

Regular Session, 2014

HOUSE BILL NO. 1223

BY REPRESENTATIVES CONNICK, MORENO, SCHRODER, AND THIBAUT

GAMING/REVENUE: Provides relative to the expenditure of slot machine proceeds for capital improvements and maintenance of the horse racing facility in Orleans Parish

1 AN ACT

2 To amend and reenact R.S. 27:353(8) and to enact R.S. 27:361(B)(5), relative to the conduct  
3 of slot machine gaming activity; to dedicate to facility improvements a percentage  
4 of net slot machine proceeds from the gaming operations at the pari-mutuel live  
5 horse racing facility in Orleans; to provide for submission of improvement plans to  
6 the Louisiana State Racing Commission; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 27:353(8) is hereby amended and reenacted and R.S. 27:361(B)(5)  
9 is hereby enacted to read as follows:

10 §353. Definitions

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

12 \* \* \*

13 (8) "Net slot machine proceeds" means the total of all cash and property  
14 received by a licensee from slot machine gaming operations minus the amount of  
15 cash or prizes paid to winners. "After net slot machine proceeds" means net slot  
16 machine proceeds less payments required by R.S. 27:361(B)(4), 391, and 393.

17 \* \* \*

18 §361. Conduct of slot machine gaming; temporary conduct

19 \* \* \*

1           B. As a condition of licensing and to maintain continued authority for the  
2           conduct of slot machine gaming at the licensed eligible facility, the owner of the  
3           licensed eligible facility shall:

4   \*       \*       \*

5           (5) Contribute to the support of the pari-mutuel live horse racing facility by  
6           paying annually a fixed percentage of ten percent of the annual after net slot machine  
7           proceeds received from slot machine gaming operations at the licensed eligible  
8           facility for maintenance and capital improvement projects for such facility including  
9           frontside and backside projects, improvements to grandstands, stables, racetrack  
10           surfaces, and turf racing surfaces of suitable quality. Plans for maintenance and  
11           capital improvements shall be submitted annually to the Louisiana State Racing  
12           Commission for approval. The commission, in approving the plans, shall consider  
13           the applicable criteria, standards, and guidelines contained in R.S. 4:159, the public  
14           policy in enacting the Pari-Mutuel Live Racing Facility Economic Redevelopment  
15           and Gaming Control Act as stated in R.S. 27:352, and standards, technology, and  
16           features of other race track facilities which are comparable in historical significance  
17           as the licensed eligible facility. The commission shall set a time by which such  
18           projects must be completed and certify satisfactory completion to the board. The  
19           initial set of plans shall be submitted to the commission by a date established by the  
20           commission and shall contain improvements which can be completed to the  
21           satisfaction of the commission prior to the start of the next racing year. The  
22           provisions of this Paragraph shall only be applicable to the licensed eligible facility  
23           in Orleans Parish due to its historical significance, former and potential economic  
24           significance to the state at large, and need for revitalization and rehabilitation as was  
25           the intent of the legislature in enacting this Chapter, and such facility shall account  
26           for required maintenance and capital improvement funds separately from other funds  
27           in a manner, prescribed by the board, that allows thorough auditing of the allocation  
28           and expenditure of these funds by either the board or commission.

29   \*       \*       \*

## DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Connick

HB No. 1223

**Abstract:** Requires 10% of "after net slot machine proceeds" from the slot machine gaming operations at the race track in New Orleans be used for maintenance and capital improvements at that facility.

Present law, generally, authorizes certain race tracks to conduct slot machine gaming (R.S. 27:361(A)) and imposes a state license tax of 18.5% (R.S. 27:393) and a local tax of 4% (R.S. 2:391) of net slot machine proceeds. Present law also requires 15% of net slot machine proceeds to be paid to supplement purses (R.S. 27:361(B)(4)(a)) and 3% to horse associations (R.S. 27:361(B)(4)(b) and (c)).

Proposed law retains present law and as a condition of licensing and in order to maintain continued authority for the conduct of slot machine gaming, requires 10% of after net slot machine proceeds from gaming operations at the pari-mutuel facility in Orleans Parish be used for capital improvements at that facility.

Present law defines "net slot machine proceeds" as 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. Proposed law adds a definition for "after net slot machine proceeds" to mean net slot machine proceeds less payments required in present law by R.S. 27:361(B)(4), 391, and 393.

Proposed law specifically provides for capital improvements to both frontside and backside projects of the facility, including improvements to grandstands, stables, and racetrack surfaces. Proposed law requires plans for capital improvements to be submitted annually to the Louisiana State Racing Commission for approval of the projects and requires the commission to set a time by which the projects must be completed. Proposed law also requires the commission to certify satisfactory completion to the Louisiana Gaming Control Board.

Present law, in enacting the Louisiana Pari-Mutuel Live Racing Facility Economic Redevelopment and Gaming Control Act, enacted a policy statement (R.S. 27:352) which provides, in part, that the legislature finds and declares it to be the public policy of the state that 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 and that authorization 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. Proposed law retains present law and requires the racing commission to consider such stated public policy in approving the plans for maintenance and capital improvements as well as standards, technology, and features of other race track facilities which are comparable in historical significance as the licensed eligible facility.

Proposed law limits the applicability of proposed law to the licensed eligible facility in Orleans Parish due to its historical significance, former and potential economic significance to the state at large, and need for revitalization and rehabilitation. Proposed law further requires the facility to account for the improvement funds separately.

(Amends R.S. 27:353(8); Adds R.S. 27:361(B)(5))