

RÉSUMÉ DIGEST

ACT 525 (HB 1055)

2022 Regular Session

Hughes

Existing law provides for specific duties of the La. State Racing Commission (commission).

New law provides for the following additional duties of the commission:

- (1) Promulgate rules setting forth minimum standards and infrastructure investments required of each association for facility maintenance and improvements, such as minimum standards for track surface, barns, grandstands, and paddocks in order for the association to be eligible to conduct race meets at a particular track.
- (2) Promulgate rules setting forth minimum employment requirements, including but not limited to food service, marketing, pari-mutuel windows, and kiosk repair staffing, for both full-time and seasonal workers, in order for the association to be eligible to conduct race meets at a particular track.

Prior law authorized the commission to require licensed associations to submit a written report and set forth certain guidelines to be included in the report, including a plan of operation and a summary of the prior year's plan of operation. New law retains these guidelines and changes the reporting provisions from a regulation the commission is authorized to enforce to a regulation the commission is required to enforce.

New law requires facility improvements to be included in the plan of operation guidelines set forth in existing law.

Prior law defined "facility maintenance".

New law revises the definition of "facility maintenance" and adds the defined term "facility improvements".

New law requires each association or licensee as defined in existing law (R.S. 4:143) to submit to the commission, the Senate Committee on Judiciary B, and the House Committee on Commerce, by certified mail no later than 20 days after the end of each calendar quarter, a report that provides all of the following:

- (1) The names each individual, corporation, firm, partnership, association, or other legal entity that provides professional services to the association or licensee, including the name and addresses of each entity and whether the entity providing the services is a registered La. business, female-owned, or minority-owned.
- (2) The demographic information of the association's or licensee's workforce, including race, gender, and La. residency.

New law defines "professional services".

New law requires the reports set forth in new law to be public records and governed by existing law known as the "Public Records Law" (R.S. 44:1 et seq.).

New law provides that the reports required pursuant to new law are not required to contain compensation amounts paid by the association to each individual or legal entity in exchange for professional services or the compensation paid to each of its employees.

New law authorizes the commission to suspend or withdraw licenses, permits, and other privileges or to terminate racing privileges for failure to comply with the reporting requirements in accordance with new law.

New law requires the commission to adopt rules for the implementation of new law in accordance with the Administrative Procedure Act (R.S. 49:950 et seq.).

New law requires the first report required pursuant to new law to be submitted on or before Oct. 20, 2022.

New law authorizes the commission to suspend or withdraw licenses, permits, and privileges or terminate racing privileges for failure to spend necessary funds in order to maintain minimum facility maintenance and facility improvement criteria established by the commission.

New law requires each association to establish and maintain a facility maintenance and improvement fund, specifies the fund's purpose, and provides that the fund shall be subject to audit by the La. State Racing Commission and the legislative auditor.

New law defines "gross profits", "state tax", and "taxable net slot machine proceeds".

New law requires that, after July 1, 2022, 50% of gross profits are to be deposited into the facility maintenance and improvement fund until all commission-required facility maintenance and improvements have been completed. Requires the deposits to be made at the same time that the state tax is paid.

New law provides that after initial maintenance and improvements have been completed satisfactorily, each association is required to maintain a minimum fund balance of \$10,000,000.

New law requires each licensed eligible facility or licensee to establish a facility maintenance and improvement fund as provided in new law.

New law provides that for any new license or license renewal issued by the board on or after July 1, 2022, the establishment of, deposits into, and maintenance of the fund shall be a condition of licensing and shall be required by the owner of the licensed eligible facility or licensee in order to maintain continued authority to conduct slot machines gaming.

Effective upon signature of governor (June 16, 2022).

(Amends R.S. 4:158.1 and 160(B); Adds R.S. 4:147(7) and (8), 158.2, 160(C), and 164 and R.S. 27:393.1)