
SENATE COMMITTEE AMENDMENTS

2021 Regular Session

Substitute for Original Senate Bill No. 202 by Senator Cortez as proposed by Senate Committee on Judiciary B.

This document reflects the content of a substitute bill but is not in a bill form; page numbers in this document DO NOT correspond to page numbers in the substitute bill itself.

To amend and reenact R.S. 13:4721, R.S. 14:90.5(A), (B), and (C), R.S. 27:15(B)(1), 15.1, the introductory paragraph of 27.1(C), 24(A)(5)(a), (b), (c), (d), and (e) and (6), 44(9) and (13), 58(5), 65(B)(11), 205(11) and (12), 239.1, 353(2) and (5), 361(F), 364(A)(1)(c)(ii) and (5), 371(C), 372(B) and (C), and 375(D), and R.S. 46:1816(B)(8), and to enact R.S. 14:90(E) and 90.3(K) and R.S. 27:15(8)(c) and Chapter 10 of Title 27 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 27:601 through 610, relative to sports wagering; to provide for definitions; to require a license to conduct sports wagering; to provide relative to duties and powers of the Louisiana Gaming Control Board and the gaming division in the office of state police; to provide for requirements and limitations on licensees and permittees; to authorize cash wagers; to require a sports lounge; to provide regarding a computerized wagering platform; to provide for limitations on wagering; to authorize self-service machines; to authorize electronic wagering through established wager accounts; to provide for recordkeeping; to provide for exceptions from criminal law; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 27:15(B)(1), 15.1, the introductory paragraph of 27.1(C), 24(A)(5)(a), (b), (c), (d), and (e) and (6), 44(9) and (13), 58(5), 65(B)(11), 205(11) and (12), 239.1, 353(2) and (5), 361(F), 364(A)(1)(c)(ii) and (5), 371(C), 372(B) and (C), and 375(D) are hereby amended and reenacted and R.S. 27:15(8)(c) and Chapter 10 of Title 27 of the Louisiana Revised Statutes of 1950, comprised of R.S. 27:601 through 610, are hereby enacted to read as follows:

§15. Board's authority; responsibilities

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B. The board shall:

(1) Have all regulatory authority, control, and jurisdiction, including investigation, licensing, and enforcement, and all power incidental or necessary to such regulatory authority, control, and jurisdiction over all aspects of gaming activities and operations as authorized pursuant to the provisions of the Louisiana Riverboat Economic Development and Gaming Control Act, the Louisiana Economic Development and Gaming Corporation Act, the Video Draw Poker Devices Control Law, ~~and~~ the Louisiana Fantasy Sports Contests Act, **and the Louisiana Sports Wagering Act**, except as otherwise specified in this Title. Further, the board shall have all regulatory, enforcement, and supervisory authority which exists in the state as to gaming on Indian lands as provided in the provisions of Act No. 888 of the 1990 Regular Session of the Legislature and Act No. 817 of the 1993 Regular Session of the Legislature.

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(8)

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(c) Adopt, pursuant to the Administrative Procedure Act and as specifically provided for in R.S. 27:603, all rules necessary to implement, administer, and regulate sports wagering as authorized by Chapter 10 of this Title.

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§15.1. Sports wagering

~~A. In the event of the legalization of sports wagering in any parish as a result of the proposition election held on November 3, 2020, the~~ **The** Louisiana Gaming Control Board shall have all regulatory authority, control, and jurisdiction, including investigation, licensing, and enforcement, and all power incidental or necessary to such regulatory authority, control, and jurisdiction over all aspects of sports wagering activities and operations, except as otherwise specified in this Title.

~~B. For purposes of this Section, "sports wagering" shall be defined as the business of accepting wagers on any sports event or sports contest by any system or method of wagering.~~

* * *

§24. Rulemaking authority; fees and fines, collection

A. The board, in accordance with the Administrative Procedure Act and R.S. 27:15(B)(8), shall promulgate all rules and regulations necessary to carry out the provisions of this Title, including but not limited to the following:

* * *

(5) A procedure requiring the withholding of payments of progressive slot machine annuities and cash gaming winnings of persons who have outstanding child support arrearages or owing child support overpayments, prior to the payment of a progressive slot machine annuity, beginning with the second annuity payment, or cash gaming winnings. Progressive slot machine annuities or cash gaming winnings shall only include payments for which the entity licensed or permitted under Chapters 1, 4, 5, ~~or 7,~~ **or 10** of Title 27 of the Louisiana Revised Statutes of 1950, is required to file form W2-G, or a substantially equivalent form, with the United States Internal Revenue Service.

(a) The board may require that the agency reporting current child support arrearages or overpayments to provide information relating to such arrearages or overpayments in a manner, format, or record approved by the board that gives the entity licensed or permitted under Chapters 1, 4, 5, ~~or 7,~~ **or 10** of Title 27 of the Louisiana Revised Statutes of 1950, real-time or immediate electronic database access to the information. If the information relating to such arrearages or overpayments by the agency reporting current child support arrearages or overpayments is not available through real-time or immediate electronic database access, the licensee shall not be responsible for withholding cash gaming winnings in accordance with the provisions of this Subparagraph.

(b) The board or any entity licensed or permitted under Chapters 1, 4, 5, ~~or 7,~~ **or 10** of Title 27 of the Louisiana Revised Statutes of 1950, including any of its officers, employees, attorneys, accountants, or other agents, shall not be civilly or criminally liable to any person, including any customer, for any disclosure of information made in accordance with this Section, for encumbering or surrendering assets in response to information provided by the Department of Children and Family Services, or for any claims for damages arising from withholding or failing to

withhold any progressive slot machine annuities or cash gaming winnings, based upon information provided to it.

(c) If any entity licensed or permitted under Chapters 1, 4, 5, ~~or 7,~~ or 10 of Title 27 of the Louisiana Revised Statutes of 1950, determines that the winner of a progressive slot machine annuity or cash gaming winnings is a person who has outstanding child support arrearages or owes child support overpayments, the entity licensed or permitted under Chapters 1, 4, 5, ~~or 7,~~ or 10 of Title 27 of the Louisiana Revised Statutes of 1950, shall deduct the child support arrearage or child support overpayment from the payment of the progressive slot machine annuity or cash gaming winnings. The deducted amount shall be forwarded to the Department of Children and Family Services within seven days and the entity licensed or permitted under Chapters 1, 4, 5, ~~or 7,~~ or 10 of Title 27 of the Louisiana Revised Statutes of 1950, shall pay the remainder to the person who has outstanding child support arrearages or owes child support overpayments. If the remainder is equal to or less than zero, the person who has an outstanding child support arrearage or child support overpayment shall not receive a payment.

(d) Any entity licensed or permitted under Chapters 1, 4, 5, ~~or 7,~~ or 10 of Title 27 of the Louisiana Revised Statutes of 1950, may deduct an administrative fee from each payment of a progressive slot machine annuity, beginning with the second annuity payment, or cash gaming winnings, of persons who have outstanding child support arrearages or owe child support overpayments per singular or periodic payment, not to exceed thirty-five dollars.

(e) The board shall also require that the entity licensed or permitted under Chapters 1, 4, 5, ~~or 7,~~ or 10 of Title 27 of the Louisiana Revised Statutes of 1950, adopt procedures designed to prevent employees from willfully failing to withhold payments of progressive slot machine annuities or cash gaming winnings from persons who have outstanding child support arrearages or child support overpayments, based upon the information provided by the Department of Children and Family Services that allows the licensee to identify such persons.

* * *

(6) The administration and enforcement of accumulating unclaimed monies on which the time period for collection has expired, the remittance thereof to the state treasurer, and related matters as required by R.S. 27:94, 252, ~~and 394,~~ **and 609.**

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§27.1. Uniform compulsive and problem gambling program

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C. Within one hundred twenty days from the adoption of the rules provided for in Subsection B of this Section, each holder of a license as defined in R.S. 27:44(14), ~~R.S. 27:353(5),~~ **602,** and the casino gaming operator shall submit for approval to the board a comprehensive program that provides policies and procedures that, at a minimum, shall cover the following areas of concern and are designed to:

* * *

§44. Definitions

When used in this Chapter, the following terms shall mean:

* * *

(9)**(a)** "Game" means any banking or percentage game which is played with cards, dice, or any electronic, electrical, or mechanical device or machine for money, property, or any thing of value. "Game" does not include a lottery, bingo, pull tabs, raffles, electronic video bingo, cable television bingo, dog race wagering, or any wagering on any type of sports event, including but not limited to football, basketball, baseball, hockey, boxing, tennis, wrestling, jai alai, or other sports contest or event. ~~Game~~ **"Game"** shall also include racehorse wagering.

(b) Notwithstanding any provision of Subparagraph (a) of this Paragraph to the contrary, "game" shall include wagering on certain sports events through its sports book for a licensee who is also licensed by the board in accordance with Chapter 10 of this Title.

* * *

(13) "Gaming position" means a gaming device seat or a space at a table game. Each gaming device seat shall be counted as one position and each space at a table game shall be counted as one position, subject to the rules and regulations of

the board. The board shall specifically provide by rule for the counting of gaming positions for devices and games where seats and spaces are not readily countable.

"Gaming position" shall not apply to a seat at a sports wagering mechanism or a seat or space in a sports wagering lounge where games regulated pursuant to this Chapter are not immediately accessible.

* * *

§58. Division responsibilities

The division shall:

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(5)(a) Require all licensees to utilize a cashless wagering system, except for racehorse wagering and the play of slot machines, whereby all players' money is converted to tokens, electronic cards, or chips used only for wagering in the gaming establishment.

(b) Notwithstanding any provision of Subparagraph (a) of this Paragraph to the contrary, a licensee may accept cash wagers in its sports book if it is also licensed by the board in accordance with Chapter 10 of this Title.

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§65. Licenses to conduct gaming activities upon riverboats; limitations

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B. Gaming shall be conducted aboard riverboats, subject to the following requirements:

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(11)(a) Except for racehorse wagering and the play of slot machines, gaming wagers may be made only with tokens, chips, vouchers, coupons, or electronic cards issued by the licensee. Such tokens, chips, vouchers, coupons, or electronic cards may be used while aboard the riverboat only for the purpose of making wagers on gaming games. Electronic cards may be used which are affixed with a magnetic storage media, a "smart card" or those containing an integrated circuit chip, but excluding credit cards issued by any other entity or institution or cards which automatically withdraw funds from a credit, savings, or checking account held at a

depository institution as defined by Section 3 of the Federal Deposit Insurance Act, which includes any credit union.

(b) Notwithstanding any provision of Subparagraph (a) of this Paragraph to the contrary, if the riverboat is also licensed by the board for a sports book in accordance with Chapter 10 of this Title, sports wagers may also be made in cash or utilizing online mobile payment systems that support online money transfers.

* * *

§205. Definitions

When used in this Chapter, the following terms have these meanings:

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(11)(a) "Game" means any banking or percentage game located exclusively within an official gaming establishment which is played with cards, dice, or any electronic, electrical, or mechanical device or machine for money, property, or any thing of value. ~~Game~~ **"Game"** does not include lottery, bingo, charitable games, raffles, electronic video bingo, pull tabs, cable television bingo, wagering on dog or horse races, sports betting, or wagering on any type of sports event, inclusive but not limited to football, basketball, baseball, hockey, boxing, tennis, wrestling, jai alai, or other sports contest or event.

(b) Notwithstanding any provision of Subparagraph (a) of this Paragraph to the contrary, "game" shall include sports betting through its sports book if the casino gaming operator is licensed by the board in accordance with Chapter 10 of this Title.

(12)(a) "Gaming device" means any equipment or mechanical, electromechanical, or electronic contrivance, component, or machine used directly or indirectly in connection with gaming or any game which affects the result of a wager by determining win or loss. The term includes a system for processing information which can alter the normal criteria of random selection, which affects the operation of any game, or which determines the outcome of a game. The term does not include a system or device which affects a game solely by stopping its operation so that the outcome remains undetermined.

(b) Notwithstanding any provision of Subparagraph (a) of this Paragraph to the contrary, "gaming device" shall also include a sports wagering mechanism as that term is defined in R.S. 27:602 if the casino gaming operator is also licensed by the board for a sports book in accordance with Chapter 10 of this Title.

* * *

§239.1. Wagering at the official gaming establishment

Wagering A. Except as provided in Subsection B of this Section, wagering at the official gaming establishment may be made with tokens, chips, vouchers, coupons, or electronic cards issued by the casino gaming operator or an approved casino manager acting on behalf of the casino gaming operator. Electronic cards may be used which are affixed with a magnetic storage media, a "smart card" or those containing an integrated circuit chip, but excluding credit cards issued by any other entity or institution or cards which automatically withdraw funds from a credit, savings, or checking account held at a depository institution as defined by Section 3 of the Federal Deposit Insurance Act, which includes any credit union.

B. Notwithstanding any provision of Subsection A of this Section to the contrary, if the casino gaming operator is issued a license to operate a sports book by the board in accordance with Chapter 10 of this Title, sports wagers at the official gaming establishment may also be made in cash or through a patron's verified sports wagering account utilizing online mobile payment systems that support online money transfers.

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§353. Definitions

When used in this Chapter, the following terms shall have these meanings:

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(2) "Designated ~~slot machine~~ gaming area" means the contiguous area of an eligible live racing facility at which ~~slot machine~~ gaming may be conducted in accordance with the provisions of this Chapter, determined by measuring the area, in square feet, inside the interior walls of the licensed eligible facility, excluding any space therein in which gaming activities may not be conducted, such as bathrooms,

stairwells, cage and beverage areas, and emergency evacuation routes of any width that meet or exceed the minimum size required by law.

* * *

(5) "Emergency evacuation route" means those areas within the designated slot machine gaming area of a licensed eligible facility which are clearly defined and identified by the licensee as necessary and approved by the state fire marshal or other federal or state regulatory agency for the evacuation of patrons and employees from the facility, and from which and in which no gaming activity may occur.

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§361. Conduct of slot machine gaming; temporary conduct

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F.(1) Wagering at an eligible live racing facility may be made with tokens, chips, vouchers, coupons, or electronic cards issued by the licensed eligible facility or an approved facility manager acting on behalf of the facility. Electronic cards may be used which are affixed with a magnetic storage media, a "smart card" or those containing an integrated circuit chip, but excluding credit cards issued by any other entity or institution or cards which automatically withdraw funds from a credit, savings, or checking account held at a depository institution as defined by Section 3 of the Federal Deposit Insurance Act, which includes any credit union.

(2) Notwithstanding any provision of Paragraph (1) of this Subsection to the contrary, if the holder of a license as defined in R.S. 27:353 is also issued a license to operate a sports book by the board in accordance with Chapter 10 of this Title, sports wagers at the eligible facility may also be made in cash or through a patron's verified sports wagering account utilizing online mobile payment systems that support online money transfers.

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§364. Gaming Control Board; powers and duties

A. The board shall:

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(c) Such rules may include:

* * *

(ii) Requiring certain minimum physical security standards be observed in designated ~~slot machine~~ gaming areas.

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(5) Approve the location, plans, and construction of the designated ~~slot machine~~ gaming area in an eligible facility.

* * *

§371. Prohibition on operation of video draw poker devices; prohibition on any other type of game

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C.(1) Nothing in this Chapter shall be construed to permit the operation or play of any type of game the play of which requires the participation of an employee of the licensee.

(2) Notwithstanding any provision of Paragraph (1) of this Subsection to the contrary, participation of an employee of the licensee may be permitted if the licensee is also issued a license to operate a sports book by the board in accordance with Chapter 10 of this Title and the employee's participation is in compliance and regarding activities related to operations regulated by that Chapter.

§372. ~~Slot machine gaming~~ **Gaming** area limitations

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B.(1) No gaming devices other than slot machines and authorized pari-mutuel wagering devices and equipment shall be in the designated ~~slot machine~~ gaming area.

(2) Notwithstanding any provision of Paragraph (1) of this Subsection to the contrary, sports wagering mechanisms as that term is defined in R.S. 27:602 may also be authorized in the designated gaming area if the holder of a license as defined in R.S. 27:353 is also issued a license to operate a sports book by the board in accordance with Chapter 10 of this Title.

C. As used in this Section, "gaming position" means a slot machine seat. Each slot machine seat shall be counted as one position, subject to the rules and

regulations of the board. The board shall specifically provide by rule for the counting of gaming positions for devices and games where seats and spaces are not readily countable. **"Gaming position" shall not apply to a seat at a sports wagering mechanism or a seat or space in a sports wagering lounge where games regulated pursuant to this Chapter are not immediately accessible.**

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§375. Crimes and penalties; false statements; unauthorized slot machines; skimming of slot machine proceeds; payroll check cashing; gambling devices

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D. Any owner of an eligible facility who has been granted a license to operate slot machine gaming who cashes or accepts for cashing or permits any employee or other person to cash or accept for cashing an identifiable employee payroll check in the designated slot machine gaming area shall, upon conviction, be imprisoned for not more than six months or fined not more than five thousand dollars, or both.

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CHAPTER 10. SPORTS WAGERING

PART I. GENERAL PROVISIONS

§601. Title and citation; privilege

A. This Chapter shall be cited and referred to as the "Louisiana Sports Wagering Act".

B. Any license, permit, approval, or thing obtained or issued pursuant to the provisions of this Chapter is expressly declared by the legislature to be a pure and absolute revokable privilege and not a right, property or otherwise, under the constitution of the United States or of the state of Louisiana. Further, the legislature declares that no holder of any license or permit acquires any vested interest or right therein or thereunder.

§602. Definitions

For purposes of this Chapter, the following terms shall have the following meanings ascribed to them unless the context clearly indicates otherwise:

(1) "Anti-money laundering standards" or "AML" means the requirements and guidelines provided in the federal Bank Secrecy Act of 1970, as amended, and the Anti-Money Laundering Act of 2020, as amended, for the prevention and detection of money laundering and the financing of terrorism.

(2) "Applicant" means a person, business, or legal entity who has submitted an application to the board seeking a license or permit, or the renewal of a license or permit.

(3) "Application" means the forms and schedules prescribed by the board upon which an applicant seeks a license or permit, or the renewal of a license or permit. An application shall also include any other information or fee required by the board to be submitted with an application such as disclosure statements, financial statements, and any type of fees.

(4) "Board" means the Louisiana Gaming Control Board, as established by R.S. 27:11.

(5) "Business or legal entity" shall have the same meaning as that term is defined in R.S. 27:3.

(6) "Division" shall have the same meaning as that term is defined in R.S. 27:3.

(7) "Electronic sports wagering" means sports wagering via a sports wagering mechanism on a licensee's premises or through a website or mobile application.

(8) "License" means a license or authorization to operate, or to contract with a sports wagering platform provider to operate, a sports book in this state in compliance with the provisions of this Chapter.

(9) "Licensee" means any person issued a license by the board.

(10) "Louisiana State Racing Commission" means the commission established in R.S. 4:144.

(11) "Mobile application" means an application on a mobile phone or other device through which a player is able to place a wager with an operator on a sports event and receive a credit on their sports wagering account.

(12) "Mobile wagering" means wagering on a sports event through a website or mobile application.

(13) "Operator" or "sports wagering operator" means the entity that actually books a sports wager. The operator may be:

(a) The licensee who manages and operates a sports book itself.

(b) The licensee's contracted sports wagering platform provider, in accordance with the scope of that contract, when the licensee chooses to contract the management and operation of all or a portion of its sports book line-of-business with a platform provider.

(14) "Patron" or "player" means an individual who places a wager on a sports event.

(15) "Permit" has the same meaning as that term is defined in R.S. 27:3.

(16) "Permittee" has the same meaning as that term is defined in R.S. 27:3.

(17) "Person" has the same meaning as that term is defined in R.S. 27:3.

(18) "Representation of value" means tokens, chips, vouchers, coupons, or electronic cards that are issued by the licensee and authorized for use in sports wagering by rules and regulations promulgated by the board.

(19) "Sports event" means any professional sport or athletic event, any collegiate sport or athletic event, any Olympic or international sports competition event, or any other special event or competition of relative skill as authorized by the board to be a sports event for purposes of this Chapter. "Sports event" shall not include high school sports, youth events, any international sports events where the majority of the athletes are under the age of eighteen years old, electronic sports, competitive video games, fantasy sports contests as provided in Chapter 6 of this Title, and any event prohibited by law.

(20) "Sports wager" or "sports bet" means a sum of money or representation of value risked by a player on an occurrence associated with a sports event for which the outcome is uncertain. The term includes but is not limited to single-game bets, teaser bets, parlay bets, over-under bets, moneyline

bets, pools, exchange wagering, in-game wagering, in-play bets, proposition bets, parlays, and straight bets.

(21) "Sports wagering account" means an electronic financial record established with an operator for an individual patron in which the patron may deposit and withdraw funds for sports wagering and other authorized purchases and to which the operator may credit winnings or other amounts due to that patron or authorized by that patron.

(22) "Sports wagering mechanism" or "kiosk" means a board approved self-service mechanical, electrical, or computerized terminal, device, apparatus, or piece of equipment that is directly tied to a licensee's approved sports wagering platform's central system which allows a patron to place a sports wager on a licensee's premises. "Sports wagering mechanism" does not include a personal computer, mobile phone, or other device owned and used by a player to wager on a sports event.

(23) "Sports wagering platform" or "sports book" means an integrated system of hardware, software, or applications, including mobile applications and servers, through which an operator conducts the business of offering for play wagering conducted in accordance with this Chapter on a sports event or on portions of a sports event or on the individual performance or statistics of athletes in a sports event or a combination of sports events, by any system or method of wagering.

(24) "Sports wagering platform provider" means a suitable business or legal entity that holds a permit from the board to engage in the operation of a sports book on behalf of a licensee.

§603. Gaming Control Board; state police; duties and powers

A.(1) The board shall perform the duties and functions as authorized by this Chapter and shall possess authority, control, and jurisdiction and all power incidental and necessary thereto with respect to the regulation of sports wagering as provided by Chapter 1 of this Title.

(2)(a) In accordance with the Administrative Procedure Act, the board shall:

(i) Develop qualifications and standards and a process and procedure for the issuance of a license to operate a sports book as well as the renewal, suspension, and revocation of a license.

(ii) Develop qualifications and standards and a procedure and process for permitting sports wagering platform providers, manufacturers, suppliers, and personnel as well as the renewal, suspension, and revocation of a permit.

(iii) Promulgate forms, processes, and procedures necessary to implement, administer, and regulate sports wagering as authorized by this Chapter.

(iv) Establish standards for the amount of reserves required to be maintained by an operator and the allowable form of those reserves, including standards for initial reserves for a new licensee or newly permitted sports wagering platform provider.

(v) Establish guidelines for the acceptance of wagers on a series of sports events by an operator.

(vi) Determine the maximum number and amount of wagers which may be accepted by an operator from any one patron on any one sports event.

(vii) Prohibit an operator from unilaterally rescinding a wager except in compliance with rules of the board.

(viii) For cash wagers placed in-person or via a sports wagering mechanism, establish standards for the type of wagering tickets which may be used, information required to be printed on a ticket, and methods for issuing tickets.

(ix) Establish the method of accounting to be used by operators, the types of records required to be kept, and the length of time records shall be retained.

(x) Require operators to comply with AML standards.

(xi) Provide standards for the use of credit and checks by players and other protections for players.

(xii) Establish internal controls for all aspects of electronic wagering, including procedures for system integrity, system security, operations, accounting, and reporting of problem gamblers.

(xiii) Establish operational controls for server-based gaming systems, software and hardware utilized on electronic sports wagering, including but not limited to appearance, functionality, contents, collection, storage, and retention of data and security.

(xiv) Establish operational controls for patron's sports wagering accounts, including but not limited to procedures for establishment and closure of an online account, funding of withdrawal of funds from an online account, and generation of an account statement.

(xv) Establish standards for servers and other equipment used to accept wagers by operators and procedures for inspection and for addressing defective or malfunctioning devices, equipment, and accessories related to sports wagering.

(xvi) Require that a dollar amount equal to or greater than ten percent of all wagers handled by an operator on any single sports event be on deposit in a Louisiana chartered bank and that a dollar amount equal to or greater than ten percent of the total amount held by an operator in patron's sports wagering accounts be on deposit in a Louisiana chartered bank.

(b) For purposes of expeditious implementation of the provisions of this Chapter, the promulgation of the initial administrative rules pertaining to this Chapter shall be deemed to constitute a matter of imminent peril to public health, safety, and welfare as provided in R.S. 49:953(B).

B. The board shall follow its regulatory processes for dispute resolution for disputes arising from sports wagering.

C.(1) The gaming division of the office of state police shall, at all times deemed appropriate by the board, be charged with inspecting and ensuring compliance with all the requirements of this Chapter.

(2) The gaming division of the office of state police may be charged by the board with any other tasks deemed necessary to the regulation of sports wagering in this state.

PART II. LICENSEE AND PLATFORM PROVIDER

§604. License; limited; requirements; contract with platform provider

A.(1) No person, business, or legal entity shall operate a sports book without first being licensed by the board.

(2) The license to engage in the business of operating a sports book shall be in addition to any other license required by law.

B.(1) The board shall issue no more than twenty licenses to operate a sports book. The board shall first consider applications for licensing from the following:

(a) The casino gaming operator as defined in R.S. 27:205 and provided for in Chapter 5 of this Title.

(b) The holder of a license as defined in R.S. 27:44 and provided for in Chapter 4 of this Title.

(c) The holder of a license as defined in R.S. 27:353 and provided for in Chapter 7 of this Title, provided the holder of the license also has the approval of the Louisiana State Racing Commission to apply to be licensed for a sports book.

(2)(a) For the initial application process, if any entity identified in Paragraph (1) of this Subsection elects not to apply for a license or fails to submit a completed application to the board prior to January 1, 2022, it shall not be considered for a license. The board may consider for the remaining licenses, applications from:

(i) Licensed establishments as defined in R.S. 27:402 and provided for in Chapter 8 of this Title. Any licensed establishment that is also licensed by the Louisiana State Racing Commission with the commission's approval may apply to be licensed to operate a sports book.

(ii) Operators as defined in R.S. 27:302 and provided for in Chapter 6 of this Title.

(b) If the number of applications received by the board that are determined to be from suitable applicants exceeds the number of licenses available, the board shall provide for a concealed bid process and issue the available licenses to bidders, in accordance with the board's ranking of the bids,

to the applicant that in the board's discretion has the greatest potential for revenue generation for the state.

(3)(a) Should a licence become available after the initial issuance, the board shall notify any entity identified in Paragraph (1) of this Subsection who does not have a sports wagering license about the available license and provide those entities an opportunity to apply for the license by a certain date. If the number of applications determined by the board to be suitable applicants exceeds the number of available licenses, the board shall provide for a concealed bid process and issue the available licenses to bidders, in accordance with the board's ranking of the bids, to the applicant that in the board's discretion has the greatest potential for revenue generation for the state.

(b) Should a licence become available after the initial issuance and entities identified in Paragraph (1) of this Subsection decline to apply or the number of available licenses exceeds the number of entities identified in Paragraph (1) of this Subsection who are interested, the board shall notify the entities identified in Paragraph (2) of this Subsection who do not have a sports wagering license about the available license and provide those entities an opportunity to apply for the license by a certain date. If the number of applications determined by the board to be suitable applicants exceeds the number of available licenses, the board shall provide for a concealed bid process and issue the available licenses to bidders, in accordance with the board's ranking of the bids, to the applicant that in the board's discretion has the greatest potential for revenue generation for the state.

C. The board shall only issue a license to operate a sports book to an applicant determined by the board to be suitable. In addition to the standards provided in R.S. 27:28, in determining an applicant's suitability as a sports wagering licensee, the board may request from an applicant, and consider as a factor in the determination, any or all of the following information items:

(1) Whether the applicant has adequate capitalization and the financial ability and the means to develop, construct, operate, and maintain infrastructure to support sports wagering activities and operations in

compliance with this Chapter and any administrative rules promulgated by the board.

(2) Whether the applicant has the financial ability to purchase and maintain adequate liability and casualty insurance and to provide an adequate surety bond.

(3) Whether the applicant has adequate capitalization and the financial ability to responsibly pay its secured and unsecured debts in accordance with its financing agreements and other contractual obligations.

(4) Whether the applicant has a history of material noncompliance with licensing requirements or any other regulatory requirements in the state or in any other jurisdiction, where the noncompliance resulted in enforcement action by the person with jurisdiction over the applicant.

(5) Whether the applicant has filed, or had filed against it, a proceeding for bankruptcy or has ever been involved in any formal process to adjust, defer, suspend, or otherwise negotiate the payment of any debt.

(6) Whether or not at the time of the application, the applicant is a defendant in litigation involving the integrity of its business practices.

D. Each applicant shall submit as part of its application a detailed plan of design of its sports book lounge and other areas of its establishment where sports wagering mechanisms may be placed. The board shall only issue a license to an applicant whose detailed plan of design the board finds acceptable.

E. The board shall issue not more than twenty licenses on applications that meet the provisions of this Section and all other qualifications and standards as determined by the board.

F.(1) A licensee may operate the sports book itself or contract for operation of its onsite or electronic wagering with a sports wagering platform provider. Only a licensee, or its sports wagering platform provider on its behalf, may process, accept, offer, or solicit sports wagers.

(2) A licensee shall be responsible for the conduct of its sports wagering platform provider.

G. Prior to beginning operations, an operator shall install and thereafter maintain a computerized bookmaking system, herein referred to as a sports wagering platform, that meets the specifications required by law and by rule and approved by the board.

§605. Sports wagering platform provider

A.(1) The board shall issue a sports wagering platform provider permit to suitable persons who desire to contract with a licensee to manage or operate all or a portion of a licensee's sports book line-of-business. A person shall not manage or operate all or a portion of a licensee's sports book unless it possesses a valid permit.

(2) In addition to the standards provided in R.S. 27:28, in determining an applicant's suitability as a sports wagering platform provider, the board may request from the applicant and consider as a factor in its determination any of the items of information listed in R.S. 27:604(C) that it deems relevant.

B. (1) A sports wagering platform provider shall contract with a licensee to provide sports wagering services.

(2) The board shall provide by rule for the minimum requirements of the contract between the licensee and its sports wagering platform provider. Among other requirements, the rules shall require that the contract provide access by the division and the board to any information maintained by the platform provider for verification of compliance with this Chapter.

C. A sports wagering platform provider shall use no more than one sports wagering platform to offer, conduct, or operate a sports book on behalf of the licensee.

D. A sports wagering platform provider shall keep books and records for the management and operation of sports wagering as authorized by this Chapter and for services for which it is contracted by a licensee. The keeping of books and records shall be separate and distinct from any other business the sports wagering platform provider might operate. A sports wagering platform provider shall file quarterly returns with the board listing all of its contracts and services related to sports wagering authorized under this Title.

E.(1) The board shall provide by rule for the standards and requirements of a sports wagering platform. The rules shall specify technical requirements as well as operational requirements.

(2) Only a sports wagering platform that meets the standards and requirements as provided by rule may be used by an operator to book wagers.

F. The sports wagering platform provider shall provide the division with a readily available point of contact to ensure compliance with the requirements of this Chapter.

G. All servers necessary for the placement or resolution of wagers, other than backup servers, shall be physically located in Louisiana.

H. Any sports wagering platform utilized for electronic wagering shall have a component of its design to reasonably verify that the person attempting to place the wager is:

(1) At least twenty-one years of age.

(2) Physically located in the state and not physically located in a parish that has not approved a proposition to authorize sports wagering at the time the wager is initiated or placed.

(3) Not a person who is otherwise prohibited from wagering with the operator through law, rule, policy of the operator, self-exclusion, or pursuant to R.S. 27:27.1.

PART III. WAGERING

§606. Operators; sports lounge required; responsibilities; pooling

A.(1) An operator may conduct sports wagering in-person or via a sports wagering mechanism located on its premises or through a website or mobile application.

(2) Each licensee shall house its sports book in a sports wagering lounge on its premises which shall be restricted to patrons who are twenty-one years of age or older and shall conform to all requirements concerning square footage, design, equipment, security measures, and related matters which the board shall prescribe by rule.

B. An operator shall establish and display the odds at which wagers may be placed on sports events. No operator shall accept a wager in-person, via a sports wagering mechanism, or through a website or mobile application unless the wagering proposition is posted by electronic or manual means.

C. An operator shall adopt comprehensive rules which shall be approved by the board governing sports wagering transactions with its patrons. The rules shall specify the amount to be paid on winning wagers and the effect of schedule changes. The rules, together with any other information the board deems appropriate, shall be conspicuously displayed in the establishment, posted electronically on any sports wagering mechanism, website, or mobile application, and included in the terms and conditions of the sports wagering account system.

D. An operator shall maintain records of sports wagering activities and operations in accordance with rules and regulations of the board and follow federal anti-money laundering standards in the day-to-day operations of its business.

E. Each operator shall designate one or more key employees who shall be responsible for the operation of the sports book. At least one key employee shall be on premises whenever sports wagering is conducted.

F. All wagers on sports events authorized pursuant to this Chapter shall be initiated, received, and otherwise made within the state unless otherwise determined by the board in accordance with applicable federal and state laws and regulations. Consistent with the Unlawful Internet Gambling Enforcement Act of 2006, 31 U.S.C. 5361 et seq., the intermediate routing of electronic data relating to a lawful intrastate wager authorized by this Chapter shall not determine the location or locations in which the wager is initiated, received, or otherwise made.

G. An operator may pool wagers with persons who are not physically present in this state if the board determines that this wagering is not inconsistent with federal law or the law of this state, including any foreign nation, in which the person is located, or that the wagering is conducted

pursuant to a reciprocal agreement to which the state is a party that is not inconsistent with federal law.

§607. Limitations on wagering

A.(1) To place a sports wager with an operator, a player shall be all of the following:

(a) Twenty-one years of age or older.

(b) Physically located in a parish that has approved a proposition authorizing sports wagering.

(c) Have a wagering account established with the operator if the player is attempting to place the sports wager through a website or mobile application.

(d) Not prohibited from wagering with the operator by law, rule, policy of the operator, self-exclusion, or pursuant to R.S. 27:27.1.

(2) In order to accept a sports wager from a player, an operator shall confirm that the player meets all of the following criteria:

(a) Is twenty-one years of age or older.

(b) Is physically located in a parish that has approved a proposition authorizing sports wagering.

(c) Has an existing sports wagering account with the operator if the wager is being placed through a website or mobile application.

(d) Is not prohibited from wagering with the operator by law, rule, policy of the operator, self-exclusion, or pursuant to R.S. 27:27.1.

B.(1) An operator shall not knowingly accept a wager from a person who is an athlete, coach, referee, or other official or staff of a participant or team that is participating in the sports event on which the person is attempting to place the wager.

(2) An operator shall not knowingly accept wagers from a person who is the operator itself or is a director, officer, owner, or employee of the operator or any relative or other person living in the same household as a director, officer, owner, or employee of the operator.

C. No sports wagers may be accepted or paid by any operator on any of the following:

(1) On any sport or athletic event not authorized by law or the board.

(2) On any sport or athletic event which the operator knows or reasonably should know is being placed by or on behalf of an official, owner, coach, or staff of a participant or team that participates in that event.

(3) A single act in a team event solely in the control of one participant acting independently.

(4) On the occurrence of injuries or penalties, or the outcome of an athlete's disciplinary rulings, or replay reviews.

D. Subject to the rules of the board, an operator shall immediately report to the board on the following activities:

(1) Any criminal or disciplinary proceedings commenced against the licensee or its employees, or a sports wagering platform provider or its employees, in connection with the operations of the sports book.

(2) Any abnormal wagering activity or patterns that may indicate a concern about the integrity of a sports event.

(3) Any other conduct with the potential to corrupt a wagering outcome of a sports event for purposes of financial gain, including but not limited to match fixing.

(4) Suspicious or illegal wagering activities, including the use of funds derived from illegal activity, wagers to conceal or launder funds derived from illegal activity, use of agents to place wagers, or use of false identification.

E. Every operator shall adopt procedures to obtain personally identifiable information from any individual who places an in-person single wager in an amount of ten thousand dollars or greater on a sports event.

§608. Electronic wagering; kiosk; mobile wagering

A.(1) Electronic wagering may be conducted only to the extent that it is conducted in accordance with this Chapter and in accordance with the rules and regulations promulgated by the board.

(2) An operator may accept wagers made electronically using a sports wagering mechanism located on its premises or through a website or mobile application.

B. Sports wagering mechanism. (1) A player may place a wager via a sports wagering mechanism with cash or utilizing the player's established sports wagering account.

(2) Sports wagering mechanisms shall only be located on a licensee's premises in areas where accessibility is limited to patrons twenty-one years of age or older.

(3)(a) Sports wagering mechanisms shall be branded in the same brand as the licensee.

(b) Each sports wagering mechanism shall:

(i) Not have any device or program that will alter the reading of a bet, value, or amount of wagering or deposits to reflect a bet, value, or amount other than that actually wagered or deposited or any switches, jumpers, wire posts, or any other means of manipulation that could affect the operation or outcome of a wager.

(ii) Not have any device, switch, program, or function that can alter the readings of the actual amounts or values relating to any function or occurrence of the mechanism.

(iii) Have separate secure areas with locking doors for the logic board and software, the cash compartment, and the mechanical meters as required by the rules of the board. Access to one area from the other shall not be allowed at any time.

(iv) Not have any functions or parameters adjustable by or through any separate video display or input codes, except for the adjustment of features that are wholly cosmetic.

(v) Have a circuit-interrupting device, method, or capability which will disable the machine if the board approved program is accessed or altered.

(vi) Have a serial number or other identification number permanently affixed to the mechanism by the manufacturer.

(c) Each sports wagering mechanism shall be linked by telecommunication to an operator's sports wagering platform for purposes of polling or reading mechanism activities and for central computer remote

shutdown of mechanism operations. If the central computer system fails as a result of a malfunction or catastrophic event, the mechanism may remain in operation until the central computer system is restored.

(d) The board may provide for additional specifications for mechanisms to be approved and authorized pursuant to the provisions of this Chapter as it deems necessary to maintain the integrity of sports wagering mechanisms and operations.

(4)(a) Any sports wager placed with cash via a sports wagering mechanism shall be evidenced by a ticket indicating the name of the operator booking the wager, the sports event on which the wager was placed, the amount of cash wagered, the type of bet and odds if applicable, the date of the event, and any other information required by the board.

(b) A patron with a winning ticket shall redeem the ticket at the establishment of the licensee that booked the wager within one hundred eighty days of the date of the event.

(5) A sports wagering mechanism may be utilized by a player to make a deposit in their sports wagering account.

(6) Wagers placed via a sports wagering mechanism through a player's established sports wagering account shall be settled through the player's wagering account.

C. Mobile wagering. (1) For purposes of mobile wagering, each licensee may provide no more than two individually branded websites which may have an accompanying mobile application bearing the same brand as the website. The website and mobile application shall only be offered under the same brand as the licensee, or the sports wagering platform provider, or both. The website and mobile application shall be, at the discretion of the licensee, in addition to any other websites or mobile applications operated by the platform provider and offering other types of mobile gaming.

(2) Wagering through a website or mobile application shall be subject to the following requirements:

(a)(i) A patron shall establish a wagering account with the operator before the operator may accept any sports wager through a website or mobile application from the patron and an initial verification of the account shall be completed by the operator. An account may be established with a line of credit or as an advance deposit wagering account.

(ii) No operator shall accept a sports wager through a website or mobile application from the public or any person who does not have an established account with the operator.

(b) No wagers shall be placed when the player is physically located out of state or in a parish that has not approved a proposition authorizing sports wagering. An operator shall maintain geofencing and geolocation services and shall bear all costs and responsibilities associated with the services as required by the board.

§609. Payment of winnings; collection and use of funds

A.(1) Winning wagers that were placed in-person or via a sports wagering mechanism with cash and are evidenced by a ticket receipt shall be redeemed by a player within one hundred eighty days from the time of the event. A licensee shall pay tickets upon presentation after performing validation procedures unless otherwise allowed pursuant to the rules and regulations of the board.

(2) The failure to present a winning ticket within the prescribed time shall constitute a waiver of the right to the payment and the holder of the ticket shall thereafter have no right to enforce payment of the ticket.

(3)(a) A licensee's obligation to pay a winning ticket shall expire after one hundred and eighty days from the date of the sports event if not presented for payment.

(b) The funds held by any licensee for payment of outstanding tickets shall be retained by the licensee for that purpose until the expiration of one hundred and eighty days after the date of the sports event.

(c) After such time, the licensee shall each day accumulate the amount equal to the sum of any unclaimed winnings, less the amount of state tax paid

by the licensee on the unclaimed monies that expire that day. On or before the fifteenth day of the first month following the end of a calendar-year quarter, the licensee shall remit to the state treasurer for deposit into the Crime Victims Reparations Fund as provided for in R.S. 46:1816 an amount equal to the accumulated total for the previous calendar-year quarter. The funds shall be used exclusively to pay the expenses associated with health care services of victims of sexually-oriented criminal offenses, including forensic medical examinations as defined in R.S. 15:622.

B. Winning wagers placed using a sports wagering account shall be credited by the licensee to the patron's account within one day from the time of the event unless otherwise allowed pursuant to the rules and regulations of the board.

§610. Layoff bets

An operator may seek to reduce its risk exposure on a sports event by placing a wager with another book. An operator may accept wagers placed by other operators. An operator may place wagers only with other operators. The operator that places a wager shall inform the book accepting the wager that the wager is being placed by a book and shall disclose the book's identity.

Section 2. R.S. 13:4721 is hereby amended and reenacted to read as follows:

§4721. Gambling houses; definition; declared public nuisances

A. For the purposes of this ~~Sub-part~~, **Subpart**, or for the purposes of any action or prosecution ~~hereunder~~ in this Subpart, a gambling house is either:

(1) ~~any~~ Any place ~~whatever~~ whatsoever where any game of chance of any kind or character is played for money, for wagers, or for tokens, and where the conduct of such place operates, directly or indirectly, to the profit of one or more individuals and not exclusively to the direct profit of the actual participants in such game; ~~and.~~

(2) ~~any~~ Any place whatsoever where races, athletic contests, ~~and~~ sports, and games are not actually held and where opportunity is afforded for wagering upon races, athletic contests, sports, and games of chance.

B. All gambling houses as ~~herein~~ defined **in this Section** are declared to be public nuisances, and the ~~owner~~ **owners** thereof, and the ~~agent~~ **agents** for such ~~owner,~~ **owners,** or the ~~lessee, sublessee~~ **lessees, sublessees,** or other occupants thereof are declared to be guilty of maintaining a public nuisance.

C. The provisions of this Subpart shall not apply to any place where a sports book is being conducted in accordance with Chapter 10 of Title 27 of the Louisiana Revised Statutes of 1950.

Section 3. R.S. 14:90.5(A), (B), and (C) are hereby amended and reenacted and R.S. 14:90(E) and 90.3(K) are hereby enacted to read as follows:

§90. Gambling

* * *

E. Sports wagering shall not be considered gambling for purposes of this Section so long as the wagering is conducted in compliance with Chapter 10 of Title 27 of the Louisiana Revised Statutes of 1950.

* * *

§90.3. Gambling by computer

* * *

K. Sports wagering shall not be considered gambling by computer for purposes of this Section so long as the wagering is conducted in compliance with Chapter 10 of Title 27 of the Louisiana Revised Statutes of 1950.

* * *

§90.5. Unlawful playing of gaming devices by persons under the age of twenty-one; underage persons, penalty

A. It is unlawful for any person under twenty-one years of age to play casino games, gaming devices, ~~or~~ slot machines, **or to place a wager on a sports event.**

B. No person under the age of twenty-one, except an emergency responder acting in his official capacity, shall enter, or be permitted to enter, the designated gaming area of a riverboat, the designated gaming area of the official gaming establishment, or the designated ~~slot machine~~ gaming area of a pari-mutuel wagering facility which offers live horse racing licensed for operation and regulated under the

applicable provisions of Chapters 4, 5, and 7 of Title 27 of the Louisiana Revised Statutes of 1950.

C.(1) For purposes of this Section, "casino games, gaming devices, or slot machines" means a game or device, as defined in R.S. 27:44~~(10)~~ ~~or (12)~~, 205~~(12)~~ ~~or (13)~~, or 353~~(14)~~ operated on a riverboat, at the official gaming establishment, or at a pari-mutuel wagering facility which offers live horse racing which is licensed for operation and regulated under the provisions of Chapters 4, 5, and 7 of Title 27 of the Louisiana Revised Statutes of 1950.

(2) For purposes of this Section, "place a wager on a sports event" shall apply to wagers attempted to be or actually placed in-person, via a self-service sports wagering mechanism, or though a website or mobile application as those terms are defined in R.S. 27:602 and operations are regulated under the provisions of Chapter 10 of Title 27 of the Louisiana Revised Statutes of 1950.

* * *

Section 4. R.S. 46:1816(B)(8) is hereby amended and reenacted to read as follows:

§1816. Crime Victims Reparations Fund; creation; sources and use of funds

* * *

B. The fund shall be composed of:

* * *

(8) Monies deposited by the state treasurer from the collection of unclaimed prize money as provided for in R.S. 4:176 and R.S. 27:94, 252, ~~and 394~~, **and 609**, which shall be used exclusively to pay the expenses associated with health care services of victims of sexually-oriented criminal offenses, including forensic medical examinations as defined in R.S. 15:622.

* * *

Section 5. This Act shall take effect and become operative if and when the Act which originated as House Bill No. 697 of this 2021 Regular Session of the Legislature is enacted and becomes effective.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Dawn Romero Watson.

DIGEST

SB Original

2021 Regular Session

Proposed law enacts the "Louisiana Sports Wagering Act".

Present law vests all regulatory authority, control, and jurisdiction over all aspects of gaming activities and operations of riverboats, the land-based casino, video poker, and fantasy sports contests with the Louisiana Gaming Control Board (board).

Proposed law retains present law and adds authority, control, and jurisdiction for the board over sports wagering.

Proposed law specifically provides that any license, permit, approval, or thing obtained or issued pursuant to proposed law is expressly declared by the legislature to be a pure and absolute revokable privilege and not a right, property or otherwise, under the federal or state constitution.

Proposed law provides for definitions and requires the board to adopt rules in accordance with the Administrative Procedure Act to:

- (1) Develop qualifications and standards and a process and procedure for the issuance of a license to operate a sports book as well as the renewal, suspension, and revocation of a license.
- (2) Develop qualifications and standards and a procedure and process for approval and permitting of sports wagering platform providers, manufacturers, suppliers, and personnel, as well as the renewal, suspension, and revocation of a permit.
- (3) Promulgate forms, processes, and procedures necessary to implement, administer, and regulate sports wagering as authorized by proposed law.
- (4) Establish standards for the amount of reserves required to be maintained by an operator and the allowable form of those reserves, including standards for initial reserves for a new licensee or newly permitted sports wagering platform provider.
- (5) Establish guidelines for the acceptance of wagers on a series of sports events by an operator.
- (6) Determine the maximum number and amount of wagers which may be accepted by an operator from any one patron on any one sports event.
- (7) Prohibit an operator from unilaterally rescinding a wager except in compliance with rules of the board.
- (8) For cash wagers placed in-person or via a sports wagering mechanism, establish standards for the type of wagering tickets which may be used, information required to be printed on a ticket, and methods for issuing tickets.
- (9) Establish the method of accounting to be used by operators, the types of records required to be kept, and the length of time records shall be retained.
- (10) Require operators to comply with anti-money laundering standards.
- (11) Provide standards for the use of credit and checks by players and other protections for players.
- (12) Establish internal controls for all aspects of electronic wagering, including procedures for system integrity, system security, operations, accounting, and reporting of problem gamblers.
- (13) Establish operational controls for server-based gaming systems, software and hardware utilized on electronic sports wagering, including but not limited to

appearance, functionality, contents, collection, storage, and retention of data and security.

- (14) Establish operational controls for sports wagering accounts, including but not limited to procedures for establishment and closure of an online account, funding of withdrawal of funds from an online account, and generation of an account statement for a patron's online account.
- (15) Establish standards for servers and other equipment used to accept wagers by operators and procedures for inspection and for addressing defective or malfunctioning devices, equipment, and accessories related to sports wagering.
- (16) Require that an amount equal to or greater than 10% of all sports wagering booked by an operator on any event be on deposit in a Louisiana chartered bank and that a dollar amount equal to or greater than 10% of the total amount held by an operator in patron's sports wagering accounts be on deposit in a Louisiana chartered bank.

Proposed law authorizes emergency rulemaking procedures to be used for the initial promulgation of administrative rules.

Proposed law provides that the board shall follow its regulatory processes for dispute resolution for disputes arising from sports wagering.

Proposed law provides that the gaming division of state police shall be charged with inspecting and ensuring compliance with all the requirements of proposed law and with any other tasks deemed necessary by the board.

Proposed law provides that no person, business, or legal entity shall operate a sports book without first being licensed by the board and that a sports wagering license shall be in addition to any other license.

Proposed law provides that the board shall issue no more than 20 licenses to operate a sports book. Requires the board to first consider applications for licensing from the following:

- (1) The landbased casino.
- (2) The fifteen licensed riverboats.
- (3) The four race tracks, provided that the race track has the approval of the Louisiana State Racing Commission to apply to be licensed to operate a sports book.

Proposed law provides that for the initial application process, should any of the initial 20 eligible applicants elect not to apply for a license or fail to submit a completed application by January 1, 2022, it shall not be considered for a license and the board may consider for the remaining licenses, applications from suitable applicants who are:

- (1) Video poker licensed establishments; however, any applicant that is also licensed as an offtrack betting parlor shall also have the Louisiana State Racing Commission's approval to apply to be licensed for a sports book.
- (2) Fantasy sports operators.

Proposed law provides that if the number of applications received by the board that are determined to be suitable applicants exceeds the number of licenses available, the board shall provide for a concealed bid process and issue the available licenses to bidders, in accordance with the board's ranking of the bids, to the applicant that in the board's discretion has the greatest potential for revenue generation for the state.

Proposed law provides that should a license become available after the initial issuance, the board shall notify the riverboats, race tracks, or the landbased casino who do not have a sports wagering license about the available license and provide those entities an opportunity

to apply for the license by a certain date. Provides that if the number of applications from suitable applicants exceeds the number of available licenses, the board shall provide for a concealed bid process and issue the available licenses to bidders, in accordance with the board's ranking of the bids, to the applicant that in the board's discretion has the greatest potential for revenue generation for the state.

Proposed law provides that should a license become available after the initial issuance and the riverboats, race tracks, and the landbased casino decline to apply or the number of available licenses exceeds the number of riverboats, race track, or the landbased casino who are interested, the board shall notify the licensed video poker establishments (bars and lounges, restaurants, truck stops, offtrack betting parlors, and hotels) who do not have a sports wagering license about the available license and provide those entities an opportunity to apply for the license by a certain date. If the number of applications from suitable applicants exceeds the number of available licenses, the board shall provide for a concealed bid process and issue the available licenses to bidders, in accordance with the board's ranking of the bids, to the applicant that in the board's discretion has the greatest potential for revenue generation for the state.

Proposed law provides that the board shall only award a license to operate a sports book to an applicant that it determines to be suitable, and specifically provides other information that the board may consider in addition to the information the board uses in determining suitability for other gaming licenses.

Proposed law provides that each applicant shall submit as part of its application a detailed plan of design of its sports book lounge and other areas of its establishment where sports wagering mechanisms may be placed. Requires the board to only issue a license to an applicant whose detailed plan of design the board finds acceptable.

Proposed law provides that a licensed sports wagering establishment may operate the sports book itself or contract for operation of its onsite or its mobile operation with a sports wagering platform provider. Provides that only a licensed sports wagering establishment, or its sports wagering platform provider on its behalf, may process, accept, offer, or solicit sports wagers.

Proposed law specifically provides that a licensed sports wagering establishment shall be responsible for the conduct of its sports wagering platform provider.

Proposed law provides that prior to beginning operations, a licensed sports wagering establishment shall install and thereafter maintain a sports wagering platform that meets the specifications required by law and by rule and approved by the board.

Proposed law requires a sports wagering platform provider to meet the same standards of suitability as a licensee.

Proposed law requires a sports wagering platform provider to be permitted by the board and to contract with a licensee to provide sports wagering services. Provides that the board shall provide by rule for the minimum requirements of the contract between the licensee and its sports wagering platform provider. Among other requirements, the rules shall require that the contract provide access by the division and the board to any information maintained by the platform provider for verification of compliance with proposed law.

Proposed law limits a sports wagering platform provider to one sports wagering platform to offer, conduct, or operate a sports book on behalf of a licensee. Requires a sports wagering platform provider to keep books and records for the management and operation of sports wagering and for services for which it is contracted by a licensee. Requires the keeping of books and records separate and distinct from any other business the sports wagering platform provider might operate. Requires a sports wagering platform provider to file quarterly returns with the board listing all of its contracts and services related to sports wagering authorized under proposed law.

Proposed law requires the board to provide by rule for the standards and requirements of a sports wagering platform. Requires the rules to specify technical requirements as well as operational requirements and provides that only a sports wagering platform that meets the standards and requirements as provided by rule may be used by an operator to book wagers.

Proposed law requires that the sports wagering platform shall provide to the gaming division of state police a readily available point of contact to ensure compliance with the requirements of proposed law.

Proposed law requires that all servers necessary for the placement or resolution of wagers, other than backup servers, be physically located in Louisiana and that any sports wagering platform utilized for electronic wagering shall have a component of its design to reasonably verify that the person attempting to place the wager is at least 21 years of age, physically located in the state, and not physically located in a parish that has not approved a proposition to authorize sports wagering at the time the wager is initiated or placed, and not a person who is otherwise prohibited from wagering with the operator.

Proposed law provides that an operator may conduct sports wagering in-person or via a sports wagering mechanism located on its premises or through a website or mobile application. Requires each licensee to house its sports book in a sports wagering lounge on its premises which shall be restricted to patrons who are 21 years of age or older and conform to all requirements concerning square footage, design, equipment, security measures, and related matters which the board prescribes by rule.

Proposed law requires an operator to establish and display the odds at which wagers may be placed on sports events. Prohibits an operator from accepting a wager in-person, via a sports wagering mechanism, or through a website or mobile application unless the wagering proposition is posted by electronic or manual means.

Proposed law requires an operator to adopt comprehensive rules which the board approves to govern sports wagering transactions with its patrons. Requires the rules to specify the amount to be paid on winning wagers and the effect of schedule changes. Requires that the rules, together with any other information the board deems appropriate, to be conspicuously displayed in the establishment, posted electronically on any sports wagering mechanism, website, or mobile application, and included in the terms and conditions of the sports wagering account system.

Proposed law requires an operator to maintain records of sports wagering activities and operations in accordance with rules and regulations of the board and to follow federal anti-money laundering standards in the day-to-day operations of its business.

Proposed law requires each operator to designate one or more key employees who shall be responsible for the operation of the sports book and requires at least one key employee to be on premises whenever sports wagering is conducted.

Proposed law declares that all wagers on sports events authorized pursuant to proposed law shall be initiated, received, and otherwise made within the state unless otherwise determined by the board in accordance with applicable federal and state laws.

Proposed law authorizes an operator to pool wagers with persons who are not physically present in this state if the board determines that this wagering is not inconsistent with federal law or the law of this state, including any foreign nation, in which the person is located, or that the wagering is conducted pursuant to a reciprocal agreement to which the state is a party that is not inconsistent with federal law.

Proposed law provides that to place a sports wager with an operator, a player must be, and an operator must confirm that the player is:

- (1) 21 years of age or older.

- (2) Physically located in a parish that has approved a proposition authorizing sports wagering.
- (3) Have a wagering account established with the operator if the player is attempting to place a sports wager through a website or mobile application.
- (4) Not prohibited from wagering with the operator by law, rule, policy of the operator, self-exclusion, or pursuant to Uniform Compulsive and Problem Gambling Program.

Proposed law prohibits an operator from knowingly accepting wagers from:

- (1) A person who is an athlete, coach, referee, or other official or staff of a participant or team that is participating in the sports event on which the person is attempting to place the wager.
- (2) A person who is the operator itself or is a director, officer, owner, or employee of the operator or any relative or other person living in the same household as a director, officer, owner, or employee of the operator.

Proposed law provides that no sports wagers may be accepted or paid by any operator on any of the following:

- (1) On any sport or athletic event not authorized by law or the board.
- (2) On any sport or athletic event which the operator knows or reasonably should know is being placed by or on behalf of an official, owner, coach, or staff of a participant or team that participates in that event.
- (3) A single act in a team event solely in the control of one participant acting independently.
- (4) On the occurrence of injuries or penalties, or the outcome of an athlete's disciplinary rulings, or replay reviews.

Proposed law requires an operator to immediately report to the board on the following activities:

- (1) Any criminal or disciplinary proceedings commenced against the licensee or its employees, or a sports wagering platform provider or its employees, in connection with the operations of the sports book.
- (2) Any abnormal wagering activity or patterns that may indicate a concern about the integrity of a sports event.
- (3) Any other conduct with the potential to corrupt a wagering outcome of a sports event for purposes of financial gain, including but not limited to match fixing.
- (4) Suspicions or illegal wagering activities, including the use of funds derived from illegal activity, wagers to conceal or launder funds derived from illegal activity, use of agents to place wagers, or use of false identification.

Proposed law requires every operator to adopt procedures to obtain personally identifiable information from any individual who places an in-person single wager in an amount of \$10,000 or greater on a sports event.

Proposed law provides that an operator may accept wagers made electronically using a sports wagering mechanism located on its premises or through a website or mobile application.

Proposed law provides that a player may make a deposit in his sports wagering account or place a wager via a sports wagering mechanism. Provides that the deposit or wager may be

made with cash or utilizing the player's established sports wagering account. Requires that sports wagering mechanisms:

- (1) Be located only on a licensee's premises in areas where accessibility is limited to patrons 21 years of age or older.
- (2) Be branded in the same brand as the licensee.
- (3) Be configured in such a way that no device, program, switch, or function will alter the reading of a bet, value, or amount of wagering or deposits to reflect a bet, value, or amount other than that actually wagered or deposited or any switches, jumpers, wire posts, or any other means of manipulation that could affect the operation or outcome of a wager.
- (4) Be divided into separate secure areas with locking doors for the logic board and software, the cash compartment, and the mechanical meters as required by the rules of the board and prohibit access to one area from the other.
- (5) Not have any functions or parameters adjustable by or through any separate video display or input codes, except for the adjustment of features that are wholly cosmetic.
- (6) Have a circuit-interrupting device, method, or capability which will disable the machine if the board approved program is accessed or altered.
- (7) Have a serial number or other identification number permanently affixed to the mechanism by the manufacturer.
- (8) Be linked by telecommunication to an operator's sports wagering platform for purposes of polling or reading mechanism activities and for central computer remote shutdown of mechanism operations. If the central computer system fails as a result of a malfunction or catastrophic event, the mechanism may remain in operation until the central computer system is restored.

Proposed law provides that the board may provide for additional specifications for mechanisms to be approved and authorized as it deems necessary to maintain the integrity of sports wagering mechanisms and operations.

Proposed law requires that any sports wager placed with cash via a sports wagering mechanism be evidenced by a ticket indicating the name of the operator booking the wager, the sports event on which the wager was placed, the amount of cash wagered, the type of bet and odds if applicable, the date of the event, and any other information required by the board.

Proposed law provides that a patron with a winning ticket shall redeem the ticket at the establishment of the licensee that booked the wager within 180 days of the date of the event. Provides that wagers placed through a player's established sports wagering account shall be settled through the player's wagering account.

Proposed law authorizes mobile wagering. Provides that for purposes of mobile wagering, each licensee may provide no more than two individually branded websites which may have an accompanying mobile application bearing the same brand as the website. The website and mobile application shall only be offered under the same brand as the licensee, or the sports wagering platform provider, or both. The website and mobile application shall be, at the discretion of the licensee, in addition to any other websites or mobile applications operated by the platform provider and offering other types of mobile gaming.

Proposed law, regarding mobile wagering, requires that:

- (1) A patron establish a wagering account with the operator before the operator may accept any sports wager through a website or mobile application from the patron and

that the operator conduct an initial verification of the account. Provides that an account may be established with a line of credit or as an advance deposit wagering account.

- (2) Prohibits an operator from accepting a sports wager through a website or mobile application from the public or any person who does not have an established account with the operator and when the player is physically located out of state or in a parish that has not approved a proposition authorizing sports wagering. Requires an operator to maintain geofencing and geolocation services and bear all costs and responsibilities associated with the services as required by the board.

Proposed law requires winning wagers that were placed in-person or via a sports wagering mechanism with cash and are evidenced by a ticket receipt to be redeemed by a player within 180 days from the time of the event. Requires a licensee to pay winning tickets upon presentation after performing validation procedures unless otherwise allowed pursuant to the rules and regulations of the board. Provides that the failure to present a winning ticket within 180 days shall constitute a waiver of the right to the payment and the holder of the ticket shall thereafter have no right to enforce payment of the ticket. Provides that a licensee's obligation to pay a winning ticket expires after 180 days from the date of the sports event if not presented for payment.

Proposed law provides that funds held by any licensee for payment of outstanding tickets shall be retained by the licensee for that purpose until the expiration of 180 days after the date of the sports event. Provides that after that, the licensee shall each day accumulate the amount equal to the sum of any unclaimed winnings, less the amount of state tax paid by the licensee on the unclaimed monies that expire that day. Provides that on or before the 15th day of the first month following the end of a calendar-year quarter, the licensee shall remit to the state treasurer for deposit into the Crime Victims Reparations Fund as provided for in present law an amount equal to the accumulated total for the previous calendar-year quarter. The funds shall be used exclusively to pay the expenses associated with health care expenses of victims of sexually-oriented crimes.

Proposed law provides that winning wagers placed using a sports wagering account shall be credited by the licensee to the patron's account within one day from the time of the event unless otherwise allowed pursuant to the rules and regulations of the board.

Proposed law authorizes an operator who seeks to reduce its risk exposure on a sports event to place a wager with another book. Requires the operator that places a wager to inform the book accepting the wager that the wager is being placed by a book and to disclose its identity.

Present law prohibits gambling houses, gambling, and gambling by computer.

Proposed law retains present law, but makes an exception for gaming conducted in accordance with proposed law.

Present law provides that it is unlawful for any person under 21 years of age to play casino games, gaming devices, or slot machines.

Proposed law retains present law and includes sports wagering to casino games that persons under 21 years of age are prohibited from playing.

Effective upon the enactment of the bill which originated as House Bill No. 697 of this 2021 Regular Session of the Legislature.

(Amends R.S. 13:4721, R.S. 14:90.5(A), (B), and (C), R.S. 27:15(B)(1), 15.1, 27.1(C)(intro para), 24(A)((5)(a), (b), (c), (d), and (e) and (6), 44(9) and (13), 58(5), 65(B)(11), 205(11) and (12), 239.1, 353(2) and (5), 361(F), 364(A)(1)(c)(ii) and (5), 371(C), 372(B) and (C), and 375(D), and R.S. 46:1816(B)(8); adds R.S. 14:90(E) and 90.3(K), R.S. 27:15(8)(c) and 601-610)