

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), 437(C)(introductory
4 paragraph), (3), and (4), and 439(Section heading) and to enact R.S. 27:415(C)
5 through (G), 437(C)(5), and 439(C) and (D), relative to video draw poker machines;
6 to change the number of video draw poker machines permissible in certain
7 businesses; to provide for criteria to qualify for additional video draw poker
8 machines; to provide definitions; to provide for areas in which video draw poker
9 machines shall be prohibited; to establish the Video Draw Poker Device Purse
10 Supplement Subfund and provide for deposit and use of monies in the subfund; to
11 provide for an effective date; and to provide for related matters.

12 Be it enacted by the Legislature of Louisiana:

13 Section 1. R.S. 27:412(B)(1) and (2), 413(A) and (B), 414(introductory paragraph),
14 416(A), (C)(2)(a) through (c) and (3)(b), 437(C)(introductory paragraph), (3), and (4), and
15 439(Section heading) are hereby amended and reenacted and R.S. 27:415(C) through (G)
16 and 437(C)(5) and 439(C) and (D) are hereby enacted to read as follows:

17 §412. State license qualifications; types of licenses

18 * * *

19 B. The three categories of licenses which may be issued to qualified
20 establishments for the operation of video draw poker devices are as follows:

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

4 (2) A license to operate a maximum of ~~fifty~~ sixty video draw poker devices
5 at qualified truck stop facilities as provided for in R.S. 27:416.

6 * * *

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

9 A. A person who has been granted a Class A-General retail permit or a Class
10 A-Restaurant permit, as defined in Part II of Chapter 1 or Part II of Chapter 2 of Title
11 26 of the Louisiana Revised Statutes of 1950, to sell alcoholic beverages for
12 consumption on the premises of a restaurant, bar, tavern, cocktail lounge, or club
13 only, or such an establishment located within a motel or hotel may be granted a
14 license for the placement of not more than ~~three~~ four video draw poker devices in his
15 licensed establishment. To qualify to receive a fourth video draw poker device, the
16 licensee shall earn a net device revenue of at least fifty thousand dollars for the
17 location in the calendar quarter prior to requesting the fourth device.

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

owned and operated transportation facility offering any transportation to interstate and international destinations.

* * *

§414. Hotel and motel facilities; criteria

A licensee owning or leasing a licensed establishment which is a hotel or motel which has more than one lounge or facility and which has 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 on-premises consumption on a single licensed premises may make available for play not more than ~~three~~ four video draw poker devices at each lounge or separate facility, not to exceed a total of ~~twelve~~ thirteen video draw poker devices for the hotel or motel, if all other requirements of this Chapter are met. Each separate lounge or facility shall meet the following criteria:

* * *

§415. Pari-mutuel wagering facility or offtrack wagering facility; no minimum wager; location

* * *

C. No license shall be granted to any offtrack wagering facility located, at the time application is made for a license to operate video draw poker devices, 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. The measurement of the distance shall be a straight line from the nearest point of the offtrack wagering facility to the nearest point of the property on the National Register of Historic Places, the public playground, residential property, or building used primarily as a church, synagogue, public library, or school.

D. After an application is filed with the division, the subsequent construction, erection, development, or movement of a property identified in Subsection C of this Section 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.

E. If a parish or municipality does not have a zoning ordinance which designates certain property within their jurisdiction as residential property, the governing authority of the parish or municipality shall have the authority to designate certain areas of their jurisdiction as residential districts for the purposes of this Section.

F. The prohibition provided for in Subsection C of this Section shall not apply to any offtrack wagering facility that is both licensed and operating on January 1, 2025. If application for licensing is made after January 1, 2025, the prohibition in Subsection C of this Section shall apply.

G. For the purposes of this Section, "residential property" means 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 shall include a mobile home or manufactured housing, provided that it shall have been in its present location for at least sixty days. Residential property shall not include any hotel or motel.

§416. Qualified truck stop facilities; number of devices; fuel sales

A. A person owning or leasing a qualified truck stop facility may be granted a license for the placement of not more than ~~fifty~~ sixty video draw poker devices in his facility based on the fuel sales as provided in Subsection C of this Section, in an area separated for adult patronage only, if all other requirements of this Chapter are met. There shall be only one license granted for the operation of video draw poker devices at each qualified truck stop facility.

* * *

C.

* * *

(2) Except as provided in R.S. 27:421 and Paragraph (3) of this Subsection, the number of video draw poker devices placed at a qualified truck stop facility shall be based on the average monthly fuel sales calculated quarterly, using four sets of three calendar months, for the first year of operation and thereafter shall be based upon the average monthly fuel sales calculated annually, using a calendar year, as follows:

(a) One hundred thousand gallons of fuel - not more than ~~fifty~~ sixty devices.

(b) Seventy-five thousand gallons of fuel - not more than ~~forty~~ forty-eight devices.

(c) Fifty thousand gallons of fuel - not more than ~~thirty-five~~ forty-two devices.

* * *

(3)

* * *

(b) After ten years of operation as a qualified truck stop facility, the facility shall thereafter be permitted to retain the number of devices for which the facility qualified in the prior calendar year of operation, not to exceed ~~forty~~ forty-eight devices, if the facility meets a minimum fuel sales requirement of not less than thirty thousand gallons per month. However, such qualified truck stop facility shall be required to comply with the provisions of Paragraph (1) of this Subsection. Any qualified truck stop facility that has met the provisions of this Paragraph on December 1, 2025, and has been granted the right to operate up to forty devices shall now qualify for the additional number of devices authorized by this Paragraph.

* * *

§437. Video Draw Poker Device Fund; distribution and expenditure

* * *

C. Except as provided in ~~Paragraph~~ Paragraphs (3) and (4) of this Subsection, the monies in the Video Draw Poker Device Fund shall only be

1 withdrawn pursuant to appropriation by the legislature and shall be distributed as
2 follows:

3 * * *

4 (3) After the allocations provided in Paragraphs (1) and (2) of this
5 Subsection, amounts received in a fiscal year pursuant to R.S. 27:435 in excess of
6 the total amount generated pursuant to that provision in Fiscal Year 2023-2024 shall
7 be transferred and deposited into the Video Draw Poker Device Purse Supplement
8 Subfund established pursuant to R.S. 27:439(C) as follows:

9 (a) The first twenty-two million dollars of such revenues.

10 (b) Fifteen percent of all such revenues received in excess of the amount
11 provided in Subparagraph (a) of this Paragraph.

12 ~~(3)~~ (4) Any unexpended or unencumbered portion of the twenty-five percent
13 remaining in the Video Draw Poker Device Fund after the allocations made pursuant
14 to the provisions of Paragraph (1) of this Subsection at the end of the fiscal year shall
15 not revert to the state general fund but shall be distributed in accordance with the
16 provisions of Paragraph (1) of this Subsection. Any remaining portion of the
17 ~~seventy-five percent of the~~ unexpended or unencumbered monies in the Video Draw
18 Poker Device Fund after the allocations made pursuant to the provisions of
19 Paragraphs (2) and (3) of this Subsection at the end of the fiscal year shall revert to
20 the state general fund.

21 ~~(4)~~ (5) An amount equal to all franchise payments exempted pursuant to R.S.
22 27:321 shall be considered to be part of the Video Draw Poker Device Fund for
23 purposes of calculating the distribution of the fund pursuant to Paragraphs (1), (2),
24 ~~and (2)~~ (3) of this Subsection.

25 * * *

26 §439. Video Draw Poker Device Purse Supplement Fund and Subfund; distribution
27 and expenditure

28 * * *

1 C. The Video Draw Poker Device Purse Supplement Subfund, hereafter
2 referred to in this Section as the "subfund", is hereby established in the state treasury
3 as a subfund within the Video Draw Poker Device Purse Supplement Fund. Monies
4 transferred or deposited to the subfund shall be deposited by the state treasurer after
5 compliance with the provisions of Article VII, Section 9(B) of the Constitution of
6 Louisiana. Monies in the subfund shall be use solely as provided in Subsection D
7 of this Section.

8 D. Monies in the subfund shall be annually appropriated to the Louisiana
9 State Racing Commission within the office of the governor and shall be allocated as
10 follows:

11 (1) Sixty percent of the funds appropriated to the commission pursuant to
12 this Section shall be allocated and provided to the Horsemen's Bookkeeper to be used
13 at the licensed racing associations in the state which conduct live horse racing on the
14 basis of the proportion of the number of thoroughbred race days each association
15 conducted for the preceding year bears to the total number of thoroughbred race days
16 conducted statewide for the preceding year. These additional monies shall be
17 distributed in accordance with a schedule or formula established by the purse
18 committee of the Louisiana Thoroughbred Breeders Association on Louisiana-bred
19 thoroughbred races or for Louisiana-bred horses that earn a percentage of the purse
20 in a non-breed-restricted race.

21 (2) Thirty percent of the funds appropriated to the commission pursuant to
22 this Section shall be allocated and provided to the Louisiana Quarter Horse Breeders
23 Association to be used to supplement purses for Louisiana-bred quarter horses.

24 (3) Four and one-half percent of the funds appropriated to the commission
25 pursuant to this Section shall be allocated and provided to the Louisiana
26 Thoroughbred Breeders Association for Breeder Awards.

27 (4) Two and one-quarter percent of the funds appropriated to the commission
28 pursuant to this Section shall be allocated and provided to The Louisiana Quarter
29 Horse Breeders Association for Breeder Awards.

1 (5) Two percent of the funds appropriated to the commission pursuant to this
2 Section shall be allocated and provided to the Louisiana State Racing Commission.

3 (6) One and one-quarter percent of the funds appropriated to the commission
4 pursuant to this Section shall be allocated and provided to the Louisiana Horsemen's
5 Benevolent and Protective Association 1993, Inc.

6 Section 2. This Act shall become effective upon signature by the governor or, if not
7 signed by the governor, upon expiration of the time for bills to become law without signature
8 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
9 vetoed by the governor and subsequently approved by the legislature, this Act shall become
10 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 Reengrossed

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.

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

Proposed law increases the number of video draw poker devices permitted at truck stops from 50 to 60.

Proposed law 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.

Proposed law 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.

Proposed law provides for the designation of residential districts for the purposes of proposed law.

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

Proposed law provides for dedication of the first \$22M generated by franchise fees, above the amount generated in the 2024 fiscal year, to the Video Draw Poker Device Purse Supplement Subfund (hereafter the "subfund"), established pursuant to proposed law.

Further dedicates 15% of those revenues generated each fiscal year in excess of \$22M to the subfund.

Proposed law requires revenue generated by proposed law and deposited into the subfund to be appropriated to the La. State Racing Commission within the office of the governor for allocation to various horse racing industry groups as provided in proposed law.

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), 437(C)(intro. para.), (3), and (4), and 439(Section heading); Adds R.S. 27:415(C)-(G), 437(C)(5), and 439(C) and (D))

Summary of Amendments Adopted by House

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

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

The Committee Amendments Proposed by House Committee on Appropriations to the engrossed bill:

1. Remove language regarding dedication of one-half of one percent of certain revenues.
2. Restructure language regarding flow of revenues generated by proposed law.
3. Establish a subfund within the Video Draw Poker Device Purse Supplement Fund for receipt of certain revenues pursuant to proposed law.
4. Make technical changes.