of annoyance and criticism by those who felt to use it as such. And that was the consideration that came really before the Committee and that was the consideration that led to this Bill that was voted out of Committee and presented to the Members and I feel we do, Mr. President, a

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disservice to the people, a disservice to ourselves when we let a consideration like that influence a sensitive area in the State of Connecticut and come before us as a rather massive change and I for one, will oppose, Mr. President, this particular piece of legislation for those three grounds. The drafting, the placing of so much power into oneperson's hands, but most assuredly and most importantly, the fact that I do feel very strongly that this is a political consideration and not in the best interest of the people of the State of Connecticut.

THE CHAIR:

Will you remark further? Senator Matthews.

SENATOR MATTHEWS:

Excuse me. Mr. President, I rise to oppose this legislation also. I couldn't help but be attentive to some of the things Senator Leonhardt said and in thinking about them, relate them back to other incidences about the State and what the State stands for and what we, as individuals, stand for and what the administration and the people involved in the administration should stand for. Amongst the things that Senator Leonhardt commented about were the 37 major deficiencies which seem to be now existing in the present setup and devised through the investigation by the consultants. He complained about, as is in the investigation and the report, the auditing areas, the security areas, the question of true profits. The auditor of the owners, many unknown answers in other areas, criminal law violations and so forth. And he added that he thought that it was time for a new administration to

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come in and operate the commission on a more realistic basis. I would like to, very briefly, refer the Circle's attention to what we have over the last three years, at least, asked of the Welfare Commissioner to do something about the very poor administration of the Welfare Program. I haven't heard one word around the Circle or in this whole Body of legislators that we should do something about changing the setup in the Welfare Program and to remove the Commissioner and get somebody else in there. Now, I don't hold anything against Commissioner Maher or any of the other people who do the administration. All I'm saying is that there are problems in that administration and nobody has brought it up. This commission which we have been talking about today is doing an acceptably good job. It was initiated fairly recently. It has done a job which cannot be complained about in most instances, by most people. There has been a serious effort on the part of the people on the Commission to do the job. There's no reason in the world to find so much fault with them that they must all be removed.

It's almost ludicrous for anybody who can read and understand what's been going on in this whole makeup to not realize that there's a problem which is due to primarily, an unrealistic willingness to finance some of the needs of that Commission, based on the requests from that Commission over and over and over, without an ear listening. In the Welfare Program, for a couple of examples, they are six to eight months, or have been in the

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past, six to eight months behind in their payments to hospitals and druggists. Those people need that money and you know yourself, we've got Bills in this Session trying to alleviate that problem by insisting that these Bills be paid.

We've repeatedly asked for correction in that area of our administrative functions. We could have probably saved millions of dollars over the years and we certainly could have helped those people whom we have owed money to from the State to avoid embarrassment by needing to borrow money on their own part to pay their bills, particularly those in small drugstores or physicians who are operating in the ways of starting out practices or however they have to operate. Another major element in the area of Welfare is the fraud problem. We have repeatedly pointed out that there could be much more work done in the fraud problem and it is for the first time in the last several years after we've repeatedly pressed that point, that we got \$100,000 in the budget this year for the Welfare Program to function against fraud. Don't tell me for one minute that the Commission on Welfare has done a poor job or a good job versus somebody else. That's not the point. If Mr. Maher had had the things that he may have needed to do the job, maybe he could have done a better job, but he isn't being picked on - I think we have to -

SENATOR SKELLEY:

Point of Order.

THE CHAIR:

Senator Skelley.

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SENATOR SKELLEY:

Mr. President, I don't think that the Welfare Department is germane to this argument.

THE CHAIR:

Senator Skelley, I assume you're referring to the remarks made by Senator Matthews trying to draw a correlation between Commissioners of various departments. I tend to agree with your interpretation, Senator Skelley. Senator Matthews, you may proceed. You do have the floor. Try to direct your thoughts and your voice to the Bill before us. Thank you very much, Senator.

SENATOR MATTHEWS:

Thank you Mr. President. I tried very hard to point out that I was not trying to pick on an individual person, I was trying to compare the elements. I will conclude by merely saying that I do feel that the Commission that we are talking about in this Bill does not deserve the serious criticism which has been given to it and is now apparently going to be replaced by this Bill. Thank you very much.

THE CHAIR:

You're welcome, Senator. Will you remark further? Senator Ballen.

SENATOR BALLEEN:

Mr. President, thank you, Mr. President. I too, must rise to speak against the Bill. Every since the inception of the Gaming Commission several years ago, I can't think of one serious incident of wrong-doing that has come

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up in the gaming industry, as a matter of fact, had it not been for the fact that several of the Commissioners were rather outspoken and critical of each other and of other aspects of the industry, I don't think anything would have been heard from the gaming industry which is, indeed, an accomplishment. And perhaps it's not such a bad idea to have nine different Commissioners, all interested, all extremely diligent in the pursuit of their job instead of one gaming czar which is what the new Bill is going to create. Somehow I feel rather a lot safer with nine individuals running the show than one and that's all there's going to be under the new Bill. One individual who's going to have the last, final and only say because you cannot convince me that five other people that are going to be paid \$50.00 for whenever they meet, are going to either have the time or the inclination or the desire to do a conscientious job in this particular area. Let's face it. If you're not going to pay these people, you can't expect them to put much into the job or give much input into the running of the gaming industry in the State of Connecticut. So what it comes down to, is you're going to have one person running the entire show and somehow I just don't want to put an industry of this great importance and of so sensitive an area in the hands of one person.

He may have the best intentions in the world, but if he makes one mistake, perhaps his judgment may not be 100 percent in one area, I think we're going to have serious problems. Indeed, as somebody said, I don't think you're going to be giving the Governor plush appointments to make. I

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think you're going to be giving the Executive Branch one great, big headache in trying to run an industry that heretofore has run smoothly and I think in a very efficient manner. I think the whole concept is a mistake. I'm against the Bill and I urge the Members of the Circle to join with me in voting against this piece of legislation. Thank you, Mr. President.

THE CHAIR:

You're welcome, Senator. Will you remark further? Senator Gunther.

SENATOR GUNTHER:

Mr. President, I rise to oppose the Bill. I think we all know why it's here. I think you - well I think it was Santa Ana who said that he who doesn't learn by history is destined to relive it and we've relived this when we look back and take a look at what happened to the PUC, back a few years ago. They were the political whipping boy, some five years ago during a political campaign. We replaced them, took the people out and reappointed people in there. Had we taken the old PUC, given them money, given them staff, given them the things they've been yelling for for years, they would have done just as good a job, if not better than what the PUCA has done today. Now, this Commission - and I sat intently and listened to Senator Leonhardt tell us why we have this Bill before us and you know, all the cheap shots that were taken and there's been plenty of cheap shots taken at the Commission for a job that Senator Leonhardt rates on a scale of one

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to ten at six. I think if you took a better look at that scale, you might find it at 9 and a half or maybe 9.8. I think that the citations that were made here about any questionable wrongdoing and penalties and that that have come to light have come to light for one reason. The Commission brought them to light. The Commission had the prosecution on it. Certainly not because somebody had shoved them under the door or under the rug. They were brought to light mainly by the Commission itself.

We sat just the past month or two on the Regulation Review Committee with a group of regulations for Jai Alai and the only reason they were denied was the fact that the Commission did not have the statutory authority to pass those regulations. Again, I have to reflect what's been said here before, the Commission has asked, since its inception, to have the regulatory authorities broadened so they can do the job that they're expected to do, but this legislature has never faced up to that. We haven't given them the authority. They haven't had the authority right up to now.

There was a statement made about the Commissioners and that going to work for the industry that they regulate. It's interesting that you cite that because as long as I've been up here, we've had Bills in here trying to pass a law that would at least prohibit board and commission members from taking jobs in the industries that they regulate. We're not talking about just the Special Revenue Commission. We've had them from the Liquor Commission - take a job in the liquor industry. We've had them from the PUC go in to the gas companies, electric companies. They're all over the lot. Certainly not just this Commission who you're going to tighten up now. It

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would have been nice to have the Bill here, Mr. President, to tighten up on all boards and commissions. Now, the study that was conducted, it's nice to see that former director there, could have saved the State \$100,000 apparently. Says he agrees with the man 100 percent. Could have given the study that he conducted. It's too bad we didn't know about that. Maybe we could have saved the State \$100,000. The comments I've heard on that study, it was \$100,000 of money down the drain and they certainly didn't spend much time with the people on the Commission, to find out how that Commission actually was operating and what they were doing, because - and hearing from Commission Members, very few of them had any dialogue whatsoever with that particular study. So they must have pulled the study out of the air. Certainly not so much from interviews and discussions with Commission Members that were there.

Now, we talk about accountability in this Bill. And we relate it to the Fyler Report and reorganization in the State of Connecticut. I opposed the reorganization Bill for one good reason, it eliminated accountability; that is, accountability to the legislative branch of government and to the people in government, but it increased the accountability to the Governor and I think we did a disservice to the people in the State again, we're talking about increasing accountability, not to the legislature with this Bill, accountability to the Governor and less overview and less control by the legislative branch of government, which is that branch closest to the

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people and we out here know that. Mr. President, I think all we need to do here today and I have a little tingle that tells me that we may not be able to do this, but I think it ought to be done. I think we should reject this Bill. We ought to go back and do what the present Commission wanted us to do, come in with some additional regulatory authority, because they haven't done a bad job. They went in there, on the job trained, individuals and I think you'd go a long way because most of the states that do have special revenues or gambling have used Connecticut as a guideline for how you should properly run gambling in a particular State. And I think that they probably should be commended for going from scratch and doing this job.

So, as I said at the onset, this is nothing more than a political operation. I think it parallels the PUCA and all we're doing is trying to dump a commission because it's politically the proper thing to do, not because it's the proper thing to do from the State of Connecticut.

THE CHAIR:

Will you remark further? Senator Beck.

SENATOR BECK:

Mr. President, just speaking briefly in support of this Bill, I think that from the perspective of the Finance Committee, we have had inadequate data on which to make very important judgments, certainly a lack of information about the gaming market as such and I think by now I think we should

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have had it. I think it's long overdue that we reorganize the Commission. I do want to express my concern, whether we are making the right judgment by only providing a \$50.00 per diem payment and I respect what Senator Leonhardt has pointed out, the philosophy is to attract the very-best people who would not be attracted with the present amount of money now paid to Gaming Commissioners. And I think we're going to have to evaluate that as a legislature, but I certainly believe very deeply and strongly in executive responsibility. I think the Governor should be the person responsible ultimately for the quality of those appointments. I think the Bill provides more than adequate legislative oversight in approval of the appointments and I think this is probably the most important single thing we will have done in this General Assembly and finally put gaming on a kind of rational and objective basis that it should have been long since.

THE CHAIR:

Will you remark further? Senator Curry.

SENATOR CURRY:

Mr. President, I would like to speak very briefly in support of the Bill. I think that all of us in the Circle, members of both parties, understand the need to restructure the apparatus with which we supervise legalized gambling in the State. I think that all of us understand that one of the missions of any regulatory body is to instill public confidence and I don't think that anyone reading the newspapers in the State over the

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last few years, can truly believe that public confidence in this system is what it ought to be. And while I would never advise this Circle to pass a law in order simply to make people think that we were doing the right thing, we nonetheless, cannot afford to ignore that it is important for all of us that there be in the public eye, a legitimacy to what we do and even apart from the question of efficiency, the questions of accountability, of both within the bureaucracy itself and ultimately in the political arena, through the Governor, I think that the simple fact of legitimation is an important goal and one that all of us here ought to be sensitive to.

Lastly, I would like to just take this opportunity to commend Senator Leonhardt and his entire Committee and to commend the Governor who has decided to take on a very important responsibility in the most direct fashion and really like Orestes, to take on the entire moral responsibility for a very difficult issue in this society. It's a very courageous move on the part of the Governor and a very sensible move on the part of the legislature and I would like to commend, particularly Senator Leonhardt who has given to this task, a scholarship and a thorough going earnest, straight forward, publicly scrutinized effort which is unsurpassed in any area of legislation, in any piece of legislation that has come before us this year. And I think that all of us owe to Senator Leonhardt, to the Committee, to Representative _____ and to the Governor, a debt of gratitude

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for choosing to do the difficult thing, for choosing to take the public heat which is inevitable, to improve and to accomplish a very important improvement in our State laws, Thank you.

THE CHAIR:

You're welcome, Senator. Will you remark further? Senator Johnson.

SENATOR JOHNSON:

Mr. Chairman, I rise to oppose the Bill and to disagree most particularly with Senator Curry. I think that when the public has a perception that is simplistic, we do ourselves and the public disfavor when we respond to that perception in a simplistic manner. This was the case with the reorganization of the PUC to the PUCA. We've really gained nothing through that reorganization and we about to re-enact that drama.

This Bill, albeit a conscientious approach to what has been perceived as a problem and which in some ways is a problem, has a fatal weakness and that fatal weakness is the \$50.00 a day because we know how much time we put in here. We can imagine, with the kind of time that's required to go over the contracts, all the serious responsibilities that we have given to this Board and the kind of work that's going to be required to carry out those responsibilities in a conscientious and effective and honest manner, that kind of time does not come for \$50.00 a day. If a Commissioner puts in half time, which I can't believe he won't have to do, he will get \$6,000 a year. We aren't going to get the quality regulation that we need. What's going to happen is that this \$50.00 a day Board is going to be a yes Board and because it will be a yes board,

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we will have a gaming czar. That isn't the way the legislation looks, but that's the way in fact, it will work because the \$50.00 per day recompense is simply totally inadequate for the work that we are asking these commissioners to do. Regulation, in today's society of a controversial area such as gaming is immensely complex and requires a great deal of background dedication and time.

THE CHAIR:

Will you remark further? Senator Bozzuto.

SENATOR BOZZUTO:

Mr. President, if I might take this opportunity to express the appreciation of this one Senator to those Members of the Gaming Commission for their services, regardless of the final outcome of this vote, I'd like to express my appreciation to each and every one of them, Republican and Democrat, past and present, for their efforts to keep gambling clean in Connecticut; to make Connecticut the outstanding State that it has been in recognition that we have done the finest job. We are number one and indeed, we've done a good job in terms of regulations of gambling. That having been said, it becomes necessary to put this particular measure in perspective.

We know why this Bill is here and we know perhaps, that the numbers will dictate that in fact, it will become law on the appropriate day. But I think that the people of Connecticut have a right to know that things are being done right in terms of gambling in Connecticut and that gambling for

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the most part is free of any criminal element and in fact, under the guise of good government and under the guise of moving forward and under the guise of doing well, we are doing poorly by the people of Connecticut and in fact, in this legislation, we have the opportunity for more political interference. We have the opportunity for more gambling and more criminal interests to become involved. We have the opportunity for more political patronage, to become involved in a gambling system. In fact, we have not attacked the ills. We simply have opened up the doors so that more can happen.

Senator Leonhardt said people are unhappy and they can register that unhappiness at the polls and are we going to vote for this czar? We'd better, because we're not going to have enough money to pay for him because it says in the fiscal note and I think the reference was made that the current cost is \$136,000 and it says that the new czar will probably be paid at the same level as the Executive Director and we know that's a lot of nonsense. We know that's not going to happen. We know that you're not going to get someone with those responsibilities for that kind of money. So that's a sham and it's too bad you've got to play that game that you're going to save the people of Connecticut money and they're not asking to be saved money. They're only asking that they have public confidence in gambling and what you should indeed be doing is saying, we can't have confidence. We do have a good commission and there have been grand juries because that commission has had strength and has had the willingness to do

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what was right and are we now going to diminish the opportunity for grand juries? Senator Leonhardt has said that there have been grand juries and that there are gray clouds over gambling in Connecticut and I say nonsense. The fact that there are grand juries shows that they've had the strength of their convictions and they've been willing to stand up. They've been willing to stand up to the public and say if there's something wrong, we want it out in the open. We want everyone to know what's going on. We want people to be aware of it so that if there is wrong, it can be corrected and now what we're going to do is we're going to shovel it under the carpet. We're going to have a czar who's going to call the Governor who's going to appoint them and say, let's close the door on this. We don't want anyone to know about it. This is a little too critical to your political future, so you'd better not let this out. That's what's going to happen. That's what's going to happen when you take people that are people-oriented, without concern for party, a five-four breakdown, six necessary to approve any license, so that minority representation is absolutely required, and most of those licenses have been approved by not a majority, but by the full board, with no negative votes. Let's tell people that. Let's tell people things have been good in Connecticut. Gambling has raised money. Those that want to gamble can gamble and those that do not want to gamble, need not gamble. That gambling has raised \$75 million; that it's been clean and free of organized crime and that with this Bill, we're going to open the door. He says it's going to be regulated at a professional manner. We're going to pay them

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less money and get better service. Anyone that believes that about government had better visit their psychiatrist because it just doesn't happen and it's not going to be regulated in a professional manner and in fact, what we did is we spent \$100,000 of that Commission's money for this Bill and we used very little of the recommendations of that Commission. What we simply did was to take a Bill that had been put in by the Governor, make a few changes and I'll talk about one of those changes.

One of those changes is we are now going to have a specific unit which is going to be called the Licensing and Integrity Assurance Division. We are going to legislate integrity-assurance. July 1, needle in the arm and the integrity of everyone in Connecticut is now assured by fiat of this General Assembly, by action of this Governor. And I say you all know that's nonsense. You all know that what we really needed was a total and separate distinct investigative unit which was recommended to this General Assembly for which Bills were treated by that very Committee and killed because you're not willing to face up to problems, because you're not willing to do what needs to be done, because indeed, you don't care whether gambling is honest or dishonest. What you do care about is that you take care of a little political patronage and you give the impression that something's been wrong and you give the impression that we are going to cure this wrong by legislative fiat and what people in Connecticut need to know is that nothing is happening here today. Nothing has changed. No one will gamble less. No one will gamble more as a result of this. No one will be investigated less. No one will be investigated more. One thing has changed.

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Judges now can gamble. Security personnel can now gamble and imagine a participant in Jai Alai, as he sees a judge go to the window and make his \$10.00 bet and imagine if he decides to watch and that judge wins and collects. That's integrity assurance, obviously.

And what has happened here is that now the czar, the czar may have total control of all the concessions. He's the one who's going to decide who's going to get the business. In addition to the people of Connecticut that are getting the business with this Bill. He's going to decide who is going to be recipient of this great monna of the State of Connecticut and I'll tell you how that decision is going to be made. You don't really want to know. You really don't need to know, but it's business as usual, the candystore is open. July 1, come on in folks. The water is warm. Everything is going to be all right. That's what this Bill does. We're not going to regulate any unprofessional manner. We're not going to do away with grand juries by the legislation that we have before us, as the impression has been given. We're not going to do away with political patronage. We're going to open up the doors for political patronage. We're going to open up the doors for organized crime. We're opening up doors for more gambling and yes, we're going to continue along the same old path, We're going to vote for a measure because it gives the symbolism of accomplishment, the symbolism of accomplishment but the reality of nothingness. That's what's in this Bill, nothing. There was nothing in when it was originally introduced to the General Assembly and with the exception of a

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few differences in names such as a copy from the Report of Integrity Assurance, nothing has been changed and nothing will be changed, except that some people may feel as though things are a little bit better.

Even on that, I might be interested in voting for it, if it even gave people the appearance of things would be better, but I object, I object to the aspersions that have been cast upon the reputations of those individuals that have been members of that Commission, by this General Assembly. I object to the Governor using this as a whipping boy for political purposes rather than attending to what needs to be done in this State of Connecticut. I object heartily on the basis of that objection, Mr. President, I will register my no vote, in spite of the eventual outcome and I will hope that those new members that are appointed by the Governor and I am sure that they will be doing their very best and I will hope that we can keep the expenses of this new commission within the framework of that \$136,000, but I don't have very much confidence that indeed, that will happen and I don't have very much confidence that we have great faith in the people of this State of Connecticut because we seem to think that we can continue to fool them by voting for symbolism rather than good objective legislation. Thank you, Mr. President.

THE CHAIR:

You're welcome Senator. Will you remark further? Hearing no further remarks, will you announce - Senator Leonhardt.

SENATOR LEONHARDT:

Thank you Mr. President. Briefly responding to a few of the points

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that have been raised in this interesting debate, first of all, with reference to wagering, with reference to wagering, it's true that the Bill does not ban all employees of the new Division of Special Revenue from wagering. However, the people that are not covered by the statute are covered by regulation so that I don't consider that to be a deficiency or weakness in the Bill, because regulation takes up where statute leaves off and the statute covers the highest ranking officials of the Division as well as the board and it's left to the regulations to deal with secondary employees.

Another point raised indebate, it's been said that the Commission has brought many violations of the present laws to light. I wish this were so. In the case of the Hartford Jai Alai Fronton being fined for failing to report alleged player fixing to the Commission, it was when Harvey Ziskus went to the press and went to the Commission complaining because of his treatment by the Hartford Fronton that the matter came to the public eye. It was not as the result of any investigation initiated by the Commission. Mr. Ziskus, a disaffected systems bettor brought this matter to the attention by going to the press.

In the case of the present grand jury that's now investigating player fixing in Milford, alleged player fixing in Milford, Bridgeport and Hartford, these matters were brought to the attention of the State of Connecticut through an investigation taking place in the State of Florida and this

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alleged violation came to the attention of the Commission on Special Revenue through investigations going on in Florida. They did not originate from investigations starting in the State of Connecticut.

With reference to the gaming policy board members, even though they will be paid a minimal amount, we talked about they are people - they're going to be people who have well established professional positions and they can afford to put in this time, but also very critically and a new point here, these people themselves are on the spot, professionally in terms of their own reputation and they're going to be on the line to make sure that they do a good job because it's going to be important to their own personal futures, and that's part of the guarantee of the system.

Now, we've also heard a lot of discussion in this debate, about nothing really wrong and I didn't want to inflict it on the Circle in the initial presentation, 'cause it's lengthy, but I am going to read just a few excerpts out of the management study dealing with the management of the present commission, and I think what's really lucky is that more things haven't gone wrong and we really don't know the extent of criminal wrongdoing at the present investigations, both in lottery and Jai Alai are going to bring to light. But let's look at where - if there has been this criminal conduct and this comes to light in the coming months, let's look at some of the reasons why that's been allowed to happen. It's been allowed

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to happen by soft regulation, by regulation with a lot of loopholes. Let me read a few excerpts from the report - leadership has been and to some extent, is still fragmented among the Chairman, the Executive Director, selected commission sub-committees and division directors. This fragmentation causes some deficiencies such as lack of comprehensive long range planning and research and failure to develop a smoothly operating corporate staff function to manage and control what in effect is a conglomerate of disparate industries. The Commission does not make sufficient provision for the effective performance of auditing functions. The current assignment of responsibility for accounting functions is neither clear nor fully satisfactory. The Commission lacks a fully developed planning and budgeting process. The Commission lacks overall and effective management control process.

There is no procedure for establishing overall priorities in the Executive Secretary level or for developing specific goals and objectives for meeting these priorities. Further, although information is available by the Division, the Executive Secretary does not receive any summary information on the overall financial and operating performance of the Commission for use in evaluating progress toward meeting overall objectives.

The Commission does not conduct sufficiently extensive background checks when screening candidates for employment. The management and scheduling of data processing activities are not fully effective. There appears to be little or no organized effort to provide security for either

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computer generated data or computer programs. The Commission lacks any central research and planning component. The security function has not been sufficiently analyzed or fully developed. Most important, the Commission lacks a comprehensive security plan that defines the full range of current and projected security needs and efforts required to meet these needs.

Current security efforts fail to address the full range of security concerns confronting the Commission. The security unit does not give sufficient attention to covert operations, nevertheless, the security unit conducts - get this - the security unit conducts almost all inspections and investigations on an announced basis and if you're going to go and have a security check on somebody and you tell them you're coming, what kind of security check can you possibly have? It appears that in particular the lottery division does not work closely with the security unit on planning security measures for drawing lotteries. The role of the State Police in investigating allegations of gaming irregularities has never been sufficiently clarified. The Assistant Director of the racing division is not sufficiently involved in the direct oversight of operations at the Jai Alai frontons or the greyhound dog tracks.

The onsite staff are not expert in the activities they're responsible for regulating and monitoring. As evidence, new staff, for the most part have no prior experience with gaming activities, nor are they provided any formal training. As a result, staff must learn through on the job

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experience and may learn from those being regulated. An important point here - consequently the individuals and organizations being regulated, justifiably may question the ability of the division to regulate racing activities or they may benefit from the Commission's lack of expertise in regulation. The State lacks an effective and efficient approach to auditing licensed facility operators.

The role of the OTB division in managing the contract with Amtot is not sufficiently formalized. This practice does not insure a flow of specific information to the commission on Amtot's performance in meeting its contract obligations. Without this such specific information, the division and Commission cannot monitor and appraise the Amtot operation accurately. The lottery division lacks a well defined and effective management structure.

Existing criteria and procedures for selecting and licensing lottery agents are not sufficiently rigorous. Evidence exists that some agents with criminal records have slipped through existing licensing procedure for lottery agents. Procedures for collection of delinquent agent accounts are neither adequately enforced nor fully appropriate. The lottery division has not worked with the security unit to develop clear and formal security procedures for insuring the integrity of lottery games and operations.

And it goes on and on and on, Mr. Chairman. Mr. President, and I could go a lot further. I'm just not going to read more because I don't want to take up more time of the Circle, but I think in fairness and not

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on any kind of political witchhunt, one can conclude that there's so much change that is necessary, that the change that needs to be done could not be properly executed by the present team. It really becomes like a transplant and when you try to transplant so much onto the present body like in transplanting a heart onto a body, if you try to transplant so much change, you can try to do that to such an extent that all the change is rejected and you have to get to a point where so much change has to be accomplished that the conclusion is unavoidable that a new team is necessary to do the job.

Mr. President, if I may, we have one additional small Amendment if the Clerk would please call it.

THE CLERK:

Clerk has Senate Amendment, Schedule C, File 1022, Substitute Senate Bill 1387 offered by Senator Leonhardt. It's LCO 7853. 7853, copies are on the desks.

SENATOR LEONHARDT:

I'll waive reading of the Amendment. This is a very technical Amendment -

THE CHAIR:

Without objection, waive the reading. There is no objection. Proceed.

SENATOR LEONHARDT:

Thank you Mr. President. Forgive me. The Amendment would simply

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allow the new gaming policy board members to be approved in this current Session of the General Assembly, in addition to the possibility which is in the current law, of a Special Session. It would, in practice, coincide with the Trailer Session to deal with vetoes. In other words, the present Bill calls for confirming the new gaming policy board members in a Special Session that would coincide, in practice, with the Trailer Session. This Bill only adds the legal possibility that the new gaming policy board members could also be approved earlier to that time in this current Session of the General Assembly between now and June 6th. This Amendment does not remove or limit any checks or balances that the General Assembly has in the confirmation process. It only says that it can occur between now and June 6th, in addition to it occurring in a Special Session under the present Bill. If there is no objection, Mr. President, I'd move adoption of the Amendment.

THE CHAIR:

Question is on adoption of Senate Amendment, Schedule C. Will you remark? Hearing no remarks, I'll try your minds. Those in favor indicate by saying aye. Those in opposition to? Senate C is adopted. The Bill is before us as amended by A, B, and C. Will you remark further? Senator Fauliso.

SENATOR FAULISO:

Mr. President, I rise to support the Bill. Of course, I'm always amused by the terms and the metaphors of the Minority Leader, especially

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when he makes reference to the candy store will be opened and come in the water is warm. I think these are always intriguing terms and metaphors. I can't follow the incongruity of the metaphors, but they do amuse me. The Democratic party is no different than the Republican party and we all strive for a goal and that's for perfection. The Republicans tried it and it's imperfect. And so we're trying to improve on it. This creation of the Commission took place in the Meskill administration. It was politically conceived. I will not impune the integrity of any of the individuals who served on that Commission, but anyone who has followed the Commission certainly will come to the conclusion that it has served its purpose and we must now go on, improve it and we are trying to improve it. We're trying to create a Commission that will best manage the gaming operations of the State of Connecticut.

It's nice to indulge in politics and it's sad, however, to see the Minority adopt a political posture. What we're all trying to attempt is to create the kind of Commission which will bring about this kind of management that I am alluding to. To say that this administration was politically motivated is wrong. Governor Grasso has already served four years. She proceeded with caution, with prudence. She did not make any attempt to abolish that Commission. There was an effort made in this Chamber. I recall it, on our own Motion. It passed successfully and then, however, no

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action was taken in the House. That was four years ago, Mr. President. No attempt ever was made thereafter so that this administration has moved carefully and I compliment and congratulate Senator Leonhardt and his Committee; those who were on the Minority side and those who testified, the consultants whom we had to pay obviously - you can't get that kind of study for nothing. It's true that maybe we didn't adopt every single recommendation, but anyone who has followed the history of the Commission, must come to the realization that improvement must take place and again, that goal is the creation of a Commission that will best manage the gaming operations of the State of Connecticut.

This issue, as far as this administration is concerned, and as far as the Majority is concerned, has completely divorced itself from politics. This is not an issue in which people should indulge in politics. People out there are people. They go around with a label Democrat or Republican. They bet their money. They want competence in the gaming operation and we want to give them that kind of confidence. You can argue that some provisions maybe you have some questions about, but you've got to have a certain amount of faith too. That the Governor's going to be in communication with the so-called Executive Director. It is pure speculation and certainly inappropriate. I can't conceive of any individual who will do his duty and accept this kind of responsibility. He will not do so with the full realization that he has a public trust. That prediction and that prognostication is

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most inappropriate. This is a time for us to join hands in a joint venture to create an effort that will bring about the creation of a Commission that will achieve the goal that I have made reference to.

Now, Mr. President, four years ago I thought then that we should have made some move in this direction, but we didn't. It was because of the patience and the indulgence of the administration, of Governor Grasso, that we did not undertake any change. And to impune her motives and the motives of the Majority I think is wrong. I think our attempt is one that is divorced again, from politics. I have no reason to believe that anyone who has worked on this Bill, who's made a contribution and who has exercised some effort to determine what the real causes are and the real reasons for all of these provisions will never come to a conclusion that this is politically motivated. This is the document that's been well thought out; a document that has received the approbation of this Committee and I hope the approval of this Chamber and indeed, the entire General Assembly. I support it Mr. President, and I would hope that members of the Minority would reflect on their position and would join hands with us in adopting this Bill.

THE CHAIR:

Will you remark further? Senator Bozzuto.

SENATOR BOZZUTO:

Mr. President, through you, several questions of Senator Leonhardt if

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you will sir.

THE CHAIR:

Proceed Senator.

SENATOR BOZZUTO:

Senator Leonhardt, through the President, would you - you read a list of recommendations from the Management Study, specifically with regard to finance and control at the Revenue Commission and would you indicate if in fact, any of those employees will be changed or if there will be anything other than new designations of their overall responsibility, if in fact, there will be any change in the overall administration of those revenue and collections departments?

THE CHAIR:

Senator Leonhardt, if you care to respond.

SENATOR LEONHARDT:

Yes, thank you Mr. President. What you would have, of course, is the present Commission would be abolished as well as the present Executive Director's position. I'm just laying the foundation for the answer to your question. And in the place of that would be the gaming policy board and a new Executive Director. The new Executive Director would have the legal authority to create, with the advice and consent of the board, all units under his supervision and as in the present law, the new Executive Director would have the ability to choose unit heads which are unclassified positions. So that it would be in the discretion of the new Executive Director to decide which people were in effect, doing a good job and where continuity

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and the goal of continuity should be properly served and also, where if necessary, in his judgment, or her judgment, new unit heads should be appointed. Below the unit head level, as in other agencies, you get into classified service positions and you're into the normal constraints of the merit system.

Could I briefly -

THE CHAIR:

Senator Bozzuto has the floor.

SENATOR BOZZUTO:

Senator Leonhardt, a second question. Is there any prohibition in this legislation against systems betting?

THE CHAIR:

Senator Leonhardt.

SENATOR LEONHARDT:

No, there's not, per se. What you have is a situation where all multiple systems betting procedures have to be approved by the board, on the recommendation of the Executive Director and so what you would have would be this highly complex, technical area being looked at by the Executive Director with the assistance of his unit head, then making a recommendation to the board, that the board would either accept or reject. You have a kind of good system of balances kind of there and I think you're into a very technical area. Some people think that systems betting is on the

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one hand very important to maintaining a handle for the State and so forth. On the other hand, it has also been an area where there have been law enforcement problems and last year, the Federal IRS changed its rules on withholding winnings under systems betting so that anybody who wins over a certain threshold amount which I recall to be approximately \$5,000 has to have money withheld by the Jai Alai fronton. Some people feel that that change, not by any State regulatory group, but by the Federal government, responding to really a nationwide problem in betting around the country, will bring systems betting under proper control. Others do not and I think that's a kind of technical area that someone who has expertise will have to evaluate over a period of time.

SENATOR BOZZUTO:

Thank you Senator Leonhardt. Mr. President, if I might continue.

THE CHAIR:

You may, sir.

SENATOR BOZZUTO:

I just simply wish to refer to Senator Fauliso's comment that this Commission was conceived under the Meskill administration and was politically conceived and I would say this, although I was not a Member of this body at that time, but I have no objection, nor do we deny that in fact, it was politically conceived. It was politically conceived by leadership in both the Republican and Democrat party at a mutually agreed arrangement in terms of patronage and in terms of the overall operation. There's no denying

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that. The only difference here today is the Republicans are willing to admit it and Senator Fauliso is only attempting to cover up the political conception of this measure and then deny - deny, Senator Fauliso, that there is any political motivation. You cannot, in spite of all those high sounding words and all those aphorisms that you intend to lay on this group of Senators. There's political motivation - get to it. There's nothing wrong with it. I think politics is the finest work in this world. I don't object to it. I'm happy and pleased and proud to be called a politician. Don't hide behind that. Yes, it was politically conceived. It was politically arranged by both Republicans and Democrats. Republicans had no input in this mess. This is Democrat politically conceived. That's the difference.

Senator Leonhardt has said that there will be a difference and that those recommendations he read out of the report - well, let me tell you, that those recommendations were determined after a one half hour interview and have been totally refuted as being incorrect in their assumptions. Let's forget that. It's not really important. We're going to change it anyhow. So let's forget that for the time being. He said Harvey Ziskus had something to say. Well, I read what Harvey Ziskus had to say and he talked about systems betting for five hours and he talked about how he could control it and he named no names, placed no dates, made no charges, but said put me on the payroll and I'll tell you how to control systems betting.

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That's all he said and yet now, we're to have the impression that Harvey Ziskus said something pertinent to discussion today that there was indeed something wrong with gambling because of what Harvey Ziskus said and if anyone reads the testimony, there was nothing new. There was nothing new that no one knows what's happening in gambling anywhere in the nation; that there are systems bettors and under this Bill, there will continue to be systems bettors and what we're not willing to tell the people of Connecticut is that we need systems bettors if we want gambling to thrive and to make money in Connecticut because that's where the money is.

No, no one is willing to tell the people of Connecticut that and what Senator Fauliso is attempting to establish is that somehow this was conceived out of goodness, the goodness of those fine Democrats. God-fearing individuals all and I agree, most of them are, probably as many in there party as in our party. But this is politically conceived, not with any input, not with any cooperation by the Republican party as the Meskill political conception was. That's the difference, Senator Fauliso. I thank you sir, for allowing me to correct you.

THE CHAIR:

Will you remark further? Senator Fauliso.

SENATOR FAULISO:

Mr. President, a brief rebuttal would be that one ended up in a tragedy and what we're trying to do is pick up the broken pieces and

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create out of that, something that makes sense and it's unfortunate that the Minority Leader has not truly scrutinized and studied the Bill nor did he make any substantive contribution to it, except to proclaim loudly that it is a political document and to make excuses because there are other times and other years in which there were other political creations. Mr. President, it would do the Minority Leader much good and I'm sure all of us, rather than indulge in what we think or what we believe are extrinsic matters and I think that most of the time that he spoke, he spoke on extrinsic matters, things that are certainly irrelevant. I haven't heard one substantive argument. He talks about systems betting. The rebuttal to that is that the Federal government indeed, checks when anyone wins a certain amount of money, as I understand it, the IRS is very much interested. It is so at the racetracks, dog tracks - it's a prevalent practice and the IRS will never let you go. Now, when you win any amount of money that seems most intriguing, particularly at the \$5,000 level. And Mr. President, there will be regulations. You cannot do statutorily all those things that the Minority Leader and those who are opposing this Bill have stated. There will be regulations, of course, concerning those who are employed and those who are judges and those who are working in security. To advance those arguments I think represents truly speculative, specious, factuous arguments which truly have no appropriate meaning in this discussion.

I did not hear single argument that is in derogation of this Bill except some volume, except some loud proclamations, except some loud predictions and prognostications, but nothing which truly rebuts the splendid

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presentation made by the Chairman of that Committee. I think it's a good Bill. I don't think it's perfect, but I think Mr. President, it is deserving of our consideration; that people want it; they need it. This will restore the kind of confidence in our gaming operations. That is why I support it.

THE CHAIR:

Thank you, Senator. Will you remark further? Senator Leonhardt for the third time.

SENATOR LEONHARDT:

Thank you Mr. President. Very, very briefly -

THE CHAIR:

Does Senator Leonhardt have leave of the Chamber to speak for the third time? Speak, Senator.

SENATOR LEONHARDT:

In briefly associating myself with Senator Fauliso's remarks, I'd simply like to point out that in June, under the present statute, the Governor would be getting three appointments to the present Commission on Special Revenue and therefore, would be getting "political control" of the present Commission on Special Revenue, for the first time, so that the mere operation of the clock, if the concern was merely to have a Democratic Gaming Commission, the mere operation of the clock would, in 60 days, accomplish that purpose and so I think that's proof that this Bill is going way beyond mere partisan considerations, 'cause we wouldn't have had to go

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to all this trouble to have a Democratic gaming commission if that's all that we want. That goal was accomplished when Ella Grasso won her re-election last Fall. What I would ask Members of the Circle in associating myself with Senator Fauliso's eloquent remarks, is please, and particularly Members of the Minority, there's been so much attention to who controls the Commission, let's pay a little more attention to who controls gambling in the State of Connecticut.

THE CHAIR:

Will you remark further? Hearing no further remarks, announce an immediate Roll Call in the Senate.

THE CLERK:

Immediate Roll Call has been ordered in the Senate. Would all Senators please take their seats. Roll Call in the Senate. Would all Senators please return to the Chamber.

THE CHAIR:

The machine is open.

THE CLERK:

Roll Call in process in the Senate. Would all Senators please return to the Chamber.

THE CHAIR:

The machine will be closed. The Clerk will take a tally.

The vote is:

25 YEA

10 NAY The Bill is passed.

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them their usual accord. (Applause).

SPEAKER ABATE:

Are there additional points of personal privilege?

REP. GOODWIN: (54th)

Mr. Speaker.

SPEAKER ABATE:

Rep. Dorothy Goodwin.

REP. GOODWIN: (54th)

For an announcement, Mr. Speaker.

SPEAKER ABATE:

Proceed please.

REP. GOODWIN: (54th)

I would like to remind members of the Education Committee of the meeting at 10:00 o'clock on Thursday to discuss plans for the interim. Thank you.

SPEAKER ABATE:

Would the Clerk please return to the call of the calendar.

CLERK:

Calendar page 17, calendar No. 1368, File No. 1022, substitute for Senate Bill 1387 AN ACT ESTABLISHING A DIVISION OF SPECIAL REVENUE. As amended by Senate Amendment Schedules "A", "B", and "C". Favorable Report of the Committee on Appropriations.

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REP. SWIESZKOWSKI: (26th)

Mr. Speaker.

SPEAKER ABATE:

Rep. Dominic Swieszkowski.

REP. SWIESZKOWSKI: (26th)

Mr. Speaker, I move the acceptance of the Joint Committee's Favorable Report and passage of the bill in concurrence with the Senate.

SPEAKER ABATE:

The question is on acceptance of the Joint Committee's Favorable Report and passage of the bill in concurrence with the Senate. Will you remark, sir?

REP. SWIESZKOWSKI: (26th)

Mr. Speaker, the Clerk has an amendment, LCO No. 6883. Would the Clerk please call the amendment.

SPEAKER ABATE:

The Clerk has in his possession an amendment, LCO No. 6883 previously designated Senate Amendment Schedule "A". Would the Clerk please call the amendment.

CLERK:

LCO No. 6883 offered by Senator Leonhardt of the 5th.

REP. SWIESZKOWSKI: (26th)

Mr. Speaker, I move that the reading of the amendment be waived and I be allowed to summarize.

SPEAKER ABATE:

The question is on a waiver of the reading and that the gentleman be allowed summarization in lieu of said reading. Is there objection? Is there objection to the gentleman summarizing this amendment in lieu of Clerk's reading? Hearing none, you may proceed with summarization, Rep. Swieszkowski.

REP. SWIESZKOWSKI: (26th)

Thank you, Mr. Speaker. This amendment would actually authorize executive director to annually audit the books and records of each of the licensees. Presently the Commission of Revenue Services performs this task. I move adoption of the amendment.

SPEAKER ABATE:

The question is on adoption of Senate Amendment Schedule "A". Will you remark on its adoption? Will you remark on the adoption of Senate "A"? If not, all those in favor of its adoption please indicate by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER ABATE:

Opposed nay. The ayes have it. The amendment is adopted and it is ruled technical. Will you remark further on the bill as amended by Senate Amendment Schedule "A"?

REP. SWIESZKOWSKI: (26th)

Mr. Speaker.

SPEAKER ABATE:

Rep. Swieszkowski.

REP. SWIESZKOWSKI: (26th)

Mr. Speaker, the Clerk has an amendment, LCO 6883, will the Clerk please call the amendment. Sorry, 6888.

SPEAKER ABATE:

LCO No. 6888, designated Senate Amendment Schedule "B". Would the Clerk please call the amendment.

CLERK:

LCO 6888, offered by Senator Leonhardt of the 5th.

REP. SWIESZKOWSKI: (26th)

Mr. Speaker.

SPEAKER ABATE:

Rep. Swieszkowski.

REP. SWIESZKOWSKI: (26th)

Mr. Speaker, I move that the reading of the amendment waived and I be allowed to summarize.

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SPEAKER ABATE:

Is there objection to summarization in lieu of Clerk's reading? Is there objection? Hearing none, you may proceed with summarization of the amendment, sir.

REP. SWIESZKOWSKI: (26th)

Thank you, Mr. Speaker. This amendment actually reinstates provisions for annual renewal of professional licenses. These are the licenses that the executive director will be able to issue. I move adoption of the amendment.

SPEAKER ABATE:

The question is on adoption of Senate Amendment Schedule "B". Will you remark on its adoption? Will you remark further on the adoption of Senate "B"? If not, all those in favor of its adoption please indicate by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER ABATE:

Opposed nay. The ayes have it. The amendment is adopted and it is ruled technical. Will you remark further on this bill as amended by Senate Amendment Schedules "A" and "B"?

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REP. SWIESZKOWSKI: (26th)

Mr. Speaker.

SPEAKER ABATE:

Rep. Swieszkowski.

REP. SWIESZKOWSKI: (26th)

The Clerk has another amendment, LCO No. 7853. Would the Clerk please call the amendment.

SPEAKER ABATE:

The Clerk has in his possession an amendment, LCO No. 7853, previously designated Senate Amendment Schedule "C". Would the Clerk please call the amendment.

CLERK:

LCO 7853 offered by Senator Leonhardt of the 5th.

REP. SWIESZKOWSKI: (26th)

Mr. Speaker, I move that the reading of the amendment be waived and I be allowed to summarize.

SPEAKER ABATE:

Is there objection to summarization in lieu of Clerk's reading? Is there objection? Hearing none, you may proceed to summarize this amendment, Rep. Swieszkowski.

REP. SWIESZKOWSKI: (26th)

Thank you, Mr. Speaker. This amendment would actually allow the gubernatorial nominee to the Gaming Policy Board to

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be confirmed by the General Assembly during the present session, if time permits. I move adoption of the amendment.

SPEAKER ABATE:

Will you remark further on the adoption of Senate Amendment Schedule "C"? Will you remark further on its adoption? If not, all those in favor of its adoption please indicate by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER ABATE:

Opposed nay. The ayes have it. The amendment is adopted and it is ruled technical. Will you remark further on this bill as amended by Senate Amendment Schedules "A", "B", and "C"?

REP. SWIESZKOWSKI: (26th)

Mr. Speaker.

SPEAKER ABATE:

Rep. Swieszkowski.

REP. SWIESZKOWSKI: (26th)

I'm really surprised that the leadership on both sides was unable to put this bill on the consent calendar. The present Commission was a part of a bargain between the two major parties in 1971 at a time with a Democratic-controlled General Assembly, and the Republicans occupied the Governor's office. So that each party could be provided generous representation, and a nine-member commission was conceived. When the power of the appointment

was split among the two parties, the Commission on Special Revenue became answerable to no one. No single elected official was forced to take responsibility for the Commission's conduct. And all too often the \$10,500 a year commission positions were passed out more with an eye toward rewarding party supporters than guaranteeing professional regulations of gaming.

Legalized gaming is not just a business like any other. It is a monopoly endorsed by the state with the force and prestige of the state behind it. It is a business in which an estimated \$500 million is waged annually, and which appears to contribute a constant potential for impropriety. Clearly a stable and professionally managed environment is essential for the operations and regulation of this highly complex and sensitive business. Further, the recent management study commission on special revenue, done by the firm of Cravett, McCormick and Pagent, documents at least over 37 deficiencies in that present department.

Now I would like to go so some areas where the problems were uncovered and try to elaborate on them. Our committee, the Public Safety Committee, was told in reading the report I outlined some of the problems that the present commission has. And one of them is leadership has been, to some extent still is, fragmented among the Chairman, Executive Secretary, selected

commission sub-committees, and the division directors. This fragmentation causes some difficulties, such as lack of comprehensive, long-range planning and research, and a failure to develop a smoothly-operating corporate staff functions to manage and control what, in effect, is a large business. The commission also lacks the fully developed planning and budgeting process. There is no procedure for establishing overall priorities at the Executive Secretary level, or for developing specific goals and objectives for meeting these priorities.

The management and scheduling of data processing activities is not fully effective. At present, the data processing unit has no formal procedure for setting priorities and allocating resources. There appears to be little or not organized effort to provide security for either computer generated data or computer programs. The security functions have not been sufficiently analyzed or fully developed. The staff of the security unit are not always utilized effectively and efficiently.

The lottery division lacks a well-defined and effective management structure. At present reporting relationships and responsibilities are loosely defined through the division, and not fully understood by all managers and staff.

The warehouse operation is careless about security. Doors to the warehouse are not always locked, nor are trucks always locked when tickets are moved to and from the state data processing

center. Weekly and instant lottery tickets books are not checked against loss of individual tickets during the warehouse inspection process.

Now, Mr. Speaker, I would like to comment on the recommended concept of the bill in front of us. Reorganization would replace the commission with a Gaming Policy Board and the Executive Secretary would be Executive Director. Further, it would distribute the power and duties presently granted the Commission among the newly created Board and Executive Director. The Board would consist of five members, but not more than three could be from the same political party. Members would be appointed to a four-year term by the Governor, with the consent of both houses of the General Assembly. At least four members of the Board would be required to have training or expertise in at least one of the following areas: corporate finance, economics, accounting, law enforcement, computer science, or pari-mutual industry. A minimum of two fields would have to be represented on the Board at any one time. Four members would constitute a quorum. All of the sensitive duties, the kinds of powers which have been abused in other states are placed in the Gaming Policy Board. These duties include the power to grant and revoke pari-mutual facility licenses, to grant racing dates which each pari-mutual facility must have to operate every year, the

power to confirm or veto personnel selected by the Executive Director to head the different units such as the OTB, racing, lottery, to levy fines, to approve sophisticated betting options such as the trifecta which out-of-state systems bettors utilize heavily.

I'd like to say that some of the powers between the Board and Executive Director that will be shared, both the Board and Executive Director will have the power to hold hearings, administer oaths, take testimony, subpoena witnesses, apply to the Superior Court of Hartford-New Britain for contempt order.

I would like to go into the area of the duties and responsibilities of the Executive Director. This bill would require the Executive Director, with the advice and consent of the Gaming Policy Board, to conduct lotteries and establish OTB facilities, adopt and publish relevant regulations, establish organizational units or the divisions to be responsible for the following functions: appoint, qualify an experienced unit head with the consent of the Policy Board.

Mr. Speaker, this bill would clearly define the powers of the Board and Executive Secretary. The Board would become the policy body, and Executive Director would make over the managerial functions. The Board would have all of the sensitive powers.

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REP. SWIESZKOWSKI: This bill would also straighten the executive authority on responsibility by having the Governor appoint both the Board and Executive Directors. This bill would also establish a clear system with checks and balances. This bill will also professionalize key staff positions. Board members would be required to have specific expertise.

REP. SWIESZKOWSKI: This bill would also prohibit ex parte private dealings by board members on matters before the board. This bill would also prohibit active political participation while serving on the Executive Director or the Executive Director.

REP. SWIESZKOWSKI: And also, the substitute, the \$10,000 per year with a 50 per diem, the position no longer would be a political plum. To sum up on the question of why we need a change in this bill, we are trying to improve the accountability, efficiency, professionalize the gambling regulatory mechanism and have a satisfactory control over this very sensitive business.

REP. SWIESZKOWSKI: Thank you, Mr. Speaker.

SPEAKER ABATE:

Will you remark further on this bill? Will you remark further?

REP. SWIESZKOWSKI: (26th)

Mr. Speaker.

SPEAKER ABATE:

Rep. John Swieszkowski.

REP. SWIESZKOWSKI: (26th)

Mr. Speaker, this reminds me of the good old days, back in 1961, when I first submitted my first lottery bill. We had a House of 294 members and I had 46 supporters. That was quite a majority. It took many years to get to where we are now where the State of Connecticut has profited to the tune of \$260 million through the efforts of the present gaming commission, and they've been corrupt free and have done an outstanding job, and I don't understand why we would want to break up a good thing. Not a direct connection between the new gambling hierarchy and the Governor, any Governor, would be dangerous. Concentrating too much power in one gaming czar would be dangerous.

Throwing out the existing official when there is no indication they, or the system, have failed, would set a dangerous precedent. What benefits would be achieved?

While there have been many reasons in the past to question certain actions or judgments by the commission, there is little reason to suspect that reorganization would produce a better system.

The Connecticut Commission on Special Revenue is a state agency which operates on regulated forms of the state legalized gambling activities, has been in existence for nearly eight years. The commission often referred to as the Gambling Commission was

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established as the mandate of Public Act. 865 of the 1971 session of the Connecticut General Assembly. The Commission, composed of nine members, was established to operate the State Lottery, and the State System of off track betting and the License Corporation to conduct the para-mutual activities of thoroughbred and harness racing, greyhound racing and Jai Alai and to regulate these activities.

The appointments to the Commission are divided between the Governor, which the Governor has five appointments, and the Senate pro tem has two and the House speaker has two, and I think that's a perfect system. And when they sat down, both political parties and ironed this out, when they passed the bill, they really set up a perfect system, because look at the results. It been corrupt free and raised \$260 million to the tax-payers of this state.

If the Governor or either of the latter are members of the same political party, appointments normally made by the latter shall be by the minority leader of the respected House, that more than five members may be members of the same political party and they must have residence of the state for at least seven years prior to appointment and not less than 30 years of age.

An affirmative vote of 6 members is required to issue any license and the presence of six members is necessary in order to

conduct a legal commission meeting. Commission members received an annual salary of \$10,500 with the Chairman receiving an additional \$2,000 annually, and they did an excellent job for thier money.

Present commission members include, housewives with professional backgrounds, business executives, an accountant, a former state police administrator, attorneys and a banker.

Individuals of integrity, respected in thier communities, successes in their own right. Individuals who have each undergone extensive and detailed scrutiny by the Connecticut State Police.

A majority of the present Commission members were first appointed in 1971 and were instrumental in the research and study of lotteries, off track betting and of the rules and regulations ana paramutual activities of other states and the development of Connecticut's rules and regulations. Today there are 14 states which have lotteries and Connecticut was only the fourth to have one and our Commission was one of the first to develop lottery rules and regulations and the lottery game.

Connecticut is the second state to have off track betting and our Commission members considered off track betting at great length, developed the rules and regulations, and launched an off track betting system. Truly one of the first in the country. Our Commission members are among the very few

who have knowledge of the development of regulations and administration of the State-operated OTB system.

The National Association of Racing Commissioners have consistently requested and utilized the knowledge and expertise of Commission members and many of the innovative regulatory steps the Commission has taken in Connecticut have been subsequently adopted by other racing and lottery states. Recently, Congress enacted legislation concerning the use of live racing and off-track betting and primarily because of the efforts of Chairman Beatrice Kowalski and Director of Off-Track Betting, Gregg Lee Morrissey, the proposed legislation was amended to ensure that our off-track betting program will continue.

President Carter recently communicated his heartfelt appreciation to Commissioner Kowalski for her efforts. In addition she is a member of the Executive Committee of the National Association of State Racing Commissioners, a significant recognition of the esteem that she has in the prestigious organization and the regard they have for the importance of the input from Connecticut in their deliberations. She holds a similar key position on the Executive Committee of the National Association of Off-Track Betting. As a result of her vigorous efforts, she has just been selected by Bertram , president of the National Association of State Racing Commissioners to chair a sub-committee to develop and make recommendations for uniform rules and

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regulations governing Jai-Alai for adoption by that body.

Additionally, Chairman Kowalski -- by the way she's not Polish, through marriage -- and the Commission's Director of Racing are presently working for the inclusion of the activity of Jai-Alai to the National Association of State Racing Information Systems, a computer file of information available to racing states for the activities of thoroughbred, harness and greyhound racing and relating to the status of licensing, fines, suspensions and rules. The Commission employs a staff of competent, hard-working people with proven administrative ability, executive directors for each of its three divisions, the Lottery, Off-Track Betting and Racing, each respected in his field.

I believe that the Commission has carried out the mandate of the General Assembly in an efficient and very productive way and that the conduct of our business has been demonstrated that they possess the ability to regulate the State legalized gambling responsibly and meaningfully. Since the first lottery drawing in February 1972, and I might add I drew the first number, we were all worrying that I was going to win, the State has received \$260 million in the latest report, which there's more coming, from all forms of legalized gambling. In addition to the total, \$187,726,681.50 has been awarded in cash prizes to lottery winners through October 31, 1978.

Business establishments acting as agents for selling lottery

tickets have received approximately \$20,383,545.00 in commissions and bonuses. Over 2,000 jobs have been created in the private sector directly involved in the operations of the facility. Benefits in the development of new business and/or expansion of existing facilities has resulted in areas adjacent to gaming operations.

In the short period of three years, that parimutuel wagering has been operating in Connecticut, they have taken more definite actions and regulations than agencies in states where this form of wagering has been in existence for more than 40 years. The Commission is, and should be, responsive to the General Assembly and the Executive Branch of government. Now, we're giving up this right by passing the bill that we're debating here today, and I feel that the Legislature and the Senate and the Governor should be responsible to the people.

The Commission on Special Revenue has a tremendous responsibility to provide for the security and integrity of the business. They operate it and regulate it. And yet many would probably be surprised to learn that the Commission, the agency with this responsibility and the agency that is held accountable, does not in fact determine the job classifications or salary grades of its personnel. These are determined and established by the Personnel Department, by people unfamiliar with their requirements and needs.

The agency initiated in 1971 now numbers over 470 employees

at no cost. Not one red cent cost to the taxpayers, returns over \$70 million to the State -- this is last year -- and regulate and operates which handles more than \$540 million annually. It should be emphasized again that the Commission does not propose or institute any activity in gambling. They carry out the dictates of the General Assembly and I feel that's where it belongs and any or all forms of legalized gambling are mandate by acts of the General Assembly.

The Commission was given the responsibility to implement the law and I believe they have performed excellent. I don't think a better job could be done. That duty was diligence, dedication and a commitment to the citizens of Connecticut. That is, this is a sensitive function of government, is conducted in the best possible manner. I sincerely believe that the Commission has performed our task with dedication and decisiveness and more often than not, under the most adverse conditions, and when I say under the most adverse conditions, they've had so much bad publicity by people taking sucker shots at them to get their names in the paper without any evidence of any thought, and there's been charges made that gambling in Connecticut has brought in crime by some public-elected officials. The Chairman of the Commission has sent the State police to their homes. The police tell the Commission where all this crime is and so forth.

It was very embarrassing. You never read the retraction

in the paper because they didn't tell the State Police anything. In every legislative session, proposals are submitted to restructure. Restructure what? The Commission, and this one, will be no exception. Why the Commission should be the target of those opposed to gambling is unexplainable. Their goal should be outright repeal, instead of misleading the public.

A truly objective view of the present Commission's structure with its built-in safeguards against political pressure or corruptive influences by requiring the vote of six members for conducting its business, and an impartial judgment of its regulatory actions over the last seven years will clearly demonstrate that legalized gambling in Connecticut has been operated openly, responsibly, efficiently and with a firm but fair hand.

Under the provisions of the present law, there will be gubernatorial appointments to the Commission, July 1, 1979 and the majority roles of the Commission will be assumed by Democrats if the Governor wishes so. She has three appointments coming up, two Republicans and one Democrat and if the Governor feels that the Democrats should control the Commission, she has her opportunity to appoint two Democrats and a Republican and control the Commission. The present structure is a perfect convention as far as I'm concerned.

And a good example of this is our present Commissioner, our Director, our present Director of the gaming today is a Democrat

that was approved by the Republican majority on the Commission and they fired a Republican on top of it. I respectfully suggest that we devote our mutual efforts to the goal of constantly improving our regulations of this sensitive and controversial industry.

The amendment that we're passed today are good amendments and they can be worked into the structure of the present Commission. And Mr. Speaker and fellow members of this Legislature, I'm definitely against the bill and if anyone can prove to me with this present czar and five people are going to meet once a month can do this job better, they'll have to prove it to me.

You know, we had a \$100,000 study that we could have had done for probably \$10,000 with the Commission recommend it, but they wouldn't give them the \$10,000. So they went ahead and spent \$100,000 for a study that 99% of that study was compiled by the present Commission. And the only thing that that study they put in there that was any different was some small technicality that we can take and pass on to the present commission. And remember, ladies and gentlemen of this House, that all these operations, the 2,000 outside jobs and all these facilities and the 450 State employee jobs are at no cost to the State of Connecticut taxpayers.

The people that are paying for this are the people that want this painless, voluntary form of information. A poor man's

stock market, the only way a poor man can strike it rich and pay his taxes at the same time voluntarily. And what's wrong with hope? People need hope today with everything that's going on in this country. The public out there doesn't believe anybody and I don't believe it myself, I have a hard time believing some of the stuff.

And like I've always said, going way back to '61, that anything that's immoral is covered in the Ten Commandments and there's nothing about gambling in the Ten Commandments. And I say again, I think we have the expertise presently. Nobody knows who the czar is going to be or the five Commissioners. Now how can these people be expertise that they want to put in there? Where are they going to get these people? We're throwing out the people as a reward for doing an outstanding job, we're throwing them out of the fifth story window up in the Public Safety Room of the Capitol for doing an outstanding job. Instead of these people getting a reward.

I hope the Governor, the Governor isn't going to lose a thing. Not a single thing. If the Governor wants control of the Commission she can have it June 30th this year, and she'll be responsible for 5 commissioners. Why does the Legislature and the Senate want to give up their two appointments apiece. I don't understand it. I would be frightening to be a czar, to have that under my arm. And if we can only take and stop taking and misleading

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the public of this state, about the different things that someone doesn't like, especially if they don't like gambling. Then they're always out there misleading. That public out there loves it. And remember, there's been no corruption. We've got the tightest regulations in the country. And the sad part about it is, during all the hearings that we've had, we've had small attendance by the Committee members. Everybody that heard the testimony in all honesty would have retained the present commission.

Then when the vote comes, everybody comes out of the wall to vote it down. They don't know a thing about it. You know, it's sad how people can change laws about something they don't know anything about. And this is why the public doesn't trust us. And I don't think that I would take and try to mislead the public. If I felt that this new commission would do an outstanding job, a far more superior job than we're getting now, I'd go right down the line for this bill that they want to pass here today.

But nobody has proven to me, not even the public, where we should take it and change it. And that Commission, that probably is the only Commission in the State of Connecticut that is bipartisan, and if you check their actions you'll see how they've been bipartisan. And these people are not, these jobs, political jobs. I'd like to know what we are in here. We're the biggest lobbyists in the State of Connecticut. Nobody beats us. Nothing wrong with it. It's part of the government. And patronage. I find that people work harder that are patronage than the people

that get appointed in other ways. And besides, no matter what they say with this new bill that they want to pass, that there's not going to be any patronage. Now who's kidding who?

I only say this -- it's much easier to debate this, 'cause like I said in 1961 I had 46 supporters out of 294. I don't know how they got them all in, but they were all here. It used to be order of the day for ten years. And we went through everything and anything. I've heard about all the corruption we're going to have, crime, you name it. They've thrown everything at us. The buckets of white paint, black, you name it, and all these so-called do-gooders are going to save the country and the state, but all this bad corruption and crime and all the taxpayers are taking their money out of the state and betting it somewhere else.

You cannot legislate morals. And like I said before, we've spent billions of dollars on educating the people. Let the people take it, make it pay off with the education they have. Some people say, what about these people that are on welfare that are gambling? The only thing I can say is, that I said before, with education. And what I mean by education is, if you can't take care of your money, then you better spend it with the State, these people that are on welfare and then the State will give it back to them. Because if you don't have it legalized, they're going to spend it with the illegal bookie, if they can't take it and control their money, and the State isn't going to get it back to give it back

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to them. I think I've said about enough, and like I say, I hope that everyone gives this the serious thought, and if anybody can tell me or prove it to me or the members of this Legislature that this Commission hasn't done a good job, then let them stand up and tell us where that they failed. When they raises \$260 million corruption free. And it's not only that the present Commission are good people. It's the set-up of the structure. Just remember, the Governor appoints five, the Senate appoints two and the House appoints two. Now how can you beat that set-up for one-man rule? I just don't understand it, and that public out there, believe me, they don't want to hear that word czar. Thank you.

REP. MIGLIARO: (80th)

Mr. Speaker.

SPEAKER ABATE:

Will you remark further? Rep. Migliaro.

REP. MIGLIARO: (80th)

Thank you, Mr. Speaker. A question through you to the proponent of the bill, Mr. Speaker.

SPEAKER ABATE:

State your first question, please, sir.

REP. MIGLIARO: (80th)

Rep. Swieszkowski, are you aware that recently, I believe a few weeks ago, we passed a bill LCO No. 4178, which is now ~~Public Act No. 7614~~? That particular bill relates to Section 25, subsection

(HB 7614)

e, of the file report that we have in front of us. In that particular bill, we gave the power to the judges, to the gaming facility, to levy fines. Yet in file report No. 1022, in the section that I just referred to, it eliminates that. What it does in essence is repeal Public Act 7164 that we just passed. Are you aware of that?

SPEAKER ABATE:

Rep. Swieszkowski, will you respond, sir?

REP. SWIESZKOWSKI: (26th)

Yes, Mr. Speaker. Through you, yes.

REP. MIGLIARO: (80th)

Through you, Mr. Speaker.

SPEAKER ABATE:

Rep. Migliaro.

REP. MIGLIARO: (80th)

May I ask, through you, Mr. Speaker, may I ask the honorable chairman why this was done, when in committee the members of that committee wanted this and we voted for this on committee level, why it is being repealed in the file number now?

REP. SWIESZKOWSKI: (26th)

Mr. Speaker. Mr. Speaker.

SPEAKER ABATE:

Rep. Swieszkowski.

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REP. SWIESZKOWSKI: (26th)

I would like to yield to Rep. Smoko.

SPEAKER ABATE:

Rep. Smoko, will you accept the yield, sir?

REP. SMOKO: (91st)

Yes, Mr. Speaker. Very briefly, it is my understanding that the action taken today would in no way dispell that action taken in the passage of ^(HB 7614) 79-150. The only time that would be the case would be if their existed irreconcilable conflict between the two measures. I don't think that that exists right now. 79-150 has been signed by the Governor. It will be incorporated into the statutes and that's the interpretation I received from LCO, it in no way obviates that previous action.

SPEAKER ABATE:

Rep. Migliaro, you still have the floor.

REP. MIGLIARO: (80th)

Mr. Speaker, in 7614, it states here on line 33 that the stewards or judges of the meeting act in accordance with such regulations shall have the authority to impose a fine of up to \$500 for any such violation. That's taking the prerogative away from the manager, which that is the present system, now. File No. 1022, in lines 971, I believe I have the right section here -- bear with me one minute -- Section 25 rather, subsection e, it takes that very part of the statute out. What we are doing in

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essence we are repealing that. I just want to bring that point out, Mr. Speaker, it's not a question. Just wanted to bring that point out, Mr. Speaker, to show just one flaw.

Another area of the bill -- we say we're not creating a czar, that's the farthest thing from the truth. The proposed bill in section 25 also mandates that all concessions, licenses, food beverage, parking, programs, etc., shall be issued by the Director with no Board action required. We are giving an awful lot of power to one individual. If we're talking about corruption, and I think Mr. [redacted] was a previous member of the Commission, who was a very outspoken individual in reference to the present commission, said himself in a recent news release, said he himself would not want to be put in the position of becoming the czar of the Gaming Commission under the present format.

Because he might even be susceptible to graft, possibly. This is coming from a man who was in very much opposition to the present commission. I could go on and on in any area here to show the discrepancies in the present bill. I don't deny that our present Gaming Commission or any gaming commission or any committee in the State of Connecticut should not have a revamp in certain areas, maybe in management, take the executive power away from management, or direct apart, which is true. And this could have been accomplished within the present commission. But the thing that really perturbed me in the meetings, the State of Connecticut

has put up approximately \$34 million last year in the Budget for consultant fees. And I ask myself, for all the expertise and I use that word as they use it an awful lot in the gaming bill, for all the expertise we have in the State of Connecticut, which we always find ourselves going to the outside, looking for those consultants. And I'd like to give you a little bit on the consultant fees for this particular bill.

We pay, and boy this thing really gets me. Maybe I'm in the wrong profession. The Vice President of this consultant firm 30 days at the daily rate of \$800 per day. \$24,000. We paid two team members at the rate of 35 days, one got \$500 per day and the other got \$450 per day. The data processing specialists, 10 days work. He only got \$500 per day. But what was really I think a kick in the face of the State of Connecticut is the fact that 90% of the information that was in that consulting firm offered to the State for \$100,000 was taken up by the request from members of the Special Revenue Commission, people who were employed in the Special Revenue Commission. They went and asked them questions. They told them, would you submit this and so on and so on. After all this was submitted, we received a black book, which cost the State of Connecticut \$100,000 for the information that we ourselves gave them, that we could have accomplished with a suggestion box for probably \$20.

But somebody in the OPM office, somebody in State government

said there's an urgency. We must get this done. I can't understand why. We look at this Committee that we served on. Our distinguished chairman here, the House chairman who I have great respect for. I think he was very fair to the members of that committee. But I can't say that for the Senate chairman. The day that this bill came out on the floor of the House, in a hearing, in a meeting, no member of that committee had in their possession this bill. Not one of us.

And our House Chairman was not aware of that, in all fairness to him. Yet the members of that committee came out of nowhere as the previous speaker stated, and voted to JF this bill. Now we have five days to digest this. A half a billion dollar industry, five days. I've seen many bills here put in an interim study committee with far less dollar signs on it. But here is a structure, \$500 million that we turned around and had to digest in five days.

Well, there's my address on it. I received it a few days later in the mail. And then we cut it down to three. I don't think it was fair and I don't think the way this whole thing was done is fair. I'm not disputing that something had to be corrected, management has to be separated. There's no doubt about that. I don't doubt that even some parts of this report, the \$100,000, might have some bearing.

But yet when I went through that report, a lot of suggestions

in here were made by that consultant firm, but there were no corrective measures suggested in that report as to how to do it or how to correct it. And that was also interesting to note, is that this consultant firm has never recommended this much power in a gaming facility with any other state that they have ever gone into. Why Connecticut?

I don't know the urgency. We talk about expertise. We have a Commission, eight years, who according to the file report have the expertise that they say they're going to be bringing in, accountants, financiers, and so forth. We have them presently. With eight years of practical experience under their belts. No where in File No. 1022 does it show continuity. We are going to take a half a million, a billion dollar business and turn it over July first to an unknown. Does that make sense? I can't see the rationale to it or why. I think if Rep. Miscikoski earlier stated, they take over July first, you can implement your management program and so forth. But why are we taking people out we have no knowledge of who is coming in and where they fit into the gaming position. Where they have never had any experience whatsoever.

This has been about the biggest political bill in my three terms up here that I have ever seen. There's no question in my mind. I know politics is being played in this. But I know that certain members of our committee are out to destroy gaming in the

State of Connecticut. Maybe it's a necessary evil that we need in the State of Connecticut. I say it is. We're talking about equalization of education, and we're talking about funding three hundred some-odd billion dollars to that area, but we're getting in \$77 million this year from the gaming facility or the gaming industry. Where will we replace that \$77 million? If you want to get rid of gambling and you can replace that \$77 million without putting an extra burden on the taxpayers in the State of this, in the people of the State of Connecticut, go ahead and do it.

But nobody, Senator Leonhardt, Senator Lieberman, Senator Fauliso, none of these people have come forward and showed how they can replace this money. Yet these are the people who have taken control of the Public Safety Committee, are calling the shots on this bill from beginning to end. I sympathize with our House chairman. There's nothing he can do about it. But if I was in his shoes I'd want to know about it, I'll tell you that.

This bill I think is going to be the biggest sham the State of Connecticut has ever had. We are going to create one big monster in the State of Connecticut. No question in my mind. We are going to give untold power to one individual. I think if we look around the corner, just recently in the State of Maryland, also in the State of Illinois, we have two governors right now who are under indictment for powers similar to what we are creating here. I don't know where the State of Connecticut is going when

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we start creating czars in different committees, Education Committee, Gaming Committee. I wonder what's next. I just hope it never hits the Hall of this House that we have a czar. 'Cause you won't see me standing here. I won't be a part of it.

I like the good old American flag and I like to see freedom prevail and I like to see people stand up on their own two feet. I don't like one man control. I'll never buy it. There's safety in numbers. And we eliminate these numbers, you're opening the door to more corruption and graft. And I'd like to ask the people in the House, how does anyone control a crooked politician, when they have control your State Police and all your governmental agencies. Here's a supposition that the czar, whoever it may be, decides to be on the take. How do you get to him? How do you stop him? You've given him an awful lot of power. Stop and think that one over.

And I've always said nobody, but nobody can really control a crooked politician if he does it right. Boy, we're setting the ground work and laying the ground work here for this one. File No. 1022, I think is going to be the biggest mistake the State of Connecticut has ever had, ever made. If we want to go in and take corrective measures on a commission that we think and have said are not doing their job -- I never said that, but nobody who has ever said it has come forward and substantiated these charges.

Many accusations were made during this last session and

during the committee meetings in reference to organized crime in the State of Connecticut. But nobody, including the State Police, have come up with actual figures. Nobody has ever substantiated that our Gaming Commission in its present form was doing a bad job. But we seem to forget that the State of Florida, the Florida fronton, 40 years in operation, they've never had an infraction. But the State of Connecticut showed that they came up with three investigations in less than three years. I shows they must be doing their job.

And if they weren't doing their job, then everything would have been quiet. Because we've got a great thing going. But because they did come up front with problems and it has hit the news media, now we're criticizing them. I say the other way around. The State of Florida should be checked for 40 years and never had a complaint. Just recently one has surfaced. That would indicate to me that for 40 years they've been having a good time down there.

But I'll tell you now, the czar is one we're going to have to watch very closely. We take the power away from the legislative body. We give the power to the Governor. How much power do we really want to give one person? Why don't you appraise yourself in that respect? Do you really want one person calling all the shots? Do you want one person being able to say I'll let you have a concession for x number of dollars in my pocket? Now, don't sit back for one minute that this can't happen. Because it can happen.

I bet you can say of everybody in this room at one given point will be susceptible to something like that if you had that much power. You get drunk with it. We're creating a good drunk in this respect.

Mr. Chairman and Mr. Speaker, I really oppose this bill. I think that's very apparent in what I'm saying. I don't believe that the present Gaming Commission has been treated with dignity or respect and I think the State of Government has slapped them in the face unjustly. I believe that if you people or the State of Connecticut, or we in the Hall of the House were really sincere, wanting to clear up the situation if such a situation as they claim prevails, that we should have done it within the present structure. I don't think we should have insulted these people or challenged their integrity or their honesty. Because if anything, and I have had personal relations with all the members of that Commission from meeting them on hearings. All I can say is they are a fine bunch of people.

And that we as legislators have afforded them an awful lot of disrespect. That I think is something that we may someday be held accountable for. Maybe other committees will be put in the same vein when other czars are created in other areas. But when that day comes, and I'll tell you right here and now I won't be standing here fighting it any more, I won't be a part of it. Because I don't want to have to go back to my constituents and tell

them how we are turning around and making it a power state by a selected few. I won't have any part of it. You people can have the ball. I'll go sit down on some beach, in my backyard and take it easy. But don't put your czar in my back yard. Because now the home is my castle.

Mr. Speaker, I appreciate very much the time that you have afforded me, and the people on the floor of this House, and I probably could go on for a long time. I've gone on long enough as it is. But I thought it was important to bring out the points that I felt were very important in this particular area and that deep consideration should be considered, before you cast your vote, whether it be in favor or against. I would hope that as individuals you will vote your conscience on this bill, not be motivated by arm-twisting from either political party. This did prevail on our Public Safety Committee to some extent. I was very proud of that committee up until the last two weeks. Then I became turned off.

Because I had a very good relationship with all the members, those that were very active. But I hope that we as individuals here would judge this bill on its merits, and vote it up or down according to our own conscience and our own convictions. That's all I can say. And at this point, Mr. Speaker, I would like to yield the floor to Rep. Osiecki.

SPEAKER ABATE:

Rep. Osiecki, will you accept the yield, madam?

REP. OSIECKI: (108th)

Yes, I will, Mr. Speaker.

SPEAKER ABATE:

Proceed, please.

REP. OSIECKI: (108th)

I'd like to ask some questions of the proponent of the bill, please.

SPEAKER ABATE:

State your first question, please, madam.

REP. OSIECKI: (108th)

Rep. Swieszkowski, would you please refer to Section 25, subsection e. Through you, Mr. Speaker.

SPEAKER ABATE:

Proceed, please, madam.

REP. OSIECKI: (108th)

It is my understanding that if this should pass and as it did pass in the Senate, the Board will now have the authority to impose a fine of only up to \$5,000 for a violation by a licensee.

SPEAKER ABATE:

Rep. Swieszkowski, will you respond, sir?

REP. SWIESZKOWSKI: (26th)

Mr. Speaker, through you, yes you are correct, Rep. Osiecki.

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REP. OSIECKI: (108th)

Through you, Mr. Speaker.

SPEAKER ABATE:

Rep. Osiecki.

REP. OSIECKI: (108th)

Could you tell me, Representative, at the time you adopted this, was the Committee aware that this Legislature had already adopted legislation increasing the fine to \$75,000 for a violation by a licensee, which passed the House and Senate and was amended twice by the House?

SPEAKER ABATE:

Rep. Osiecki, will you respond -- Rep. Swieszkowski, will you respond, sir?

REP. SWIESZKOWSKI: (26th)

Through you, Mr. Speaker. I would appreciate if the lady would repeat the question.

SPEAKER ABATE:

Rep. Osiecki, would you be so kind, madam, as to restate your question?

REP. OSIECKI: (108th)

Yes, I will, Mr. Speaker. I'd like to know if the Committee took a position and decided to make the fine \$5,000 which would have repealed the fine which this Legislature had recently established, which was \$75,000 which passed the House and Senate in

April and May? I would like to know whether the Committee intended to overrule the action of the General Assembly and reduce the fines to \$5,000 as is contained in section e?

SPEAKER ABATE:

Rep. Swieszkowski, will you respond, sir?

REP. SWIESZKOWSKI: (26th)

Through you, Mr. Speaker, no.

SPEAKER ABATE:

You still have the floor.

REP. OSIECKI: (108th)

Through you, Mr. Speaker. In line 1010, in that same section, could you tell me was it the intention of the Committee to delegate to the stewards or judges sole authority for the imposition of fines up to \$500, and in effect overrule action taken by this Legislature this year which allowed a recommendation to HB 7614 stewards and judges that a fine should be considered for a player who may have violated such regulations? Was it the intention of the Committee to repeal that action taken by the General Assembly earlier this year by the wording in section e of the file before us?

SPEAKER ABATE:

Rep. Swieszkowski, will you respond, sir?

REP. SWIESZKOWSKI: (26th)

Mr. Speaker, through you, no, that was not the intention

of our Committee.

REP. OSIECKI: (108th)

Thank you. Remarking to the bill, it does appear that section e certainly does repeal action taken by both Houses, three files, which are on your desks, files 67, 424, 604, two House Amendments passed by the Senate, signed into law by the Governor of this State on May 16th, as Public Act ^{HB 7614} 79-150. And since the Chairman of the Committee said it was not the intention of the Committee to overrule the General Assembly's action, then I ask that the Clerk call the amendment, LCO No. 8858.

SPEAKER ABATE:

The Clerk has in his possession an amendment, LCO No. 8858, designated House Amendment Schedule "A". Would the Clerk please call the amendment.

CLERK:

LCO No. 8858, offered by Rep. Osiecki et al.

REP. OSIECKI: (108th)

Mr. Speaker, I request permission to summarize.

SPEAKER ABATE:

The lady has requested leave of this Chamber to summarize the amendment in lieu of Clerk's reading. Is there objection to summarization? Is there objection? Hearing none, you may proceed to summarize the amendment, Rep. Osiecki.

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REP. OSIECKI: (108th)

Mr. Speaker, this amendment would restore to Section e legislation adopted by the General Assembly and signed into law last week by the Governor, which concern the imposition of fines by the Commission of Special Revenue, and it will leave the fines of \$75,000 that this General Assembly determined, not \$5,000 as called for in the file. It will also on line 1016 allow the Board to recommend to the stewards and judges when a fine should be considered for a player who has violated regulations promulgated by the Board.

This amendment is a clarification, then, according to Rep. Swieszkowski, of what the Committee did not intend to do when it wrote this new legislation, and I ask your favorable consideration. I move its adoption.

SPEAKER ABATE:

Will you remark further on the adoption of House "A"?
Will you remark further on the adoption of House "A"?

REP. SMOKO: (91st)

Mr. Speaker.

SPEAKER ABATE:

Will you remark further on its adoption? Rep. Ronald Smoko.

REP. SMOKO: (91st)

Mr. Speaker, I would content that the amendment is unnecessary for the reasons I enumerated earlier. I would direct the

lady's attention to Section 2-30b of the statutes which states that when two or more acts pass the same session of the General Assembly to amend the same section of the General Statutes or the same section of special act and reference to the earlier adopted act is not made in the act passed later, each amendment shall be effective except in the case of irreconcilable conflict. And it would be my contention that there is no conflict here. This action is unnecessary. 79-150 will indeed be incorporated into this file.

SPEAKER ABATE:

Will you remark further on the adoption of House "A"?

REP. OSIECKI: (108th)

Yes, I would, please, Mr. Speaker. May I respond to the previous speaker?

SPEAKER ABATE:

Proceed, please, madam.

REP. OSIECKI: (108th)

Rep. Smoko, would you tell me how LCO can take a public act and arrange it and who makes the decision as to whether a fine will be \$5,000 or \$75,000? We don't give the discretion in section e. We say very clearly \$5,000. Public Act 79-150 says the Commission shall have the authority to impose a fine of up to \$75,000. \$5,000 is \$70,000 less than the maximum called for in an act already signed. I would like to know how this can be clarified?

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Who can codify this?

SPEAKER ABATE:

Rep. Smoko, will you respond to that question?

REP. SMOKO: (91st)

Yes, Mr. Speaker. It's my understanding that section e is not amended in any way in this file other than those itemized. 79-150 would be codified in accordance with the previous, with this act, because there has been no previous action taken as far as fines within 1022. So the \$75,000 fine would prevail.

SPEAKER ABATE:

Rep. Osiecki, you still have the floor, madam.

REP. OSIECKI: (108th)

Through you, another question, please.

SPEAKER ABATE:

Proceed, please.

REP. OSIECKI: (108th)

Rep. Smoko, is it your understanding that if we pass File No. 1022 as passed by the Senate and it is signed by the Governor that it becomes law?

SPEAKER ABATE:

Rep. Smoko.

REP. SMOKO: (91st)

Through you, Mr. Speaker, yes.

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REP. OSIECKI: (108th)

Through you, Mr. Speaker.

SPEAKER ABATE:

Rep. Osiecki.

REP. OSIECKI: (108th)

Is it your understanding, Mr. Smoko, that in section e of 1022 the bill calls for a fine of \$5,000?

SPEAKER ABATE:

Rep. Smoko, will you respond, sir?

REP. SMOKO: (91st)

Through you, Mr. Speaker, yes. But that is, would be obviated by Section 2-30b, the previous action taken by this Assembly and signed into law last week.

SPEAKER ABATE:

Rep. Osiecki.

REP. OSIECKI: (108th)

Mr. Speaker, another question, please. Mr. Smoko, have you received information that says previous law prevails over subsequent law passed, that would allow us to accept that explanation that 79-150 would prevail if 1022 passes that has a \$5,000 fine in it?

SPEAKER ABATE:

Rep. Smoko.

REP. SMOKO: (91st)

Mr. Speaker, the only time the subsequent action of the Assembly, i.e. passing 1022 would negate a previous action would be in the event of irreconcilable conflict, and it's my contention that there is no irreconcilable conflict between the two files.

REP. OSIECKI: (108th)

Through you, Mr. Speaker.

SPEAKER ABATE:

Rep. Osiecki.

REP. OSIECKI: (108th)

Could you tell me the maximum fine, Mr. Smoko, in section e of 1022 under Section 25?

REP. SMOKO: (91st)

Through you, Mr. Speaker, it is the original \$5,000 fine.

REP. OSIECKI: (108th)

Mr. Speaker, through you. Could you tell me the maximum fine in Public Act 79-150?

REP. SMOKO: (91st)

Through you, Mr. Speaker, \$75,000.

REP. OSIECKI: (108th)

Through you, Mr. Speaker.

SPEAKER ABATE:

Rep. Osiecki, you still have the floor, madam.

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REP. OSIECKI: (108th)

Would you please tell me, Mr. Smoko, how that can be reconciled? Practically, how it will be reconciled.

SPEAKER ABATE:

Rep. Smoko, will you respond to the inquiry, sir?

REP. SMOKO: (91st)

Through you, Mr. Speaker, it is my understanding that the \$5,000 fine is the existing statute as it stands right now. That is not being amended in any way by File No. 1022. Again, through you, Mr. Speaker, that would not negate the action taken in File, in 79-150, which specifically amends that section of the General Statutes. So, since there is no conflict, the \$75,000 fine would prevail and we have checked this with LCO and that is their determination as well.

REP. OSIECKI: (108th)

Mr. Speaker, I'd like to speak on the remarks of Mr. Smoko.

SPEAKER ABATE:

Proceed, please, madam.

REP. OSIECKI: (108th)

It has been my understanding in the 3½ terms I've served here that when we write a law it supercedes the previous law. And when it's incorporated into the General Statutes, it becomes the law. Today, in our law, is a Public Act 79-150, it gives a

maximum fine of \$75,000 for violations by licensees. On the passage of File No. 1022, the entire law is as adopted by the General Assembly, is as presented to us. We don't vote on parts or sections. We vote on what is before us. Section e before us contains a maximum fine of \$5,000. Speaking to the amendment, I ask you to consider the amendment unless you have decided that you do not want to increase the fines as you definitely decided as a member of this House in April, with two amendments, with three files for study.

Rep. 79-150, which is also current law, has a delegation of powers in it, as this General Assembly approved and adopted. File No. 1022, section e does not have this delegation of powers. There is a real conflict. I think the best thing to do is to adopt the amendment, to recognize the action taken by the Committee, by both Houses of the General Assembly and by the Governor of this state. I think to do otherwise is neglecting our responsibility as lawmakers, when we debated individually the provisions of section e. Not as a part of an ominous bill, but as a need to address violations taken under law by licensees in our state. I must disagree with Rep. Smoko. I think his information is wrong. Because we don't vote on a page or a part of a file. We vote on a full file and the file becomes a public act. When 1022 passes and it's signed by the Governor it will become a public act in itself.

The provisions of 1022 overrides the provisions we adopted in 79-150. I urge your adoption of the amendment.

SPEAKER ABATE:

Will you remark further on the adoption of House "A"?
Will you remark further on its adoption?

REP. SWIESZKOWSKI: (26th)

Mr. Speaker.

SPEAKER ABATE:

Rep. Swieszkowski.

REP. SWIESZKOWSKI: (26th)

When the vote is taken I request that it's taken by roll call.

SPEAKER ABATE:

Question is on a roll call vote. All those in favor, please indicate by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER ABATE:

In the opinion of the Chair, the requisite 20% having been satisfied, when the vote is taken it will be taken by roll. Will you remark further on the adoption of House "A"? Will you remark further on its adoption? If not, would all the members please be seated. Would all staff and guests come to the well of the House. The machine will be opened.

The House of Representatives is voting by roll at this time. Would the members please return to the Chamber immediately. The House of Representatives is voting by roll at this time. The members please return to the Chamber immediately.

Have all the members voted? Would the members please check the roll call machine to determine if their vote is properly recorded. The machine will be locked. The Clerk will take the tally.

The Clerk please announce the tally.

CLERK:

House "A" to Senate Bill No. 1387.

Total number voting	145
Necessary for adoption	73
Those voting yea	51
Those voting nay	94
Those absent and not voting	6

SPEAKER ABATE:

The amendment fails.

House Amendment Schedule "A".

In line 1014, place an opening bracket before the word "impose". In line 1016, place a closing bracket after the word "regulations" and before the period add the words "RECOMMEND TO SUCH STEWARDS AND JUDGES THAT A FINE SHOULD BE CONSIDERED FOR A PLAYER WHO MAY HAVE VIOLATED SUCH REGULATIONS". In line 1017, place opening and closing brackets around the word "racing".

In line 1018, place an opening bracket before the word "and". In line 1019, place a closing bracket after the word "exhibition". In line 1030, place opening and closing brackets around the comma and add the word "OR". In line 1031, place an opening bracket before the word "a"; and place a closing bracket after the word "them,".

REP. VAN NORSTRAND: (141st)

Mr. Speaker.

SPEAKER ABATE:

Rep. Van Norstrand.

REP. VAN NORSTRAND: (141st)

Mr. Speaker, first of all I'd like to thank Rep. Swieszkowski for his extensive, gracious and largely accurate remarks. I, too, as I found inherent in his remarks wondered exactly what we're up to today, with this file. And frankly to find out, because I have my own fears, the Clerk has an amendment, which I would like the Clerk to call, bearing LCO No. 8856. And when called, may I be given the permission to summarize, Mr. Speaker.

SPEAKER ABATE:

The Clerk has in his possession an amendment, LCO No. 8856, designated House Amendment Schedule "B". The Clerk please call the amendment.

CLERK:

LCO No. 8856, offered by Rep. Van Norstrand et al.

SPEAKER ABATE:

The gentleman is requesting leave of this Chamber to

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summarize the amendment in lieu of Clerk's reading. Is there objection? Hearing none, you may proceed to summarize the amendment.

REP. VAN NORSTRAND: (141st)

Thank you, Mr. Speaker. The House Chairman, in bringing out the bill, said he felt the Board that is proposed in the file copy should be a policy board and the executive director would be basically an administrative force. I frankly am not certain that under either concept those doors will always be locked or those tickets will always be counted. But this amendment would address in four ways the significance as to whether the Board is to in fact be a policy board or whether the strength of the executive director ought to be in essence unchecked in many sections.

It would make four basic changes in the amendment. In Section 16, which is an investigatory process, it would require such investigations to be held by the Board. And the theory that that is a fundamental policy decision and should be made by the Board. The file copy will permit the members of the Board, the executive director or even his designee to issue subpoenas, hold hearings, it's a rather irregular process.

The second thing addressed in this thing amendment is Section 20c, where it requires the Board, not the executive director and certainly not acting alone, to designate the depositories for the revenue received pursuant to our laws, and also the Board and

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summarize the amendment in lieu of Clerk's reading. Is there objection? Hearing none, you may proceed to summarize the amendment.

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The second thing addressed in this thing amendment is Section 20c, where it requires the Board, not the executive director and certainly not acting alone, to designate the depositories for the revenue received pursuant to our laws, and also the Board and

not the Executive Director acting alone to decide the compensation for those depositories. If you're interested, we're talking about \$100 million flowing through this every year. It strikes me as something a policy board ought to be concerned with.

The third change would affect Section 25. This deals with the Executive Director having the power to grant concessions, he alone. The amendment would require the Board. As to whether this is policy or not or how easy this gets to be a question of favoritism, because you remember at all times this is going on not in a public meeting, but the Executive Director again acting alone. \$10.1 million was the revenue from concessions in this past year. Think that's something large enough for the Board to be concerned with? I do.

And lastly the amendment would amend Section 25d to require Board action to remove an employee. The present file copy would give that power only to the Executive Director, and he's not even required to report what actions he's taken. I move adoption of the amendment, Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

The question is on adoption of House Amendment Schedule "B". Will you remark?

REP. VAN NORSTRAND: (141st)

Yes, Mr. Speaker.

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DEPUTY SPEAKER COATSWORTH:

Rep. Van Norstrand.

REP. VAN NORSTRAND: (141st)

Basically, we have a philosophical question presented by this amendment. It would redress what I think is the balance suggested in the file copy, that in policy matters there should not be just one voice dealing with a number of issues that I outlined to you in summarizing the amendment. We have a choice to make. We've had a history and it's been described at length by a couple of members of this Chamber, but all these decisions that will be addressed in this amendment have historically, if this amendment is adopted, been done in the open, in a public session, not by one person and with no one else knowing who he's even talked to.

I think this is the essence of the problem with the file copy. It's a question of public oversight. It's a question of openness in government. It's as simple as that. It shouldn't be conducted by one man.

REP. SWIESZKOWSKI: (26th)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Will you remark further on the amendment? Rep. Dominick Swieszkowski.

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REP. SWIESZKOWSKI: (26th)

Mr. Speaker, I oppose the amendment. I think what the gentlemen has trying to accomplish is to go back to the present system that we have. Under the new proposal in our bill, the Executive Director with the consent of the Board, would make certain decisions, but the big decisions still will go to the Advisory Panel. I'd like to remind the body of the Revenue Service Commission which has very delicate taxing powers, the Public Safety Commissioner, very sensitive police and investigative powers, and also Commissioner of Administrative Services. These commissioners do not have groups overseeing their functions.

What we are trying to do now through the bill is to take the day-to-day operations away from the Commissioners and assign it to an individual who's supposed to be a capable administrator. This very amendment will do just the opposite. Therefore, I strongly oppose it.

REP. MISCIKOSKI: (65th)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Will you remark further on the amendment?

REP. MISCIKOSKI: (65th)

Mr. Speaker, it's a good amendment, that's all I have to say.

DEPUTY SPEAKER COATSWORTH:

Rep. Miscikoski.

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REP. MISCIKOSKI: (65th)

Thank you, Mr. Speaker. It's a good amendment.

REP. AHEARN: (55th)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Rep. Aloysius Ahearn.

REP. AHEARN: (55th)

Thank you, Mr. Speaker. Speaking to the amendment, I've heard a few of my distinguished colleagues mention the word czar. My understanding of the word czar is the totalitarian dictator or thereabouts, something like Hitler or Mussolini or Stalin or what have you. And I'm wondering if that term is appropriate for this particular bill. And speaking to the amendment, Mr. Speaker, I would like to ask the proponent of the bill if I might, speaking to the amendment, a couple of questions through you, sir.

DEPUTY SPEAKER COATSWORTH:

Please frame your questions, sir.

REP. AHEARN: (55th)

Yes. Rep. Swieszkowski, throughout the bill we see the term advice and consent, and I think in your reference to the amendment you answered the proponent of the amendment by using the term advice and saying that it would not be done completely by the Executive Director. What do you mean by the term advice and consent when you use that in the bill? Through you, sir.

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DEPUTY SPEAKER COATSWORTH:

Does the gentleman care to respond?

REP. SWIESZKOWSKI: (26th)

Mr. Speaker, through you.

DEPUTY SPEAKER COATSWORTH:

Rep. Swieszkowski.

REP. SWIESZKOWSKI: (26th)

Through you, Mr. Speaker. By advise and consent, what this this bill means is that the advisory bill will have to okay any regulations or any decisions made by the Executive Director.

DEPUTY SPEAKER COATSWORTH:

Rep. Ahearn.

REP. AHEARN: (55th)

Yes, Mr. Speaker. This means that in that particular case when you use the term advice and consent, it would not be one man controlling the decision, but it would have to be the entire board, as I understand it. Also, you use, on page 18, line number 818, you use the term with the approval of the Board. Now, Rep. Swieszkowski, would you please tell me the difference between the advice and consent of the Board and the term with the approval of the Board? Is there meant to be a difference there, through you, sir?

DEPUTY SPEAKER COATSWORTH:

Does the gentleman care to respond?

REP. SWIESZKOWSKI: (26th)

Yes, Mr. Speaker, through you. You are referring to line 791?

REP. AHEARN: (55th)

Line 817 on page 18. The Commission, or the Executive Director with the approval of the Board. File 1022 is what I'm looking at.

REP. SWIESZKOWSKI: (26th)

Mr. Speaker, through you. This means that the Board has to approve anything that the Executive Director may propose.

DEPUTY SPEAKER COATSWORTH:

Rep. Ahearn.

REP. AHEARN: (55th)

Through you, sir. Is there a difference, Rep. Swieszkowski, between with the advice and consent of the Board and with the approval of the Board? Through you, sir.

DEPUTY SPEAKER COATSWORTH:

Rep. Swieszkowski, for a response.

REP. SWIESZKOWSKI: (26th)

Mr. Speaker, through you. In my opinion, no.

DEPUTY SPEAKER COATSWORTH:

Rep. Ahearn.

REP. AHEARN: (55th)

Thank you, sir. The, Rep. Van Norstrand I think brought up

a pertinent point. And I think the key question is whether the points that are done completely by the Executive Director, whom I would not call a czar, Mr. Speaker. It seems to me the term is misused, the label is unfair. The primary steps that are taken here and the power is in the hands of the Board. And I would, through you, sir, ask Rep. Swieszkowski one other question.

DEPUTY SPEAKER COATSWORTH:

Please frame your question, sir.

REP. AHEARN: (55th)

Thank you, sir. Through you, if the primary power and the things you are talking about is with the advice and consent or approval of the Board, depending on how you interpret those, but you interpret them equally the same, what then can the Executive Director do on his own? Through you, sir.

DEPUTY SPEAKER COATSWORTH:

Rep. Swieszkowski, for a response.

REP. SWIESZKOWSKI: (26th)

Mr. Speaker, through you. The Executive Director on his own would be able to delegate his authority as it relates to holding hearings and inquiries to any unit head, dismiss for good cause any employee or official employed by the licensee, devise an accounting system and supervise betting at track and frontons, and many other responsibilities.

DEPUTY SPEAKER COATSWORTH:

Rep. Ahearn, you have the floor, sir.

REP. AHEARN: (55th)

Through you, sir. As I understand it, these then would be administrative things, and as you interpret these, Rep. Swieszkowski, through you, sir, these then are minor duties?

DEPUTY SPEAKER COATSWORTH:

Rep. Swieszkowski.

REP. SWIESZKOWSKI: (26th)

Mr. Speaker, through you, yes, sir.

REP. AHEARN: (55th)

Thank you, Rep. Swieszkowski. Mr. Speaker, I have mixed emotions on this particular amendment. I think that the charge of czar is unfounded and that the bill does protect the public. That one man does not have totalitarian or dictatorial power. On the other hand I wonder how much power he should have, and I think that perhaps he should have some power to do something if he's going to be called Executive Director, and one of the things he can do it seems to me, should be allowed to do, is hire and fire people.

And so on that basis, I think I would urge rejection of the amendment. Thank you, sir.

REP. HANLON: (70th)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Will you remark further on the adoption of House Amendment

Schedule "B"? Rep. Hanlon.

REP. HANLON: (70th)

Thank you very much, Mr. Speaker. In commenting on this amendment, I don't think it's so much a matter of semantics as to whether we call an individual who might hold this position a czar or not. I think what we have to do is look at the authority that is given the individual that will in fact hold this position. And this is what this amendment is all about. Should matters of basic policy be determined by one individual or should it be determined by a board as it is presently done.

And in responseto some of the questions that Rep. Ahearn raised as to whether these are minor matters of policy that the Executive Director would have authority over, I would direct your attention to line 750, in which the Executive Director acting alone, not the Board and without the advice and consent of the Board, acting alone, would have the authority to establish depositories and to establish the compensation for those depositories.

It seems to me that when you're talking about the money and the dollars that are involved here that that is a very fundamental policy, and that this is a policy that ought to be determined by a Board, not by one individual. Relating to concessions, there are a lot of dollars involved there as well and a lot of potential for a lot of favoritism it seems to me. And if you'll direct your attention to line 981, one person, not a Board, one person would have

the authority to determine who is going to get concessions and in fact one person would have the authority to revoke or to suspend concession licenses. Similarly the authority to suspend and remove employees of the Commission and in fact employees of licensees. One person, not the entire Board.

This is the basic policies that we're talking about. These are not minor policies. They are basic, fundamental policies that should be established by a Board and not by one single individual. This is what this amendment is all about. Do we want to grant this authority to one individual or to a Board so you can have a free and open discussion of these basic policy decisions. I urge support of the amendment.

REP. COLUCCI: (71st)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Will you remark further? Rep. Colucci.

REP. COLUCCI: (71st)

Mr. Speaker, I rise to oppose the amendment. With the new make-up of the new Board, there will be a direct line of responsibility and accountability and that will be to the Governor. It will be from the Executive Director right to the Governor. And no governor in his right mind is going to make an appointment, or be embarrassed in any way, and later would lose an election. And that's where the accountability and the responsibility will

come. The Executive Director should have some powers, because he's going to be a high caliber person, and that's what they're looking for. I think the key to the whole process here is picking the right people, on the Board and as the Executive Director, and that's the key. No governor or no party hopefully will pick anybody that will embarrass them or cause them to lose an election. I think that's enough accountability and power in itself to make them do the job right.

DEPUTY SPEAKER COATSWORTH:

Will you remark further on the amendment? Rep. Matties.

REP. MATTIES: (20th)

A question through you, Mr. Speaker, to Rep. Swieszkowski.

DEPUTY SPEAKER COATSWORTH:

Frame your question, sir.

REP. MATTIES: (20th)

Representative, I believe you answered prior questions to the effect that the Executive Director will be unable to perform many functions without advice and consent of the Board. Is that an accurate understanding of your response?

DEPUTY SPEAKER COATSWORTH:

Rep. Swieszkowski.

REP. SWIESZKOWSKI: (26th)

Through you, Mr. Speaker, yes.

REP. MATTIES: (20th)

I have a question through you, Mr. Speaker.

Rep. Swieszkowski, then, would you clarify for this body what change is taking place regarding the Executive Director and his or her responsibilities or authorities, as regards to present structure?

DEPUTY SPEAKER COATSWORTH:

Does the gentleman care to respond?

REP. SWIESZKOWSKI: (26th)

Mr. Speaker, through you. Presently, Mr. Speaker, the Executive Secretary and the Commissioner are involved in day-to-day operations. The new proposal that we have would designate the day-to-day operations to be under the Executive Director and not the Advisory Board. And Mr. Matties, you were a member of our Committee. I think your question is strictly a ploy to defeat the bill.

DEPUTY SPEAKER COATSWORTH:

Rep. Matties.

REP. MATTIES: (20th)

Mr. Speaker, I'm appalled by that accusation. It's terrible to hear a member of the House make that kind of a statement.

As a comment, as a member of the Committee, it was not the media or any member in this House that originated the term czar. It was the gentleman that submitted the report for which he

received \$100,000 dollars. So, the confusion that I have and I can only speak for myself, is the fact that the initial \$100,000 report advocated many significant changes. And I'm not here to quarrel with those changes. The problem I have is that Rep. Swieszkowski now presents to us today what sounds like the same structure with different people appointed by a different person. And I don't know whether that's what it's all about, and if Rep. Swieszkowski could clear up this confusion for me, I would appreciate it.

REP. SWIESZKOWSKI: (26th)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Rep. Swieszkowski.

REP. SWIESZKOWSKI: (26th)

Through you. Actually, the amendment in front of us is trying to retain the present structure and the present set-up. And our bill is trying to take some of these responsibilities away from the Commission, so there would be an administrator, in this case the person will be able to run the Department efficiently. And just to say, repeat it again, we are trying to take some of these powers away from the Commission so they can go over and they can work on areas of big interest without getting involved in a day-to-day operation.

DEPUTY SPEAKER COATSWORTH:

Rep. Matties.

REP. MATTIES: (20th)

Thank you, Mr. Speaker. In Committee and in subsequent comments, it's my understanding that the new policy board was intended to meet about once a month. Is that an accurate understanding?

DEPUTY SPEAKER COATSWORTH:

Rep. Swieszkowski.

REP. SWIESZKOWSKI: (26th)

Through you, Mr. Speaker, yes.

DEPUTY SPEAKER COATSWORTH:

Rep. Matties.

REP. MATTIES: (20th)

In that case, will, how will all of these decisions that must be arrived at with the advice and consent of the policy board be addressed? On a once a month basis?

DEPUTY SPEAKER COATSWORTH:

Rep. Swieszkowski.

REP. SWIESZKOWSKI: (26th)

Mr. Speaker, through you, the bill and intent states at least once a month. If there is a necessity, possibly they'll have to hold meetings once a week.

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DEPUTY SPEAKER COATSWORTH:

Rep. Matties.

REP. MATTIES: (20th)

Thank you. Mr. Speaker, before I sit down may I ask that when the vote be taken it be taken by roll call?

DEPUTY SPEAKER COATSWORTH:

The question is on a roll call vote. All those in favor of voting by roll call please indicate by saying aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER COATSWORTH:

The necessary 20% having responded in the affirmative, a roll call vote will be ordered when appropriate. Will you remark further on the adoption of House Amendment Schedule "B"?

REP. SHAYS: (147th)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Rep. Christopher Shays.

REP. SHAYS: (147th)

Thank you, Mr. Speaker, and members of the House who are in the tenets. I support the bill and I support the bill strongly. I have no reservation about this bill. But I've listened to the amendment and it's a sensible amendment, and I'd just like to digress just one second to say that I have incredible respect for

the Chairman of both, both Chairmen of the Public Safety Committee, because I really believe that the Committee worked their will on this bill, both parties. We may have raised the bill in the last week and many of the members did not get to see the final copy of the bill before we raised it, but before we gave it a Joint Favorable we put through many amendments. In fact I think there were more amendments recommended by the minority side to include in the bill than on the majority side and they were approved.

And I want to presently just thank the Chairman for that.

REP. :

Point of order, Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

State your point of order, sir.

REP. :

I do not believe the speaker is speaking to the topic, which is Amendment "B".

DEPUTY SPEAKER COATSWORTH:

The Chair will advise the gentleman to confine his remarks to the adoption of House Amendment Schedule "B".

REP. SHAYS: (147th)

Thank you, Mr. Speaker. Mr. Speaker, I was probably giving somewhat of a long introduction to the reason why I support this amendment. I believe the Committee worked its will on a bipartisan

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basis on terms of the amendment, and what troubles me today is that I'm beginning to feel a tenor of a Democratic bill or a Republican bill or Republican amendment or Democratic amendment. I sincerely ask, for those people who want to see the best bill come out of this General Assembly, to support this amendment. And I feel that way for a number of reasons.

There were four parts to this amendment, and it's the first time I've heard it. I had no part in making it up. I wish I had my name on it. The day-to-day operations of the Gaming Commission should be the Executive Director's. And I concur with that, and I certainly want to make sure that the final product will end up with that happening.

The major decisions, the major policy decisions and so forth, I believe, should be made up by the Gaming Board. I believe that's what Rep. Swieszkowski wants as well, and I believe he's wrong when he interprets the amendment presented by the minority leader. I think in particular where the funds are deposited, and when you're talking \$100 million, that's not a day-to-day decision, or the kind of compensation for those funds, that's not a day-to-day decision. I sincerely believe it's a major policy decision, and a weakness in the bill that could be corrected by the adoption of this amendment.

I believe that conducting investigations possibly could be conducted by both, but very frankly I think the Policy Board

would perhaps be better off conducting those investigations, especially when it comes to subpoena power. I believe that the determination of concessions should be presented to the policy board for their determination. We're talking approximately \$10 million gross. In terms of the removal of employees, I could go either way on that. I perhaps would wish that that wasn't part of the amendment.

But it doesn't trouble me. It doesn't trouble me that that is part of the amendment. In balance, the amendment is a good amendment and should be adopted. And whether or not you support the bill or not, if you want to make it a better bill, I think the amendment makes sense. And I guess that was my, why I made my long introduction, because I believe when we started this process in Committee, it wasn't partisan in terms of making it a good bill. And I hope to God it isn't becoming partisan now.

DEPUTY SPEAKER COATSWORTH:

Will you remark further on the adoption of House Amendment Schedule "B"?

REP. VAN NORSTRAND: (141st)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Rep. Van Norstrand.

REP. VAN NORSTRAND: (141st)

Simply to respond in two ways to a comment Rep. Swieszkowski

made. Number one, there's more than two or three weeks until the June 6 adjournment of this General Assembly. If this bill were to be amended, there would be ample time for the Senate -- I'm sure they can digest this amendment in a couple of weeks. There's more than enough time for them to address it. It's not to kill the bill in the sense there's no time to address it. This isn't adjournment eve. But on a second, more personal plane, Mr. Speaker, I have warm regard for Rep. Swieszkowski.

But I'll tell him, I won't have my name on an amendment to kill a bill. When my name is on an amendment, that's a guarantee. I don't offer amendments that kill bills. I offer amendments to do the people's business the best way I know how. And notwithstanding my warm regard for you, I resent that.

This amendment, Mr. Speaker, does not deal with day-to-day operations. You're talking about laying off \$100 million a year in receipts. If you offered a chance to do that, do you think you're not going to get a call from a couple of banks? 'Cause you're going to pay them to do it, and you don't think the rate's going to be negotiable? You don't think it's sizeable? This isn't a day-to-day operation. This contract would be entered into for a year, such as the period as the policy-making body felt was proper. Same with concessions. They'll go for periods. No concessionaire can tool up on a day-to-day basis and find out the next day he's out. He's hired people, brought in equipment.

These are ongoing contractual obligations of a long-term nature. This is not day-to-day. I urge support of the amendment.

REP. MCMANUS: (88th)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Will you remark further on the amendment?

REP. MCMANUS: (88th)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Rep. McManus.

REP. MCMANUS: (88th)

Mr. Speaker, I agree with the proponents of the amendment that it's probably the most important amendment that we'll see today. And it's one in which indeed some of the provisions were addressed by our committee. And I might preface my remarks in opposition to the amendment, in that contrary to some of the remarks which we heard earlier by Rep. Migliaro and Miscikoski, the Committee did put in a lot of time. People didn't appear out of the woodwork at the last minute to push the bill through in Committee.

It's a very special, very unique and a very new area which we're dealing with. And one of the areas that we're addressed is the delegation of responsibility throughout this bill. I

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think it's probably the most important fact that is addressed throughout this bill. At no time during the deliberations, during the public hearings and during committee meetings, did we ever address the problems of corruption or inefficiency with the Committee. We're talking about a system, a system that a report said is not operating efficiently and can be improved.

This is a big business, as Rep. Van Norstrand just stated. This is a business which is in existence to raise money for the State. A report studied that business and said changes have to be made. There were criticism of the report saying, well we've got 90% of the information from the present Commission. Well, I ask where would we get that information, from the Commission on Hospital and Health Care?

The report -- excuse me, I lost my train of thought, the report stated that the delegation of authority was of prime concern, and we have to delineate this throughout the bill. I will address the members' attention, or direct the members' attention to lines 177 through 180. There shall be within the Department of Business Regulation a division of Special Revenue which shall in cooperation with the Gaming Policy Board, implement and administer the provisions of Chapters 226, etc., etc.

There are controls here. We have to delegate authority and there are plenty of controls, whether we're talking about holding hearings or delegating the depositories for receipt.

This has been addressed in Committee and I think at length, and I would not think that it would necessary to adopt this amendment at this time.

REP. CONN: (67th)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Will you remark further? Rep. Conn.

REP. CONN: (67th)

Thank you, Mr. Speaker. As a member of the General Law Committee, two years ago when it was thought that they would like to change the Commission, it was brought out that they couldn't get enough information out of the Commission. I rise to support this amendment, because I think that this bill as presented does just exactly the opposite of what my intentions would be. I think that this closes the door on any operation and I think it is a dangerous move. I think that in the past, in the PUCA, and other areas, when they have moved the commissions, they have opened them up.

I think this is an effort to close this Commission on Special Revenue, and I think that is a very dangerous move. I support this amendment.

DEPUTY SPEAKER COATSWORTH:

Will you remark further on the adoption of the amendment?
Will you remark further? If not, members please be seated.

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All the members please be seated. Staff and guests come to the well of the House. The machine will be opened.

The House of Representatives is voting by roll call at this time. Would all members please return to the Chamber. The House of Representatives is voting by roll call at this time. All members please return to the Chamber.

Have all the members voted? And is your vote properly recorded? Have all the members voted? And is your vote properly recorded? If so, the machine will be locked and the Clerk will please take a tally.

The Clerk will please announce the tally.

CLERK:

House "B" to Senate Bill No. 1387.

Total number voting 145

Necessary for adoption 73

Those voting yea 58

Those voting nay 87

Those absent and not voting 6

DEPUTY SPEAKER COATSWORTH:

The amendment fails.

House Amendment Schedule "B"

In line 505, place opening and closing brackets around the word "The". In line 506, strike the words "EXECUTIVE DIRECTOR OR". In line 514, strike the words "EXECUTIVE DIRECTOR,

THE"; and place opening and closing brackets around the word "or". In line 515, strike the word "AN"; place opening and closing brackets around the word "agent"; strike the word "AUTHORIZED" and place opening and closing brackets around the word "by".

In line 516, place an opening bracket before the word "law" and place a closing bracket after the word "process". In line 532, strike the word "EXECUTIVE". In line 533, strike the words "DIRECTOR OR". In line 549, strike the words "EXECUTIVE DIRECTOR OR". In line 553, strike the words "EXECUTIVE DIRECTOR OR THE" and strike the words "HIS OR". In line 559, strike the words "THE EXECUTIVE DIRECTOR MAY".

Delete lines 560 to 563, inclusive, in their entirety. In line 749, strike the words "EXECUTIVE DIRECTOR" and insert in lieu thereof the word "BOARD". In line 752, strike the word "HE" and insert in lieu thereof the word "IT". In line 759, strike the words "EXECUTIVE DIRECTOR" and insert in lieu thereof the word "BOARD".

In line 766, strike the words "EXECUTIVE DIRECTOR" and insert in lieu thereof the word "BOARD". In line 912, strike the words "EXECUTIVE DIRECTOR" and insert in lieu thereof the word "BOARD". In line 974, strike the words "EXECUTIVE DIRECTOR" and insert in lieu thereof the word "BOARD". In line 975, strike the word "HE" and insert in lieu thereof the word "IT". In line 976, strike the words "EXECUTIVE DIRECTOR" and insert in lieu thereof the word "BOARD". In line 978, strike the word "HE" and insert in lieu thereof the word "IT".

In line 981, strike the words "EXECUTIVE DIRECTOR" and insert in lieu thereof the word "BOARD". In line 982, strike the word "HE" and insert in lieu thereof the word "IT". In line 983, strike the word "EXECUTIVE" and insert in lieu thereof the word "BOARD". In line 984, strike the word "DIRECTOR". In line 986, strike the word "ANY". Delete lines 987 to 995, inclusive, in their entirety. In line 1058, after the word "DIRECTOR" add the words ", WITH THE ADVICE AND CONSENT OF THE BOARD,".

REP. SWOMLEY: (17th)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Will you remark further on the bill as amended?

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REP. SWOMLEY: (17th)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Rep. Swomley.

REP. SWOMLEY: (17th)

Mr. Speaker, I rise for the purpose of offering an amendment. Would the Clerk please call and read LCO No. 8690?

DEPUTY SPEAKER COATSWORTH:

The Clerk will please call and read LCO No. 8690, hereby designated House Amendment Schedule "C".

CLERK:

LCO No. 8690, offered by Rep. Swomley of the 17th. In line 1220, insert the words "AND ONE-QUARTER" after the word "eight". In line 1229, insert an opening bracket before the word "six" and a closing bracket after the word "three-quarters" and insert the words "SEVEN AND ONE-QUARTER" after the closing bracket and before the word "per".

DEPUTY SPEAKER COATSWORTH:

You have the amendment, sir. What is your pleasure?

REP. SWOMLEY: (17th)

May I speak to the amendment, sir?

DEPUTY SPEAKER COATSWORTH:

Do you move adoption?

REP. SWOMLEY: (17th)

I move adoption of the amendment.

DEPUTY SPEAKER COATSWORTH:

The question is on adoption of House Amendment Schedule "C". Rep. Swomley.

REP. SWOMLEY: (17th)

The Governor in her wisdom gave us a budget that included revenue estimates calling for an additional \$2 million in the take-out from gambling in this State. Our esteemed speaker, Mr. Abate, and our distinguished majority leader, Mr. Groppo, joined with Senator Fauliso and Senator Lieberman in submitting a bill to carry out the Governor's request.

Unfortunately, that bill did not come before this House but died in Committee. In consideration of consistency with due respect to the budget that we adopted, and in recognition that the bill before us now represents a complete overhaul of the gaming legislation, it appeared appropriate to offer this amendment to implement the request of the Governor, and to provide for this \$2 million as part of this particular legislation.

This will cover the shortfall, but it also represents a comprehensive approach to the subject of gaming in this state. The amount of money in question, \$2 million, will come from an increase of 1/4 of 1% in the State's share of the 18% take-out from the dog track and the 1/2% increase from the State's share of the 18% take-out in the Jai-Alai facilities revenue.

It seems to me totally appropriate to include this

amendment at this time. I am sure in view of the fact that the Governor has requested this and that the leadership of the majority saw fit to submit this to the Legislature, that we will have support from the other side of the aisle and I would admonish and urge those who sit on this side of the aisle to please act in a bipartisan way and support this amendment. Thank you.

REP. RITTER: (6th)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Will you remark further on the adoption of House Amendment Schedule "C"?

REP. RITTER: (6th)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Rep. George Ritter.

REP. RITTER: (6th)

Mr. Speaker, I rise to support this amendment. I do not do it tongue-in-cheek as I sense to a degree the proponent of the amendment has, or perhaps I misread his enthusiasm. But the constant reference to the Governor's position and to the position of the President Pro-tem, and of the Speaker, leads me to wonder whether or not the amendment is put in entirely in good faith, or rather to embarrass anybody.

But I think we should take this amendment at face value

and at face value I support it. I have thought for a long time that we have not paid enough attention to the revenue that is available and should be extracted from these sources. We will recall that the reason that we have gaming in the first place, in any form, indeed in all forms, in this state, is to raise revenue. And this revenue can be well used and certainly the various entrepreneurs have been making more than enough money to adequately justify this bill.

But I ask that it be voted on for its merit. I for one for example, will strongly support the basic bill on this aisle. And I do not in any sense believe that voting for this amendment should be taken as an indication by anybody to the contrary. And I hope, too, as does the proponent of this amendment, that we can pass this amendment for the very reasons that he's well given.

REP. MISCIKOSKI: (65th)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Rep. Miscikoski.

REP. MISCIKOSKI: (65th)

Mr. Speaker, this is a bad amendment. Rep. Swomley is again gambling. He's constantly been trying to put the Gaming Commission out of business. I'm sure he must be for the State income tax, because anybody who's for the State income tax wants

the Gambling Commission to go out of business, sooner the better, so they can tax everybody instead of letting the people pay the taxes voluntarily. This is a bad amendment. It's to put the people out of business. These people have invested millions of dollars and they're being hung by a lot of the people that are misleading the people. Thank you.

REP. SMOKO: (91st)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Rep. Smoko.

REP. SMOKO: (91st)

Mr. Speaker, it is true that the Governor, our very distinguished governor, did include this in her budget message. It is also true that the very distinguished majority leader and the Speaker did offer this bill. I might add that the distinguished members of the Finance Committee overwhelmingly rejected this proposal on the merits after very thorough investigation of this proposal. This is not to say, Mr. Speaker, ladies and gentlemen, that some adjustments are not necessary.

The Finance Committee in its wisdom has decided to take a very close look at the manner in which we tax our gaming in this state. I would say that this proposal is premature. We intend to look at this entire area in the interim and I urge you to reject this amendment.

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DEPUTY SPEAKER COATSWORTH:

Will you remark further?

REP. COLUCCI: (71st)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Rep. Colucci.

REP. COLUCCI: (71st)

Yes, Mr. Speaker, I rise to oppose the amendment. The timing for a tax increase at this time is not in the best interest of the gaming business. It's a business that's at the crossroads of staying in the state or going out of the state. Of not knowing if it's wanted in the state or not wanted in the state. Of not knowing if they made a mistake coming in in the first place or not. They're at the crossroads.

It's a business, in a gaming state, that is probably the highest taxed gaming state in the country. We are about the highest tax on gaming now. With the moratorium and with all the records we've got that attendance drops, with the completion of a Teletrack in New Haven, with the competition of the neighboring states, something has to be done to study this question, and that's just what's going to happen with the new make-up of the Commission, with the moratorium and hopefully they will come back to us with the right ideas and tax structures. Thank you, Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Will you remark further on the amendment?

REP. STOLBERG: (93rd)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Rep. Stolberg.

REP. STOLBERG: (93rd)

Mr. Speaker, I'm not against gambling. I'm against excessive gambling and I think the State stands on the edge of that a bit. The Finance Committee did discuss this measure and an alternative at great length and the Finance Committee overwhelmingly did reject both of the alternatives for increasing the taxation of the jai-alai frontons and the dog track in the State of Connecticut.

A couple of points should be made on this. One, Rep. Smoko is correct. This is one of several of the key items that will be closely examined over the interim and will be before the Committee in the next session. The second point that should be made is that it is very important that the degree of stability in relationship between the private operators and the State be developed. I am not sure that we have reached that point of equilibrium, but we should not continually change the relationship the take-out of the handle or the tax structure on the gambling industry. For that reason, I hope the Committee can do

its work. As a personal note, I am convinced that much of the gambling industry could absorb this increase. I think there are some questions that have been raised in regard to the dog track viability with the operation in Rhode Island.

But in my opinion, the several frontons could absorb this increase and could still maintain a healthy profit. One thing that is of concern to me, Mr. Speaker, is that the Finance Committee and this Assembly will need a good deal of expertise, because the gambling industry has probably the most proficient, excellent, perceptive and powerful appeal that I have seen in this Chamber in my nine years in the Assembly. I think it is imperative that the Assembly build its own expertise and develop its own data in order to arrive at a conclusion in regard to the relationship between the State and its take and the industry, or else we are going to be dealt with in a very flimsy fashion by the industry itself.

My personal vote will not be indicative of the Committee's on this item. Because I feel that while the Committee does need more data, my own personal vote will be for the amendment, just on the basis of where we're now at, some degree of uneasiness at the lack of data from which we suffer. But a strong conviction that at least 3/4 of the elements embodied in the bill can indeed absorb the greater take out of the handle by the State.

This is a question, though, that does demand much greater

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attention and expertise, not only by the Executive structure that deals with it, but also by this Assembly if we are going to stand on equal footing with the industry and compare data with them and compare our own viability in making decisions about this industry. We now don't have that viability, Mr. Speaker, and this is of great concern to me and should be of great concern to the Assembly.

DEPUTY SPEAKER COATSWORTH:

Will you remark further on the adoption of House Amendment Schedule "C"?

REP. MOYNIHAN: (10th)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Will you remark further? Rep. Timothy Moynihan.

REP. MOYNIHAN: (10th)

Mr. Speaker, I rise to oppose this amendment. I think it's unfortunate while we're involved in what's a very serious process concerned with the restructuring, that we should delve into what is really a side issue. While it certainly affects the same industry it's certainly a side issue in terms of the reorganization, and that's to attempt to alter the handle or the so-called take-out in terms of our Special Revenue facilities as an amendment to this bill.

I earlier in the session, was involved in a portion of the study and looked at much of the reams of data that are

available on the different facilities, to determine whether there was room, as Rep. Stolberg suggested, for increased taxation in this area. I don't think it was that clear and I think that's why our Finance Committee operated as they did. I look forward to the results of the study. I would hope on both sides of the aisle that we have an opportunity to participate, to have input into those studies.

But I think it would be most inappropriate to approve that as an amendment to the restructuring bill that we have here today. So I would urge defeat of that amendment.

REP. SWOMLEY: (17th)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Will you remark further? Rep. Swomley.

REP. SWOMLEY: (17th)

I want to thank Rep. Ritter for his kind remarks. He is quite right that in one sense what I said was tongue-in-cheek, but it was tongue-in-cheek because of what I feel in terms of frustration over this issue. All the remarks that we here today are not different than those we heard a year ago, as far as further study. I did have occasion to take the audits for two years for each of the facilities, to have a certified public accountant review them with me and to analyze them fully. I assure you, the profits of this industry which in Connecticut

are quite healthy and will have no difficulty whatsoever in withstanding the amendment that you have before you. I would also point out that as far as in any way detracting from the bill before us, if you will inspect your file copy you will note that the take-out is part of that file copy and I feel it is quite appropriate that this should be a part of the discussion of this particular legislation.

Yes, ladies and gentlemen, we do face a powerful lobby. A very effective lobby. A lobby that has misled this General Assembly relating to its profitability and relating to the comparisons that they give you to other industries in this state. As far as the present is concerned, I don't know how many of you receive the data that comes from the Commission on Special Revenue, but within the last few days I did receive the reports for the dog track in Plainville, Plainfield, excuse me, and for the Bridgeport Jai-Alai. The trends that we have heard about, of declining revenues, is not in fact the case. They are increasing at the present time.

I would suggest that the Governor in her wisdom was correct, that we could stand to impose the traditional tax and I would ask also that you consider the matter of consistency when you voted her budget, her budget revenue. It called for this \$2 million. I ask that you give that vote to this amendment at this time and I request that the vote be taken by roll call, Mr. Speaker.

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DEPUTY SPEAKER COATSWORTH:

The question is on a roll call vote. All those in favor of voting by roll call, please indicate by saying aye.

REPRESENTATIVES:

DEPUTY Aye.

DEPUTY SPEAKER COATSWORTH:

The necessary 20% having been satisfied, a roll call vote will be ordered when appropriate. Rep. Varis.

REP. VARIS: (90th)

Mr. Speaker, through you, I'd like to ask a question to the Rep. Stolberg.

DEPUTY SPEAKER COATSWORTH:

Please frame your question, sir.

REP. VARIS: (90th)

Mr. Stolberg, can you tell me whether this increase in taxes would be taken from the return to the bettors or the profits of the operators?

DEPUTY SPEAKER COATSWORTH:

Does the gentleman care to respond to the question?

REP. STOLBERG: (93rd)

Mr. Speaker, through you, this would come out of the 18% handle that is shared between the State and the operators now.

DEPUTY SPEAKER COATSWORTH:

Rep. Varis, you have the floor.

REP. VARIS: (90th)

I would, through you, Mr. Speaker, addressed to Rep. Stolberg, I would interpret your remark to mean that it would be not at the expense of the individual bettor.

DEPUTY SPEAKER COATSWORTH:

Does the gentleman care to respond?

REP. STOLBERG: (93rd)

Through you, Mr. Speaker, correct.

REP. VARIS: (90th)

Thank you.

DEPUTY SPEAKER COATSWORTH:

Will you remark further on the adoption of House Amendment Schedule "C"? Will you remark further? If not, would all the members please be seated. Staff and guests come to the well of the House. Members please be seated. Staff and guests come to the well of the House. The machine will be opened.

The House of Representatives is voting by roll call at this time. Will all members please return to the Chamber. The House of Representatives is voting by roll call at this time. All members please return to the Chamber.

Have all the members voted? And is your vote properly recorded? Have all the members voted? And is your vote properly recorded? If so, the machine will be locked and the Clerk will please take a tally.

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RE The Clerk will please announce the tally.

CLERK:

House Amendment "C" to Senate Bill No. 1387.

Total number voting 146

Necessary for adoption 74

Those voting yea 58

Those voting nay 88

Those absent and not voting 5

DEPUTY SPEAKER COATSWORTH:

The amendment fails.

REP. PARKER: (31st)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Will you remark further on the bill as amended?

REP. PARKER: (31st)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Rep. Parker.

REP. PARKER: (31st)

Thank you, Mr. Speaker. Through you, some questions to the proponent of the bill.

DEPUTY SPEAKER COATSWORTH:

Please frame your question, madam.

REP. PARKER: (31st)

We have heard this today, over and over, reference to the study that was done. Who initiated this study? Through you, Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Does the gentleman care to respond?

REP. SWIESZKOWSKI: (26th)

Mr. Speaker, through you, the Office of Policy and Management with the cooperation of the Governor's Office, I assume.

DEPUTY SPEAKER COATSWORTH:

Rep. Parker.

REP. PARKER: (31st)

Through you, Mr. Speaker. Did the Commissioner, was the Commission given a chance to do this study?

DEPUTY SPEAKER COATSWORTH:

Does the gentleman care to respond to the question?

REP. SWIESZKOWSKI: (26th)

Through you, Mr. Speaker. To my knowledge, no.

DEPUTY SPEAKER COATSWORTH:

Rep. Parker.

REP. PARKER: (31st)

Through you, Mr. Speaker, where did the money, the \$100,000 come from in the budget, since this was not a line item in the budget?

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DEPUTY SPEAKER COATSWORTH:

Excuse me, ma'am. Will the House please come to order? Members please be seated. Members please be seated. Staff and guests come to the well of the House. The House will come to order. Rep. Parker, please proceed.

REP. PARKER: (31st)

Yes, Mr. Speaker, I'd like to repeat my last question. Through you, where did the \$100,000 come from, since it was not part of last year's budget?

DEPUTY SPEAKER COATSWORTH:

Rep. Swieszkowski.

REP. SWIESZKOWSKI: (26th)

Mr. Speaker, through you, to the best of my knowledge, from Policy and Management.

DEPUTY SPEAKER COATSWORTH:

Rep. Parker.

REP. PARKER: (31st)

Mr. Speaker, I will not make any comment on that last answer. The Clerk has an amendment, LCO No. 8855. I would like to request that he call and read.

DEPUTY SPEAKER COATSWORTH:

The Clerk will please call and read LCO No. 8855, hereby designated House Amendment Schedule ^D"e".

CLERK:

OFFICE LCO No. 8855, offered by Rep. Parker of the 31st District.
Delete lines 485 to 501, inclusive, in their entirety.

DEPUTY SPEAKER COATSWORTH:

OFFICE You have the amendment, madam. What is your pleasure?

REP. PARKER: (31st)

I move adoption of the amendment.

DEPUTY COATSWORTH:

The question is on adoption of House Amendment Schedule
"D". Will you remark?

REP. PARKER: (31st)

Thank you, Mr. Speaker, I will. What this amendment does
is delete from the proposed file the power that the Executive
Director is given to conduct studies concerning the effect of
legalized gambling, the types of gambling, the amount of gambling.
I believe information such as this is part of day-to-day opera-
tions of the Commission. I also believe it is the General Assembly
who should request studies, not a Commissioner. If a Commissioner
would like specialized studies, and I think a \$100,000 study
should be a specialized study, then he should request the appro-
priation through this body.

I understand that the Commission was originally asked to
do the study and offered to do it for a cost of between \$8 to
\$10,000, but that the Office of Policy and Management stated that

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it was not the Commission's purview, but rather that of the Office of Policy and Management. I think that if in the future we are going to have studies done, we should know the approximate price tag before we get this, and you have previously heard the prices that were paid for dollars that was easily available by the Commission.

Mr. Speaker, I urge approval of the amendment.

DEPUTY SPEAKER COATSWORTH:

Will you remark further on the adoption of House Amendment Schedule "D"?

REP. ONORATO: (97th)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Rep. Onorato.

REP. ONORATO: (97th)

Thank you, Mr. Speaker. Mr. Speaker, I rise in opposition to the motion, to the amendment. This was discussed very thoroughly during the Committee's meeting and with the advent of the moratorium bill passed recently in this body, we don't know from the information available to us whether or not the State is a) overextended in gambling, or b) whether we should cut back in some areas or c) whether it should be expanded to other areas. The reason that this was put in the file copy is that the Executive Director of this new Board would be incumbent upon

him to gather all this information during this moratorium period, present it to the General Assembly, because the moratorium is only good for two years, and then the General Assembly would make its decision based on what these findings were. There was also proposed bills dealing with compulsive gamblers, which would be a part of this study. They had no figures or facts concerning compulsive gamblers. They had no figures or facts concerning how many people in fact gamble.

As to the cost, the previous speaker is correct. It would come from the Executive Director. It would be a part of his function. No outside management study would be necessary. This would be information gathered from the Special Division based on their receipts and information and of course based on their input into the lottery and their input from the other gambling establishments. This would give the General Assembly, at least we felt that we would be in a better position when the moratorium ends to see if the moratorium should be extended, whether we should cut back in certain areas or whether we should extend.

Now, whether you're an opponent of gambling or proponent of it, I think the study is necessary to get the full picture of our gambling operations in this state. To date, we don't have the full picture. We have bits and pieces and what this piece of legislation would do is to make it incumbent upon the Executive Director to gather this information for presentation to the

General Assembly.

Therefore, Mr. Speaker, I would urge a no vote on this amendment.

REP. LEONARD: (111th) Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Will you remark further on the amendment? Rep. Leonard.

REP. LEONARD: (111th)

Thank you, Mr. Speaker. Several questions, please, if I may, to I believe it was Rep. Onorato.

DEPUTY SPEAKER COATSWORTH:

Frame your question, madam.

REP. LEONARD: (111th)

Thank you. Mr. Speaker, through you, is the Executive Director authorized under the language of file copy to conduct these studies with the use of a consultant?

DEPUTY SPEAKER COATSWORTH:

Does the gentleman care to respond?

REP. ONORATO: (97th)

Through you, Mr. Speaker, I think the file copy is silent on that issue. It does not give him the authority, as I read it, to go outside and get the services of a consultant. It does say that he shall with advice and consent of the Board conduct studies concerning the effect of legalized gambling on the citizens of

the state. I see no authority for him to go outside it and we see that as something within his purview as Executive Director.

REP. LEONARD: (111th)

Thank you, Mr. Speaker. Another question, perhaps not to the same Representative, but to someone who might have a little more specific knowledge in that area. If the file copy does not necessarily authorize the Executive Director to secure the assistance of a consultant in performing this study, is it the Committee's thought that the Executive Director himself, with existing staff will in fact conduct these studies?

DEPUTY SPEAKER COATSWORTH:

Does the gentleman care to respond?

REP. SWIESZKOWSKI: (26th)

Mr. Speaker, through you.

DEPUTY SPEAKER COATSWORTH:

Rep. Swieszkowski.

REP. SWIESZKOWSKI: (26th)

Yes, the assumption is correct. The intention of the Committee was to do the survey within the personnel from the Department itself.

DEPUTY SPEAKER COATSWORTH:

Rep. Leonard.

REP. LEONARD: (111th)

Yes. Thank you, Mr. Speaker. Two quick questions, and

perhaps I should direct them to the chairman of the Committee. The consultant's report upon which the file is based, or from which the file resulted, I was wondering, I understand the Office of Policy and Management contracted with the firm to do the study. And I was concerned with what criteria if any are you aware of that resulted in the selection of the consultant?

DEPUTY SPEAKER COATSWORTH:

Rep. Swieszkowski.

REP. SWIESZKOWSKI: (26th)

Through you, Mr. Speaker, no, I'm not aware.

REP. LEONARD: (111th)

And one last question.

DEPUTY SPEAKER COATSWORTH:

Rep. Leonard.

REP. LEONARD: (111th)

Thank you, Mr. Speaker, through you. Could you tell me if you know how many other consultants were considered for this particular contract?

DEPUTY SPEAKER COATSWORTH:

Rep. Swieszkowski.

REP. SWIESZKOWSKI: (26th)

Through you, Mr. Speaker, I do not have that information.

REP. LEONARD: (111th)

Thank you very much, Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Will you remark further on the amendment? Rep. Parker.

REP. PARKER: (31st)

Through you, a question to the proponent of the bill. Through you, Mr. Speaker, lines 500-501 reads stating the findings of the study and the cost of conducting the study. If as you say it is anticipated that the study will be an in-house study, why are we mentioning and segregating cost?

DEPUTY SPEAKER COATSWORTH:

Does the gentleman care to respond?

REP. SWIESZKOWSKI: (26th)

Mr. Speaker, through you, I would appreciate it if the lady was more specific in reference to some lines.

REP. PARKER: (31st)

Lines 500, 501, page 12 of our file.

REP. SWIESZKOWSKI: (26th)

Through you, Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Rep. Swieszkowski.

REP. SWIESZKOWSKI: (26th)

I would interpret this as the cost for the survey should be from their own budget.

DEPUTY SPEAKER COATSWORTH:

Rep. Parker.

REP. PARKER: (31st)

Mr. Speaker, if we read the file very carefully, it is a very expensive type of study that is called for. We do have a Legislative Review Committee, we do have a sunset provision that is carried out by that committee. I personally doubt that the Executive Director, with the multiplicity of duties that are given to him in this file can even think of a study. And that is why I have submitted my amendment. I would like to add that my reasons for submitting the amendment were to make the file better.

I think that we cannot hope to get this information from the Executive Director. I think that if you had read the file as I have, word for word, line for line, you will find that the Executive Director is going to have to work 24 hours a day and will not even find time to do the other duties that are assigned to him. I urge support of this amendment.

REP. SHAYS: (147th)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Will you remark further on the adoption of the amendment?

REP. SHAYS: (147th)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Rep. Shays.

REP. SHAYS: (147th)

Thank you, Mr. Speaker. Mr. Speaker, I've supported amendments, Senate Amendments "A", "B" and "C" and House Amendments "A", "B" and "C". This amendment I don't support. I don't think it makes a better bill. I think the other amendments we heard did make it a better bill. I'm going to listen to any and all amendments by Rep. Parker and all those that do make it a better bill I'll support. But clearly this is at the most nit-picking. I don't think she has gotten to focus on anything of any substance in the bill.

The Commission should do these studies and the language in the bill should empower them to do them and encourage them to do them. As to who pays for them, I feel very frankly that if they have, if the need to hire consultants, that that part of their budget which is General Fund budget would need the appropriation of the General Assembly or the concurrence of OPM on a transfer of funds. I don't think it's a good amendment and I don't think it should be adopted.

DEPUTY SPEAKER COATSWORTH:

Will you remark further on the amendment?

REP. SWIESZKOWSKI: (26th)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Rep. Swieszkowski.

REP. SWIESZKOWSKI: (26th)

When the vote is taken, I request that it's taken by roll call.

DEPUTY SPEAKER COATSWORTH:

The gentleman has requested a roll call vote. All those in favor of voting by roll call, please indicate by saying aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER COATSWORTH:

The necessary 20% having responded, a roll call vote will be ordered when appropriate. Will you remark further on House Amendment Schedule "C"? Will you remark further on House Amendment Schedule "D"? If not, members please be seated.

Members please be seated. Staff and guests come to the well of the House. The machine will be opened.

The House of Representatives is voting by roll call at this time. Will all members please return to the Chamber. The House of Representatives is voting by roll call at this time. Will all members please return to the Chamber.

Have all the members voted? And is your vote properly recorded? Have all the members voted? And is your vote properly recorded? If so, the machine will be locked and the Clerk will please take a tally.

The members are advised to remain in the Chamber and we'll have to re-vote on the entire amendment. Please remain in the Chamber. All the members please be seated. All the members please be seated.

Staff and guests come to the well of the House. All the members please be seated. The machine will be opened.

The House of Representatives is voting by roll call at this time. All members please return to the Chamber. The House of Representatives is voting by roll call at this time. All members please return to the Chamber.

Have all the members voted? And is your vote properly recorded? Have all the members voted? And is your vote properly recorded? If so, the machine will be locked. The Clerk will please take a tally.

The Clerk please announce the tally.

CLERK:

House Amendment "D" to Senate Bill No. 1387.

Total number voting	145
Necessary for adoption	73
Those voting yea	31
Those voting nay	114
Those absent and not voting	6

DEPUTY SPEAKER COATSWORTH:

The amendment fails.

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REP. HOFMEISTER: (117th)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Will you remark further on the bill as amended? Rep. Hofmeister.

REP. HOFMEISTER: (117th)

Mr. Speaker, I'd like to rise in opposition to the bill. You asked a question what purpose for this change, and the proponent discusses areas of concern, rhetoric, the data processing problems, and we all know that the Motor Vehicle Department has problems with data processing. My own car, which I went down to the Motor Vehicle office, paid in cash in September to register my two vehicles in January, their computer said that I wasn't registered anymore.

The Tax Department has problems. Do they have a handle on our State employees and all their addresses? It takes 6 to 8 weeks for a State employee, a new employee to get his first check. Do they have a handle on the Accounts Payable? All problems dealing with data processing.

A new corporation wants to get its papers. It used to take a week, maybe two. Now it takes a month, maybe two, maybe three. What's the reason for the problem? Is it the management of the department? Or the agency? Or is it data processing problems or what have you? Everybody has those problems. What

has occurred to change the make-up? I wish I could go back personally into the history, 1971 with its Commission on Special Revenue was created through an agreement with the State leadership at the time. During that particular session, the Democratic party controlled the General Assembly, and the Governor was controlled by the Republicans. Thomas Meskill was the Governor.

Those in power to make the decisions at that time on both sides of the political fence, established three major points concerning the Commission. One, that five of the Commissioners would be appointed by the Governor, two from the Senate, two from the House. It was obvious that it was in everyone's best interest that the make-up of this very sensitive and important agency be divided between the two political parties. It was agreed that the Chairman of the Commission would be elected by the Commissioners. It was agreed that six affirmative voters to grant any licensing, there, would ensure that a political power play on the part of the majority could not take place and that all licensing would require the support of both parties.

Now, efforts are underway to change some of the safeguards that were built into the original legislation. Recent history dictates to us some of the perils that are involved or inherent when all of the appointive powers are vested in one person. A few years ago the former governor of Illinois, Donald Kerner, was indicated and convicted of fraud concerning a race track in his

state. A few years ago the governor of Maryland faced serious charges concerning improprieties about a race track in Maryland. Interestingly enough, if either of those states, the same safeguards that are built into Connecticut law, in both incidences may never have occurred.

Since its inception, the Commission on Special Revenue has apparently bent over backwards to keep itself above reproach. We may not like the lottery or the racing or the off-track betting, but at least we know that all major decisions concerning all the mentioned categories would be, are made in the light of what is the State's best interests. We further ask ourselves the question concerning why the grab by the Executive Branch for the power of selecting the Commissioner or the control of the organization, the agency on gambling.

From what I understand, the Commission has operated for 8 years with the nine Commissioners, or Commission members, without major problems. We wonder whether there were any special party line votes which may have caused these changes, this change to be brought forth to us. I don't know of any. I wonder why should the Legislature, why should we lose our involvement in the selection of the members of the Commission? Why? It's very important. I think gambling's very, very important.

It began with the lottery. We've got jai-alai, we've got race tracks forthcoming, possibly. Dog track. We're going

to be able to go down to New Haven and you're going to be able to see the races go round and round on a TV screen and we're going to be able to bet a lot of money. I wonder, who wants what? What's the real reason for this change?

Enormous amounts of money are involved. We all know that. But I still haven't listened to, or I haven't heard in the debate today why, why do we want to divorce ourselves from involvement in establishing the leadership, the management of the gambling agency in this state? Why? I haven't heard any good reasons. It seems to me reasonable to expect it would be very difficult for anybody or any group of people to influence at least six members of a nine-member Commission. How difficult would these so-called masters in lobbying techniques that I've heard of today, how great, what a heck of a good job these people do, how they're the best some of us have seen in years. How would they be able to manipulate one individual?

I really don't understand who stands to gain by this change. And Mr. Speaker, when we get down to the vote I really wish we'd think this thing through and keep the agency as we have it now. Don't change it. We stand to lose. I think the State of Connecticut stands to lose.

Mr. Speaker, I oppose this legislation.

REP. HANLON: (70th)

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DEPUTY SPEAKER COATSWORTH:

Will you remark further on the bill as amended?

REP. HANLON: (70th)

Mr. Speaker, Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Rep. Neal Hanlon.

REP. HANLON: (70th)

Thank you, Mr. Speaker. Through you, Mr. Speaker, I'd like to pose a question of the gentleman reporting the bill out.

DEPUTY SPEAKER COATSWORTH:

Please frame your question, sir.

REP. HANLON: (70th)

Through you, Mr. Speaker. Mr. Swieszkowski, directing your attention to line 420 through 428 of the file copy of the bill, these provisions relate to individuals who would not be permitted to wager at betting facilities, race tracks, etc., and also to that classification of individuals who would not be permitted to purchase lottery tickets. And my question, through you, Mr. Speaker, is why is there a distinction between the classification of persons who can wager at facilities versus those that are entitled to buy lottery tickets?

DEPUTY SPEAKER COATSWORTH:

Does the gentleman care to respond to the question?

REP. SWIESZKOWSKI: (26th)

Through you, Mr. Speaker. Mr. Speaker, through you, I would appreciate it if the gentleman would repeat his question.

DEPUTY SPEAKER COATSWORTH:

Rep. Hanlon.

REP. HANLON: (70th)

Mr. Speaker, through you, I'll reframe the question. Why are not employees of either the Division or the Board prohibited from wagering at betting facilities, race tracks or frontons under this provision?

DEPUTY SPEAKER COATSWORTH:

Rep. Swieszkowski.

REP. SWIESZKOWSKI: (26th)

Through you, Mr. Speaker. I'm not sure that I understand the question, sir. If you mean why are we preventing them from purchasing a ticket at the place where they are employed?

REP. HANLON: (70th)

Mr. Speaker, I'll try again.

DEPUTY SPEAKER COATSWORTH:

Would the gentleman like to rephrase his question? Rep. Hanlon.

REP. HANLON: (70th)

Yes. In the first sentence, in lines 420 through 428, we indicate three classifications of individuals who cannot wager

at these facilities. My question through you is, why is this not broader? Why do we not include judges, stewards, other employees of the Board or Division?

REP. SWIESZKOWSKI: (26th)

Mr. Speaker, through you.

DEPUTY SPEAKER COATSWORTH:

Rep. Swieszkowski.

REP. SWIESZKOWSKI: (26th)

The other people may be included through the regulations.

DEPUTY SPEAKER COATSWORTH:

Rep. Hanlon.

REP. HANLON: (70th)

Through you, Mr. Speaker. Would you not think it would be wise to include this in the statute and not leave it to the whim of those who may or may not make regulations?

DEPUTY SPEAKER COATSWORTH:

Rep. Swieszkowski.

REP. SWIESZKOWSKI: (26th)

Mr. Speaker, through you. We feel that we should leave some decisions to the new advisory board that we consider to be capable, qualified and have some expertise. We feel some of the rules should be given to them so that they can pass them on and at this time we feel it is sufficient in our opinion, to include the Director, the Unit Head and also the Board.

DEPUTY SPEAKER COATSWORTH:

Rep. Hanlon.

REP. HANLON: (70th)

Through you, Mr. Speaker. Could the gentleman explain to me what his rationale or in fact the rationale of the Committee was in prohibiting employees of the Division or Board from purchasing lottery tickets but not prohibiting them from wagering at these facilities?

DEPUTY SPEAKER COATSWORTH:

Rep. Swieszkowski.

REP. SWIESZKOWSKI: (26th)

Through you, Mr. Speaker. We felt that if an individual resides in New Haven and if he were to come to Hartford Jai-Alai, my personal opinion, and I feel this is how the Committee felt, we should not deprive him of that privilege.

REP. HANLON: (70th)

Through you, Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Rep. Hanlon.

REP. HANLON: (70th)

If an individual were employed at Hartford Jai-Alai under the file copy of this bill, would he not be permitted to wager at Hartford Jai-Alai if he chose to?

DEPUTY SPEAKER COATSWORTH:

Rep. Swieszkowski.

REP. SWIESZKOWSKI: (26th)

Through you, Mr. Speaker. To the best of my knowledge, no because of the rules that the Special Commission has at this time.

DEPUTY SPEAKER COATSWORTH:

Rep. Hanlon.

REP. HANLON: (70th)

Through you, Mr. Speaker. Are the rules referred to in the file copy of the bill, or could the gentleman give me specific deference to such rule?

DEPUTY SPEAKER COATSWORTH:

Does the gentleman care to respond?

REP. SWIESZKOWSKI: (26th)

Yes, Mr. Speaker, through you. The rules are in the regulations of the Gaming Commission.

Mr. Speaker, through you. Section 12-56113, ticket sales, purchase restrictions. No tickets shall be purchased by and no price shall be paid to any Commissioner, the Secretary, the Director or employees of the Commission or to any spouse, child, brother, sister, etc.

DEPUTY SPEAKER COATSWORTH:

Rep. Hanlon.

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REP. HANLON: (70th)

Through you, Mr. Speaker. Would not the intent of those regulations promulgated by the present Commission be superceded by the enactment of this bill?

DEPUTY SPEAKER COATSWORTH:

Rep. Swieszkowski.

REP. SWIESZKOWSKI: (26th)

Through you, Mr. Speaker. In my opinion, no.

REP. HANLON: (70th)

Through you, Mr. Speaker, could the gentleman --

DEPUTY SPEAKER COATSWORTH:

Rep. Hanlon.

REP. HANLON: (70th)

Could the gentleman explain his rationale for saying it would not be superceded by this statute that we're enacting today?

DEPUTY SPEAKER COATSWORTH:

Rep. Swieszkowski.

REP. SWIESZKOWSKI: (26th)

Through you, Mr. Speaker, the rationale in my opinion the rules and regulations of the Commission should be affecting and will be affecting the personnel and I don't see any specifics whereas we are overriding those rules and regulations in our bill.

DEPUTY SPEAKER COATSWORTH:

Rep. Hanlon.

REP. HANLON: (70th)

Through you, Mr. Speaker. Is it the gentleman's opinion that a regulation previously promulgated supercedes or takes priority over --

REP. MIGLIARO: (80th)

Point of Order, Mr. Speaker. Point of Order.

DEPUTY SPEAKER COATSWORTH:

Make your Point of Order.

REP. MIGLIARO: (80th)

If I may, may I say through the Chair, Mr. Speaker, I notice that the Clerk has been getting into the debate over there and as Rep. Hanlon is asking a question, the clerk is leaning over and getting involved in the debate. I wonder if it is supposed to be that way. One of the clerks on the Committee, Mr. Speaker. I would wish that the answers would be coming from the chairman without any assistance from a clerk of the Committee. And I wonder if it's in order.

DEPUTY SPEAKER COATSWORTH:

The Chair thanks you for your Point of Order, Rep. Migliaro. We're advised, members of the rules which require that only members speak on the floor of this House. But would in this case, Mr. Migliaro, since the Chair has no reason to believe that your assertion is correct, rule that your Point of Order is not well taken. Rep. Hanlon, you have the floor.

REP. HANLON: (70th)

Thank you, Mr. Speaker. Through you, Mr. Speaker, the question that I believe I had framed to Mr. Swieszkowski was is it his opinion that a regulation previously promulgated by the Commission on Special Revenue would supercede or take priority over a statute enacted by the General Assembly?

REP. SWIESZKOWSKI: (26th)

Through you, Mr. Speaker --

DEPUTY SPEAKER COATSWORTH: The question that you asked the Rep. Swieszkowski.

REP. SWIESZKOWSKI: (26th) No.

No.

REP. HANLON: (70th)

Through you, Mr. Speaker.

DEPUTY SPEAKER COATSWORTH: Rep. Hanlon.

REP. HANLON: (70th)

Then, taking that answer into consideration, would it not be so that to the extent that this new law is inconsistent with that regulation, that this new law would supercede in a priority over that previous regulation and therefore employees would be permitted to wager at facilities in the State of Connecticut?

DEPUTY SPEAKER COATSWORTH:

Rep. Swieszkowski.

REP. SWIESZKOWSKI: (26th)

Mr. Speaker, through you. No, sir.

REP. HANLON: (70th)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Rep. Hanlon.

REP. HANLON: (70th)

I, with due respect to the gentleman who's reporting out the bill, I believe his answers were inconsistent with regard to the application of the regulation and the statute. And in order to clarify it, I'm sure the membership will be delighted to know that the Clerk has another amendment. And I would ask the Clerk to call LCO No. 8853. And read, please.

DEPUTY SPEAKER COATSWORTH:

The Clerk will please call and read LCO No. 8853, hereby designated House Amendment Schedule "E".

CLERK:

LCO No. 8853, offered by Rep. Van Norstrand, et al. In line 421, after the comma and before the word "unit" insert the word "judge, stewart". After the word "head" and before the word "or", insert the word "employee". In line 422, after the word "board" insert the word "or division".

REP. HANLON: (70th)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

You have the amendment, sir. What is your pleasure?

REP. HANLON: (70th)

I would move adoption of the amendment, Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

The question is on adoption of House Amendment Schedule "E". Will you remark, sir?

REP. HANLON: (70th)

Yes, Mr. Speaker. This amendment is intended merely to clarify the questions that I believe have been raised as a result of the dialogue between myself and the chairman of the Committee. It makes clear that judges, stewards and other employees of the Commission or the Board would not be permitted to wager at facilities throughout the State of Connecticut. And I think that if this is what the current law is under regulation, this would merely conform our statute to what the pre-existing regulations are. I personally do not believe that the regulations presently in existence would survive the enactment of this new statute. And I believe we should make it clear the employees, judges, stewards, whatever, cannot in fact wager at frontons and racing facilities and off-track betting facilities throughout the State.

I would hope that the membership would consider this amendment on its merits. I would hope that we would not have a party-line vote on it. I think it's a meritorious amendment and

I think it would clarify the intention of the Legislature in enacting this legislation. I would urge adoption.

DEPUTY SPEAKER COATSWORTH:

Will you remark further on the adoption of House Amendment Schedule "E"?

REP. SMOKO: (91st)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Rep. Ronald Smoko.

REP. SMOKO: (91st)

Mr. Speaker, I rise in opposition of the amendment. Quite frankly, simply because I think logic would dictate that the regulations as promulgated in the existing Commission, would continue to exist after the enactment date of this legislation. If for no other reason than the incoming Commission would adopt in mass all current regulations and would continue to operate under those until such time as they could make determination whether or not change is indeed necessary.

I think the amendment is somewhat of an oversimplification. The regulations as were promulgated are very specific as to what types of activity are permitted in each Division. I think they are far better codified into regulation. I've just been handed Section 438-d, subsection b, which is entitled Continuance of Orders and Regulations, and let me quote that, because I think that

will substantiate what my initial thoughts were. Any order or regulation of a Department, Institution or Agency, or a Division thereof, the functions, powers or duties of which are so assigned or transferred.

So I think that would mean, through you, Mr. Speaker, that the existing regulations would indeed continue after the effective date until such a time as the new Commission or new Board would indeed choose to adopt or make any amendments. Thank you, Mr. Speaker.

REP. JAEKLE: (122nd)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Will you remark further on the amendment? Rep. Jaekle.

REP. JAEKLE: (122nd)

Thank you, Mr. Speaker. A question through you to Rep. Smoko, please.

DEPUTY SPEAKER COATSWORTH:

Please frame your question, sir.

REP. JAEKLE: (122nd)

Thank you, Mr. Speaker. Through you, do current regulations prohibit employees of the Division or Board from purchasing lottery tickets? Through you, Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Rep. Smoko, for a response.

REP. SMOKO: (91st)

Through you, Mr. Speaker, it's my understanding that members of the Lottery Division are prohibited from buying tickets.

REP. JAEKLE: (122nd)

Mr. Speaker, again through you, by regulation or by statute?

DEPUTY SPEAKER COATSWORTH:

Or Mr. Rep. Smoko.

REP. SMOKO: (91st)

Through you, Mr. Speaker, I believe that is the one exclusion that's done by statute.

DEPUTY SPEAKER COATSWORTH:

Spears. Rep. Jaekle.

REP. JAEKLE: (122nd)

Thank you. One further question, do you have the statutory citation on that statutory exclusion, please? Through you.

DEPUTY SPEAKER COATSWORTH:

Rep. Smoko, for a response.

REP. SMOKO: (91st)

Through you, Mr. Speaker, excuse me. I was incorrect. It is by regulation 12-561-12, Ticket Sales Purchase Restrictions. I'm sorry, Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Rep. Jaekle.

REP. JAEKLE: (122nd)

Thank you, Mr. Speaker. A further question. If regulations currently prohibit employees of the Division or Board from purchasing lottery tickets, and I understand that regulations currently prohibit judges, stewards and employees of the Division or Board from wagering at the other special revenue facilities, why in the bill before us, File No. 1022, by statute, are we embodying the regulatory prohibition of employees purchasing lottery tickets and not by statute prohibiting employees from wagering at our special revenue facilities? Through you, Mr. Speaker.

REP. SMOKO: (91st)

Through you, Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Rep. Smoko.

REP. SMOKO: (91st)

We did discuss this in committee and we came to no set conclusion. It was our determination that this should be weighed by the Commission to determine what structuring they would want in the control of what members of each division could participate and that's the way it was left in committee, and we were referred to the regulations that had been promulgated and they did seem to

be comparable, comprehensive and apply to the situations and circumstances that we wanted to address, and we left it at that.

DEPUTY SPEAKER COATSWORTH:

Rep. Jaekle.

REP. JAEKLE: (122nd)

Thank you very much. Thank you, Rep. Smoko and Representative, Mr. Speaker. It just seems to me that something odd is going on here. We've been told that regulations currently prohibit employees from purchasing lottery tickets and regulations currently prohibit employees from wagering at our Special Revenue facilities, yet the Committee has seen fit to statutorily prohibit employees from purchasing lottery tickets, and yet argue against an amendment that would statutorily prohibit employees from wagering at Special Revenue facilities.

I don't see the consistency. I don't see the logic. If the Committee felt there was a need for statutes to govern the employees' conduct with respect to lottery tickets, I cannot see how they can consistently argue that that same statutory prohibition should not apply to Special Revenue facilities. I am sure the regulations are much more specific concerning lottery tickets than the statutory prohibition that's before us in Section 12 of the file copy. I'm afraid I see very little logic and very little merit to saying our statutes should govern purchase of lottery tickets and not wagering at OTB, jai-alai and dog tracks. We have

before us an amendment that will guarantee one thing. That what is currently decided to be improper conduct by employees through regulations will be embodied in our statutes. The same kind of logic, I would presume, which led the Committee to statutorily prohibit employees of the Division or Board from purchasing lottery tickets, seems very consistent with the scheme of this file copy, that we statutorily prohibit employees of the Division or Board from wagering at our Special Revenue facilities. And therefore, I urge support of this amendment. Thank you.

REP. SCULLY: (75th)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Rep. Scully.

REP. SCULLY: (75th)

Mr. Speaker, I rise against the amendment. And the first point I'd like to make is that not everybody agrees with the idea that this be put into law, too. Many of us felt that people who were going to gamble would have somebody else go out and buy the tickets for them anyway. So they're going to circumvent it if they want to, by having someone else purchase the ticket for them.

It's also so that if somebody wanted to go to a dog race or jai-alai meet with their wife, that the wife could just as easily go up and buy the tickets, too. So, really we're not

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stopping anything by putting the amendment in like this, because people will be able to do it anyway. Someone else will do it for them.

DEPUTY SPEAKER COATSWORTH:

Will you remark further on the amendment?

REP. HANLON: (70th)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Rep. Hanlon.

REP. HANLON: (70th)

Speaking very briefly, Mr. Speaker, I again would urge adoption of this amendment by this Chamber. And the question is, whether we want to delegate our authority for lawmaking to those individuals who make regulations, or if we want to hold onto that authority in this Chamber and upstairs. This is what we're really talking about.

The argument regarding the effectiveness of the regulations, whether they survive or not, frankly perhaps could be decided one way or another. But let's hold onto the lawmaking authority in this body and not give it to an agency, delegate our responsibility, our authority to make the laws of this State to some agency.

I think this is what we're talking about. I think this would make our statutes, the law that we pass today consistent with apparently what is the existing practice by way of

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regulation. Mr. Speaker, I would request that when the vote is taken on this amendment, that it be taken by roll.

DEPUTY SPEAKER COATSWORTH:

The question is on a roll call vote. All those in favor of voting by roll call, please indicate by saying aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER COATSWORTH:

The necessary 20% having responded, a roll call vote will be ordered when appropriate. Will you remark further on the adoption of House Amendment Schedule "E"?

REP. BARNES: (21st)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Rep. Dorothy Barnes.

REP. BARNES: (21st)

The citation that was made in connection with ongoing activities of agencies, divisions and departments and so on, was a section of the reorganization statute put in place in order to carry over the transfer of power from one department to the new super-department. I think that in view of past history, particularly as history involves the jai-alai frontons, it serves this Assembly well to support this amendment to show clearly the Legislature's desire to have people involved in the gaming

industry not involved in its activities. Thank you.

DEPUTY SPEAKER COATSWORTH:

Will you remark further on the amendment? Will you remark further on the amendment? If not, would the members please be seated. Staff and guests come to the well of the House. Will members please be seated. Staff and guests come to the well of the House. The machine will be opened.

The House of Representatives is voting by roll call at this time. All members please return to the Chamber. The House of Representatives is voting by roll call at this time. All members please return to the Chamber.

Have all the members voted? And is your vote properly recorded? Have all the members voted? And is your vote properly recorded? If so, the machine will be locked. The Clerk will please take a tally.

REP. MANNIX: (142nd)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Rep. John Mannix.

REP. MANNIX: (142nd)

In the affirmative, please.

DEPUTY SPEAKER COATSWORTH:

The Clerk will please note. Rep. John Mannix would like his vote cast in the affirmative.

The Clerk will please announce the tally.

CLERK:

House Amendment Schedule "E" to Senate Bill No. 1387.

Total number voting	146
Necessary for adoption	74
Those voting yea	57
Those voting nay	89
Those absent and not voting	5

DEPUTY SPEAKER COATSWORTH:

The amendment fails.

Will you remark further on the bill as amended? Will you remark further on the bill as amended?

REP. MISCIKOSKI: (65th)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Rep. John Miscikoski.

REP. MISCIKOSKI: (65th)

Mr. Speaker, in all the debate we've had here this afternoon so far, if everyone paid attention, they certainly could hear that we don't need to change the Gaming Commission from its present structure. I'd like to take and just give you one resume of one employee of the Commission. His name is John F. Winchester. He's the Director of the Lottery. I just want to give you the background of this gentleman.

Immediately prior to his appoint as the Director in March of '73, Mr. Winchester served as an assistant director of the Lottery Division, the Connecticut Commission on Special Revenue. Previously, Mr. Winchester was a consultant in the area of marketing and economics. In addition, he spent nearly 20 years in industry working with statistics, economics and marketing. Mr. Winchester is presently an instructor of economics at the University of Connecticut and has taught courses in marketing at the Central Connecticut State College and at the Northeastern University in Boston, Massachusetts.

He has been in many organizations, including the American Economics Association, the American Statistical Association, American Marketing Association, the National Economics Club and Automobile Market Research Council. Mr. Winchester served 12 years on the Board of Education. He is currently president of the National Association of the State Lotteries. Mr. Winchester received his A.B. degree in Economics at St. Albans College in Manchester, New Hampshire and an MBA in Banking and Finance at the Walter School of Commerce and Finance, the University of Pennsylvania, Philadelphia, Pennsylvania.

Mr. Winchester served in the United States Navy from 1943 til 1946. Now, those are qualifications of just one man that's working on the Gaming Commission.

And ladies and gentlemen, like I said before, that I'm

pleading here to preserve the present Commission for the outstanding job that they have done. And I'm sure they will continue. In the next budget coming up, we have \$77.7 million that's coming from the Gaminb. In a short time I'm sure it's going to hit the \$100 million mark. Now, if people want to take in this Legislature, and appoint a green crew, because that's what we're going to get. People that are going to have to learn on-the-job training, when we've got expertise on the present Commission. And as I said before, and I like all the governors including Governor Meskill, because without him we wouldn't be debating this here today.

And possibly at the same time, by now, we would have had the State income tax, because what other way would they be able to raise revenue that we've been raising. And that \$100,000 study, I wish they had given the money to the players that are playing in the State of Connecticut, instead of wasting it on that study, when we didn't even need one. It's just sad to see here how we took away \$100,000 from the players, and I still haven't heard here today one bit of reason why we should take and restructure the Gaming Commission.

I would like to see, I don't say this too often, but if everybody listened to the debate today, he'd have no alternative but to defend the present Commission for the outstanding job that they have done and they deserve a raise. And they've been corrupt-free. And we have the toughest regulations in the country. Think

about it. None of these people went to jail for anything. Now, we're going to give them a reward by restructuring it and throwing them out. And if this is the way the people in this Legislature might think, and I'm sure they don't, I'm sure that they would take, and in all honestly, want to reward these people and keep this. And when they set up this present system, you can see how good it was, it lasted so long, til now. They want to take it and make a change unjustifiably. Thank you.

DEPUTY SPEAKER COATSWORTH:

Will you remark further on the bill as amended?

REP. VAN NORSTRAND: (141st)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Rep. Van Norstrand.

REP. VAN NORSTRAND: (141st)

Mr. Speaker, this is a, must be a happy moment for the people on the other side of the aisle. We are almost at the point where for the first time in the day, those itchy fingers can touch a green button. It's interesting how we got here. In 1978, the Commission asked for \$10,000 to make a study. It's been discussed in the debate. And they were turned down. And we ended up spending 10 times that to get to this moment.

I hope you think the product is worth it. I don't necessarily. I just would like you to reflect a little on what you're

doing here. For one thing, if you pass this bill you're changing, as has been mentioned, the entire appointment procedure. You're in essence giving up the legislative voice. Earlier, Rep. Miscikoski said you don't know how, since the present system was political. And I know that Rep. Migliaro said, you don't know who these new people are.

Well, I don't think I have any news for you. This system is going to remain political and we do know who the new people are. At least some of them. In short, the Governor will become the whole show in this operation. Maybe some of you will sigh relief, it's off your shoulders. Because in essence, the problems are now her problems. Alleges to real, whatever has been in the press, they will be hers because it's a direct line of authority.

I'm troubled too in another thing we are doing if we pass this bill. This is a very sensitive area, and as I see it, public input has been severely limited. It's probably one of the most sensitive regulatory areas in government. The present Commission operates with public hearings, public meetings. You know have a situation where one man, in essence, will do much of the day-to-day administration and beyond that, as we discussed in an earlier amendment. And of course he's now hidden under layers of bureaucracy. Public's ability to find out what's going on in this area is going to be severely circumscribed, I think.

Another aspect of this is, as has been mentioned, you're

bringing in a rookie team to address a multi-million dollar business. And I would ask you how can a new, if they meet once a month or once a week as Rep. Swieszkowski said they might, but basically how can a once-a-month rookie team compete in terms of influence and ever prevail against the well-staffed Executive Director, and I did not coin the phrase czar or use it in debate? You're building in functionally weak oversights. Again, I would ask, is that intended? Is that what you want?

And what about the powers of this Executive Director? If you review different sections of the bill, he and he alone, with no advice and consent, no approval, he alone, he will appoint the judges, stewards, veterinarians, much of that patronage. He alone decides on employee bonding. He alone or the Commission but he alone, or even he as designee can hold investigatory hearings, issue subpoenas. We addressed that in an amendment earlier. Pick the depositories for funds and their compensation. He alone. The same for claim centers, not as monumental. On all the concessions he will decide who gets them.

He alone can remove any employee. There isn't even a reporting requirement here in terms of oversight, of the Policy Board. He can send agents to the premises to investigate, it's not a Board function. No reporting. No requirements. It goes on and on. And it's all in camera, closed doors, one man. And that's listed powers. You and I know if you run a business, the

person who makes the bulk of the decisions is the one who's there to fill the vacuum. The guy who's on the job all the time. And that's him. He will make other decisions. I can't tell you what they are. And worse yet, no one will ever be able to tell you what they are, because no one will ever know who he talked to.

I don't think it's a step forward in terms of ensuring honest conduct of gaming in this state. Because it's conducted by one person alone. Much more easy than convincing six out of nine, let alone at least one from the other party. This happens, all that conduct, no public meeting.

Mr. Speaker, the debate on the amendments, the votes, have made it clear to me at least, what the likely result is on this. And I think in essence you are putting a substantial portion of gaming regulations in this state in the closet. Out of sight. And I think that's wrong. I oppose the bill, Mr. Speaker. I do not think it's a step in the right direction or a step in the public's interest.

DEPUTY SPEAKER COATSWORTH:

Will you remark further? Will you remark further on the bill as amended?

REP. SHAYS: (147th)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Rep. Shays.

REP. SHAYS: (147th)

Thank you, Mr. Speaker. Mr. Speaker, I would have deferred and had my minority leader speak after me, but he spoke, he stood up before I had the chance to and before others possibly wanting to speak. But I do want to make a number of statements and comments on the bill.

I think it's an excellent bill. I have no reservations about this bill, none whatsoever. I supported amendments that would have made it a better bill. But it's still an excellent bill. I support the bill for many reasons. One, I think we need new Commission members, and two, I think we need a different system. And if you look at the bill I think what we have just heard is an exaggeration of what the facts actually are. We have a nine-member Board that's part-time. They're paid \$10,000. We'll now have a five-member Board. They're part-time. They'll be given \$50 per diem.

We have an Executive Secretary who's now changed to become an Executive Director. The bill redefines and clarifies the powers of each, and I can tell you there are moments now where it's unclear as to who has those powers. The general policy decisions and the major policy decisions, they're going to be the Board's. The day-to-day operations will be the Executive Director's. If you take a look in the bill and see what the powers are of the Board, they're fairly clear. They can issue and revoke

pari-mutuel facility licenses. They can grant racing and jai-alai meeting dates to pari-mutuel facilities. They can improve contracts regarding lottery and OTB. They can approve sophisticated forms of the tri-fectas of pari-mutuel betting. They can impose fines or licenses. Now they can advise the Executive Director on the operation of lottery and off-track betting. They can hold hearings and investigations. They can assist in the development and approval of regulations, and they can advise the Governor on the status of legalized gaming.

That's their powers. It's well defined. Now, we have a five-member Board. I'm told that this five-member Board will be appointed by the Governor and we have no say. Well, this five-member Board will be appointed by the Governor and we have a lot to say because these members have advice and consent. We have advice and consent on these members.

I don't know if you remember when Rep. Bozzuto sent out a letter and said I have the powers to make an appointment. Do you have any suggestions? Maybe some of you made suggestions to Rep. Bozzuto. I did. I retracted mine later on when I found out the individual would have a conflict. But then Rep. Bozzuto made a legislator's appointment. It wasn't my appointment. I thought, I don't like his appointment, I'm going to vote against it when it comes before me for my consideration.

And then I realized, I don't have any say. Don't be

fooled for one minute. There is no legislative oversight of gaming right now. There are legislators who can make appointments and they have oversight. And in addition I also feel they have an in to the Commission.

The Executive Director, the Executive Director. He was Executive Secretary. Did you have any say in the appointment of the Executive Secretary before? You didn't, but you will now. Because he has to come before you for your consideration. If you don't like him, you can vote against him.

To me, this bill gives more legislative control. Control that I never had as a member before. I could complain about it, I could go to the press, but I had no power. The bill also does some other things, and I'd like to point out some of them. It imposes a ban on the active participation during terms of service by Board members. It, in terms of the political management and campaign. It also, for the first time, I might add, puts a ban on accepting employment with the gaming industry for a period of two years subsequent to termination of appointment by the Board members.

This is the revolving door provision in this bill. We don't have that now. A third point. It places a ban on all communication by Board members without the presence of the entire Board, concerning matter pending or impending before the Board. Do you know that now a Commission member can have private

conversations with an individual about matters pending before the Board? This bill, for the first time, would prevent that. That's a step in the right direction.

You know, I often wondered why did the owners of the Plainfield Dog Track feel it imperative to hire the law firms of both the Democratic State Chairman and the Republican State Chairman in order to get their license. No one can really know that answer. But I have a feeling and a gut feeling that I'm not hesitant to say. I believe that was one way you could make sure you got your license. Because I feel that this Commission has been political through and through. And I'm not going to be hesitant to say that.

Why are the major appointments through this Commission right now, why do those major appointments have to go before both the Democratic State Chairman and the Republican State Chairman? Because there was at a time way back, an agreement, that this wouldn't be a partisan commission. No, it would be a bi-partisan commission. And very political, I might add.

This bill may have faults to some, and some may vote against it for any number of reasons. We can't be certain that this will be the end-all. But I have to tell you, I respect Governor Grasso for this bill. I respect the fact that the Gaming the Public Service, excuse me, the Public Safety Committee, has ability to work on this bill and do their will on it. I was also

Regulate Activities four years ago and we worked on the PUCA bill. That bill -- I was on the Committee. We worked for months and months and months. Then we were presented a bill and told basically we had to accept it. It was the Governor's bill just as she wanted it. It didn't happen this time. I don't know why it didn't happen. I don't know why, too, when we presented amendments that would make it a better bill, they were accepted. I guess the Committee members wanted it to be the best bill possible.

And my hat's off to the chairman of the Committee for having that happen. We've been told that the Governor could wait and gain control of this Commission. If that's true, if she could gain control of the Commission, why does she want a new Commission? I have a gut feeling that if she could have control of the Commission under the present system with her appointments, and now she could have control now, that it must be for some reason other than just wanting control. I think for the first time we're going to have accountability.

Obviously, the Executive Director is pivotal. But the thing is, that for the first time Governor Grasso's going to be accountable for gaming in this state. And to me more than any other reason it's the reason for Republicans to vote for this. For for the last four years, she could blame Republicans. She can't blame anyone right now. She can only blame herself if the Commission doesn't work out well.

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It's an excellent bill. I support it with no reservations.

REP. MISCIKOSKI: (65th)

Mr. Speaker. Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Will you remark further on the bill as amended? Will you remark further on the bill as amended?

REP. MISCIKOSKI: (65th)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Rep. Miscikoski, I believe, for the third time.

REP. MISCIKOSKI: (65th)

Mr. Speaker --

DEPUTY SPEAKER COATSWORTH:

For the third time, sir. Seek leave of the Chamber, unanimous consent to speak for the third time. Is there objection? Is there objection? Hearing none, Rep. Miscikoski.

REP. MISCIKOSKI: (65th)

Thank you, Mr. Speaker. I can understand what Rep. Shays' saying, because he's been against gambling ever since I came back this year. He's part of the one that I've been referring to about misleading the people in the State of Connecticut about crime and corruption and so they sent the State Police to his house. And after that, there was nothing.

But you see, the thing is, our Chairman of the Committee

is against gambling. He campaigned for the State income tax and got elected. I don't understand that. He's the only man who campaigned for it and won. Evidently the people in his district aren't paying attention, because that isn't what the demand of the people is.

And these people that are objecting to a lot of these things that they're trying to take and sway into their way of thinking. It's nice, all these here technicalities that Rep. Shays has mentioned. Fine. You can do that with the present Commission. Many of the things that they wanted to do, the Legislature wouldn't give it to them. Because nobody understood or paid any attention to see what they're doing down there. Including the chairman, the Senate chairman. He doesn't know anything about the Gaming Commission down there.

Because he's against gambling. He's the minority that's against gambling and he's for the State income tax. And everybody that's for the State income tax constantly keeps misleading the public of this state, so they can abolish gambling and give them the State income tax, so the politicians will have all the money they want to spend it, blow it any way they want.

Well, as long as I'm alive, I'll constantly fight against the State income tax. That's one of the reasons why this is in existence, not only the fact that I won a car in 1947 and I thought it was a good idea. And do you know in 1934, the sirloin

steak was 29¢ a pound? And that you could buy a house with a two-car garage for \$2800, plus a brand-new car for \$598? But really, ladies and gentlemen, getting back to business.

When these people get up, they're misleading again. One time I thought I was going to be a Gaming Commissioner and that's why I didn't run. For four years they said, you're the Commissioner. I want to tell you something, I'm happy that the Governor and anybody else never appointed me. Because then I would have to take all that garbage that's being thrown at these people who are working in the best interest of the people of the State of Connecticut. And that's why I'm defending them. The system has been excellent. We're taking a shot in the dark.

And as I say, the Governor is not losing one single thing. Because June 30th, she has her day again. And I like the Governor. Just because I stick up for what I think is right, and I think I've paid plenty of attention to this. I've fought anything and everything for 17 years, fought all these people, the FBI, you name them. Crime and corruption. I heard everything. Prostitution. I don't see any of this.

And any time any person wants that they can get in the headlines, shoot the Gaming Commission. That's a good place to go, they feel. You know, it's time we stopped misleading the people, really. And go back to that 29¢ sirloin steak a pound.

DEPUTY SPEAKER COATSWORTH:

Will you remark further on the bill as amended?

REP. RITTER: (6th)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Rep. George Ritter.

REP. RITTER: (6th)

Mr. Speaker, some of the new members of the House may not give Mr. Miscikoski his real due. He was a hell of a host at the Hawaiian Room. He ran a great Hawaiian Room. He really did. And for that reason as well as others, I'm really sorry to have to disagree with him. To go back just briefly into history: in 1971, when _____, an income tax proponent introduced and we discussed an income tax bill, that would have raised \$550 million, Mr. Miscikoski got up and he gave us a good, a good substitute bill that would do just the same thing. And he wanted us to support a lottery, which would raise, do the same thing.

The income tax bill, remember, would have raised \$550 million. The lottery would have raised \$5 million. And there's the story in terms of the credibility of that point of view, in my opinion. He didn't say it would raise \$5 million. He said it would do the same thing. And don't let the people of this state be fooled. This source of revenue is not an endless pit. But it

does, whatever it does raise come primarily from poor people and from low income people and from working people who generally cannot afford to invest in what has been called the poor man's stock market.

This is a very poor way for the State of Connecticut to raise revenue. And I have opposed it from the beginning and I oppose it again today. But that is not the essential question. The essential question is, since we do have these revenue-raisers in place, how can they best be administered? And how can the operators be dealt with? And how can applicants for additional pari-mutuel facilities best be treated?

I voted for three Republican amendments, today. And I did it in each case, except frankly not the first one -- I made a mistake on the first one. But the last two I did because I believe very keenly on their merits they should be supported. I say that for this reason. This is an important measure which we're going to vote on. I plead with everyone, regardless of party affiliation, if it is possible to support this bill, to do so.

Because there must be a demonstration to the people of the state that there is an overwhelming support for this change, because it is a very important change. And I think we do a disservice if we vote on a party-line basis regardless of the merits as we see it. There will be those on the merits who will

certainly believe, that they will vote against it. And I'm not talking to them in this sense.

For the last two years, as the Chairman of the General Law Committee, it was my responsibility, along with members of that Committee, to give oversight, legislative oversight to the Gaming Commission. I want the record to reflect the fact that at no time did the present members or the then members of the Gaming Commission ever refuse to give us any information that we required. I want the record to reflect the fact that they were completely cooperative. They went out of their way, each one of them, especially the Chairperson, to be mindful of the proper legislative responsibilities of that Committee and to be entirely responsive to any demands that we made. And we made a great many of them.

I say that in order to say the following. In no sense am I voting for this bill in order to punish a group of people who did not do their job adequately in their fashion. I think that the present members have done an extraordinary job given the nature of the structure of the authority which they've been asked to enforce. I think it's impossible to have done a better job. I believe that that should be very clear so that no one who would conceivably be voting here today, would feel a need to be defensive and cast a no vote simply to demonstrate that position.

I think rather my own view is that the centralization of authority, much as the Representative from Stamford put it, to

save shorthand, to enable and require the Governor ultimately to be held responsible is the key to this change and essentially why I support it. And again, in closing may I say, I hope that one result of this will be that we will have less, not more gaming. I hope one of the results of this will be that we will have more stringent control, not less, and I hope one of the results will be that we will so long as we use this as a tax generating instrumentality, that we will come closer to fair taxes than we have.

And we've got to get back to a previous question, I say I'm very sorry that we did not have more time to discuss the question of tax increases on some of these pari-mutuels. I hope we will do that next year. But I'm sure that voting for this bill is going to enable the people of this state to be much more comfortable that what we do have in our state in gaming is going to be more adequately handled and in the last analysis, that one elected official will ultimately be held responsible.

DEPUTY SPEAKER COATSWORTH:

Will you remark further on the bill as amended? Will you remark further on the bill as amended?

REP. ALLEN: (143rd)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Rep. Yorke Allen.

REP. ALLEN: (143rd)

I should like to respond to some comments made by Rep. Hofmeister and Parker and others who have two questions about this bill. One, why make a change now? And my answer would be, because it seems clear that the management of the Gaming Commission is currently not being conducted as well as it should be and as well as it might be.

The second question was, who will benefit from a change in the structure, a change in the structure of the Gaming Commission? My answer is, the people of the State of Connecticut. A week ago, I was quite suspicious of this bill, because it seemed to be demolishing a bad part of the structure and in looking at the evidence, I've tried to see if the benefits would outweigh the changes, the cost of the changes, and there are, it seems to me three main documents. There is the ^{Cresap, McLarmick +} ~~Paget~~ Report, which we've discussed at length. There is the transcript of the public hearing held by the Public Safety Committee on April 6th, with respect to the ^{Cresap, et.} Report. And there is the file in the State Library across the street on the subject of gambling and the Gaming Commission.

If you read, as I'm sure many of us have, the ^{Cresap} Report, you will find that it is an extraordinarily dull document as far as the reading goes, partly because of the way it's written, but I believe the findings in it are clear enough if you're

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willing to translate the English into understandable English.

I'll quote only one sentence, not to prove that a lot of it is opaque, but what I think the test of the ^{Cresap, McCormick} ~~the~~ ^{Paquet} Report, where it's at. And I quote: the Commission, the Gaming Commission, appears to be enmeshed in day-to-day operating concerns and fragmented in its policy development role.

The impression that you get from the ^{Cresap, etc.} Report is that there are good people, some of them working quite hard on the present Gaming Commission, but who simply lack the capability of running the present Gaming Commission in the manner that is needed. When we come to the hearing that was held by the Public Safety Committee on April 6th, on the ^{Cresap, etc.} Report, we find that a large part of that discussion had to do with the contention on the part of the Commission that they'd not had sufficient time to study the report.

Thus, there are, there's a good deal to be learned from this. And when I read the testimony of the Chairman of the Gaming Commission, Beatrice Kowalski, on page 5 of the hearing, she made a rather pithy statement. And she said, and I quote, the way that the Office of Policy and Management and the management firm -- that's ^{Cresap, McCormick} ~~the~~ ^{+ Paquet} -- created the Commission, the Gaming Commission in regards to this study, is similar to the way mushrooms are grown. Kept in the dark and covered with manure.

Now, we can forgive a certain lack of elegance in that statement, and I think it shows that this Kowalski is a scrappy lady, particularly when defending her turf. But the impression given by the testimony of the Chairman of the Gaming Commission, the present Executive Secretary, James Fitzgerald and Commissioner Gloria Mar is that you have good people, trying hard, but their best is simply not good enough as far as running a complex organization is concerned.

The third bit of evidence I thought would interest, was the statement of an insider, Professor Lester B. Snyder of the University of Connecticut Law School, who was appointed to the Gaming Commission in 1976 by Lou Rome, although Professor Snyder is a Democrat, and Professor Snyder voluntarily resigned from the Gaming Commission on March 5th of this year.

This was in a full-page interview in the Hartford Courant, March 18, 1979, page 33. And the discussion was why he had resigned and his impression of the Gaming Commission from the inside. I will read just one sentence, one quotation from his statement to the Press. And he said, and I quote, it was just a mystery to me that I couldn't get these people to do the job that I thought they could do.

Once again, clear doubt is expressed by someone who knows a great deal on this subject as to whether or not the staff and the members of the Commission are up to the responsibility with

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which they are faced. I hope that as many as can will vote for this bill. Having been through a number of reorganizations and organizations, I've always have learned that the important point is not so much the structure of the boxes as they are drawn in the organizational chart, or whether in this instance the Commission shall have nine, seven, five or some other number of members. As Rep. Colucci said an hour ago, it is the caliber of the people placed in the key positions which counts.

And as we looked at some of the Governor's appointments, the Department Heads, Commissioners, we can be very proud, for example, in the case of the Department of Economic Development, proud of her appointment. But as you look at some of her other appointments, it makes one wince. In this instance, as Rep. Van Norstrand has said, the weakness of the bill is that so much is placed upon the shoulders of the proposed Executive Director.

Rep. Parker, for example, said that he's going to have to work 24 hours a day. I would reply to that that a good executive does not try to do the work himself. It is his job to see that all the other people get the job done.

Let's hope that if this bill is signed by the Governor, the person chosen to be Executive Director will measure up to the trust that is placed in him.

REP. MISCIKOSKI: (65th)

Mr. Speaker. For the fourth time, Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Will you remark further on the bill as amended? Will you remark further on the bill as amended?

Representative Dominick Swieszkowski.

REP. SWIESZKOWSKI: (26th)

Thank you, Mr. Speaker. I shall be very brief. I hope that the Honorable Minority Leader is incorrect in assuming that the powers that the Executive Director might have might bring corruption and some other problems, because if that happens I'll be very embarrassed and I'll be the first one to take appropriate action. I honestly believe that this bill will improve the accountability, efficiency of the administrative mechanism in this very special area. Thank you very much.

REP. MISCIKOSKI: (65th)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Will you remark further? Rep. --

REP. MISCIKOSKI: (65th)

Mr. Speaker, for the fourth time.

DEPUTY SPEAKER COATSWORTH:

Miscikoski seeks, Rep. Miscikoski seeks unanimous consent of the Chamber to speak for a fourth time. Fourth and final time, sir. Is there objection? Hearing none, Rep. Miscikoski.

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REP. MISCIKOSKI: (65th)

Thank you, Mr. Speaker. By the way, you know the house I was talking to was a six room house with a two-car garage, for \$2800. When I heard the name Lester Snyder I was one of the fellows, the Democrat who was being considered at that time and Lou Rome who was senator at that time, he appointed Lester Snyder because Lester represented his views and Senator Rome was against gambling. He never did support it. And he told me the reason why he wasn't appointing me was because Lester Snyder expressed his views.

Not only that, he was a short-term Commissioner. He missed a lot of meetings, he didn't know what was going on in the Gaming Commission. And the only time he talked was to the Press after the meetings. And these are the things that are happening that most of the people don't know about. So he used to do everything and anything, and I even asked when the Public Safety Committee first started, that he resign off the Gaming Commission because he doesn't support gambling. We asked him at the Commission if he was collecting two paychecks, one from the Gaming Commission and one from the University of Connecticut. He lied to us. He said to me that he told Senator Cuttillo last year about that.

I checked with Senator Cuttillo, Senator Cuttillo said you tell him I said he's a liar. He never did tell him how much he got paid, from either agency. Now, these are the things that I'd

like to get straight now, why these things do happen. And I wanted to bring this out as a point of information. Thank you.

DEPUTY SPEAKER COATSWORTH:

Will you remark further on the bill as amended?

REP. GRANDE: (79th)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Rep. Andrew Grande.

REP. GRANDE: (79th)

Mr. Speaker, very briefly. I think I've sat on the General Law Committee, with the exception of one other member of this General Assembly, with seniority for six years, and we've dealt with the Gaming Department. And over the years I've heard many reasons why the Gaming Commission should be changed. And there was never really any really valid reasons why.

Up until this year. They asked for a study. The study came back. It was gone over thoroughly by the Public Safety Committee. They found it fit. The Chairman, the House Chairman who I spoke to on many occasions, had indicated to me that he wasn't quite sure in which way he was going on the change. He had hearings, public hearings, much testimony, read through the report and apparently it was convincing enough for him and the rest of the Committee to vote that this should be changed.

And I, too, also sit on the Public Safety Committee. And

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with all the evidence I've heard in the previous years, I think the most valid arguments have come this year, with the report and all of the testimony we received. So I urge that this body vote for this particular bill.

DEPUTY SPEAKER COATSWORTH:

Will you remark further on the bill as amended? Will you remark further on the bill as amended? If not, will the members please be seated. Staff and guests come to the well of the House. The machine will be opened.

The House of Representatives is voting by roll call at this time. Will all members please return to the Chamber. The House of Representatives is voting by roll call at this time. Will all members please return to the Chamber.

Have all the members voted? And is your vote properly recorded? Have all the members voted, and your vote properly recorded? If so, the machine will be locked. The Clerk will please take a tally.

REP. MASTRIANNI: (104th)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Rep. Mastrianni.

REP. MASTRIANNI: (104th)

In the negative, please.

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DEPUTY SPEAKER COATSWORTH:

The Clerk will please note, Rep. Mastrianni would like to cast his vote in the negative.

REP. ONORATO: (97th)

Mr. Speaker. Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Rep. Onorato.

REP. ONORATO: (97th)

In the affirmative, please.

DEPUTY SPEAKER COATSWORTH:

The Clerk will please note, Rep. Onorato would like his vote cast in the affirmative.

REP. LEARY: (37th)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Rep. Leary.

REP. LEARY: (37th)

In the affirmative, please.

DEPUTY SPEAKER COATSWORTH:

The Clerk will so note. Are there others?

The Clerk will please announce the tally.

CLERK:

Senate Bill No. 1387, as amended by Senate Amendment Schedules "A", "B" and "C".

Total number voting	147
Necessary for passage	74
Those voting yea	108
Those voting nay	39
Those absent and not voting	4

DEPUTY SPEAKER COATSWORTH:

The bill as amended is passed.

REP. GROPPPO: (63rd)

Mr. Speaker.

DEPUTY SPEAKER COATSWORTH:

Rep. John Groppo.

REP. GROPPPO: (63rd)

Mr. Speaker, I ask for suspension of the rules for immediate transmittal to the Governor, please.

DEPUTY SPEAKER COATSWORTH:

Is there objection? Is there objection to suspending the rules for immediate transmittal to the Governor? If not, it is so ordered.

REP. GROPPPO: (63rd)

Thank you.