

2021 Regular Session

HOUSE BILL NO. 697 (Substitute for House Bill No. 628 by Representative Stefanski)

BY REPRESENTATIVES STEFANSKI, BOURRIAQUE, BRASS, BROWN, BRYANT, DESHOTEL, FONTENOT, HOLLIS, JEFFERSON, TRAVIS JOHNSON, LACOMBE, MARINO, PIERRE, AND STAGNI

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

GAMING: Provides for sports wagering

1 AN ACT

2 To amend and reenact R.S. 13:4721, R.S. 14:90.5(A) through (C), R.S. 27:3(10), (15), (17),

3 and (19), 15(D) and (E), 29.1(D) and (E), 29.2(A), (B), (D), and (E), 29.3(A),

4 29.4(D), R.S. 47:9001, 9002, 9006(B), 9009(B)(1) and (C), 9010(E), 9015(D), and

5 9029(A)(1) and to enact R.S. 14:90(E) and 90.3(K), R.S. 27:92(D), Part IV of

6 Chapter 10 of Title 27 of the Louisiana Revised Statutes of 1950, to be comprised

7 of R.S. 27:621 through 627, and Chapter 10 of Title 47 of the Louisiana Revised

8 Statutes of 1950, to be comprised of R.S. 47:9091 through 9107, relative to sports

9 wagering; to provide for definitions; to authorize sports wagering; to require certain

10 licenses and permits; to require certain fees; to levy certain taxes; to provide relative

11 to the administration of sports wagering gaming; to provide relative to duties and

12 powers of the Louisiana Gaming Control Board; to provide relative to duties and

13 powers of the gaming division in the office of state police; to provide relative to

14 duties and powers of the Louisiana Lottery Corporation; to provide for the collection

15 and disposition of certain monies; to create the Sports Wagering Enforcement Fund;

16 to create the Lottery Sports Wagering Fund; to authorize electronic sports wagering;

17 to provide for a public records exception; to provide relative to legislative intent; to

18 provide relative to administrative rules; to provide relative to contracts; to provide

19 relative to suitability; to provide relative to sports wagering mechanisms; to provide

1 relative to sports wagering winnings and prizes; to provide relative to sports  
2 wagering tickets; to provide relative to state revenues; to provide relative to  
3 gambling houses; to provide relative to gambling; to provide for certain  
4 requirements, conditions, and limitations; to provide for effectiveness; and to provide  
5 for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 13:4721 is hereby amended and reenacted to read as follows:

8 §4721. Gambling houses; definition; declared public nuisances

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

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

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

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

23 C. The provisions of this Subpart shall not apply to any place where sports  
24 wagering is conducted in accordance with Chapter 10 of Title 47 of the Louisiana  
25 Revised Statutes of 1950.

26 Section 2. R.S. 14:90.5(A) through (C) are hereby amended and reenacted and R.S.  
27 14:90(E) and 90.3(K) are hereby enacted to read as follows:

28 §90. Gambling

29 \* \* \*

1           E. Sports wagering shall not be considered gambling for purposes of this  
2           Section so long as the wagering is conducted in compliance with Chapter 10 of Title  
3           47 of the Louisiana Revised Statutes of 1950.

4                                   \*       \*       \*

5           §90.3. Gambling by computer

6                                   \*       \*       \*

7           K. Sports wagering shall not be considered gambling by computer for  
8           purposes of this Section so long as the wagering is conducted in compliance with  
9           Chapter 10 of Title 47 of the Louisiana Revised Statutes of 1950.

10                                  \*       \*       \*

11           §90.5. Unlawful playing of gaming devices by persons under the age of twenty-one;  
12                                   underage persons, penalty

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

15                           B. No person under the age of twenty-one, except an emergency responder  
16           acting in his official capacity, shall enter, or be permitted to enter, the designated  
17           gaming area of a riverboat, the designated gaming area of the official gaming  
18           establishment, or the designated ~~slot machine~~ gaming area of a pari-mutuel wagering  
19           facility which offers live horse racing licensed for operation and regulated under the  
20           applicable provisions of Chapters 4, 5, and 7 of Title 27 of the Louisiana Revised  
21           Statutes of 1950.

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

28                           (2) For purposes of this Section, "place a wager on a sports event" shall apply  
29           to wagers attempted to be or actually placed via a self-service sports wagering

1 mechanism, or via a mobile application as defined in R.S. 47:9002 and operations  
2 are regulated under the provisions of Chapter 10 of Title 47 of the Louisiana Revised  
3 Statutes of 1950.

4 \* \* \*

5 Section 3. R.S. 27:3(10), (15), (17), and (19) , 15(D) and (E), 29.1(D) and (E),  
6 29.2(A), (B), (D), and (E), 29.3(A), and 29.4(D) are hereby amended and reenacted and R.S.  
7 27:92(D) and Part IV of Chapter 10 of Title 27 of the Louisiana Revised Statutes of 1950,  
8 comprised of R.S. 27:621 through 627, are hereby enacted to read as follows:

9 §3. Definitions

10 For the purposes of this Title, the following terms have the following  
11 meanings, unless the context clearly indicates otherwise:

12 \* \* \*

13 (10) "Gaming supplier" means any person who supplies, sells or leases, or  
14 contracts to sell or lease, gaming devices, equipment, or supplies to a holder of a  
15 license as defined in ~~R.S. 27:44(14), R.S. 27:353(5)~~, R.S. 27:44, 353, or 602, or to  
16 the casino gaming operator. "Gaming supplier" shall also include any person or  
17 entity that supplies geolocation, geofencing, or patron identification services to the  
18 holder of a license as defined in R.S. 27:44, 353, or 602, or to the casino gaming  
19 operator.

20 \* \* \*

21 (15) "Key gaming employee" or "managerial employee" means an employee,  
22 agent, or representative of the casino gaming operator, or of a holder of a license as  
23 defined in ~~R.S. 27:44(14), R.S. 27:353(5)~~, R.S. 27:44, 353, or 602, or a permittee  
24 whether or not a gaming employee who, in the opinion of the board or division,  
25 holds or exercises critical or significant management or operating authority over the  
26 casino gaming operator, or of a holder of a license as defined in ~~R.S. 27:44(13), R.S.~~  
27 ~~27:353(6)~~, R.S. 27:44, 353, or 602, or a permittee.

28 \* \* \*

1 (17) "Non-key gaming employee" means a person employed in the operation  
2 of a gaming activity and includes employees empowered to make discretionary  
3 decisions that regulate gaming activities, and any individual whose employment  
4 duties require or authorize access to designated gaming areas of a licensee as defined  
5 in ~~R.S. 27:44(14), R.S. 27:353(5)~~, R.S. 27:44, 353, or 602, or the official gaming  
6 establishment, other than non-gaming equipment maintenance personnel, cleaning  
7 personnel, waiters, waitresses, and secretaries.

8 \* \* \*

9 (19) "Non-gaming supplier" means any person who sells, leases, or otherwise  
10 distributes, directly or indirectly, goods or services other than gaming equipment and  
11 supplies to the holder of a license, as defined in ~~R.S. 27:44(14), R.S. 27:353(5)~~, R.S.  
12 27:44, 353, or 602, or the casino gaming operator.

13 \* \* \*

14 §15. Board's authority; responsibilities

15 \* \* \*

16 D. In addition to or in lieu of the revocation or suspension of a license or  
17 permit issued pursuant to the provisions of the Louisiana Riverboat Economic  
18 Development and Gaming Control Act, the Louisiana Economic Development and  
19 Gaming Corporation Act, the Pari-mutuel Live Racing Facility Economic  
20 Redevelopment and Gaming Control Act, the Louisiana Sports Wagering Act, and  
21 this Chapter, the board may impose upon the casino gaming operator or the holder  
22 of a license as defined in R.S. 27:44 ~~or~~, 353, or 602, or a permittee a civil penalty not  
23 to exceed one hundred thousand dollars for each violation of any provision of the  
24 Louisiana Riverboat Economic Development and Gaming Control Act, the Louisiana  
25 Economic Development and Gaming Corporation Act, the Louisiana Pari-mutuel  
26 Live Racing Facility Economic Redevelopment and Gaming Control Act, the  
27 Louisiana Sports Wagering Act, this Chapter, or any rule or regulation of the board.  
28 Payment of the civil penalty shall be a requirement for the retention of any permit,  
29 certificate, or license held by the entity which violated any such provisions. If the

1 licensee contests the imposition of the civil penalty, the penalty shall be imposed  
2 only after an adjudicatory hearing is conducted pursuant to R.S. 27:25 and a basis for  
3 imposition of the penalty is determined to exist.

4 E. The board by rule may adopt a schedule of penalties for violations of the  
5 Louisiana Riverboat Economic Development and Gaming Control Act, the Louisiana  
6 Economic Development and Gaming Corporation Act, the Pari-mutuel Live Racing  
7 Facility Economic Redevelopment and Gaming Control Act, the Louisiana Sports  
8 Wagering Act, this Chapter, or any rule or regulation of the board. Any such rules  
9 shall be adopted pursuant to the Administrative Procedure Act and as otherwise  
10 provided in this Chapter.

11 \* \* \*

12 §29.1. Manufacturer; permits

13 \* \* \*

14 D. The annual fee for a manufacturer of slot machines, sports wagering  
15 mechanisms, and video draw poker devices permit issued under the provisions of this  
16 Section is fifteen thousand dollars. This fee is required to be submitted at the time  
17 of application and on the anniversary date of the issuance of the permit thereafter.

18 E. The annual fee for a manufacturer of gaming equipment other than slot  
19 machines, sports wagering mechanisms, and video draw poker devices permit issued  
20 under the provisions of this Section is seven thousand five hundred dollars. This fee  
21 is required to be submitted at the time of application and on the anniversary date of  
22 the issuance of the permit thereafter.

23 §29.2. Gaming supplier permits

24 A. The board shall issue a gaming supplier permit to suitable persons who  
25 supply, sell, lease, or repair, or contract to supply, sell, lease, or repair gaming  
26 devices, equipment, and supplies to the holder of a license as defined in ~~R.S.~~  
27 ~~27:44(14), R.S. 27:353(5) or~~ R.S. 27:44 or 353, the casino gaming operator, or a  
28 sports wagering operator as defined in R.S. 27:602. A person shall not supply, sell,

1 lease, or repair ~~or contract to supply, sell, lease, or repair~~ gaming devices, equipment,  
2 and supplies unless they possess a valid gaming supplier permit.

3 B. Gaming devices, supplies, or equipment may not be distributed to the  
4 holder of a license as defined in ~~R.S. 27:44(14), R.S. 27:353(5) or a~~ R.S. 27:44 or  
5 353, the casino gaming operator, a sports wagering operator as defined in R.S.  
6 27:602, or supplier unless such devices, equipment, or supplies conform to rules  
7 adopted by the board for such purpose.

8 \* \* \*

9 D. A supplier shall furnish to the board a list of any gaming equipment and  
10 supplies offered by the supplier for sale or lease in connection with games authorized  
11 under this Title. A supplier shall keep books and records for the furnishing of  
12 gaming equipment and supplies to gaming operations separate and distinct from any  
13 other business that the supplier might operate. A supplier shall file a quarterly return  
14 with the board listing all sales and leases. A supplier shall permanently affix its name  
15 to all its gaming devices, equipment, and supplies for gaming operations unless  
16 otherwise authorized by the board. Any supplier's gaming devices, equipment, or  
17 supplies which are used by any person in unauthorized gaming operations shall be  
18 forfeited to the board. The holder of a license as defined in ~~R.S. 27:44(14), R.S.~~  
19 ~~27:353(5),~~ R.S. 27:44, 353, or 602, and the casino gaming operator may own its own  
20 gaming devices, equipment, and supplies. Each supplier, the holder of a license as  
21 defined in ~~R.S. 27:44(14), R.S. 27:353(5),~~ R.S. 27:44, 353, or 602, and the casino  
22 operator shall file an annual report with the board listing its inventories of gaming  
23 devices, equipment, and supplies.

24 E.(1) The annual fee for a gaming supplier permit issued under the provisions  
25 of this Section is three thousand dollars. This fee is required to be submitted at the  
26 time of application and on the anniversary date of the issuance of the permit  
27 thereafter.

28 (2) The fee provided for in this Section shall not apply to any suitable  
29 business or legal entity that markets, buys, sells, leases, services, or repairs sports

1 wagering mechanisms in this state. The fee for the permit provided for in this Section  
2 for such entities shall be provided for in R.S. 27:624.

3 (3) The fee provided for in this Section shall not apply to any suitable  
4 business or legal entity that engages in support services for the operation of a sports  
5 book on behalf of an operator in this state. The fee for the permit provided for in this  
6 Section for such entities shall be provided for in R.S. 27:623.

7 §29.3. Non-gaming supplier permit

8 A.(1) The division shall issue a non-gaming supplier permit to suitable  
9 persons who furnish services or goods and receive compensation or remuneration for  
10 such goods or services to the holder of a license as defined in R.S. 27:44 ~~and~~ or 353,  
11 or the casino gaming operator, or a sports wagering operator as defined in R.S.  
12 27:602. The board shall promulgate rules establishing the threshold amount of goods  
13 and services for which a non-gaming supplier permit is required. Such services  
14 include but are not limited to industries offering goods or services whether or not  
15 directly related to gaming activity, including junket operators and limousine services  
16 contracting with the holder of a license as defined in R.S. 27:44 ~~and~~ or 353, or the  
17 casino gaming operator, or a sports wagering operator as defined in R.S. 27:602,  
18 suppliers of food and nonalcoholic beverages, gaming employee or dealer training  
19 schools, garbage handlers, vending machine providers, linen suppliers, or  
20 maintenance companies. Any employee or dealer training school, other than  
21 employee or training schools conducted by a licensee, or the casino gaming operator,  
22 shall be conducted at an institution approved by the Board of Regents or the State  
23 Board of Elementary and Secondary Education.

24 (2) Any person who, directly or indirectly, furnishes services or goods to the  
25 holder of a license as defined in R.S. 27:44 ~~and~~ or 353, or the casino gaming  
26 operator, or a sports wagering operator as defined in R.S. 27:602, regardless of the  
27 dollar amount of the goods and services furnished or who has a business association  
28 with the holder of a license as defined in R.S. 27:44 ~~and~~ or 353, or the casino  
29 operator, or a sports wagering operator as defined in R.S. 27:602, may be required



1 by the board or division, where applicable, to be found suitable or apply for a non-  
2 gaming supplier permit. Failure to supply all information required by the board or  
3 division, where applicable, may result in a finding of unsuitability or denial of a non-  
4 gaming supplier permit.

5 \* \* \*

6 §29.4. Key and non-key gaming employee permit

7 \* \* \*

8 D. The holder of a key or non-key gaming employee permit issued under this  
9 Title shall be authorized to work in the capacity for which permitted for the holder  
10 of a license as defined in ~~R.S. 27:44(14), R.S. 27:353(5), or R.S. 27:44 or 353~~, the  
11 casino gaming operator, or a sports wagering operator as defined in R.S. 27:602.

12 \* \* \*

13 §92. Collection and disposition of fees

14 \* \* \*

15 D. The provisions of this Section shall not apply to any monies collected  
16 relative to sports wagering.

17 \* \* \*

18 CHAPTER 10. SPORTS WAGERING

19 PART IV. FEES, TAXES, AND COLLECTIONS

20 §621. Sports wagering license fee

21 A. The initial application fee for a sports wagering license shall be two  
22 hundred fifty thousand dollars and shall be non-refundable. The initial application  
23 fee shall be submitted at the time of application.

24 B. The license fee for a sports wagering license issued pursuant to R.S.  
25 27:604, shall be five hundred thousand dollars. The license shall be for a term of  
26 five years. The license fee shall be submitted on the anniversary date of the issuance  
27 of the license every five years. The first license payment shall be submitted at the  
28 time of application.

1           C. The division shall collect all fees imposed or assessed pursuant to the  
2           provisions of this Section and deposit the fees into the Sports Wagering Enforcement  
3           Fund established in R.S. 27:626.

4           §622. Sports wagering platform provider permit fee

5           A. The initial application fee for a sports wagering platform provider permit  
6           shall be one hundred thousand dollars and shall be non-refundable. The initial  
7           application fee shall be submitted at the time of application.

8           B. The permit fee for a sports wagering platform provider permit issued  
9           pursuant to R.S. 27:605, shall be two hundred fifty thousand dollars. The permit shall  
10          be for a term of five years. The permit fee shall be submitted on the anniversary date  
11          of the issuance of the permit every five years. The first permit payment shall be  
12          submitted at the time of application.

13          C. The division shall collect all fees imposed or assessed pursuant to the  
14          provisions of this Section and deposit the fees into the Sports Wagering Enforcement  
15          Fund established in R.S. 27:626.

16          §623. Sports wagering service provider permit fee

17          A. The initial application fee for a sports wagering service provider permit  
18          shall be ten thousand dollars and shall be non-refundable. The initial application fee  
19          shall be submitted at the time of application.

20          B. The permit fee for a sports wagering service provider permit issued  
21          pursuant to R.S. 27:29.2, shall be twelve thousand five hundred dollars. The permit  
22          shall be for a term of five years. The permit fee shall be submitted on the anniversary  
23          date of the issuance of the permit every five years. The first permit payment shall be  
24          submitted at the time of application.

25          C. The division shall collect all fees imposed or assessed pursuant to the  
26          provisions of this Section and deposit the fees into the Sports Wagering Enforcement  
27          Fund established in R.S. 27:626.

1        §624. Sports wagering distributor permit fee

2                A. The initial application fee for a sports wagering distributor permit shall  
3        be five thousand dollars and shall be non-refundable. The initial application fee shall  
4        be submitted at the time of application.

5                B. The permit fee for a sports wagering distributor permit issued pursuant  
6        to R.S. 27:29.2, shall be two thousand five hundred dollars. The permit shall be for  
7        a term of five years. The permit fee shall be submitted on the anniversary date of the  
8        issuance of the permit every five years. The first permit payment shall be submitted  
9        at the time of application.

10               C. The division shall collect all fees imposed or assessed pursuant to the  
11        provisions of this Section and deposit the fees into the Sports Wagering Enforcement  
12        Fund established in R.S. 27:626.

13        §625. State tax; levy

14               A. There is hereby levied a ten percent tax upon the net gaming proceeds  
15        from sports wagering offered to consumers within this state pursuant to this Title  
16        conducted onsite at a licensed sports wagering establishment. Any sports wagering  
17        conducted through a mobile application or a website on the premises of a licensed  
18        sports wagering establishment shall be considered electronic wagering and shall be  
19        taxed pursuant to Subsection B of this Section.

20               B. There is hereby levied a fifteen percent tax upon the net gaming proceeds  
21        from sports wagering offered to consumers within this state pursuant to this Title  
22        electronically through a website or mobile application. The provisions of this  
23        Subsection shall not apply to electronic sports wagering conducted through a sports  
24        wagering mechanism.

25               C. Within twenty days of the last day of each calendar month the division  
26        shall collect the taxes imposed pursuant to the provisions of this Section for the  
27        immediately preceding calendar month.

28               D. All taxes collected by the division pursuant to this Section, shall be  
29        forwarded upon receipt to the state treasurer for immediate deposit into the state

1 treasury. Funds deposited into the treasury shall first be credited to the Bond Security  
2 and Redemption Fund in accordance with Article VII, Section 9(B) of the  
3 Constitution of Louisiana.

4 E. In a month when the amount of net gaming proceeds of an operator from  
5 sports wagering is a negative number, the operator may carry over the negative  
6 amount to the return filed for the subsequent month. However, no amount shall be  
7 carried over in any period more than twelve months after the month in which the  
8 amount carried over was originally due.

9 F. The provisions of this Section shall not apply to any sports wagering  
10 offered in this state by the Louisiana Lottery Corporation pursuant to Title 47.

11 §626. Sports Wagering Enforcement Fund

12 A. There is hereby created in the state treasury a special fund designated as  
13 the "Sports Wagering Enforcement Fund", hereafter referred to as the "fund". After  
14 allocation of money to the Bond Security and Redemption Fund as provided in  
15 Article VII, Section 9(B) of the Constitution of Louisiana, the treasurer shall deposit  
16 in and credit to the fund monies from license, application, and permit fees collected  
17 pursuant to this Part. Monies in the fund shall be invested in the same manner as  
18 monies in the state general fund. Interest earned on investment of monies in the fund  
19 shall be deposited in and credited to the fund. Unexpended and unencumbered  
20 monies in the fund shall remain in the fund. Monies in the fund shall be appropriated,  
21 administered, and used solely as provided in this Section.

22 B. The monies in the fund shall be withdrawn only pursuant to appropriation  
23 by the legislature and shall be used solely for the expenses of the Department of  
24 Public Safety and Corrections, the Department of Justice, and the Louisiana Gaming  
25 Control Board, including regulatory, administrative, investigative, enforcement,  
26 legal, and other expenses as may be necessary to carry out the provisions of this  
27 Chapter and the rules of the board.

1        §627. Promotional play

2                Eligible promotional play shall be equal to the amount of dollars directly  
3                attributable to promotional play wagers related to sports wagering and actually  
4                redeemed by players and patrons. Eligible promotional play shall not exceed an  
5                amount of five million dollars per calendar year.

6                Section 4. R.S. 47:9001, 9002, 9006(B), 9009(B)(1) and (C), 9010(E), 9015(D), and  
7                9029(A)(1) are hereby amended and reenacted and Chapter 10 of Title 47 of the Louisiana  
8                Revised Statutes of 1950, comprised of R.S. 47:9091 through 9107, is hereby enacted to read  
9                as follows:

## 10              §9001. Statement of purpose and intent

11              A. The legislature hereby recognizes that the operations of a state lottery are  
12              unique activities for state government and that a corporate structure will best enable  
13              the lottery to be managed in an entrepreneurial and business-like manner. It is the  
14              intent of the legislature that the Louisiana Lottery Corporation shall be accountable  
15              to the governor, the legislature, and the people of the state through a system of  
16              audits, reports, legislative oversight, and thorough financial disclosure as required  
17              by this Subtitle.

18              B. The legislature hereby recognizes that, similar to other states, the  
19              Louisiana Lottery Corporation is uniquely positioned to participate in the sports  
20              wagering industry based upon its business model, infrastructure, and current  
21              relationship with retail establishments. The legislature also recognizes that allowing  
22              the state lottery to participate in sports wagering may generate additional state  
23              revenue. The Louisiana Lottery Corporation through an operator shall operate and  
24              administer a sports book which shall be a separate and distinct responsibility and  
25              operation from lottery gaming. Any sports wagering offered to consumers in this  
26              state pursuant to this Subtitle shall exclusively be through electronic means including  
27              a website, mobile application, or sports wagering mechanism.

## 1 §9002. Definitions

2 As used in this Subtitle, the following words and phrases shall have the  
3 following meanings unless the context clearly requires otherwise:

4 (1) ~~"Corporation" means the Louisiana Lottery Corporation.~~

5 (2) ~~"Lottery" means any game of chance approved by the corporation and  
6 operated pursuant to this Chapter.~~

7 (3) ~~"Major procurement" means any item, product, or service in the amount  
8 of one hundred thousand dollars or more, including but not limited to major  
9 advertising contracts, annuity contracts, prize products, and services unique to the  
10 Louisiana lottery, but not including materials, supplies, equipment, and services  
11 common to the ordinary operations of a corporation.~~

12 (4) ~~"Net proceeds" means gross lottery revenues minus amounts paid or  
13 estimated to be paid as prizes and expenses of operation of the lottery.~~

14 (5) ~~"Person" means any individual, corporation, partnership, unincorporated  
15 association, or other legal entity.~~

16 (6) ~~"President" means the president of the Louisiana Lottery Corporation,  
17 who shall also serve as chief executive officer of the corporation.~~

18 (7) ~~"Retailer" means any person with whom the corporation has contracted  
19 to sell lottery tickets to the public.~~

20 (8) ~~"Security" means the protection of information that would provide an  
21 unfair advantage to any individual involved in the operation of the lottery, protection  
22 and preservation of the integrity of lottery games and operations, as well as measures  
23 taken to prevent crimes against the corporation and its retailers.~~

24 (9) ~~"Vendor" means any person who has entered into a major procurement  
25 contract with the corporation.~~

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

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

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

8           (4) "Board" means the board of directors of the Louisiana Lottery  
9           Corporation.

10          (5) "Corporation" means the Louisiana Lottery Corporation.

11          (6) "Distributor" means a permitted business or legal entity that is domiciled  
12          in this state and markets, buys, sells, leases, services, or repairs sports wagering  
13          mechanisms in this state.

14          (7) "Electronic sports wagering" means sports wagering via a sports wagering  
15          mechanism on the premises of a permitted retail establishment or via a website or  
16          mobile application.

17          (8) "Lottery" means any game of chance approved by the corporation and  
18          operated pursuant to this Chapter and shall not include sports wagering authorized  
19          pursuant to this Subtitle.

20          (9) "Major procurement" means any item, product, or service in the amount  
21          of one hundred thousand dollars or more, including but not limited to major  
22          advertising contracts, annuity contracts, prize products, and services unique to the  
23          Louisiana lottery, but not including materials, supplies, equipment, and services  
24          common to the ordinary operations of a corporation.

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

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

1           (12) "Net gaming proceeds" means the amount equal to the total gross  
2 revenue of all sports wagers placed by patrons less the total amount of all winnings  
3 paid out to patrons.

4           (13) "Net proceeds" means gross lottery revenues less amounts paid or  
5 estimated to be paid as prizes and expenses of operation of the lottery.

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

8           (15) "Permit" means any permit or authorization, or application therefor,  
9 issued pursuant to the provisions of this Subtitle.

10          (16) "Permittee" means any person who is issued a permit pursuant to the  
11 provisions of this Subtitle.

12          (17) "Person" means any individual, corporation, partnership, unincorporated  
13 association, or other legal entity.

14          (18) "President" means the president of the Louisiana Lottery Corporation,  
15 who shall also serve as chief executive officer of the corporation.

16          (19) "Retail establishment" means a retail business that is permitted by the  
17 corporation to host a sports wagering mechanism.

18          (20) "Retailer" means any person with whom the corporation has contracted  
19 to sell lottery tickets to the public.

20          (21) "Security" means the protection of information that would provide an  
21 unfair advantage to any individual involved in the operation of the lottery, protection  
22 and preservation of the integrity of lottery games and operations, as well as measures  
23 taken to prevent crimes against the corporation and its retailers.

24          (22) "Sports book" means the offering of sports wagering by a sports  
25 wagering platform provider on the premises of a permitted retail establishment or  
26 through a sports wagering platform.

27          (23) "Sports event" means any professional sport or athletic event, any  
28 collegiate sport or athletic event, any Olympic or international sports competition  
29 event, or any other special event or competition of relative skill as authorized by the



1 corporation to be a sports event for purposes of this Chapter. "Sports event" shall not  
2 include high school sports, youth events, any international sports events where the  
3 majority of the athletes are under the age of eighteen years old, electronic sports,  
4 competitive video games, fantasy sports contests as provided in Chapter 6 of Title  
5 27 of the Louisiana Revised Statutes of 1950, and any event prohibited by law.

6 (24) "Sports wager" or "sports bet" means a sum of money or representation  
7 of value risked by a player on an occurrence associated with a sports event for which  
8 the outcome is uncertain. The term includes but is not limited to single-game bets,  
9 teaser bets, parlay bets, over-under bets, moneyline bets, pools, exchange wagering,  
10 in-game wagering, in-play bets, proposition bets, and straight bets.

11 (25) "Sports wagering" means the acceptance of a wager on a sports event or  
12 on a portion of a sports event or on the individual performance or statistics of an  
13 athlete or participant in a sports event or a combination of sports events, by any  
14 system or method of wagering.

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

20 (27) "Sports wagering mechanism" or "kiosk" means a corporation approved  
21 self-service mechanical, electrical, or computerized terminal, device, apparatus, or  
22 piece of equipment that is directly tied to the central system of the sports wagering  
23 platform provider approved by and contracting with the corporation, which allows  
24 a patron to place a sports wager on premises of a permitted retail establishment.

25 "Sports wagering mechanism" does not include a personal computer, mobile phone,  
26 or other device owned and used by a player to wager on a sports event.

27 (28) "Sports wagering platform" means an integrated system of hardware,  
28 software, or applications, including mobile applications and servers, through which

1 an operator conducts the business of offering sports wagering conducted in  
2 accordance with this Subtitle.

3 (29) "Sports wagering platform provider" or "operator" means a suitable  
4 person that holds a permit from the corporation to engage in the operation of a sports  
5 book on behalf of the corporation.

6 (30) "Vendor" means any person who has entered into a major procurement  
7 contract with the corporation.

8 \* \* \*

9 §9006. Records of corporation deemed open; exceptions

10 \* \* \*

11 B.(1) Records pertaining to the security of lottery operations, whether  
12 current or proposed, the security director, and the security division of the corporation  
13 shall be deemed to be records containing security procedures, investigative  
14 techniques, or internal security information for purposes of R.S. 44:3(A)(3).

15 (2) Notwithstanding any provision to the contrary, sports wagering account  
16 records on individual players shall not be open to public inspection and shall be  
17 deemed records collected or obtained for threat or vulnerability assessments in the  
18 prevention of terrorist-related activity or internal security purposes for purposes of  
19 R.S. 44:3(A)(3).

20 \* \* \*

21 §9009. Conduct and administration of lottery games; powers and duties of  
22 corporation; authorized contracts

23 \* \* \*

24 B. The corporation shall:

25 (1) Supervise and administer the lottery and sports wagering in accordance  
26 with the provisions of this Subtitle and the administrative regulations adopted by the  
27 board.

28 \* \* \*

1 C. There shall be no liability on the part of and no cause of action shall arise  
2 against the corporation, its governing board, staff, agents, vendors, or employees,  
3 arising out of or in connection with the issuance, failure to issue, or delivery of a  
4 lottery or sports wagering ticket.

5 §9010. Powers and obligations of corporation's president; residence in Louisiana;  
6 ongoing study authorized

7 \* \* \*

8 E.(1) The president shall require bond from corporate employees with access  
9 to corporate funds or lottery funds, in such an amount as provided in the  
10 administrative regulations of the board.

11 (2) The president shall require a bond from employees with access to sports  
12 wagering accounts, in an amount as provided by the administrative rules of the  
13 corporation.

14 \* \* \*

15 §9015. Personnel program for employees; conflict of interest provisions;  
16 employment of specified persons by corporation prohibited

17 \* \* \*

18 D. No officer or employee of the corporation who leaves the employ of the  
19 corporation may represent any vendor ~~or~~, lottery retailer, sports wagering platform  
20 provider, sports wagering service provider, sports wagering distributor, or retail  
21 establishment before the corporation for a period of two years following termination  
22 of employment with the corporation.

23 \* \* \*

24 §9029. Deposit of revenues; expenditures and investments authorized; transfer of  
25 revenues to state treasury; dedication and use of proceeds; corporation  
26 operating account; audit of corporation books and records; audits

27 A.(1) All money received by the corporation from the sale of lottery tickets  
28 and all other sources except for monies from sports wagering operations authorized  
29 pursuant to this Subtitle, shall be deposited into a corporate operating account. Such

1 account shall be established in a fiscal agent or depository as defined in R.S. 49:319  
2 and collateralized in the manner provided by R.S. 49:321 and 49:322. The  
3 corporation may use all money in the corporate operating account for the purposes  
4 of paying prizes and the necessary expenses of the corporation and dividends to the  
5 state. The corporation shall estimate and allocate the amount to be paid by the  
6 corporation to prize winners.

7 \* \* \*

8 CHAPTER 10. LOUISIANA LOTTERY  
9 CORPORATION SPORTS WAGERING

10 §9091. Conduct and administration of sports wagering; powers and duties of  
11 corporation; applicability authorizes contracts

12 A. Any permit obtained or issued pursuant to the provisions of this Chapter  
13 is expressly declared by the legislature to be a pure and absolute revocable privilege  
14 and not a right, property or otherwise, under the constitution of the United States or  
15 of the state of Louisiana. Further, the legislature declares that no holder of any  
16 permit acquires any vested interest or right therein or thereunder.

17 B. The corporation shall contract with a sports wagering platform provider  
18 for the operation of a sports book. The sports book operated on behalf of the  
19 corporation shall be a separate and distinct responsibility and operation from lottery  
20 gaming. Any sports wagering offered to consumers in this state pursuant to the  
21 provisions of this Subtitle, shall be through the use of a sports wagering mechanism,  
22 website, or mobile application.

23 C. The corporation shall, in accordance with the Administrative Procedure  
24 Act, promulgate rules, forms, and procedures necessary to implement, administer,  
25 and regulate sports wagering authorized pursuant to this Subtitle. The rules shall  
26 include:

27 (1) Qualifications, standards, and procedures for permitting sports wagering  
28 platform providers, sports wagering service providers, distributors, manufacturers,  
29 vendors, suppliers, personnel, and retail establishments pursuant to this Subtitle.

1           (2) Standards and procedures for renewing, suspending, and revoking  
2           permits.

3           (3) Guidelines for the acceptance of sports wagers.

4           (4) The maximum number and amount of wagers which may be accepted  
5           by a sports wagering mechanism from any one patron on any one event.

6           (5) Prohibitions on unilaterally rescinding wagers.

7           (6) The type of wagering tickets used, information required to be printed on  
8           the ticket, and methods for issuing tickets.

9           (7) The types of records required to be kept and the length of time records  
10          shall be retained.

11          (8) Requirements that a sports wagering platform provider comply with anti-  
12          money laundering standards.

13          (9) Internal controls for all aspects of electronic wagering, including  
14          procedures for system integrity, system security, operations, accounting, and  
15          reporting of problem gamblers.

16          (10) Establish suitability requirements for applicants and permittees pursuant  
17          to this Chapter.

18          (11) Establish standards and a procedure for approval of retail establishment  
19          permits to host sports wagering mechanisms.

20          D. Chapters 6, 7, and 8 of this Subtitle shall apply to all sports wagering  
21          conducted pursuant to this Chapter.

22          §9092. Reporting

23          The corporation shall produce an annual report and distribute the report to the  
24          legislature. The report shall include the impact of sports wagering on sports events,  
25          retail establishments, problem gamblers, and on the gambling addiction in Louisiana.  
26          The report shall be prepared by a private organization or entity with expertise in  
27          serving the needs of persons with gambling addictions.

1        §9093. Permitting; other requirements

2                A. No person, business, or legal entity shall operate a sports book on behalf  
3        of the corporation without first being permitted in accordance with this Subtitle. To  
4        conduct business with the corporation related to sports wagering authorized pursuant  
5        to this Subtitle, all sports wagering service providers, distributors, manufacturers,  
6        vendors, suppliers, personnel, or retail establishments shall be permitted in  
7        accordance with the Subtitle.

8                B. All sports wagering platform providers requesting a permit pursuant to this  
9        Chapter shall be permitted by the corporation only if the applicant meets the  
10       suitability standards provided for in R.S. 47:9094.

11               C. The corporation shall provide by administrative rules the qualifications  
12       and suitability standards for sports wagering service providers, distributors,  
13       manufacturers, vendors, suppliers, personnel, and retail establishments.

14       §9094. Suitability; sports wagering platform providers

15               A. No person shall be eligible to obtain a sports wagering platform provider  
16       permit, pursuant to this Subtitle unless the applicant has demonstrated by clear and  
17       convincing evidence to corporation that he is suitable. For the purposes of this  
18       Subtitle, "suitable" means the applicant or permittee is:

19                (1) A person of good character, honesty, and integrity.

20                (2) A person whose prior activities, criminal record, if any, reputation,  
21       habits, and associations do not pose a threat to the public interest of this state or to  
22       the effective regulation and control of gaming, or create or enhance the dangers of  
23       unsuitable, unfair, or illegal practices, methods, and activities in the conduct of  
24       gaming or carrying on of the business and financial arrangements incidental thereto.

25                (3) Capable of and likely to conduct the activities for which the applicant,  
26       or permittee is approved or permitted pursuant to the provisions of this Subtitle.

27                (4) Not disqualified pursuant to the provisions of Subsection B of this  
28       Section.

1           B. The corporation shall not grant approval or a permit pursuant to the  
2           provisions of this Subtitle to any person who is disqualified on the basis of the  
3           following criteria:

4           (1) The conviction or a plea of guilty or nolo contendere by the applicant or  
5           any person required to be suitable under the provisions of this Subtitle for any of the  
6           following:

7           (a) Any offense punishable by imprisonment of more than one year.

8           (b) Theft or attempted theft, illegal possession of stolen things, or any  
9           offense or attempt involving the misappropriation of property or funds.

10          (c) Any offense involving fraud or attempted fraud, false statements or  
11          declarations.

12          (d) Gambling as defined by the laws or ordinances of any municipality, any  
13          parish or county, any state, or of the United States.

14          (e) A crime of violence as defined in R.S. 14:2(B).

15          (2) A current prosecution or pending charge against the person in any  
16          jurisdiction for any offense listed in Paragraph (1) of this Subsection.

17          (3) The person is not current in filing all applicable tax returns and in the  
18          payment of all taxes, penalties, and interest owed to the state of Louisiana or any  
19          political subdivision of Louisiana, excluding items under formal appeal.

20          (4) The failure to provide information and documentation to reveal any fact  
21          material to a suitability determination, or the supplying of information which is  
22          untrue or misleading as to a material fact pertaining to the suitability criteria.

23          C.(1) In the awarding a permit pursuant to the provisions of this Subtitle, a  
24          conviction or plea of guilty or nolo contendere by the applicant shall not constitute  
25          an automatic disqualification as otherwise required pursuant to the provisions of  
26          Subparagraphs (B)(1)(a) through (d) of this Section if either of the following are  
27          true:

1           (a) Ten or more years has elapsed between the date of application and the  
2           successful completion or service of any sentence, deferred adjudication, or period of  
3           probation or parole.

4           (b) Five or more years has elapsed between the date of application and the  
5           successful completion of any sentence, deferred adjudication, or period of probation  
6           or parole and the conviction for an offense defined in R.S. 47:9094(B)(1)(b) was a  
7           misdemeanor offense.

8           (2) The provisions of Paragraph (1) of this Subsection shall not apply to any  
9           person convicted of a crime of violence as defined in R.S. 14:2(B).

10          (3) Notwithstanding any provision of law to the contrary, the corporation  
11          may consider the seriousness and circumstances of any offense, arrest, or conviction  
12          in determining suitability in accordance with Subsection A of this Section.

13          D. An applicant who is not disqualified as a result of Subsection B of this  
14          Section shall be required to demonstrate to the corporation that he otherwise meets  
15          the remaining requirements for suitability, particularly those contained in Paragraphs  
16          (A)(1) through (3) of this Section. Evidence of, or relating to, an arrest, summons,  
17          charge, or indictment of an applicant, or the dismissal thereof, may be considered by  
18          the corporation even if the arrest, summons, charge, or indictment results in  
19          acquittal, deferred adjudication, probation, parole, or pardon.

20          E. A person who has been found unsuitable or whose permit has been  
21          revoked, in this state or any other jurisdiction, may not apply for a permit or a  
22          finding of suitability for five years from the date there was a finding of unsuitability,  
23          or the permit was revoked, unless the corporation allows the application for good  
24          cause shown. The corporation shall promulgate rules necessary to carry out the  
25          provisions of this Section.

26          F. All permittees and other persons found suitable by the corporation shall  
27          maintain suitability throughout the term of the permit. In the event of a current  
28          prosecution of an offense as provided in Paragraph (B)(2) of this Section, the  
29          corporation shall have the discretion to defer a determination on a person's



1 continuing suitability pending the outcome of the proceedings provided that if a  
2 decision is deferred pending such outcome the corporation may take such action as  
3 is necessary to protect the public trust, including the suspension of any permit.

4 G. All permittees and any other persons required to be found suitable shall  
5 have a continuing duty to inform the corporation of any possible violation of this  
6 Subtitle and of any rules adopted by the corporation. No person who so informs the  
7 corporation of a violation or possible violation shall be discriminated against by the  
8 applicant or permittee because of supplying such information.

9 H.(1)(a) Any person who has or controls directly or indirectly five percent  
10 or more ownership, income, or profit or economic interest in an entity which has or  
11 applies for a sports wagering platform provider permit pursuant to the provisions of  
12 this Subtitle, or who receives five percent or more revenue interest in the form of a  
13 commission, finder's fee, loan repayment, or any other business expense related to  
14 the gaming operation, or who has the ability or capacity to exercise significant  
15 influence over a permittee or other person required to be found suitable pursuant to  
16 the provisions of this Subtitle, shall meet all suitability requirements and  
17 qualifications pursuant to the provisions of this Subtitle.

18 (b) In determining whether a person has significant influence for purposes  
19 of this Section, the corporation may consider but is not limited to the following:  
20 management and decision-making authority; operational control; financial  
21 relationship; receipt of gaming revenue or proceeds; financial indebtedness; and  
22 gaming related associations.

23 (2)(a) A lessor of immovable property forming any part of the complex of  
24 a sports wagering operation pursuant to this Subtitle is required to submit to  
25 suitability.

26 (b) Notwithstanding anything contained in this Chapter to the contrary, the  
27 obligations to the corporation of the real estate lessor of a permittee who receives  
28 less than two percent of the net gaming proceeds of a permittee and who is not  
29 involved in the day-to-day operations of the permittee shall be to provide such

1 financial information, documentation, and necessary release forms for the  
2 corporation to make a determination that no person who fails to meet suitability  
3 requirements is receiving any funds received by the lessor from the permittee, or is  
4 participating in the management of the affairs or business operations of the lessor.

5 I. If the corporation finds that an individual owner or holder of a security of  
6 a permittee, or of a holding or intermediary company of a permittee, or any person  
7 or persons with an economic interest in a permittee, or a director, partner, officer, or  
8 managerial employee is not suitable, and if as a result, the permittee is no longer  
9 qualified to continue as a permittee the corporation shall propose action necessary  
10 to protect the public interest, including the suspension or revocation of the permit.  
11 The corporation may also issue under penalty of revocation or suspension of a  
12 permit, a condition of disqualification naming the person or persons and declaring  
13 that such person or persons may not:

14 (1) Receive dividends or interest on securities of a person, or a holding or  
15 intermediary company of a person, holding an approval or permit.

16 (2) Exercise directly, or through a trustee or nominee, a right conferred by  
17 securities of a person, or a holding or intermediary company of a person, holding an  
18 approval or permit, issued pursuant to the provisions of this Subtitle.

19 (3) Receive remuneration or other economic benefit from any person, or a  
20 holding or intermediary company of a person, holding an approval or permit issued  
21 pursuant to this Subtitle.

22 (4) Exercise significant influence over activities of a person, or a holding or  
23 intermediary company of a person, holding a license, casino operating contract,  
24 permit, or other approval issued pursuant to the provisions of this Subtitle.

25 (5) Continue owning or holding a security of a person, or a holding or  
26 intermediary company of a person, holding an approval or permit issued pursuant to  
27 the provisions of this Subtitle or remain as a manager, officer, director, or partner of  
28 a permittee.

1           J. In the awarding of an approval or permit pursuant to the provisions of this  
2           Subtitle, the corporation may consider that the person is not current in filing all  
3           applicable tax returns and in the payment of all taxes, penalties, and interest owed  
4           the Internal Revenue Service, excluding items under formal appeal.

5           K. In determining the suitability of an application, the corporation may  
6           request from an applicant, and consider any of the following:

7                   (1) Whether the applicant has adequate capital, financial ability, and means  
8                   to develop, construct, operate, and maintain infrastructure to support sports wagering  
9                   activities and operations in compliance with this Chapter and any administrative  
10                  rules promulgated by the corporation.

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

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

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

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

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

25           §9095. Sports wagering platform provider; permit; fee

26                  A. The corporation may issue a sports wagering platform provider permit to  
27                  suitable persons to contract with the corporation to manage or operate the  
28                  corporation's sports book line-of-business. No person shall manage or operate the  
29                  corporation's sports book without a valid permit.

1           B. In addition to the requirements set forth in R.S. 47:9094, the corporation  
2           shall provide by rule for the standards and requirements of any sports wagering  
3           platform. The rules shall specify technical requirements as well as operational  
4           requirements.

5           C. Any contract between the corporation and a sports wagering platform  
6           provider shall provide for access to the corporation of any information maintained  
7           by the platform provider for verification of compliance with this Chapter.

8           D. A sports wagering platform provider shall use no more than one sports  
9           wagering platform to offer, conduct, or operate a sports book on behalf of the  
10          corporation.

11          E. A sports wagering platform provider shall keep books and records for the  
12          management and operation of sports wagering as authorized by this Chapter and for  
13          services for which it is contracted by the corporation. The keeping of books and  
14          records shall be separate and distinct from any other business the sports wagering  
15          platform provider might operate. A sports wagering platform provider shall file  
16          quarterly returns with the corporation listing all of its contracts and services related  
17          to sports wagering authorized under this Subtitle.

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

20          G. Any sports wagering platform utilized for electronic wagering shall have  
21          a component of its design to reasonably verify that the person attempting to place the  
22          wager is at least twenty-one years of age, physically located in the state, and not  
23          physically located in a parish that has not approved a proposition to authorize sports  
24          wagering at the time the wager is initiated or placed.

25          H.(1) The initial application fee for a sports wagering platform provider  
26          permit shall be one hundred thousand dollars and shall be non-refundable. The initial  
27          application fee shall be submitted to the corporation at the time of application.

28          (2) The permit fee for a sports wagering platform provider permit issued  
29          pursuant to this Section shall be two hundred fifty thousand dollars. The permit shall

1 be for a term of five years. The permit fee shall be submitted to the corporation on  
2 the anniversary date of the issuance of the permit every five years.

3 I. The provider of a sports wagering platform shall provide the corporation  
4 with a readily available point of contact to ensure compliance with the requirements  
5 of this Chapter.

6 §9096. Sports wagering service providers; permit; fee

7 A. The corporation shall issue a sports wagering service provider permit to  
8 suitable persons which contract with an operator to provide support services for an  
9 operator's sports book. A person shall not provide support services to the operator  
10 without a valid permit.

11 B. Any contract between the corporation and a sports wagering service  
12 provider shall provide for access to the corporation of any information maintained  
13 by the platform provider for verification of compliance with this Chapter.

14 C. A sports wagering service provider shall keep books and records for the  
15 management of sports wagering as authorized by this Chapter and for services for  
16 which it is contracted by the operator. The keeping of books and records shall be  
17 separate and distinct from any other business the sports wagering service provider  
18 might operate. A sports wagering service provider shall file quarterly returns with  
19 the corporation listing all of its contracts and services related to sports wagering  
20 authorized under this Subtitle.

21 D. The initial application fee for a sports wagering service provider permit  
22 shall be ten thousand dollars and shall be non-refundable. The initial application fee  
23 shall be submitted to the corporation at the time of application.

24 E. The permit fee for a sports wagering service provider permit issued  
25 pursuant to this Section shall be twelve thousand five hundred dollars. The permit  
26 shall be for a term of five years. The permit fee shall be submitted to the corporation  
27 on the anniversary date of the issuance of the permit every five years. The first  
28 permit payment shall be submitted to the corporation at the time of application.

29

1        §9097. Sports wagering distributor; permit; fees

2                A.(1) The corporation may issue a sports wagering distributor permit to any  
3        suitable business or legal entity that markets, buys, sells, leases, services, or repairs  
4        sports wagering mechanisms in this state. No person shall market, buy, sell, lease,  
5        service, or repair a sports wagering mechanism without a valid permit.

6                (2) Notwithstanding the provisions of Paragraph (1) of this Subsection, only  
7        distributors domiciled in Louisiana shall be issued a permit for the services of  
8        collection and repair of sports wagering mechanisms.

9                B. Any contract between the corporation and a sports wagering distributor  
10       shall provide for access to the corporation of any information maintained by the  
11       distributor for verification of compliance with this Chapter.

12               C. The initial application fee for a sports wagering distributor permit shall  
13       be five thousand dollars and shall be non-refundable. The initial application fee shall  
14       be submitted to the corporation at the time of application.

15               D. The permit fee for a sports wagering distributor permit issued pursuant  
16       to this Section shall be two thousand five hundred dollars. The permit shall be for a  
17       term of five years. The permit fee shall be submitted to the corporation on the  
18       anniversary date of the issuance of the permit every five years. The first permit  
19       payment shall be submitted to the corporation at the time of application.

20               E. The corporation shall adopt written policies and rules to guarantee that  
21       multiple distributors and vendors shall contract with the operator to provide  
22       maximum opportunities for economic development.

23        §9098. Retail establishments; permit; fees

24               A. The corporation may issue a retail establishment permit to suitable persons  
25       which contract with an operator to host sports wagering mechanisms. A retail  
26       establishment shall not host a sports wagering mechanism without a valid permit.

27               B. For purposes of this Chapter retail establishment shall include:

28               (1) An establishment that has a Class A-General retail permit or a Class A-  
29       Restaurant permit as defined in Part II of Chapter 1 or Part II of Chapter 2 of Title

1       26 of the Louisiana Revised Statutes of 1950, for the sale of alcoholic beverages for  
2       on-premises consumption and that is located in a parish that approved a proposition  
3       to authorize sports wagering.

4               (2) An establishment that holds a retail food establishment permit from the  
5       office of public health issued pursuant to the provisions of LAC 51:XXIII 101 et seq.  
6       and that is located within a parish that approved a proposition to authorize sports  
7       wagering but due to local and municipal laws and ordinances is prohibited from  
8       holding a Class A-General retail permit or a Class A-Restaurant permit as defined  
9       in Part II of Chapter 1 or Part II of Chapter 2 of Title 26 of the Louisiana Revised  
10       Statutes of 1950 for the sale of alcoholic beverages for on-premises consumption.

11               C. The initial application fee for a sports wagering retail establishment permit  
12       shall be one thousand dollars and shall be non-refundable. The initial application fee  
13       shall be submitted to the corporation at the time of application.

14               D. The permit fee for a sports wagering retail establishment permit issued  
15       pursuant to this Section shall be one hundred dollars. The permit shall be for a term  
16       of one year. The permit fee shall be submitted to the corporation on the anniversary  
17       date of the issuance of the permit every year. The first permit payment shall be  
18       submitted to the corporation at the time of application.

19               E.(1) The corporation shall provide by rule the minimum requirements of a  
20       contract between its sports wagering platform provider and a retail establishment.  
21       The rules shall include a requirement that the contract provide that in consideration  
22       for the hosting of a sports wagering mechanism, the retail establishment shall be paid  
23       the greater of the following each month:

24               (a) One and one half percent of the cash accumulated in the sports wagering  
25       mechanisms located on the retail establishment's premises.

26               (b) Ten percent of the net gaming proceeds of all wagers placed by patrons  
27       through a sports wagering mechanism located on the premises of the retail  
28       establishment and wagers placed through an operator website or mobile application  
29       while the patron is located on the premises of the retail establishment.

1           (2) The monies owed to the retail establishment pursuant to Paragraph (1) of  
2           this Subsection shall be remitted to the retail establishment within twenty days of the  
3           end of each calendar month for the immediately preceding calendar month.

4           §9099. Wagering; limitations

5           A. To place a sports wager with an operator, the corporation shall confirm  
6           and a player shall meet all of the following requirements:

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

8                   (2) Is physically located in a parish that has approved a proposition  
9                   authorizing sports wagering at the time the wager is initiated or placed.

10                   (3) Has a sports wagering account established with the operator if the player  
11                   is attempting to place a sports wager through a website or mobile application.

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

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

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

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

23                           (1) Any sport or athletic event not authorized by law.

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

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



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

3           D. Any operator or permittee shall promptly report to the corporation on the  
4           following activities:

5           (1) Any criminal or disciplinary proceedings commenced against any  
6           operator or its employees, in connection with the operations of the sports book.

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

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

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

15          E. Operators shall establish and display the odds at which wagers may be  
16          placed on sports events. Operators shall not accept a wager via a sports wagering  
17          mechanism, or through a website or mobile application unless the wagering  
18          proposition is posted by electronic or manual means.

19          F. Operators shall maintain records of sports wagering activities and  
20          operations and follow AML practices in day-to-day operations of its business.

21          §9100. Electronic wagering

22          A. Electronic wagering may be conducted only to the extent that it is  
23          conducted in accordance with this Subtitle and in accordance with the rules  
24          promulgated by the corporation.

25          B. The corporation may accept wagers made electronically using a sports  
26          wagering mechanism located on the premises of a permitted retail establishment or  
27          through a website or mobile application.

1        §9101. Sports wagering mechanism

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

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

6                B. Sports wagering mechanisms shall be located only in areas where  
7        accessibility is limited to patrons twenty-one years of age or older and have been  
8        permitted by the corporation.

9                C. Sports wagering mechanisms shall be branded as the operator.

10               D. Any sports wager placed with cash via a sports wagering mechanism shall  
11        be evidenced by a ticket indicating the name of the operator, the sports event on  
12        which the wager was placed, the amount of cash wagered, the type of bet and odds  
13        if applicable, the date of the event, and any other information required by the  
14        corporation.

15               E.(1) Wagers placed via a sports wagering mechanism through a player's  
16        established sports wagering account may be settled through the player's wagering  
17        account. However, the player shall be prohibited from collecting winnings from the  
18        sports wagering mechanism in any form other than credits to the sports wagering  
19        account of the player.

20               (2) A patron with a winning ticket shall redeem the ticket at an establishment  
21        designated by the corporation within one hundred eighty days of the date of the event  
22        pursuant to R.S. 47:9103.

23               F. Each sports wagering mechanism shall:

24               (1) Not have any device or program that will alter the reading of the values  
25        or amounts of play to reflect values or amounts other than actually played or any  
26        switches, jumpers, wire posts, or any other means of manipulation that could affect  
27        the operation or outcome of a wager.

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

4           (3) Have separate secure areas with locking doors for the game logic board  
5           and software, the cash compartment, and the mechanical meters as required by the  
6           rules of the corporation. These areas must be locking and separated. Access to one  
7           from the other shall not be allowed at any time.

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

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

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

15           G. Each sports wagering mechanism shall be linked by telecommunication  
16           to a central computer for purposes of polling or reading mechanism activities and for  
17           central computer remote shutdown of mechanism operations. If the central computer  
18           system fails as a result of a malfunction or catastrophic event, the mechanism may  
19           remain in operation until the central computer system is restored.

20           H. The corporation may provide for additional specifications for mechanisms  
21           to be approved and authorized pursuant to the provisions of this Chapter as it deems  
22           necessary to maintain the integrity of sports wagering mechanisms and operations.

23           §9102. Online and mobile wagering

24           Wagering through a website or mobile application shall be subject to the  
25           following requirements:

26           A.(1) A player shall establish a sports wagering account with the operator  
27           before the operator accepts any sports wager through a website or mobile application  
28           from the player. The operator shall also complete an initial verification of the  
29           account prior to accepting sports wagers.

1           (2) An account may be established with a line of credit or as an advance  
2           deposit wagering account.

3           B. No operator shall accept a sports wager through a website or mobile  
4           application from the public or any person who does not have an established account  
5           with the corporation.

6           C. No wagers shall be placed when the player is physically located out of  
7           state or in a parish that has not approved a proposition authorizing sports wagering.

8           An operator shall maintain geofencing and geolocation services.

9           §9103. Prizes; payment of prizes

10           A.(1) Winning wagers that were placed via a sports wagering mechanism  
11           with cash and are evidenced by a ticket receipt shall be redeemed by a player within  
12           one hundred eighty days from the time of the event. The corporation shall pay tickets  
13           upon presentation after performing validation procedures.

14           (2) Winning wagers placed using a sports wagering account shall be credited  
15           by the operator to the patron's account within one day from the time of the event  
16           unless otherwise allowed pursuant to the rules of the corporation.

17           B. The operator's obligation to pay winning tickets shall expire after one  
18           hundred eighty days from the date of the event if not presented for payment.  
19           Additionally, if the ticket fails to be presented for payment within the one hundred  
20           and eighty day period, the ticket holder waives any right to enforce payment of the  
21           ticket.

22           C. If the proceeds of any sports wagering prize issued pursuant to this  
23           Subtitle are five hundred dollars or more, the prize shall be subject to Louisiana  
24           state income tax. Any attachments, garnishments, or executions authorized and  
25           issued pursuant to law shall also be withheld if timely served upon the process agent  
26           of the corporation.

27           D. The corporation shall adopt rules to establish a system of verifying the  
28           validity of tickets claimed to win prizes and to effect payment of such prizes except  
29           that:

1           (1) No prize, nor any portion of a prize, nor any right of any person to a prize  
2           awarded shall be assignable. Any prize, or portion thereof, remaining unpaid at the  
3           death of a prizewinner shall be paid to the estate of the deceased prizewinner or to  
4           the trustee of a trust established by the deceased prizewinner as settlor, if a copy of  
5           the trust document or instrument has been filed with the corporation, along with a  
6           notarized letter of direction from the settlor, and no written notice of revocation has  
7           been received by the corporation prior to the settlor's death. Following a settlor's  
8           death and prior to any payment to such a trustee, the corporation shall obtain from  
9           the trustee and each trust beneficiary a written agreement to indemnify and hold the  
10           corporation harmless with respect to any claims that may be asserted against the  
11           corporation arising from payment to or through the trust. Notwithstanding any other  
12           provisions of this Subtitle, any person, pursuant to an appropriate judicial order, shall  
13           be paid the prize to which a winner is entitled.

14           (2) A person twenty-one years of age or older may gift a winning sports  
15           wagering ticket to a person of any age. If the donee of a winning ticket is under the  
16           age of twenty-one years, the corporation shall direct payment to a member of the  
17           person's family who is twenty-one years of age or older, or to the legal representative  
18           of the person on behalf of such person. The person named as custodian shall have the  
19           same powers and duties as prescribed for a custodian pursuant to the uniform  
20           Transfers to Minors Act.

21           (3) No prize shall be paid arising from claimed tickets that are stolen,  
22           counterfeit, altered, fraudulent, unissued, produced or issued in error, unreadable, not  
23           received, unclaimed, or not recorded by the corporation within applicable deadlines.

24           (4) No particular prize shall be paid more than once, and in the event of a  
25           binding determination that more than one claimant is entitled to a particular prize,  
26           the sole remedy of such claimants is the award to each of them an equal share in the  
27           prize.

28           E. No prize shall be paid upon a ticket purchased or sold in violation of this  
29           Subtitle.

1           F. The corporation is discharged of all liability upon payment of a prize.

2           §9104. Withholding of lottery prizes; child support arrearages; rules

3           The corporation shall promulgate rules providing for the withholding of  
4           prizes resulting from sports wagering authorized pursuant to this Section, of persons  
5           who have outstanding child support arrearages as reported to the corporation,  
6           beginning at prize levels to be determined by the corporation. The corporation may  
7           require any agency reporting current child support arrearages to the corporation to  
8           provide information relating to such arrearages in a manner, format, or record  
9           approved by the corporation. The corporation shall not be liable for withholding a  
10           prize based upon child support arrearage information provided to it. Additionally, the  
11           corporation shall employ the same methods, procedures, and parameters to withhold  
12           prizes for persons who have delinquent debt as defined in R.S. 47:1676(B)(4) which  
13           has been assigned to the office of debt recovery for collection. The corporation shall  
14           not be liable for withholding prize based upon delinquent debt information provided  
15           to it by the office of debt recovery.

16           §9105. State tax; levy

17           A. There is hereby levied a ten percent tax upon the net gaming proceeds of  
18           an operator from sports wagering offered to consumers within this state pursuant to  
19           this Title onsite at a permitted retail establishment through a sports wagering  
20           mechanism.

21           B. There is hereby levied a fifteen percent tax upon the net gaming proceeds  
22           of an operator from sports wagering offered to consumers within this state pursuant  
23           to this Title electronically through a website or mobile application.

24           C. Within twenty days of the last day of each calendar month the corporation  
25           shall collect the taxes imposed pursuant to the provisions of this Section for the  
26           immediately preceding calendar month.

27           D. All taxes collected by the corporation pursuant to this Section shall be  
28           deposited into the Community and Family Support System Fund as provided by R.S.  
29           28:826. These monies shall be forwarded upon receipt to the state treasury. Funds

1 deposited into the treasury shall first be credited to the Bond Security and  
2 Redemption Fund in accordance with Article VII, Section 9(B) of the Constitution  
3 of Louisiana.

4 E. In a month when the amount of net gaming proceeds of an operator from  
5 sports wagering is a negative number, the operator may carry over the negative  
6 amount to the return filed for the subsequent month. However, no amount shall be  
7 carried over in any period more than twelve months after the month in which the  
8 amount carried over was originally due.

9 §9106. Deposit of revenues

10 Within twenty days following the close of each calendar month, the  
11 corporation shall transfer to the Lottery Sports Wagering Fund the amount of net  
12 revenue which the corporation determines is surplus to its needs. Net revenues shall  
13 be determined by deducting from the corporation's net gaming proceeds the payment  
14 costs incurred or estimated to be incurred in the operation and administration of  
15 sports wagering authorized pursuant to this Chapter. This shall include the expenses  
16 of the corporation and the costs resulting from determining applicant suitability, and  
17 any contracts entered into for promotional, advertising, or operational services or for  
18 the purchase or lease of sports wagering equipment and materials.

19 §9107. Lottery Sports Wagering Fund

20 A. There is hereby created in the state treasury a special fund designated as  
21 the "Lottery Sports Wagering Fund ", hereafter referred to as the "fund". After  
22 allocation of money to the Bond Security and Redemption Fund as provided in  
23 Article VII, Section 9(B) of the Constitution of Louisiana, the treasurer shall deposit  
24 in and credit to the fund all corporation net revenue as determined by R.S. 47:9106.  
25 Interest earned on investment of monies in the fund shall be deposited in and credited  
26 to the fund. Unexpended and unencumbered monies in the fund shall remain in the  
27 fund. Monies in the fund shall be appropriated, administered, and used solely as  
28 provided in this Section.

1                   B. The monies in the fund shall be withdrawn only pursuant to appropriation  
 2                   by the legislature and shall be used solely for the expenses provided pursuant to R.S.  
 3                   47:9106 and for the minimum foundation program.

4                   Section 5. This Act shall take effect and become operative if and when the Act which  
 5 originated as Senate Bill No. 202 of this 2021 Regular Session of the Legislature is enacted  
 6 and becomes effective.

#### DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 697 Reengrossed

2021 Regular Session

Stefanski

**Abstract:** Authorizes the Louisiana Lottery Corporation to conduct sports wagering and levies a tax on sports wagering gaming.

Proposed law provides for the issuance of fees and collection of taxes for the regulation of sports wagering including the following changes to present law:

- (1) Adds sports wagering to prohibited "gambling" crimes.
- (2) Adds sports wagering to definitions of "gaming supplier", "key" and "non-key gaming employees", and "non-gaming supplier".
- (3) Adds sports wagering to \$100,000 civil penalty provisions and civil penalty schedule.
- (4) Provides that manufacturers of sports wagering mechanisms pay same fees as video poker and slot machine manufacturers.
- (5) Provides that applicable laws regarding gaming and non-gaming suppliers and key and non-key gaming employees applies to sports wagering.

Proposed law defines net gaming proceeds as the amount equal to the total gross revenue of all wagers placed by patrons less the total amount of all winnings paid out to patrons and promotional play. Further provides promotional play shall not exceed an amount of \$5 million per calendar year and shall be equal to an amount of promotional play related to sports wagering and actually redeemed.

Proposed law provides for a sports wagering license fee. Provides that the initial application fee shall be \$250,000. Provides that the license fee shall be \$500,000 for a term of five years. Provides that the application and license fees shall be submitted to the gaming division of state police and shall be deposited into the proposed law Sports Wagering Enforcement Fund.

Proposed law provides for a sports wagering platform provider permit fee. Provides that the initial application fee shall be \$100,000. Provides that the sports wagering platform provider permit fee shall be \$250,000 for a term of five years. Provides that the application and permit fees shall be submitted to the gaming division of state police and shall be deposited into the proposed law Sports Wagering Enforcement Fund.



Proposed law provides for a sports wagering service provider permit fee. Provides that the initial application fee shall be \$10,000. Provides that the sports wagering service provider permit fee shall be \$12,500 for a term of five years. Provides that the application and permit fees shall be submitted to the gaming division of state police and shall be deposited into the proposed law Sports Wagering Enforcement Fund.

Proposed law provides for a sports wagering distributor permit fee. Provides that the initial application fee shall be \$5,000. Provides that the sports wagering distributor permit fee shall be \$2,500 for a term of five years. Provides that the application and permit fees shall be submitted to the gaming division of state police and shall be deposited into the proposed law Sports Wagering Enforcement Fund.

Proposed law provides for a state levy of 10% tax upon the net gaming proceeds from sports wagering offered to patrons at the licensed sports wagering establishment and a state levy of 15% upon the net gaming proceeds from sports wagering offered to patrons through a website or mobile application. Provides for the taxes to be collected by the gaming division of state police and forwarded to the state treasurer for immediate deposit into the treasury.

Proposed law creates the "Sports Wagering Enforcement Fund" in the state treasury. Provides that monies in the fund shall be withdrawn only pursuant to appropriation by the legislature and used solely for the expenses of the Dept. of Public Safety and Corrections, the Dept. of Justice, and the La. Gaming Control Board as may be necessary to carry out the provisions of proposed law and the rules of the board.

Present law provides for the operation of a state lottery by the La. Lottery Corporation (corporation).

Proposed law retains present law and authorizes the corporation to operate and administer sports wagering.

Proposed law authorizes the corporation through the adoption of rules to provide for the qualifications, standards, and procedures for permitting sports wagering including guidelines for the types of wagers, amounts of wagers, standards for use and protection of players, internal controls for the electronic wagering and the approval of retail establishments offering sports wagering.

Proposed law provides that present law provisions regarding lottery retailers, vendors, and criminal background checks apply to proposed law sports wagering.

Proposed law provides for a comprehensive authorization of the corporation to conduct sports wagering including the following major points:

- (1) Provides for annual reports to the legislature.
- (2) Provides for suitability standards for operating sports wagering which are comparable to present law standards for other forms of gaming.
- (3) Provides for the sports wagering platform providers specifications for operation.
- (4) Requires sports wagering platforms to provide safeguards to make sure that a person who is attempting to wager is at least 21 years of age.
- (5) Provides for a sports wagering platform permit, an application fee of \$100,000, and a permit fee of \$250,000.
- (6) Provides that a sports wagering platform provider permit has a term of five years.
- (7) Provides for sports wagering service providers.

- (8) Provides that the application fee for a sports wagering service provider is \$10,000 and that the permit fee is \$12,500 for a five-year term.
- (9) Provides for limitations on who may wager, and the types of wagers which may be accepted by the operator.
- (10) Provides for the specifications of sports wagering mechanisms.
- (11) Provides for the requirements for wagering through a website or mobile application.
- (12) Provides for the awarding and payment of prizes.
- (13) Provides for withholding of prize money from persons with outstanding child support arrearages which is provided for in present law with other forms of gaming.

Proposed law defines retail establishments as:

- (1) Any establishment that has a Class A-General retail or restaurant permit for the sale of alcoholic beverages for on premises consumption and that is located in a parish that approved a proposition to authorize sports wagering.
- (2) Any establishment that holds a retail food establishment permit pursuant to the provisions of present law (LAC 51:XXIII 101 et seq.) and is located within a parish that approved a proposition to authorize sports wagering but is prohibited from holding a Class A-General retail permit or a Class A-Restaurant permit for the sale of alcoholic beverages for on-premises consumption.

Proposed law provides for an initial application fee of \$1,000 and a permit fee of \$100 for a one-year permit for retail establishments.

Proposed law provides that all application fees are non-refundable.

Proposed law provides for a state levy of 10% tax upon the net gaming proceeds from sports wagering offered to patrons onsite at a permitted retail establishment and a state levy of 15% upon the net gaming proceeds from sports wagering offered to patrons through a website or mobile application by the corporation.

Proposed law provides that within 20 days after the last day of each calendar month, the corporation shall collect the taxes imposed pursuant to proposed law on net gaming proceeds for the immediately preceding calendar month.

Taxes collected by the corporation pursuant to proposed law shall be deposited into the Community and Family Support System Fund as provided in present law.

Proposed law provides that in a month when the amount of net gaming proceeds of an operator from sports wagering is a negative number, the operator may carry over the negative amount to the return filed for the subsequent month. Further provides no amount shall be carried over in any period more than 12 months after the month in which the amount carried over was originally due.

Proposed law provides within 20 days following the close of each calendar month, the corporation shall transfer to the Lottery Sports Wagering Fund the amount of net revenue which the corporation determines are surplus to its needs. Net revenues shall be determined by deducting from the corporation's net gaming proceeds the payment costs incurred or estimated to be incurred in the operation and administration of sports wagering. These costs shall include the expenses of the corporation and the costs resulting from determining

applicant suitability, and any contracts entered into for promotional, advertising, or operational services or for the purchase or lease of sports wagering equipment and materials.

Proposed law creates the Lottery Sports Wagering Fund. Proposed law provides that the treasurer shall deposit corporation net revenue as determined in proposed law. Further provides monies in the fund shall be withdrawn only pursuant to appropriation by the legislature and shall be used solely for the expenses provided pursuant to proposed law.

(Amends R.S. 13:4721, R.S. 14:90.5(A)-(C), R.S. 27:3(10), (15), (17), and (19), 15(D) and (E), 29.1(D) and (E), 29.2(A), (B), (D), and (E), 29.3(A), 29.4(D), R.S. 47:9001, 9002, 9006(B), 9009(B)(1) and (C), 9010(E), 9015(D), and 9029(A)(1); Adds R.S. 14:90(E) and 90.3(K), R.S. 27:92(D), R.S. 27:621-627, and R.S. 47:9091-9107)

#### Summary of Amendments Adopted by House

##### The House Floor Amendments to the engrossed bill:

1. Remove certain definitions and add new definitions.
2. Remove language that provides application and permit fees be submitted to the Gaming Control Board.
3. Specify that sports wagering conducted through a mobile application or a website on the premises of a licensed sports wagering establishment shall be considered electronic wagering and taxed as such.
4. Change the tax levied on electronic wagering through a website or mobile application from 18% to 15% of net gaming proceeds.
5. Add provisions that require the state police division of gaming to collect taxes imposed in proposed law within 20 days following the last day of each calendar month.
6. Add provisions that permit operators to carry forward certain tax liability to a subsequent month when the amount of net gaming proceeds is negative.
7. Add provisions that state eligible promotional play shall not exceed \$5 million per calendar year and shall be equal to the amount of dollars directly attributable to promotional play wagers related to sports wagering and actually redeemed by players.
8. Remove provisions related to the creation of a Developmental Disability Services Subfund within the New Opportunities Waiver Fund.
9. Clarify that the La. Lottery Corporation (corporation) shall be required to contract with a sports wagering service provider to operate and administer a sports wagering book.
10. Add provisions that require the corporation to promulgate rules related to the suitability and qualifications of certain applicants and permittees.
11. Remove provisions requiring the sports wagering platform provider to be responsible for the conduct of any sports wagering service provider.
12. Remove provisions stating the corporation shall deposit certain fees into the Louisiana Lottery Proceeds Funds.

13. Add provisions that require only distributors domiciled in La. be permitted for the services of collection and repair of sports wagering mechanisms.
14. Add provisions requiring the corporation to adopt written policies and rules to guarantee that multiple distributors and vendors shall contract with the operator to provide maximum opportunities for economic development.
15. Remove provisions that allow businesses permitted to sell lottery tickets to host sports wagering mechanisms.
16. Add language that allows establishments with certain restaurant permits located in parishes that approved sports wagering but are also located in a municipality which prohibits certain alcohol licenses to host a sports wagering mechanism.
17. Add provisions that require the corporation to provide by rule the minimum requirements of a contract between a sports wagering platform provider and a retail establishment and requires the retail establishment to be paid the greater of 1½% of the cash accumulated in the sports wagering mechanisms on the retail establishment's premises or 10% of the net gaming proceeds of all wagers placed by patrons without a sports wagering mechanism located on the retail establishment's premises and on wagers placed through an operator website or mobile application.
18. Add provisions that prohibit players from collecting winnings from sports wagering mechanisms in any form other than as credits to the sports wagering account of the player.
19. Change the tax levied on sports wagering conducted through the operator of the corporation.
20. Remove certain taxation provisions and add provisions that levy a 10% tax on the net gaming proceeds of an operator on sports wagering offered within the state at certain permitted retail establishments through a sports wagering mechanism.
21. Remove certain taxation provisions and add provisions that a levy a 15% tax on the net gaming proceeds of an operator on sports wagering offered to consumers electronically through an operator website or mobile application.
22. Add provisions that provide all taxes collected from sports wagering conducted through the corporation be deposited into the Community and Family Support System Fund provided for in present law.
23. Add provisions that permit operators to carry forward certain tax liability to a subsequent month when the amount of net gaming proceeds is negative.
24. Create the Lottery Sports Wagering Fund to be used solely for the administrative expenses of sports wagering administered by the corporation and for the minimum foundation program.
25. Add provisions that require the corporation to transfer net revenues the corporation determines are surplus to the Lottery Sports Wagering Fund within 20 days following the last day of each calendar month.
26. Make technical changes.