

First Extraordinary Session, 2001

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HOUSE BILL NO. 2

BY REPRESENTATIVES DEWITT, MORRELL, MURRAY, ALARIO, ANSARDI, BAYLOR, K. CARTER, DUPRE, FRITH, GLOVER, GUILLORY, HEATON, HOPKINS, HUDSON, L. JACKSON, JOHNS, MARTINY, MONTGOMERY, ODINET, PIERRE, PINAC, PRATT, RICHMOND, JACK SMITH, STELLY, TOWNSEND, TRICHE, WELCH, AND WOOTON AND SENATOR HEITMEIER

GAMBLING/RIVERBOAT: Provides for gaming while riverboats are docked

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AN ACT

To amend and reenact R.S. 27:65(A) and (B)(1), 91(C), and 92(B)(2)(b) to enact R.S. 17:421.7 and R.S. 27:66 and 70(B)(7)(c), and to repeal R.S. 27:44(16) and 52(2)(f), relative to riverboat gaming; to authorize licensed riverboats to conduct gaming while the riverboat is docked subject to certain provisions; to provide for riverboat gaming under certain conditions in the parish of the official gaming establishment and the payment of franchise fees; to provide for definitions; to provide for exceptions; to provide for additional franchise fees; to establish a special fund in the state treasury; to provide for the deposit of certain monies into the fund; to provide for uses of monies in the fund; to provide for applicability; to repeal obsolete provisions authorizing certain local option elections; to repeal certain requirements applicable to riverboat construction; to provide for the inspection and certification

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1 of riverboats; to provide for the number of riverboats which may
2 operate on a designated waterway; and to provide for related matters.

3 Be it enacted by the Legislature of Louisiana:

4 Section 1. R.S. 17:421.7 is hereby enacted to read as follows:

5 §421.7. Support Education in Louisiana First Fund

6 A. There is hereby established, as a special fund in the state
7 treasury, the Support Education in Louisiana First Fund (the SELF
8 Fund). After compliance with the requirements of Article VII, Section
9 9(B) of the Constitution of Louisiana relative to the Bond Security and
10 Redemption Fund, and after a sufficient amount is allocated from that
11 fund to pay all of the obligations secured by the full faith and credit of
12 the state which becomes due and payable within any fiscal year, the
13 treasurer shall pay to the SELF Fund an amount equal to the monies
14 received by the state treasury from the avails of the franchise fees
15 charged pursuant to R.S. 27:91(C)(2) through (4) and the revenues
16 required to be deposited in the SELF Fund pursuant to R.S.
17 27:92(B)(2)(b) and R.S. 27:270(A)(3). The monies in this fund shall
18 be used only as provided in Subsection B of this Section and only in the
19 amounts appropriated by the legislature. All unexpended and
20 unencumbered monies in this fund at the end of each fiscal year shall
21 remain in the fund. The monies in this fund shall be invested by the
22 state treasurer in the same manner as monies in the state general fund.
23 Interest earned on the investment of monies in this fund shall be
24 credited to the fund, following compliance with the requirements of
25 Article VII, Section 9(B) relative to the Bond Security and Redemption
26 Fund.

1 B. Monies in the SELF Fund shall be used and expended solely
2 as follows:

3 (1) Seventy percent of the monies in the fund shall be used to
4 provide an increase in the salary of certain public pre-kindergarten
5 through twelfth grade certificated personnel as defined in the annual
6 Profile of Education Personnel report and for other public pre-
7 kindergarten through twelfth grade classroom teachers in Fiscal Year
8 2001-2002 and annually to support such increase.

9 (2) Thirty percent of the monies in the fund shall be used to
10 provide public postsecondary education faculty salary increases,
11 including related benefits, to be distributed in accordance with a plan
12 developed jointly by the Board of Regents and the Division of
13 Administration in Fiscal Year 2001-2002 and annually to support such
14 increase.

15 Section 2. R.S. 27:65(A) and (B)(1), 91(C), and 92(B)(2)(b) are hereby
16 amended and reenacted and R.S. 27:66 and 70(B)(7)(c) are hereby enacted to
17 read as follows:

18 §65. Licenses to conduct gaming activities upon riverboats; limitations
19 A. Notwithstanding any other provisions of law to the contrary,
20 upon application properly submitted and examined, the division may
21 issue up to fifteen licenses to conduct gaming activities on a riverboat,
22 ~~which is of new construction~~ in accordance with the provisions of this
23 Chapter. No more than six licenses may be granted for the operation
24 of gaming activities on riverboats for operation from any one ~~parish~~.
25 designated waterway.

1 B. Gaming shall be conducted aboard riverboats, subject to the
2 following requirements:

3 (1)(a) In the parish of the official gaming establishment, except
4 as provided in R.S. 27:66, any parish, except a parish which borders the
5 Red River beginning five miles south of the Kansas City Southern
6 Company/Louisiana Arkansas Crossing Railroad Bridge in Rapides
7 Parish and ending five miles north of the Mid-South Company Railroad
8 Bridge in Caddo Parish, no gaming may be conducted while a riverboat
9 is docked, unless the vessel is docked for less than forty-five minutes
10 between excursions. However, should the master of the riverboat
11 reasonably determine and certify in writing that the weather conditions
12 or the water conditions are such that those conditions, which the master
13 shall specify, present a danger to the riverboat, its passengers, and
14 crew, then the riverboat may remain docked and gaming may take place
15 until such time as the master determines that those conditions have
16 sufficiently diminished to proceed or until the duration of the
17 authorized excursion has expired. A riverboat gaming licensee
18 authorized to conduct gaming pursuant to this Subparagraph shall pay
19 the franchise fee provided in R.S. 27:91(C)(1) and shall pay either the
20 additional franchise fee provided in R.S. 27:91(C)(2) or, if applicable
21 and authorized by R.S. 27:66, the additional franchise fee in the
22 amount provided in R.S. 27:91(C)(4).

23 (b)(i) For the purposes of this Chapter, on or after September
24 15, 1993, in any parish which borders the Red River beginning five
25 miles south of the Kansas City Southern Company/Louisiana Arkansas
26 Crossing Railroad Bridge in Rapides Parish and ending five miles north

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1 of the Mid-South Company Railroad Bridge in Caddo Parish, gaming
2 may shall only be conducted while a riverboat is docked and no cruises
3 or excursions shall be conducted. A riverboat gaming licensee
4 authorized to conduct gaming while a riverboat is docked pursuant to
5 this Subparagraph shall pay the franchise fee in the amount provided in
6 R.S. 27:91(C)(1) and the additional franchise fee in the amount
7 provided in R.S. 27:91(C)(3).

8 ~~(ii) Notwithstanding the provisions of Item (i) of this~~
9 ~~Subparagraph, in any parish which borders the Red River beginning~~
10 ~~five miles south of the Kansas City Southern Company/Louisiana~~
11 ~~Arkansas Crossing Railroad Bridge in Rapides Parish and ending five~~
12 ~~miles north of the Mid-South Company Railroad Bridge in Caddo~~
13 ~~Parish, upon the written request of the mayor and a resolution of the~~
14 ~~city council of a municipality, the governing authorities of these~~
15 ~~parishes may call an election to prohibit gaming while a riverboat is~~
16 ~~docked in their parish. Except as otherwise provided in this~~
17 ~~Subsection, such an election shall be conducted as provided in Chapter~~
18 ~~6-B of Title 18 of the Louisiana Revised Statutes of 1950 and may be~~
19 ~~held not later than October 16, 1993.~~

20 ~~(iii) In the parishes of Bossier and Caddo, a written request~~
21 ~~must be obtained from either the mayor and the city council of~~
22 ~~Shreveport or the mayor and city council of Bossier City, and~~
23 ~~thereafter, the governing authority of either city may call a citywide~~
24 ~~election to prohibit gaming while a riverboat is docked in that city, as~~
25 ~~provided in Item (i) of this Subparagraph, and must be passed by a~~
26 ~~majority vote in the city holding the election. Except as otherwise~~

1 ~~provided in this Subsection, such an election shall be conducted as~~
2 ~~provided in Chapter 6-B of Title 18 of the Louisiana Revised Statutes~~
3 ~~of 1950 and may be held not later than October 16, 1993.~~

4 ~~(iv) Should the electors petition for an election as provided in~~
5 ~~Subsection B of this Section, the petition shall be in substantially the~~
6 ~~following form:~~

7 PETITION TO

8 ~~The undersigned qualified electors respectfully request that you~~
9 ~~call an election to submit, in the manner provided by law to the~~
10 ~~qualified electors of the _____ of~~
11 ~~_____, the following proposition: "Shall gaming while~~
12 ~~a riverboat is docked, be prohibited in _____."~~

13 (c) For all licensees other than those licensed pursuant to R.S.
14 27:65(B)(1)(a) or (b), gaming may only be conducted on a riverboat
15 while it is docked and the licensee shall not conduct cruises or
16 excursions. A riverboat gaming licensee authorized to conduct gaming
17 on a riverboat while it is docked pursuant to this Subparagraph shall
18 pay the franchise fee in the amount provided in R.S. 27:91(C)(1) and
19 the additional franchise fee in the amount provided in R.S. 27:91(C)(2).

20 * * *

21 §66. Gaming while a riverboat is docked in the parish of the official
22 gaming establishment

23 A. Notwithstanding any provision in this Chapter to the
24 contrary, for purposes of this Section any riverboat licensed to conduct
25 gaming in the parish of the official gaming establishment, except as
26 provided in Subsection B of this Section, shall not be permitted to

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1 conduct gaming while docked and shall be required to conduct cruises
2 and excursions as provided in R.S. 27:65(B)(1) as in effect January 1,
3 1997, and shall, in addition, meet the requirements of R.S. 27:44(4) and
4 R.S. 27:44(23)(c) and (d) as in effect January 1, 1997.

5 B. Notwithstanding any provision in this Chapter to the
6 contrary, the provisions of R.S. 27:65(B)(1)(c) and 66 shall apply to
7 not more than one licensed riverboat at any time which must be located
8 on Lake Pontchartrain in the parish of the official gaming establishment
9 as defined in R.S. 27:203 and 205(26) if and only if:

10 (1) Such riverboat conducts gaming activities in an area not
11 exceeding thirty thousand square feet in the aggregate;

12 (2) The owner or operator of such riverboat does not participate
13 directly or indirectly in the ownership, construction, operation, or
14 subsidization of any hotel of a size exceeding three hundred ninety-nine
15 guest rooms within a distance of one mile from the berthing area of the
16 licensed riverboat; and

17 (3) Such riverboat does not maintain or offer for patron or
18 public use on the vessel or at its terminal, berthing area, or any hotel
19 referred to above, more than eight thousand square feet of restaurant
20 facilities in the aggregate, exclusive of food preparation and handling
21 area.

22 C. In the event the riverboat referred to in Subsection B of this
23 Section violates any of the restrictions set forth in Paragraphs (1), (2),
24 and (3) of Subsection B of this Section, no gaming may be conducted
25 as long as such violation continues.

1 D. Notwithstanding the provisions of Subsections B and C of
2 this Section, if the official gaming establishment is not subject to the
3 Amended and Renegotiated Casino Operating Contract among the state
4 of Louisiana by and through the Louisiana Gaming Control Board,
5 Harrah's Jazz Company and Jazz Casino Company, L.L.C., effective as
6 of October 30, 1998, as amended, and is not subject to any other casino
7 operating contract as defined in R.S. 27:205(6) which contains
8 exclusivity provisions in accordance with R.S. 27:201 et seq., any
9 riverboat licensed in the parish of the official gaming establishment
10 may conduct gaming activities in compliance with the provisions of
11 Subsection B of this Section without adhering to the restrictions set
12 forth in Paragraphs (1) through (3) of Subsection B of this Section.

13 E. A riverboat gaming licensee authorized to conduct gaming
14 while the riverboat is docked in the parish of the official gaming
15 establishment shall be subject to all other applicable provisions of law,
16 rules, and regulations which govern riverboat gaming, not inconsistent
17 with the provisions of this Section.

18 * * *

19 §70. Gaming operator license and permits; suitability

20 * * *

21 B. In addition to meeting the above requirement, no person shall
22 be issued a license to conduct gaming operations unless the division
23 finds that:

24 * * *

25 (7)

26 * * *

1 (c) The legislature hereby further directs that the written
 2 policies, procedures and regulations shall provide for the inclusion of
 3 businesses owned by minorities to the maximum extent practicable.

4 * * *

5 §91. Fees for issuance of licenses and permits

6 * * *

7 C.(1) A franchise fee shall be charged for the right to ~~operate~~
 8 ~~on Louisiana waterways~~ conduct gaming activities on a riverboat at an
 9 annual amount equal to fifteen percent of net gaming proceeds.

10 (2) On and after April 1, 2001, except as provided in Paragraphs
 11 (3) and (4) of this Subsection, an additional franchise fee at an annual
 12 amount equal to three percent of net gaming proceeds shall be charged
 13 for the right to conduct gaming activities on a riverboat.

14 (3) Any riverboat gaming licensee conducting gaming activities
 15 as authorized by R.S. 27:65(B)(1)(b) shall pay an additional franchise
 16 fee for the right to conduct gaming activities on a riverboat as follows:

17 (a) On and after April 1, 2001 up to and including March 31,
 18 2002 an additional franchise fee equal to one percent of net gaming
 19 proceeds.

20 (b) On and after April 1, 2002 up to and including March 31,
 21 2003, an additional franchise fee equal to two percent of net gaming
 22 proceeds.

23 (c) On and after April 1, 2003, an additional franchise fee equal
 24 to three percent of net gaming proceeds.

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1 Section 6. This Act shall become effective upon signature by the
2 governor or, if not signed by the governor, upon expiration of the time for bills
3 to become law without signature by the governor, as provided in Article III,
4 Section 18 of the Constitution of Louisiana. If vetoed by the governor and
5 subsequently approved by the legislature, this Act shall become effective on
6 the day following such approval.

**2001 FIRST EXTRAORDINARY SESSION
HOUSE BILL NO. 2
UNOFFICIAL ENROLLMENT
BY REPRESENTATIVE DEWITT, ET AL.**

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