

RÉSUMÉ DIGEST

ACT 437 (SB 209)

2021 Regular Session

Smith

New law provides for historical horse racing and defines "historical horse racing" as a form of horse racing that creates pari-mutuel pools from wagers placed on horse races previously run at a pari-mutuel facility licensed in the United States; concluded with official results and without scratches, disqualifications, or dead-heat finishes through machines permitted and authorized by the La. State Racing Commission (commission).

Defines "pari-mutuel wagering", "pari-mutuel system of wagering", or "mutuel wagering" as any method of wagering previously or hereafter approved by the commission in which one or more patrons wager on a horse race or races, whether live, simulcast, or previously run.

Authorizes wagers to be placed in one or more wagering pools, and wagers on different races or sets of races may be pooled together. Authorizes patrons to establish odds or payouts, and winning patrons share in amounts wagered including any carryover amounts, plus any amounts provided by an association less any deductions required, as approved by the commission and permitted by law. Provides that pools may be paid out incrementally over time as approved by the commission.

Defines "net commission" as the commission retained by a licensee on pari-mutuel wagers on historical horse races, less breakage, settlements, and taxes applicable to such wagers.

Prior law authorized an association licensed by the commission to accept and transmit wagers and engage in all activities to establish appropriate offtrack wagering facilities to conduct activities which include but are not limited to:

- (1) Live simulcast of races from the host track.
- (2) Construction or leasing of offtrack wagering facilities.
- (3) Sale of goods and beverages.
- (4) Advertising and promotion.
- (5) All other related activities.

New law retains these provisions but includes historical horse racing on the premises of offtrack wagering facilities via dedicated machines or personal mobile devices.

New law provides that no primary licensee may operate more than five offtrack wagering facilities in which historical horse racing is permitted. However, any primary licensee that operates more than five offtrack wagering facilities as of July 1, 2021, may conduct historical horse racing at all of its licensed facilities. Provides that historical horse racing is not to be authorized at any future offtrack wagering facility for that primary licensee if the primary licensee is operating more than five offtrack wagering facilities.

Provides that if a primary licensee's existing licensed offtrack wagering facilities on July 1, 2021, cease to be a licensed offtrack wagering facility for reasons other than force majeure, the number of offtrack wagering facilities allowed to conduct historical horse racing for that primary licensee is to be reduced by the number of its offtrack wagering facilities that cease to be licensed until the time that the primary licensee is reduced to no more than five licensed offtrack wagering facilities allowed to conduct historical horse racing.

Limits each primary licensee or licensed offtrack wagering facility to not more than fifty historical horse racing machines in service at any given time.

New law provides that application from an eligible facility to conduct historical horse racing in Orleans Parish may be approved by the commission only after the Amended and Renegotiated Casino Operating Contract entered into pursuant to R.S. 27:201 et seq., on October 30, 1998, as amended, is amended to provide that the conducting of historical horse racing at the eligible facility in Orleans Parish shall not constitute an exclusivity violation or prohibited land-based gaming as defined in the contract and the amendment to the contract

is approved by the Joint Legislative Committee on the Budget as required by Section B of Act No. 1 of the 2001 First Extraordinary Session.

New law prohibits historical horse racing being conducted via a machine or website or mobile application beyond the property of the pari-mutuel facility or offtrack wagering facility.

New law requires that historical horse races and wagers are subject to the following provisions:

- (1) Commissions on wagers on historical horse races made at offtrack wagering facilities shall not exceed 12% of all wagers and shall be set by the licensee and approved by the commission. The offtrack wagering facility where the wager is made may either retain the breakage on the wagers or include the breakage in the applicable historical horse racing pari-mutuel pool or pools. Requires that commissions be deducted and retained by the licensee of the offtrack wagering facility where the wager is made.
- (2) The licensee shall disburse 20% of the net commission to supplement horsemen's purses.
- (3) R.S. 4:149.3, 149.5, 161, 161.1, 161.2, 162, 163.1, 165, 166, 166.1 through 166.7, 167, 177, 183, 218, and 220 shall not apply to historical racing or the licensee with respect to historical racing.

New law requires that the monies designated for purses from wagers placed at offtrack wagering facilities on historical horse races be distributed in the same manner as set forth in R.S. 27:438(B) as in effect at the time of any distribution, and if R.S. 27:438(B)(2)(a) becomes effective, any quarter horse purse supplements shall be included in the calculation of the applicable maximum of \$1 million dollars per state fiscal year and the settlement amount as set forth.

New law requires the following relative to offtrack wagering facility locations, prohibited distances, and prohibited structures:

- (1) No license shall be granted to any offtrack wagering facility located, at the time application is made for a license to operate offtrack wagering facilities, within one mile from any property on the National Register of Historic Places, any public playground, any residential property, or a building used primarily as a church, synagogue, public library, or school. Measurement of the distance shall be a straight line from the nearest point of the proposed offtrack wagering facility to the nearest point of the property on the National Register of Historic Places, the public playground, residential property, or a building used primarily as a church, synagogue, public library, or school.
- (2) After an application is filed with the commission, the subsequent construction, erection, development, or movement of a property which causes the location of an offtrack wagering facility to be within the prohibited distance shall not be cause for denial of an initial or renewal application or revocation of a license.
- (3) The location limitation does not apply to the location of an offtrack wagering facility which applied for a license or was issued a license on or before July 1, 2021, or which applied for or was issued a valid building permit on or before July 1, 2021, and subsequently issued a license. The location shall be eligible for an offtrack wagering facility license without reference to the prohibition in Item (1) above unless after having obtained a license, an offtrack wagering facility has not been licensed at that location for 36 consecutive months and application for licensing is not made within that 36-month period.
- (4) For locations on which an offtrack wagering facility has not been completely constructed, if application for licensing was made on or before July 1, 2021, the prohibited distance in Item (1) above shall be one mile from any property on the National Register of Historic Places, any public playground, residential property, or a building used primarily as a church, synagogue, public library, or school.

- (5) If a parish or municipality does not have a zoning ordinance which designates certain property within its jurisdiction as residential property, the governing authority of the parish or municipality may designate certain areas of its jurisdiction as residential.
- (6) The location limitation in Item (1) above applies to applications for licensing made after July 1, 2021.

New law, for purposes of Item (1) above, defines "residential property" as any property which is wholly or partly used for or intended to be used for living or sleeping by human occupants and which includes one or more rooms, including a bathroom and complete kitchen facilities. Residential property does not include a mobile home or manufactured housing, if it has been in its present location for at least 60 days but does not include any hotel or motel.

Effective upon signature of the governor (June 21, 2021).

(Amends R.S. 4:143(7), 148, 149, 166.7, 213 and 214(A)(4); adds R.S. 4:143(17)-(19), 211(8), 214(K) and (L), 216(E), 217(E) and 228)