



Senate

General Assembly

File No. 647

February Session, 2026

Substitute Senate Bill No. 388

Senate, April 15, 2026

The Committee on Appropriations reported through SEN. OSTEN of the 19th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING THE MASHANTUCKET PEQUOT AND MOHEGAN FUND.

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

1 Section 1. Section 3-55i of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2026*):

3 (a) (1) There is established the "Mashantucket Pequot and Mohegan
4 Fund" which shall be a separate nonlapsing fund. All funds received by
5 the state of Connecticut from the Mashantucket Pequot Tribe pursuant
6 to the joint memorandum of understanding entered into by and
7 between the state and the [tribe] Mashantucket Pequot Tribe on January
8 13, 1993, as amended on April 30, 1993, and any successor thereto, or
9 from the Mohegan Tribe of Indians of Connecticut pursuant to the
10 memorandum of understanding entered into by and between the state
11 and the Mohegan Tribe of Indians of Connecticut on May 17, 1994, as
12 amended from time to time, shall be deposited in the General Fund.
13 [During the fiscal year]

14 (2) For the fiscal years ending June 30, 2015, [and each fiscal year
15 thereafter] to June 30, 2027, inclusive, from the funds received by the
16 state from the tribe pursuant to said joint memorandum of
17 understanding, as amended, and any successor thereto, an amount
18 equal to the appropriation to the Mashantucket Pequot and Mohegan
19 Fund for Grants to Towns shall be transferred to the Mashantucket
20 Pequot and Mohegan Fund and shall be distributed by the Office of
21 Policy and Management, during said fiscal [year] years, in accordance
22 with the provisions of section 3-55j. For the fiscal year ending June 30,
23 2028, and each fiscal year thereafter, one hundred fifty-two million three
24 hundred seventy-eight thousand six hundred seventy-six dollars of the
25 funds deposited in the General Fund pursuant to subdivision (1) of this
26 subsection shall be transferred from the General Fund to the
27 Mashantucket Pequot and Mohegan Fund. During each fiscal year, the
28 Office of Policy and Management shall make distributions of any funds
29 transferred to the Mashantucket Pequot and Mohegan Fund pursuant
30 to this section in accordance with the provisions of section 3-55j. The
31 amount of the grant payable to each municipality during any fiscal year,
32 in accordance with [said] section 3-55j, shall be reduced proportionately
33 if the total of such grants exceeds the amount of funds available for such
34 year. The grant shall be paid in three installments as follows: The
35 Secretary of the Office of Policy and Management shall, annually, not
36 later than the fifteenth day of December, the fifteenth day of March and
37 the fifteenth day of June certify to the Comptroller the amount due each
38 municipality under the provisions of section 3-55j and the Comptroller
39 shall draw an order on the Treasurer on or before the fifth business day
40 following the fifteenth day of December, the fifth business day
41 following the fifteenth day of March and the fifth business day
42 following the fifteenth day of June and the Treasurer shall pay the
43 amount thereof to such municipality on or before the first day of
44 January, the first day of April and the thirtieth day of June.

45 (b) The transfers from the General Fund to the Mashantucket Pequot
46 and Mohegan Fund required by subsection (a) of this section shall not
47 be reduced except upon submission to the General Assembly by the
48 Governor of a certification of an emergency requiring such reduction.

This act shall take effect as follows and shall amend the following sections:

| | | |
|-----------|---------------------|-------|
| Section 1 | <i>July 1, 2026</i> | 3-55i |
|-----------|---------------------|-------|

APP *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

| Agency Affected | Fund-Effect | FY 27 \$ | FY 28 \$ |
|----------------------|-------------|----------|--------------|
| Policy & Mgmt., Off. | GF - Cost | None | 99.8 million |

Note: GF=General Fund

Municipal Impact:

| Municipalities | Effect | FY 27 \$ | FY 28 \$ |
|------------------------|--------------|----------|--------------|
| Various Municipalities | Revenue Gain | None | 99.8 million |

Explanation

The bill results in an annual revenue gain to various municipalities beginning in FY 28 as the Mashantucket Pequot and Mohegan Grants to Towns will increase by approximately \$99.8 million, to a total of \$152.38 million (in FY 28 and annually thereafter).¹ There will be a corresponding cost to the General Fund beginning in FY 28 to provide the funds necessary for this grant increase.² Currently, 124 towns receive such grants.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

¹ In FY 27, this grant is estimated to be \$52.5 million.

² Current law requires the amount equal to the grant total to be transferred from the General Fund to the Mashantucket Pequot and Mohegan Fund. The funds are then distributed by the Office of Policy and Management to towns.

OFA Bill Analysis**SB 388*****AN ACT CONCERNING THE MASHANTUCKET PEQUOT AND MOHEGAN FUND.*****SUMMARY:**

The bill makes the following changes regarding the Mashantucket Pequot and Mohegan grant.

- Maintains current funding levels through FY 27.
- Increases the grant total by approximately \$99.8 million for a new total of \$152.4 million beginning in FY 28.
- Prevents this grant amount from being reduced except by submission to the General Assembly by the Governor of an emergency certification.

EFFECTIVE DATE: July 1, 2026

Background***Mashantucket Pequot and Mohegan Grant***

PA 93-388 established the Mashantucket Pequot and Mohegan Fund. This fund is a separate, nonlapsing fund containing revenue from casino gaming. Casino gaming revenue is deposited into the General Fund and then transferred to the fund, in an amount equal to the grants to be distributed. Money in this fund is distributed to municipalities according to various factors, including the value of state-owned property, private college and general hospitals, population, equalized net grand list, and per capita income. Host towns receive additional payments, and three tribes also receive grants.

Currently, towns receive the same Pequot grant they received in FY 20. Since FY 16, the total grant amount has ranged from \$49.9 million to

\$61.7 million. In FY 26, the appropriation for this grant is approximately \$52.5 million.

Under the current distribution, 45 towns do not receive any funds from this grant.

COMMITTEE ACTION

Appropriations Committee

Joint Favorable Substitute

Yea 51 Nay 0 (04/01/2026)