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

AN ACT

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

Notice of intention to introduce this Act has been published.

Be it enacted by the Legislature of Louisiana:

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

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

Chapter 7 is all proposed new law.

PART I. GENERAL PROVISIONS

Part I is all proposed new law.

§351. Title

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

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

§352. Policy

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

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

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

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

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

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

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

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

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

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

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

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

(i) Maintain continuous suitability.

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

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

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

(aa) That the owner pay annually a fixed percentage of not less
than twelve percent of the annual net slot machine proceeds received from slot machine gaming operations at his facility to supplement purses as follows:

(AA) Two-thirds to the licensed racing associations in the state which conduct live horse racing, on the basis of the proportion 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 for the purpose of supplementing purses in accordance with a schedule or formula established by the purse committee of the Louisiana Thoroughbred Breeders Association.

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

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

(cc) That the owner pay annually a fixed percentage of not less than one percent of the annual net slot machine proceeds received from slot machine gaming operations at his facility to the Executive Committee of the Louisiana Quarter Horse Breeders’ Association to be distributed by the committee according to a schedule or formula and within a period which shall be established by the committee for special
breeders awards to the breeders of accredited Louisiana bred quarter
horses.

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

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

C.(1) The license provided for in this Section shall be issued for
a period of five years and shall be renewed for succeeding five year
periods upon application for such renewal, provided such application
includes all revisions to the information in the original application
which are necessary to maintain such information as both accurate and
current and provided the board continues in its finding of suitability.
(2)(a) The license provided for in this Section shall not be transferrable.

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

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

§362. Required licenses; term of licenses

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

A. In addition to the owner of the eligible facility as provided in R.S. 27:361, the following persons upon application and a finding by
the board of suitability, shall be licensed by the board, before any such
person may participate in the conduct of slot machine gaming at any
eligible facility:

(1) Slot machine owner.

(2) Distributor.

(3) Manufacturer.

(4) Service technician.

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

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

§363. Suitability standards

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

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

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

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

(2) The applicant is a person whose prior activities, criminal
record, if any, reputation, habits, and associations do not pose a threat to the public interest or to the effective regulation and control of slot machine gaming, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of slot machine gaming or the conducting of business and financial arrangements incidental thereto.

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

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

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

D. A person whose application for a license has been denied, or whose license has been issued subject to a condition or whose license
has been suspended or revoked, or against whom a fine has been levied
has the right to a hearing before the board pursuant to R.S. 27:25 and
an appeal from a decision of the board, pursuant to R.S. 27:26.

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

§364. Gaming Control Board; powers and duties

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

A. The board shall:

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

(b) Such rules shall include:

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

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

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

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

(v) Fees necessary for the thorough and efficient implementation
of this Chapter, including those required for the division to perform its
duties under this Chapter.

(c) Such rules may include:

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

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

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

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

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

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

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

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

B. The board may 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 pursuant to this Chapter.

C. The board may:

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

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

(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.

§365. Division; powers and duties

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

The division shall:

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

(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
by the division.

SUBPART B. PROHIBITED ACTIVITIES

Subpart B is all proposed new law.

$371. Prohibition on operation of video draw poker devices

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

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

$372. Slot machine gaming area limitations

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

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

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

$373. Prohibited relationships

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

A.(1) In addition to any prohibition found in Chapter 15 of Title
42 of the Louisiana Revised Statutes of 1950, no person employed by
or performing any function on behalf of the board or the division may:
(a) Be an officer, director, owner, or employee of any person or

    entity licensed by the board.

(b) Have or hold any interest, direct or indirect, in or engage in

    any commerce or business relationship with any entity licensed by the

    board.

(2)(a) No elected public official as defined in R.S. 42:1 shall

    engage in any business activity with a licensee except as a patron.

    (b) As used in this Paragraph, business activity shall specifically

        include but is not limited to contracts:

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

        (ii) To provide or receive legal services, advertising, public

            relations, or any other business or personal service.

        (iii) For the listing, purchase or sale of immovable property or

            options or real rights relating thereto.

        (iv) Modifying ownership or possessory interests in stocks,

            bonds, securities, or any financial instruments.

(3) The Board of Ethics shall administer and enforce the

    provisions of this Subsection. The procedures and penalties provided

    for in the Code of Governmental Ethics shall apply to the

    administration and enforcement of the provisions of this Subsection.

B. No person licensed by the board as a manufacturer,

    distributor, or slot machine owner may participate 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 as provided for in R.S. 27:365(2).

§374. Illegal lottery devices

R.S. 27:374 is all proposed new law.
Notwithstanding any provision of the law to the contrary, no slot machine operated according to the provisions of this Chapter shall be considered an illegal lottery device for purposes of R.S. 47:9075.

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

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

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

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

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

D. Any owner of an eligible facility who has been granted a
license to operate slot machine gaming who cashes or accepts for
cashing or permits any employee or other person to cash or accept for
cashing an identifiable employee payroll check in the designated slot
machine gaming area shall, upon conviction, be imprisoned for not
more than six months or fined not more than five thousand dollars, or
both.

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

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

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

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

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

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

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

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

The board shall require the posting of one or more signs at
points of entry to the slot machine gaming areas where to inform
customers of the toll-free telephone number available to provide
information and referral services regarding compulsive or problem
gambling. 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.

PART III. ELECTION PROVISIONS

Part III is all proposed new law.

§381. Parish-wide election on slot machine gaming

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

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

B. Any person desiring to operate and conduct slot machine
gaming at an eligible facility in a parish, shall make application to the
governing authority of the parish in which the proposed slot machine
gaming is to be conducted. The application shall 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.

C. Upon receipt of the application, the governing authority of
the parish in which the slot machine gaming is proposed to be held
shall call and conduct a referendum election within the parish for the
purpose of submitting to the qualified electors of the parish the
propotion whether or not the proposed slot machine gaming shall be
allowed.

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

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

F. The parish governing authority shall notify the applicant and
the Gaming Control Board promptly of the results of the election. If
slot machine gaming has been approved, the applicant may proceed in
accordance with this Chapter and rules adopted pursuant to the
authority of this Chapter. If the proposed slot machine gaming has not
been approved at the election, the board shall not grant a license
therefor and shall not accept or consider an application for such a
license in the same parish until the expiration of at least two years from
the date of the election at which the slot machine gaming in the parish
was disapproved.

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. However, 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 and repairs to schools in any
parish in which slot machines are operated, except that in Bossier Parish such
proceeds shall be deposited in the Bossier Educational Excellence Fund in an
eligible facility of taxes on net slot machine proceeds and fees necessary to
administer the requirements of this Act.

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

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.


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.