HLS 25RS-814 ENGROSSED

2025 Regular Session

HOUSE BILL NO. 540

BY REPRESENTATIVE FONTENOT

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

GAMBLING/VIDEO POKER: Provides relative to video poker

1 AN ACT 2 To amend and reenact R.S. 27:412(B)(1) and (2), 413(A) and (B), 414(introductory 3 paragraph), 416(A), (C)(2)(a) through (c) and (3)(b), 435(D)(4), and 4 437(C)(introductory paragraph), (3), and (4) and to enact R.S. 27:415(C) through 5 (G), 437(C)(5), and 439.1, relative to video draw poker machines; to change the 6 number of video draw poker machines permissible in certain businesses; to provide 7 for criteria to qualify for additional video draw poker machines; to provide 8 definitions; to provide for areas in which video draw poker machines shall be 9 prohibited; to provide for an effective date; and to provide for related matters. 10 Be it enacted by the Legislature of Louisiana: 11 Section 1. R.S. 27:412(B)(1) and (2), 413(A) and (B), 414(introductory paragraph), 12 416(A), (C)(2)(a) through (c) and (3)(b), 435(D)(4), and 437(C)(introductory paragraph), 13 (3), and (4) are hereby amended and reenacted and R.S. 27:415(C) through (G) and 14 437(C)(5) and 439.1 are hereby enacted to read as follows: 15 §412. State license qualifications; types of licenses 16 17 B. The three categories of licenses which may be issued to qualified 18 establishments for the operation of video draw poker devices are as follows:

(1) A license to operate a maximum of three four video draw poker devices
at establishments licensed to sell alcoholic beverages for consumption on the
premises of the establishment as provided for in R.S. 27:413.
(2) A license to operate a maximum of fifty sixty video draw poker devices
at qualified truck stop facilities as provided for in R.S. 27:416.

\* \* \*

§413. Licenses to operate video draw poker devices at certain alcoholic beverage facilities; multiple facilities

A. A person who has been granted a Class A-General retail permit or a Class A-Restaurant permit, as defined in Part II of Chapter 1 or Part II of Chapter 2 of Title 26 of the Louisiana Revised Statutes of 1950, to sell alcoholic beverages for consumption on the premises of a restaurant, bar, tavern, cocktail lounge, or club only, or such an establishment located within a motel or hotel may be granted a license for the placement of not more than three four video draw poker devices in his licensed establishment. To qualify to receive a fourth video draw poker device, the licensee shall earn a net device revenue of at least fifty thousand dollars for the location in the calendar quarter prior to requesting the fourth device.

B. A person who is the owner of more than one restaurant, bar, tavern, cocktail lounge, or club which is located within a single building or structure, and who has been granted a Class A-General retail permit or a Class A-Restaurant permit, as defined in Part II of Chapter 1 or Part II of Chapter 2 of Title 26 of the Louisiana Revised Statutes of 1950, to sell alcoholic beverages for consumption on the premises of each such facility, may make available for play not more than three four video draw poker devices at each separate facility, not to exceed a total of nine video draw poker devices for the single building or structure, if that person and each facility complies with all other requirements of this Chapter and of the administrative rules that are applicable to the operation of video draw poker devices. The limitation on the number of facilities contained in this Subsection shall not apply to any person or entity who owns and operates multiple facilities which are located in a publicly

2	and international destinations.
3	* * *
4	§414. Hotel and motel facilities; criteria
5	A licensee owning or leasing a licensed establishment which is a hotel or
6	motel which has more than one lounge or facility and which has a Class A-General
7	retail permit or a Class A-Restaurant permit, as defined in Part II of Chapter 1 or Part
8	II of Chapter 2 of Title 26 of the Louisiana Revised Statutes of 1950, to sell alcoholic
9	beverages for on-premises consumption on a single licensed premises may make
10	available for play not more than three four video draw poker devices at each lounge
11	or separate facility, not to exceed a total of twelve thirteen video draw poker devices
12	for the hotel or motel, if all other requirements of this Chapter are met. Each
13	separate lounge or facility shall meet the following criteria:
14	* * *
15	§415. Pari-mutuel wagering facility or offtrack wagering facility; no minimum
16	wager; location
17	* * *
18	C. No license shall be granted to any offtrack wagering facility located, at
19	the time application is made for a license to operate video draw poker devices, within
20	one mile from any property on the National Register of Historic Places, any public
21	playground, any residential property, or a building used primarily as a church,
22	synagogue, public library, or school. The measurement of the distance shall be a
23	straight line from the nearest point of the offtrack wagering facility to the nearest
24	point of the property on the National Register of Historic Places, the public
25	playground, residential property, or building used primarily as a church, synagogue,
26	public library, or school.
27	D. After an application is filed with the division, the subsequent
28	construction, erection, development, or movement of a property identified in
29	Subsection C of this Section which causes the location of an offtrack wagering

owned and operated transportation facility offering any transportation to interstate

1	facility to be within the prohibited distance shall not be cause for denial of an initial
2	or renewal application or revocation of a license.
3	E. If a parish or municipality does not have a zoning ordinance which
4	designates certain property within their jurisdiction as residential property, the
5	governing authority of the parish or municipality shall have the authority to
6	designate certain areas of their jurisdiction as residential districts for the purposes of
7	this Section.
8	F. The prohibition provided for in Subsection C of this Section shall not
9	apply to any offtrack wagering facility that is both licensed and operating on January
10	1, 2025. If application for licensing is made after January 1, 2025, the prohibition
11	in Subsection C of this Section shall apply.
12	G. For the purposes of this Section, "residential property" means any
13	property which is wholly or partly used for or intended to be used for living or
14	sleeping by human occupants and which includes one or more rooms, including a
15	bathroom and complete kitchen facilities. Residential property shall include a
16	mobile home or manufactured housing, provided that it shall have been in its present
17	location for at least sixty days. Residential property shall not include any hotel or
18	motel.
19	§416. Qualified truck stop facilities; number of devices; fuel sales
20	A. A person owning or leasing a qualified truck stop facility may be granted
21	a license for the placement of not more than fifty sixty video draw poker devices in
22	his facility based on the fuel sales as provided in Subsection C of this Section, in an
23	area separated for adult patronage only, if all other requirements of this Chapter are
24	met. There shall be only one license granted for the operation of video draw poker
25	devices at each qualified truck stop facility.
26	* * *
27	C.
28	* * *

1	(2) Except as provided in R.S. 27:421 and Paragraph (3) of this Subsection,
2	the number of video draw poker devices placed at a qualified truck stop facility shall
3	be based on the average monthly fuel sales calculated quarterly, using four sets of
4	three calendar months, for the first year of operation and thereafter shall be based
5	upon the average monthly fuel sales calculated annually, using a calendar year, as
6	follows:
7	(a) One hundred thousand gallons of fuel - not more than fifty sixty devices.
8	(b) Seventy-five thousand gallons of fuel - not more than forty forty-eight
9	devices.
10	(c) Fifty thousand gallons of fuel - not more than thirty-five forty-two
11	devices.
12	* * *
13	(3)
14	* * *
15	(b) After ten years of operation as a qualified truck stop facility, the facility
16	shall thereafter be permitted to retain the number of devices for which the facility
17	qualified in the prior calendar year of operation, not to exceed forty forty-eight
18	devices, if the facility meets a minimum fuel sales requirement of not less than thirty
19	thousand gallons per month. However, such qualified truck stop facility shall be
20	required to comply with the provisions of Paragraph (1) of this Subsection. Any
21	qualified truck stop facility that has met the provisions of this Paragraph on
22	December 1, 2025, and has been granted the right to operate up to forty devices shall
23	now qualify for the additional number of devices authorized by this Paragraph.
24	* * *
25	§435. Licensing by division; fees; franchise payments; enforcement activities
26	* * *
27	D.(1) Each device owner shall remit to the division a franchise payment, in
28	an amount equal to a percentage of the net device revenue derived from the operation
29	of each video draw poker device owned by him. The amount of the percentage shall

1	be based on the type of licensed establishment authorized by the division for the
2	placement of video draw poker devices, as follows:
3	* * *
4	(4)(a) Of the amount attributable to the payment of franchise fees as required
5	in this Section, an amount equal to the avails of one-half of one percent of the
6	franchise fee rate shall be allocated as provided in R.S. 27:437 and appropriated by
7	the legislature as provided in R.S. 27:439.
8	(b) Of the amount attributable to payment of franchise fees as required in this
9	Section, for additional video draw poker devices authorized pursuant to the
10	provisions of this Act an amount equal to the avails of one-half of one percent of the
11	franchise fee rate shall be allocated as provided in R.S. 27:437 and appropriated by
12	the legislature as provided in R.S. 27:439.
13	§437. Video Draw Poker Device Fund; distribution and expenditure
14	* * *
15	C. Except as provided in Paragraph (3) (4) of this Subsection, the monies in
16	the Video Draw Poker Device Fund shall only be withdrawn pursuant to
17	appropriation by the legislature and shall be distributed as follows:
18	* * *
19	(3) An amount shall be allocated to the Video Draw Poker Device
20	Supplement Fund as follows:
21	(a) The monies in excess of the monies generated in R.S. 27:435 for the
22	Fiscal Year 2024, if any, and received in this Chapter and distributed as outlined
23	above, the initial twenty-two million dollars shall be allocated as provided in R.S.
24	<u>27:439.1.</u>
25	(b) Any monies after (3)(a), in excess of the monies generated in R.S. 27:435
26	for the Fiscal Year 2024 and received in this Chapter and distributed as outlined
27	above, fifteen percent shall be allocated as provided in R.S. 27:439.1.
28	(3) (4) Any unexpended or unencumbered portion of the twenty-five percent
29	remaining in the Video Draw Poker Device Fund after the allocations made pursuant

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to the provisions of Paragraph (1) of this Subsection at the end of the fiscal year shall not revert to the state general fund but shall be distributed in accordance with the provisions of Paragraph (1) of this Subsection. Any remaining portion of the seventy-five percent of the unexpended or unencumbered monies in the Video Draw Poker Device Fund after the allocations made pursuant to the provisions of Paragraphs (2) and (3) of this Subsection at the end of the fiscal year shall revert to the state general fund. (4) (5) An amount equal to all franchise payments exempted pursuant to R.S. 27:321 shall be considered to be part of the Video Draw Poker Device Fund for purposes of calculating the distribution of the fund pursuant to Paragraphs (1), (2), and  $\frac{(2)}{(3)}$ . §439.1. Video Draw Poker Device Purse Supplement Fund; additional distribution and expenditure A. Funds specified pursuant to the provisions of R.S. 27:437(C) shall be forwarded by the division to the state treasurer for immediate deposit in the state treasury. The funds so deposited shall first be credited to the Bond Security and Redemption Fund in accordance with Article VII, Section 9(B) of the Constitution of Louisiana. Thereafter, the state treasurer shall, each fiscal year, credit to a special fund, which is hereby created in the state treasury and entitled the Video Draw Poker Device Purse Supplement Fund, an amount equal to all funds specified pursuant to

B. Monies in the Video Draw Poker Device Purse Supplement Fund pursuant to the provisions of R.S. 27:437(C)(3) shall be annually appropriated to the Louisiana State Racing Commission within the office of the governor and shall be allocated as follows:

R.S. 27:437(C)(3). Monies in the Video Draw Poker Device Purse Supplement Fund

shall only be withdrawn pursuant to an appropriation by the legislature and shall be

used solely as provided in Subsection B of this Section.

(1) Sixty percent of the funds appropriated to the commission pursuant to		
this Section shall be allocated and provided to the Horsemen's Bookkeeper to be used		
at the licensed racing associations in the state which conduct live horse racing on the		
basis of the proportion of the number of thoroughbred race days each association		
conducted for the preceding year bears to the total number of thoroughbred race days		
conducted statewide for the preceding year. These additional monies shall be		
distributed in accordance with a schedule or formula established by the purse		
committee of the Louisiana Thoroughbred Breeders Association on Louisiana-bred		
thoroughbred races or for Louisiana-bred horses that earn a percentage of the purse		
in a non-breed-restricted race.		
(2) Thirty percent of the funds appropriated to the commission pursuant to		
this Section shall be allocated and provided to the Louisiana Quarter Horse Breeders		
Association to be used to supplement purses for Louisiana-bred quarter horses.		
(3) Four and one-half percent of the funds appropriated to the commission		
pursuant to this Section shall be allocated and provided to the Louisiana		
Thoroughbred Breeders Association for Breeder Awards.		
(4) Two and one-quarter percent of the funds appropriated to the commission		
pursuant to this Section shall be allocated and provided to the Louisiana Quarter		
Horse Breeders Association for Breeder Awards.		
(5) Two percent of the funds appropriated to the commission pursuant to this		
Section shall be allocated and provided to the Louisiana State Racing Commission.		
(6) One and one-quarter percent of the funds appropriated to the commission		
pursuant to this Section shall be allocated and provided to the Louisiana Horsemen's		
Benevolent and Protective Association, 1993 Inc.		
Section 2. This Act shall become effective upon signature by the governor or, if not		
signed by the governor, upon expiration of the time for bills to become law without signature		
by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If		
vetoed by the governor and subsequently approved by the legislature, this Act shall become		
effective on the day following such approval.		

## **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 540 Engrossed

2025 Regular Session

Fontenot

**Abstract:** Provides relative to the number of video draw poker devices certain businesses may operate, to areas where video draw poker devices may not be granted, and to where revenue is allocated.

<u>Proposed law</u> increases the number of video draw poker devices permitted at certain alcoholic beverage facilities <u>from</u> three <u>to</u> four and provides criteria to qualify for additional video draw poker devices.

<u>Proposed law</u> increases the number of video draw poker devices permitted at truck stops  $\underline{\text{from}}$  50  $\underline{\text{to}}$  60.

<u>Proposed law</u> increases the number of video draw poker devices permitted at hotels and motels from three to four for individual lounges and from 12 to 13 for the hotel or motel.

<u>Proposed law</u> provides that offtrack wagering facilities shall not be granted a license to operate video draw poker devices within one mile of 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.

<u>Proposed law</u> provides for the designation of residential districts for the purposes of <u>proposed law</u>.

<u>Proposed law</u> provides relative to franchise fee rates and appropriation for revenue generated by video draw poker devices.

<u>Proposed law</u> (R.S. 27:437) provides that of the monies generated by franchise fees in the 2025 fiscal year, above the amount generated in the 2024 fiscal year, the first \$22 million shall be allocated in accordance with <u>proposed law</u> (R.S. 27:439.1).

<u>Proposed law</u> (R.S. 27:439.1) provides that revenue generated by <u>proposed law</u> (R.S. 27:437) shall be allocated to the Video Draw Poker Device Purse Supplement Fund and to various horse racing industry groups.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 27:412(B)(1) and (2), 413(A) and (B), 414(intro. para.), 416(A), (C)(2)(a)-(c) and (3)(b), 435(D)(4), and 437(C)(intro. para.), (3), and (4); Adds R.S. 27:415(C)-(G), 437(C)(5), and 439.1)

## Summary of Amendments Adopted by House

The Committee Amendments Proposed by <u>House Committee on Administration of Criminal Justice</u> to the <u>original</u> bill:

- 1. Make technical changes.
- 2. Amend R.S. 27:437 to allocate tax revenue to the Video Draw Poker Device Purse Supplement Fund.

## Page 9 of 10

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

3. Change the requirements that a restaurant or bar shall meet to add a fourth machine and remove the requirement that the gaming enforcement section remove a machine if the location falls under a certain net device revenue.

4. Add R.S. 27:439.1 to create the Video Draw Poker Device Purse Supplement Fund and allocate money to the fund for certain purposes.