

Regular Session, 1997

SENATE BILL NO. 1295

BY SENATOR CRAVINS

GAMING. Authorizes slot machine gaming at a live horse race track in St. Landry, Bossier, and Calcasieu parishes.

1 AN ACT

2 To enact Chapter 7 of Title 27 of the Louisiana Revised Statutes of 1950, to  
3 be comprised of R.S. 27:351 through 354, 361 through 365, 371  
4 through 377, and 381, relative to slot machine gaming at certain live  
5 horse race tracks; to provide for state policy; to provide definitions; to  
6 provide relative to the power of the Louisiana State Racing  
7 Commission; to provide relative to the temporary and permanent  
8 conduct of slot machine gaming; to provide for required licenses and  
9 the terms of such licenses; to provide relative to required suitability  
10 standards; to provide relative to the powers and duties of the Louisiana  
11 Gaming Control Board; to provide relative to the duties of the office of  
12 state police; to provide relative to limitations on slot machine gaming;  
13 to prohibit certain relationships; to provide for certain crimes and  
14 provide penalties therefor; to prohibit allowing minors to play slot  
15 machines and to provide with regard thereto; to require posting certain  
16 information regarding assistance for compulsive gambling; to require

1 and provide for a local election regarding slot machine gaming; and to  
2 provide for related matters.

3 Notice of intention to introduce this Act has been published.

4 Be it enacted by the Legislature of Louisiana:

5 Section 1. Chapter 7 of the Louisiana Revised Statutes of 1950,  
6 comprised of R.S. 27:351 through 354, 361 through 365, 371 through 377, and  
7 381, is hereby enacted to read as follows:

8 CHAPTER 7. PARI-MUTUEL LIVE RACING FACILITY ECONOMIC  
9 REDEVELOPMENT AND GAMING CONTROL ACT

10 **Chapter 7 is all proposed new law.**

11 PART I. GENERAL PROVISIONS

12 **Part I is all proposed new law.**

13 §351. Title

14 **R.S. 27:351 is all proposed new law.**

15 This Chapter shall be referred to as the "Louisiana Pari-mutuel  
16 Live Racing Facility Economic Redevelopment and Gaming Control  
17 Act".

18 §352. Policy

19 **R.S. 27:352 is all proposed new law.**

20 The legislature hereby finds and declares it to be the public  
21 policy of this state that:

22 (1) Pari-mutuel wagering facilities which offer live horse racing  
23 have historically made great contributions to the economic development  
24 of the state at large and particularly the agricultural and horse breeding  
25 industries.

26 (2) Recent legalization of additional forms of wagering other  
27 than pari-mutuel wagering on horse races such as lottery, riverboat

gaming, and land based casino gaming have, and will continue to have, a substantial negative and detrimental affect upon live horse racing as well as the thoroughbred and quarterhorse industries in general.

(3) Authorization of certain specified gaming activities, such as the competitive offering of slot machine gaming at specifically defined eligible live racing facilities, will revitalize and rehabilitate those facilities within strategically located geographic areas of the state, and will further result in overall economic development and additional revenues to the state and parishes where those facilities are located.

§353. Definitions

**R.S. 27:353 is all proposed new law.**

A. When used in this Chapter, the following terms shall have these meanings:

(1) "Board" means Louisiana Gaming Control Board.

(2) "Designated slot machine gaming area" means the area of an eligible live racing facility at which slot machine gaming may be conducted in accordance with the provisions of this Chapter.

(3) "Division" means the division in the office of the state police, Department of Public Safety and Corrections which provides investigatory, regulatory, and enforcement services to the board in the implementation, administration, and enforcement of this Chapter.

(4) "Eligible facility" means no more than one facility in St. Landry Parish, Bossier Parish, and Calcasieu Parish at which the Louisiana State Racing Commission has licensed the conduct or at which the commission has approved the future licensing of the conduct of not less than eighty days within a consecutive twenty week period each year of live horse race meetings.

1                   (5) "License" means the authorization applied for or issued to  
2                   the owner of an eligible facility by the board to conduct slot machine  
3                   gaming at an eligible facility issued pursuant to the provisions of this  
4                   Chapter. "License" also means authorization issued by the board to a  
5                   slot machine owner, a manufacturer, distributor, or a service technician  
6                   to participate in slot machine gaming operations at eligible facilities.

7                   (6) "Licensee" means any person issued a license by the board.

8                   (7) "Manufacturer" means any person who manufactures or  
9                   assembles and programs slot machines for use in this state.

10                  (8) "Net slot machine proceeds" means the total of all cash and  
11                  property received by a licensee from slot machine gaming operations  
12                  minus the amount of cash or prizes paid to winners.

13                  (9) "Person" means any individual, partnership, corporation, or  
14                  other legal entity.

15                  (10) "Service technician" means any person other than a  
16                  licensee or manufacturer who repairs, services, inspects, or examines  
17                  slot machines.

18                  (11)(a) "Slot machine" means any mechanical, electrical, or  
19                  other device or contrivance which, upon insertion of a coin, token, or  
20                  similar object therein or upon payment of any consideration  
21                  whatsoever, is available to play or operate, the play or operation of  
22                  which, whether by reason of the skill of the operator or application of  
23                  the element of chance, or both, may deliver or entitle the person  
24                  playing or operating the machine to receive cash, premiums,  
25                  merchandise, tokens, or anything of value, whether the payoff is made  
26                  automatically from the machine or in any other manner.

27                  (b) Slot machines shall:

(i) Be inspected by the board or its designee for certification and compliance.

(ii) Have a serial number or other identification number permanently affixed to the device by the manufacturer.

(iii) Be connected to a central computer operated and maintained as directed by the board.

(iv) Offer the same minimum winning percentage and payout as slot machines on riverboats.

(12) "Slot machine gaming" means the use, operation, offering, or conducting of slot machines at an eligible facility in accordance with the provisions of this Chapter.

§354. Power of Louisiana State Racing Commission

**R.S. 27:354 is all proposed new law.**

Nothing in this Chapter shall be construed to abrogate, limit, or effect in any way the powers granted the Louisiana State Racing Commission.

## PART II. CONDUCT OF SLOT MACHINE GAMING ACTIVITY

**Part II is all proposed new law.**

### SUBPART A. AUTHORIZED ACTIVITY AND REQUIRED ACTIONS

**Subpart A is all proposed new law.**

§361. Conduct of slot machine gaming; temporary conduct

**R.S. 27:361 is all proposed new law.**

A.(1)(a) Subject to the limitation in Paragraph (2) of this Subsection, upon sworn application by the owner of an eligible facility and upon a finding by the board, after investigation, that the application is complete and the owner is suitable, the board shall issue a license to the owner to conduct slot machine gaming in an eligible facility. Once

1 licensed, slot machine gaming may be conducted subject to the  
2 requirements of this Chapter and rules adopted pursuant to the authority  
3 granted in this Chapter.

4 (b) As a condition of licensing and to maintain continued  
5 authority for the conduct of slot machine gaming at his facility, the  
6 owner of the eligible facility shall:

7 (i) Maintain continuous suitability.

8 (ii) Determine that all persons who participate in the conduct of  
9 slot machine gaming at his eligible facility who are required by this  
10 Section to be licensed have such a license. The board shall advise all  
11 licensed owners of eligible facilities whenever any person once  
12 licensed as required by R.S. 27:362 is no longer licensed. The licensed  
13 owner shall not be found unsuitable or otherwise penalized for failure  
14 to terminate the participation of any person who was licensed at the  
15 time of original participation if the board has not provided the  
16 notification required by this Paragraph.

17 (iii) Permit unrestricted access and right of inspection by the  
18 board, any agent of the board, and the division to any portion of the  
19 premises of an eligible facility in which any activity relative to the  
20 conduct of slot machine gaming is conducted.

21 (iv) Contribute to the support of pari-mutual wagering facilities  
22 in the state at large and the horse breeding industry by paying annually  
23 from the annual net slot machine proceeds received from slot machine  
24 gaming operations at his facility a fixed percentage to be provided by  
25 law by the legislature by August 1, 1998. Such legislation shall require  
26 the following:

27 (aa) That the owner pay annually a fixed percentage of not less

1           than twelve percent of the annual net slot machine proceeds received  
2           from slot machine gaming operations at his facility to supplement  
3           purses as follows:

4                   (AA) Two-thirds to the licensed racing associations in the state  
5           which conduct live horse racing, on the basis of the proportion the  
6           number of thoroughbred race days each association conducted for the  
7           preceding year bears to the total number of thoroughbred race days  
8           conducted statewide for the preceding year for the purpose of  
9           supplementing purses in accordance with a schedule or formula  
10          established by the purse committee of the Louisiana Thoroughbred  
11          Breeders Association.

12                   (BB) One-third to the Louisiana Quarter Horse Breeders'  
13          Association to be used to supplement purses for Louisiana bred quarter  
14          horses.

15                   (bb) That the owner pay annually a fixed percentage of not less  
16          than two percent of the annual net slot machine proceeds received from  
17          slot machine gaming operations at his facility to the Executive  
18          Committee of the Louisiana Thoroughbred Breeders Association to be  
19          distributed by the committee according to a schedule or formula and  
20          within a period which shall be established by the committee for special  
21          breeder awards to the breeders of accredited Louisiana bred horses.

22                   (cc) That the owner pay annually a fixed percentage of not less  
23          than one percent of the annual net slot machine proceeds received from  
24          slot machine gaming operations at his facility to the Executive  
25          Committee of the Louisiana Quarter Horse Breeders' Association to be  
26          distributed by the committee according to a schedule or formula and  
27          within a period which shall be established by the committee for special

1 breeders awards to the breeders of accredited Louisiana bred quarter  
2 horses.

3 (2) An application may be approved by the board only after the  
4 electorate in the parish in which the eligible facility is located or, is  
5 proposed to be located, as provided for in Subsection B of this Section,  
6 have approved the conduct of slot machine gaming at such facility at an  
7 election, as provided in Part III of this Chapter.

8 B. The owner of a pari-mutuel live horse racing facility which  
9 has been licensed by the Louisiana State Racing Commission to  
10 conduct live race meetings, as provided in Part I of Chapter 4 of Title  
11 4 of the Louisiana Revised Statutes of 1950, although the facility  
12 necessary to conduct live race meetings has not been completed and  
13 live racing has not begun to be conducted may be licensed as provided  
14 in Subsection A of this Section and may conduct slot machine gaming  
15 under such license in a designated slot machine gaming area approved  
16 by the board provided that the facility for the conduct of a live race  
17 meeting be constructed and a schedule of live race meetings be  
18 established no later than twenty-four months following the receipt of  
19 a license to conduct slot machine gaming. All authority to conduct slot  
20 machine gaming shall cease if at the end of twenty-four months the  
21 requirements of this Subsection are not met.

22 C.(1) The license provided for in this Section shall be issued for  
23 a period of five years and shall be renewed for succeeding five year  
24 periods upon application for such renewal, provided such application  
25 includes all revisions to the information in the original application  
26 which are necessary to maintain such information as both accurate and  
27 current and provided the board continues in its finding of suitability.



1                   (2)(a) The license provided for in this Section shall not be  
2                   transferrable.

3                   (b)(i) The board shall provide by rule for establishing when a  
4                   change in the interests in a licensed owner constitute a change of  
5                   ownership of sufficient significance that continuing the license would  
6                   violate the provisions of this Paragraph.

7                   (ii) The board shall provide by rule for an opportunity for a  
8                   proposed buyer of an eligible facility to undergo the same processing  
9                   and investigation by the board that would be conducted regarding an  
10                  applicant for licensing to conduct slot machine gaming as an owner of  
11                  an eligible facility in advance of the proposed buyer concluding the  
12                  purchase. In such a case, the board shall determine and inform the  
13                  proposed buyer of whether or not based on the processing and  
14                  investigation the proposed buyer would be licensed to conduct slot  
15                  machine gaming as the owner of the facility should he apply for such  
16                  a license. The advance process and investigation provided for in this  
17                  Subsubparagraph shall not replace the application of the owner of an  
18                  eligible facility to conduct slot machine gaming in such facility;  
19                  however, additional processing and investigation shall be required only  
20                  to supplement the prior processing and investigation in order that all  
21                  matters related to such an application be complete and current. All  
22                  costs of the advance process and investigation shall be paid by the  
23                  proposed buyer pursuant to fees established by the board.

24                  §362. Required licenses; term of licenses

25                  **R.S. 27:362 is all proposed new law.**

26                  A. In addition to the owner of the eligible facility as provided in

27                  R.S. 27:361, the following persons upon application and a finding by

1 the board of suitability, shall be licensed by the board, before any such  
2 person may participate in the conduct of slot machine gaming at any  
3 eligible facility:

4 (1) Slot machine owner.

5 (2) Distributor.

6 (3) Manufacturer.

7 (4) Service technician.

8 B. The licenses provided for in this Section shall be granted for  
9 a period of one year and shall be renewed annually upon application for  
10 such renewal provided such application includes all revisions to the  
11 information in the original application which are necessary to maintain  
12 such information as both accurate and current and provided the board  
13 continues in its finding of suitability.

14 C. The licenses provided for in this Section shall not be  
15 transferrable. However, the board shall provide by rule for establishing  
16 when a change in the interests in a licensee constitutes a change of  
17 sufficient significance that continuing the license would violate the  
18 provisions of this Paragraph.

19 §363. Suitability standards

20 **R.S. 27:363 is all proposed new law.**

21 A. No applicant shall be granted a license under the provisions  
22 of this Chapter unless the applicant has demonstrated to the board that  
23 he is suitable for licensing.

24 B. For purposes of this Chapter, suitable for licensing means:

25 (1) The applicant is a person of good character, honesty, and  
26 integrity.

27 (2) The applicant is a person whose prior activities, criminal

1 record, if any, reputation, habits, and associations do not pose a threat  
2 to the public interest or to the effective regulation and control of slot  
3 machine gaming, or create or enhance the dangers of unsuitable, unfair,  
4 or illegal practices, methods, and activities in the conduct of slot  
5 machine gaming or the conducting of business and financial  
6 arrangements incidental thereto.

7 (3) The applicant is capable of conducting the activity for which  
8 a license is sought, which means that the applicant can demonstrate the  
9 capability, either through training, education, business experience, or  
10 a combination of the above to conduct such activities.

11 (4) Particularly as to the owner of the eligible facility, the  
12 applicant can demonstrate that the proposed financing of slot machine  
13 gaming at the eligible facility is adequate for the nature of the proposed  
14 operation and from a source suitable and acceptable to the board.

15 C. Every person who has or controls, directly or indirectly, more  
16 than a five percent ownership, income, or profit interest in a person  
17 which has or applies for a license in accordance with the provisions of  
18 this Chapter, or who receives more than five percent revenue interest  
19 in the form of a commission, finder's fee, loan repayment, or any other  
20 business expense related to the slot machine gaming operation, or who  
21 has the ability, in the opinion of the board, to exercise a significant  
22 influence over the activities of a licensee authorized or being  
23 considered for authorization under this Chapter, shall meet all  
24 suitability requirements as a part of the relevant applicant's suitability  
25 requirement.

26 D. A person whose application for a license has been denied, or  
27 whose license has been issued subject to a condition or whose license

1 has been suspended or revoked, or against whom a fine has been levied  
2 has the right to a hearing before the board pursuant to R.S. 27:25 and  
3 an appeal from a decision of the board, pursuant to R.S. 27:26.

4 E. All licensees shall have a continuing duty to inform the board  
5 of any action which they believe would constitute a violation of this  
6 Chapter. No person who so informs the board shall be discriminated  
7 against by an applicant or licensee because of supplying such  
8 information.

9 §364. Gaming Control Board; powers and duties

10 **R.S. 27:364 is all proposed new law.**

11 A. The board shall:

12 (1)(a) Adopt, pursuant to the Administrative Procedure Act, all  
13 rules and fees necessary to implement, administer, and regulate slot  
14 machine gaming as authorized in this Chapter.

15 (b) Such rules shall include:

16 (i) Procedures for applying for a license and seeking renewal of  
17 a license.

18 (ii) Establishing technical qualifications beyond suitability as  
19 provided for in this Chapter which shall be necessary to be licensed as  
20 a manufacturer and a service technician.

21 (iii) A process for counting and collecting net slot machine  
22 proceeds.

23 (iv) A standard for determining whether changes in interests in  
24 various licensees are sufficiently significant such that to continue the  
25 license in the licensee would violate the prohibitions in R.S.  
26 27:361(C)(2) and 362(C).

27 (v) Fees necessary for the thorough and efficient implementation

1 of this Chapter, including those required for the division to perform its  
2 duties under this Chapter.

3 (c) Such rules may include:

4 (i) Requiring licensees or former licensees to maintain specified  
5 records and submit any data, information, record, or report including  
6 financial and income records, required by this Chapter or determined  
7 by the board to be necessary to the proper implementation and  
8 enforcement of this Chapter.

9 (ii) Requiring certain minimum physical security standards be  
10 observed in designated slot machine gaming areas.

11 (iii) Requiring a standard of maintenance of slot machines.

12 (iv) Establishing a penalty for late submission of required  
13 information, data, reports, or administrative fees.

14 (2) Revoke or suspend the license of any person who is found,  
15 after receiving a license, to have been unsuitable at the time of  
16 application for the license or who is otherwise found unsuitable.

17 (3) Conduct any investigation or cause any investigation to be  
18 conducted by the division the board determines necessary to fulfill its  
19 responsibilities under the provisions of this Chapter.

20 (4) Permit slot machines to be linked for the offering of  
21 progressive jackpots.

22 (5) Approve the location, plans, and construction of the  
23 designated slot machine gaming area in an eligible facility.

24 B. The board may direct the division to:

25 (1) Inspect and examine all premises where slot machines are  
26 offered for play or where slot machines or equipment are manufactured,  
27 sold, or repaired.

1 (2) Inspect all slot machines and related equipment and supplies.

2 (3) Summarily seize and remove slot machines and related  
3 equipment and supplies from any facility wherein such machines are or  
4 have been operated pursuant to this Chapter.

5 C. The board may:

6 (1)(a) Deny, revoke, condition, or suspend the license of any  
7 person who violates any provision of this Chapter or any rule adopted  
8 pursuant to the authority granted in this Chapter. This is a power in  
9 addition to the requirements of Paragraph (2) of Subsection A of this  
10 Section and is not intended to limit that requirement.

11 (b) In lieu of suspending or revoking a license pursuant to  
12 Subsubparagraph (a) of this Paragraph, the board may levy and collect  
13 a fine in an amount established by board rule provided that the  
14 violation has been corrected and all requirements of law and rule are  
15 being complied with.

16 (2) Take steps necessary to collect fees owed to the board,  
17 including filing a suit.

18 (3) Direct the division to act on its behalf in any manner relative  
19 to investigation, inspection, and enforcement.

20 §365. Division; powers and duties

21 **R.S. 27:365 is all proposed new law.**

22 The division shall:

23 (1) Upon the direction of the board or pursuant to any agreement  
24 with the board, investigate any applicant or licensee, make any other  
25 investigation or inspection, or take any enforcement action necessary  
26 to the thorough and efficient implementation of this Chapter.

27 (2) Subject to the direction of the board, establish, maintain, and

1 operate the mechanism necessary to conduct remote polling or reading  
2 of slot machine operations or for the remote shutdown of those  
3 operations.

4 (3) Inspect, examine, and seize and impound all slot machines  
5 or equipment or records related to operating slot machines as directed  
6 by the board or as agreed with the board.

7 (4) Report to the board any violation of law or rule discovered  
8 by the division.

9 SUBPART B. PROHIBITED ACTIVITIES

10 **Subpart B is all proposed new law.**

11 §371. Prohibition on operation of video draw poker devices

12 **R.S. 27:371 is all proposed new law.**

13 The operation of video draw poker devices shall be prohibited  
14 and may not be licensed to operate in any eligible facility in which slot  
15 machine gaming occurs.

16 §372. Slot machine gaming area limitations

17 **R.S. 27:372 is all proposed new law.**

18 A. The size of the designated gaming area in an eligible facility  
19 shall not exceed fifteen thousand square feet.

20 B. No gaming devices other than slot machines and authorized  
21 pari-mutuel wagering devices and equipment shall be in the designated  
22 slot machine gaming area.

23 §373. Prohibited relationships

24 **R.S. 27: 373 is all proposed new law.**

25 A.(1) In addition to any prohibition found in Chapter 15 of Title  
26 42 of the Louisiana Revised Statutes of 1950, no person employed by  
27 or performing any function on behalf of the board or the division may:

1 (a) Be an officer, director, owner, or employee of any person or  
2 entity licensed by the board.

3 (b) Have or hold any interest, direct or indirect, in or engage in  
4 any commerce or business relationship with any entity licensed by the  
5 board.

6 (2)(a) No elected public official as defined in R.S. 42:1 shall  
7 engage in any business activity with a licensee except as a patron.

8 (b) As used in this Paragraph, business activity shall specifically  
9 include but is not limited to contracts:

10 (i) For the sale or purchase of goods, merchandise, and services.

11 (ii) To provide or receive legal services, advertising, public  
12 relations, or any other business or personal service.

13 (iii) For the listing, purchase or sale of immovable property or  
14 options or real rights relating thereto.

15 (iv) Modifying ownership or possessory interests in stocks,  
16 bonds, securities, or any financial instruments.

17 (3) The Board of Ethics shall administer and enforce the  
18 provisions of this Subsection. The procedures and penalties provided  
19 for in the Code of Governmental Ethics shall apply to the  
20 administration and enforcement of the provisions of this Subsection.

21 B. No person licensed by the board as a manufacturer,  
22 distributor, or slot machine owner may participate in the operation of  
23 any computer program, software, or device which is used for the  
24 polling or reading of slot machine operations or for the remote  
25 shutdown of those operations as provided for in R.S. 27:365(2).

26 §374. Illegal lottery devices

27 **R.S. 27:374 is all proposed new law.**



1                   Notwithstanding any provision of the law to the contrary, no slot  
2                   machine operated according to the provisions of this Chapter shall be  
3                   considered an illegal lottery device for purposes of R.S. 47:9075.

4                   §375. Crimes and penalties; false statements; unauthorized slot  
5                                   machines; skimming of slot machine proceeds; payroll  
6                                   check cashing; gambling devices

7                   **R.S. 27:375 is all proposed new law.**

8                   A. Any person who intentionally makes, causes to be made, or  
9                   aids, assists, or procures another to make a false statement in any  
10                  report, disclosure, application, or any other document required by this  
11                  Chapter or a rule adopted under the authority of this Chapter shall,  
12                  upon conviction, be imprisoned, with or without hard labor, for not  
13                  more than ten years or be fined not more than ten thousand dollars, or  
14                  both.

15                  B. Except as otherwise permitted by law, any person who  
16                  possesses or operates a slot machine without the license required by  
17                  this Chapter or at other than an eligible facility shall, upon conviction,  
18                  be imprisoned with or without hard labor for not more than ten years  
19                  or be fined not more than ten thousand dollars, or both.

20                  C. Any person who intentionally excludes, or takes any action  
21                  in an attempt to exclude, anything or its value from the deposit,  
22                  counting, collection, or computation of revenues from slot machine  
23                  activity shall be imprisoned at hard labor for not less than one year nor  
24                  more than ten years, without benefit of probation, parole, or suspension  
25                  of sentence, and may be fined not more than twenty-five thousand  
26                  dollars.

27                  D. Any owner of an eligible facility who has been granted a

1 license to operate slot machine gaming who cashes or accepts for  
2 cashing or permits any employee or other person to cash or accept for  
3 cashing an identifiable employee payroll check in the designated slot  
4 machine gaming area shall, upon conviction, be imprisoned for not  
5 more than six months or fined not more than five thousand dollars, or  
6 both.

7 E. Any slot machine used or offered for play in violation of the  
8 provisions of this Chapter, except as otherwise permitted by law, shall  
9 be considered a gambling device for purposes of R.S. 15:31.

10 §376. Allowing minors to play slot machines; penalties; revocation of  
11 license

12 **R.S. 27:376 is all proposed new law.**

13 A.(1) No person licensed pursuant to the provisions of this  
14 Chapter, or any agent or employee thereof, shall intentionally allow a  
15 person under the age of twenty-one to play or operate a slot machine.

16 (2) The person licensed pursuant to provisions of this Chapter  
17 shall each quarter report and remit to the division all winnings withheld  
18 from customers who are determined to be under the age of twenty-one.

19 B. The board shall revoke the license of any person issued  
20 pursuant to the provisions of this Chapter, who is found by the board  
21 to have committed or allowed a violation of Subsection A of this  
22 Section.

23 §377. Toll-free telephone assistance for compulsive gamblers; posting  
24 of signs on premises

25 **R.S. 27:377 is all proposed new law.**

26 The board shall require the posting of one or more signs at  
27 points of entry to the slot machine gaming areas where to inform

1 customers of the toll-free telephone number available to provide  
2 information and referral services regarding compulsive or problem  
3 gambling. Failure of the owner of the eligible facility to post and  
4 maintain such a sign or signs shall be cause for the imposition of a fine  
5 in an amount established by a rule of the board.

6 PART III. ELECTION PROVISIONS

7 **Part III is all proposed new law.**

8 §381. Parish-wide election on slot machine gaming

9 **R.S. 27:381 is all proposed new law.**

10 A. Notwithstanding any provision of law to the contrary, no slot  
11 machine gaming shall be allowed in an eligible facility in any parish  
12 unless the operation and conduct of slot machine gaming pursuant to  
13 this Chapter has first has been approved at an election held for such  
14 purpose.

15 B. Any person desiring to operate and conduct slot machine  
16 gaming at an eligible facility in a parish, shall make application to the  
17 governing authority of the parish in which the proposed slot machine  
18 gaming is to be conducted. The application shall state the location of  
19 the proposed slot machine gaming and describe the facilities proposed  
20 to be constructed for the holding of slot machine gaming and shall have  
21 attached the license, or a certified copy thereof, for the live horse race  
22 meeting issued by the Louisiana State Racing Commission to conduct  
23 such live horse racing at the eligible facility.

24 C. Upon receipt of the application, the governing authority of  
25 the parish in which the slot machine gaming is proposed to be held  
26 shall call and conduct a referendum election within the parish for the  
27 purpose of submitting to the qualified electors of the parish the

1 proposition whether or not the proposed slot machine gaming shall be  
2 allowed.

3 D. Except as provided in this Section, the elections shall be held  
4 in compliance with the Election Code provisions governing proposition  
5 elections. In addition to the notice required by the Election Code, the  
6 parish governing authority also shall have five spot announcements, at  
7 least two days apart, of the election broadcast on radio or television  
8 channels readily receivable in the parish and shall make notice of the  
9 election available to the news media. All qualified electors of the  
10 parish shall be entitled to vote in the election.

11 E. The proposition to be printed on the election ballot shall be:  
12 "TO AUTHORIZE SLOT MACHINE GAMING AT LIVE HORSE  
13 RACING FACILITIES. Shall the business of slot machine gaming at  
14 a live horse racing facility be conducted within the parish of  
15 \_\_\_\_\_" and the voters shall vote for or against the proposition,  
16 a vote for the proposition being a "Yes" vote and a vote against the  
17 proposition being a "No" vote. The election shall be conducted as  
18 provided in the Election Code. Any elector who was qualified to vote  
19 in the election may demand a recount of the ballots or contest the  
20 election in the manner and within the time provided by law for recount  
21 or contest of elections under the general election laws of the state.

22 F. The parish governing authority shall notify the applicant and  
23 the Gaming Control Board promptly of the results of the election. If  
24 slot machine gaming has been approved, the applicant may proceed in  
25 accordance with this Chapter and rules adopted pursuant to the  
26 authority of this Chapter. If the proposed slot machine gaming has not  
27 been approved at the election, the board shall not grant a license

1           therefor and shall not accept or consider an application for such a  
2           license in the same parish until the expiration of at least two years from  
3           the date of the election at which the slot machine gaming in the parish  
4           was disapproved.

5           Section 2. This Act shall become effective upon signature by the  
6           governor or, if not signed by the governor, upon expiration of the time for bills  
7           to become law without signature by the governor, as provided by Article III,  
8           Section 18 of the Constitution of Louisiana. If vetoed by the governor and  
9           subsequently approved by the legislature, this Act shall become effective on  
10          the day following such approval. However, no slot machine gaming may be  
11          conducted until and unless the legislature provides by law for the imposition,  
12          collection, and disposition of five percent of the proceeds raised to the parish  
13          school board for use for capital construction and repairs to schools in any  
14          parish in which slot machines are operated, except that in Bossier Parish such  
15          proceeds shall be deposited in the Bossier Educational Excellence Fund in an  
16          eligible facility of taxes on net slot machine proceeds and fees necessary to  
17          administer the requirements of this Act.

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        The original instrument and the following digest, which  
        constitutes no part of the legislative instrument, were prepared  
        by Diane M. Burkhart.

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Cravins (SB 1295)

DIGEST

Present constitution requires a local referendum to allow a newly authorized form of gaming in any parish prior to such gaming being conducted in any parish.

Proposed law enacts the Louisiana Pari-mutuel Live Racing Facility Economic Redevelopment and Gaming Control Act which authorizes the licensing and conduct of slot machine gaming at no more than one live horse race track in St. Landry Parish, Bossier Parish, and/or Calcasieu Parish provided a live horse race track has been licensed or approved for future licensing by the La. State Racing Commission, and provided that the people in any of the parishes have first approved slot machine gaming at such a track in the parish at an election for the purpose. Permits slot machine gaming, if approved, to be

conducted prior to the conduct of live horse races, but for not more than 24 months.

Provides that all implementation, administration, licensing, and regulating of slot machine gaming be done by the La. Gaming Control Board. Requires the state police to provide investigatory, regulatory, and enforcement assistance to the Gaming Control Board as the board directs. Specifies that this law has no effect on the power of the La. State Racing Commission.

Requires licensing of five categories of applicants regarding slot machine gaming: the owner of the track, a slot machine owner, a distributor, a manufacturer, and a service technician. Requires all such potential licensees and any person who has a specified interest in them to meet suitability standards. Provides suitability standards, including that the applicant: have a good and honest character, no past history that would present a threat to the public interest, and be capable of conducting the activity for which a license is sought. Conditions the track owner's license with the requirements that he maintain continuous suitability, that he determine that all persons who participate in the conduct of slot machine gaming at his facility who are required to have a license have one, and that he permit unrestricted access and right of inspection by the board and the state police, and that he make various contributions to specified horse organizations. Provides that track owner license is good for five years and is not transferrable. Provides all other licenses must be renewed annually. Requires the board to provide for a mechanism to approve, in advance of purchase, the potential purchaser of an eligible facility.

Provides that a person whose application has been denied or whose license has been conditioned, suspended or revoked is entitled to a hearing as provided in the Gaming Control Board Law.

Requires the Gaming Control Board to:

- (1) Adopt, pursuant to the APA, all necessary rules and fees. Specifies certain matters required to be addressed by rule and provides others that are specifically permitted to be addressed by rule.
- (2) Revoke or suspend license of persons found unsuitable.
- (3) Conduct or cause necessary investigations to be conducted.
- (4) Permit slot machines to be linked for progressive jackpots.
- (5) Approve locations, plans, and construction of the designated slot machine gaming area.

Authorizes the board to direct the division to:

- (1) Inspect and examine all premises where slot machines are offered for play or where slot machines or equipment are manufactured, sold, or repaired.
- (2) Inspect all slot machines and related equipment and supplies.

- (3) Summarily seize and remove slot machines and related equipment and supplies from any facility wherein such machines are or have been operated.

Authorizes the board to:

- (1) Deny, revoke, condition, or suspend the license of or fine any person who violates any requirements or prohibitions of law or rule.
- (2) Take steps necessary to collect fees owed to the board, including filing a suit.
- (3) Direct the division to act on its behalf in any manner relative to investigation, inspection, and enforcement.

Requires the state police to:

- (1) Subject to the direction of the board, make any investigation or inspection, or take any enforcement action necessary to the thorough and efficient implementation.
- (2) Subject to the direction of the board, establish, maintain, and operate the mechanism necessary to conduct remote polling or reading of slot machine operations or for the remote shutdown of those operations.
- (3) Inspect, examine, and seize and impound all slot machines or equipment or records related to operating slot machines as directed by the board or as agreed with the board.
- (4) Report to the board any violation of law or rule discovered.

Exempts slot machines from taxes, fees, and licensing restrictions imposed by any governmental entity. Limits the size of the designated gaming area in an eligible facility to not more than 15,000 square feet. Prohibits any other gaming devices other than slot machines and authorized pari-mutuel wagering devices and equipment being in the designated slot machine gaming area.

Specifies a series of relationships that in addition to those in the ethics code, are prohibited regarding people employed by or performing any function on behalf of the board or the state police. Prohibits elected public officials from engaging in any business activity with a licensee except as a patron. Requires the ethics board to administer the ethics provisions.

Prohibits:

- (1) The operation of video draw poker devices if slot machine gaming is conducted in an eligible facility.
- (2) Any person licensed by the board as a manufacturer, distributor, or slot machine owner from participating in the operation of any computer program, software, or device which is used for the polling or reading of slot machine operations or for the remote shutdown of those operations.

- (3) Any person from intentionally making, causing to be made, or aiding, assisting, or procuring another to make a false statement in any required report, disclosure, application, or any other required document. Provides a criminal penalty of imprisonment, with or without hard labor, for not more than ten years or be fined not more than \$10,000, or both.
- (4) Any person from possessing or operating a slot machine, except as otherwise permitted by law, without the required license or doing so at other than an eligible facility. Provides a criminal penalty of imprisonment with or without hard labor for not more than ten years or be fined not more than \$10,000, or both.
- (5) Any person from intentionally excluding, or taking any action in an attempt to exclude, anything or its value from the deposit, counting, collection, or computation of revenues from slot machine activity. Provides a criminal penalty of imprisonment at hard labor for not less than one year nor more than ten years, without benefit of probation, parole, or suspension of sentence, and a fine of not more than \$25,000 dollars.
- (6) Any owner of an eligible facility from cashing or permitting any employee or other person to cash or accept for cashing an identifiable employee payroll check in the designated slot machine gaming area. Provides a criminal penalty of imprisonment for not more than six months or fined not more than \$5,000, or both.
- (7) Any licensed person or any agent or employee thereof, from intentionally allowing a person under 21 to play or operate a slot machine upon penalty of losing their license. Requires that all winnings withheld from customers who are determined to be under the age of 21 be reported and remitted quarterly.

Requires the board to post one or more signs at points of entry to the slot machine gaming areas to inform customers of the toll-free telephone number available to provide information and referral services regarding compulsive or problem gambling. Provides that failure of the owner of the eligible facility to post and maintain such a sign or signs shall be cause for the imposition of a fine in an amount established by a rule of the board.

Provides for the local referendum election on slot machine gaming. Requires:

- (1) Any person desiring to operate and conduct slot machine gaming at an eligible facility in a parish, to make application to the governing authority of the parish in which the proposed slot machine gaming is to be conducted.
- (2) The application to state the location of the proposed slot machine gaming and describe the facilities proposed to be constructed for the holding of slot machine gaming and shall have attached the license, or a certified copy thereof, for the live horse race meeting issued by the Louisiana State Racing Commission to conduct such live horse racing at the eligible facility.



- (3) The governing authority of the parish in which the slot machine gaming is proposed to be held, to call and conduct a referendum election within the parish for the purpose of submitting to the qualified electors of the parish the proposition whether or not the proposed slot machine gaming shall be allowed.
- (4) The referendum election to be held in compliance with the Election Code.
- (5) The parish governing authority to have five spot announcements at least two days apart of the election broadcast on radio or television channels readily receivable in the parish and make notice of the election available to the news media.

Requires the parish governing authority to notify the applicant and the Gaming Control Board promptly of the results of the election.

Effective upon signature of the governor or lapse of time for gubernatorial action. Specifies, however, that no slot machine gaming may be conducted until and unless the legislature provides by law for the imposition, collection, and disposition of five percent of the proceeds raised to the parish school board for use for capital construction, except in Bossier where such funds are to be deposited in the BEEF fund, taxes on net slot machine proceeds and the fees necessary to administer the requirements of this Act.

(Adds R.S. 27:351-354, 361-365, 371-377, and 381)

#### Summary of Amendments Adopted by Senate

##### Senate Floor Amendments to engrossed bill.

1. Specifies that an eligible facility must conduct its 80 days of live racing within a consecutive 20 week period.
2. Limits eligible facilities to no more than one such facility in each of the three parishes.
3. Prohibits the operation of video draw poker devices if slot machine gaming is conducted.
4. Specifies that the local option election be conducted in compliance with the Election Code.
5. Reduces maximum size of gaming space from no more than 30,000 square feet to no more than 15,000.
6. Specifies that in providing for the disposition of taxes, the legislature must direct five percent to local school boards for capital construction, except that in Bossier Parish such funds go to BEEF.

7. Adds as an additional condition for an owner to maintain continuous suitability that he make various contributions to certain horse organizations.
8. Eliminate provision preempting neglect of local government to impose fees and taxes.