

Regular Session, 2014

HOUSE BILL NO. 389

BY REPRESENTATIVE LEGER

GAMING/REVENUE: Provides relative to the casino support services contract

1 AN ACT

2 To amend and reenact R.S. 27:247 and 270(A)(3)(a), relative to the casino support services
3 contract; to provide funding for such contract; to establish the Casino Support
4 Services Fund as a special treasury fund; to provide for deposits into the fund; to
5 provide for uses of monies in the fund; to provide for an effective date; and to
6 provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 27:247 and 270(A)(3)(a) are hereby amended and reenacted to read
9 as follows:

10 §247. Casino support services contract; Casino Support Services Fund

11 A. Subject to and in accordance with the provisions of this Chapter, the
12 gaming control board shall enter into a casino support services contract with the
13 governing authority of the parish where the official gaming establishment is located
14 in order to compensate the parish for the cost to the parish for providing support
15 services resulting from the operation of the official gaming establishment and the
16 activities therein. Support services as used in this Section shall include but not be
17 limited to fire, police, sanitation, health, transportation, and traffic services. The
18 amount of the contract shall be determined by negotiation and agreement between
19 the gaming control board and the parish, subject to approval by the Joint Legislative

1 Committee on the Budget. In the event that a new contract is not agreed upon by the
 2 gaming control board and the parish by March thirty-first of any year, the contract
 3 currently in effect shall be submitted to the Joint Legislative Committee on the
 4 Budget for approval of the amount of the contract at the next meeting of the
 5 committee. If the committee approves the amount of the contract the chairman shall
 6 notify the treasurer of the amount of the contract and, the contract shall remain in full
 7 force and effect. If the committee disapproves or does not act upon the amount of
 8 the contract, the contract shall be null, void, and of no effect and the treasurer shall
 9 be prohibited from depositing monies into the Casino Support Services Fund.

10 B.(1) There is hereby created in the state treasury, as a special fund, the
 11 Casino Support Services Fund, hereinafter referred to as the "fund", to provide
 12 compensation to the parish governing authority pursuant to a casino support services
 13 contract executed pursuant to Subsection A of this Section.

14 (2) Monies in the fund shall be invested in the same manner as monies in the
 15 general fund. Interest earned on investment of monies in the fund shall be credited
 16 to the fund. Unexpended and unencumbered monies in the fund at the end of the
 17 fiscal year shall remain in the fund.

18 C. Monies in the fund shall be appropriated to the parish governing authority
 19 and used to compensate the parish for its costs for providing support services
 20 resulting from the operation of the official gaming establishment and the activities
 21 therein.

22 * * *

23 §270. Deposit of revenues; expenditures and investments authorized; transfer of
 24 revenues to state treasury; corporation operating account; audit of
 25 corporation books and records; audits

26 A.

27 * * *

28 (3)(a) Daily, the corporation shall transfer to the state treasury for deposit
 29 into certain funds in the treasury, as provided in this Paragraph, the amount of net

1 revenues which the corporation determines are surplus to its needs. After first being
2 credited to the Bond Security and Redemption Fund in accordance with Article VII,
3 Section 9(B) of the Constitution of Louisiana, and after satisfying any other
4 requirements of the Constitution and laws of Louisiana, such net revenues shall be
5 deposited as follows:

6 (i) In each year for which the Joint Legislative Committee on the Budget
7 disapproves or does not act upon the amount of the casino support services contract
8 as provided in R.S. 27:247 and no monies are deposited in and credited to the Casino
9 Support Services Fund:

10 (aa) Ten percent shall be deposited in and credited to the Support Education
11 in Louisiana First Fund as provided in R.S. 17:421.7 and shall be used solely and
12 exclusively for the same purposes provided for in Paragraph (B)(1) of that Section.

13 (ii) ~~(bb)~~ Ninety percent shall be deposited in and credited to the Support
14 Education in Louisiana First Fund as provided in R.S. 17:421.7.

15 (ii) In each year for which the Joint Legislative Committee on the Budget
16 approves the amount of the casino support services contract as provided in R.S.
17 27:247:

18 (aa) The first one million eight hundred thousand dollars shall be deposited
19 in and credited to the Casino Support Services Fund.

20 (bb) The next sixty million dollars shall be deposited in and credited to the
21 Support Education in Louisiana First Fund as provided in R.S. 17:421.7.

22 (cc) After satisfying the requirements of Subitems (aa) and (bb) of this Item,
23 monies shall be deposited into the Casino Support Services Fund until the casino
24 support services contract is fully funded for that year.

25 (dd) After satisfying the requirements of Subitem (cc) of this Item, the
26 remainder of the monies shall be deposited in and credited to the Support Education
27 in Louisiana First Fund as provided for in R.S. 17:421.7.

28 * * *

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

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

DIGEST

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

Leger

HB No. 389

Abstract: Requires a portion of the monies collected from the operation of a land-based casino to be deposited into a special fund to be used to compensate the parish governing authority for the cost of support services as provided in the most recently approved casino support services contract.

Present law provides that the gaming control board and the parish governing authority shall enter into a casino support services contract to compensate the governing authority for the cost of support services resulting from operation of the land-based casino. Requires approval of the Joint Legislative Committee on the Budget (JLCB). If a new contract is not agreed to by March 31, the current contract shall remain in full force and effect. If the JLCB approves the contract, it shall remain in full force and effect.

Proposed law retains present law but adds the requirement that the chairman of JLCB notify the treasurer of the amount of the new contract.

Present law provides that if JLCB disapproves or does not act upon the amount of the contract, it shall be nullified.

Proposed law retains present law and adds a provision that if JLCB disapproves or does not act upon the amount of the contract, the treasurer shall not deposit any monies into the Casino Support Services Fund which proposed law establishes as a special treasury fund to provide compensation to the parish governing authority pursuant to a casino support services contract.

Proposed law provides that monies in the Casino Support Services Fund shall be appropriated to the parish governing authority and used to compensate the parish for its costs for providing support services resulting from the operation of the official gaming establishment.

Present law provides that, of net revenues received from the land-based casino, up to \$500,000 shall be deposited into the Compulsive and Problem Gaming Fund. Further provides that the remainder of net revenues shall be deposited as follows:

- (1) 10% shall be deposited in and credited to the Support Education in La. First (SELF) Fund to be used to provide salary increases of certain public pre-K through 12th grade certificated personnel and other public pre-K through 12th grade classroom teachers as provided in present law.
- (2) 90% to the SELF Fund.

Proposed law retains present law for those years that a casino support services contract is not approved. For years for which a contract is approved, provides that the revenues shall be deposited as follows:

- (1) The first \$1,800,000 shall be deposited into the Casino Support Services Fund.
- (2) The next \$60 million shall be deposited and credited to the SELF Fund.
- (3) Any revenues in excess of the above amounts shall be deposited into the Casino Support Services Fund until the casino support services contract is fully funded.
- (4) The remainder shall be deposited into and credited to the SELF Fund.

Present law establishes the SELF Fund. Requires that certain riverboat gaming franchise fees and casino net revenues be used as follows:

- (1) 70% shall be used to provide salary increases for certain pre-K through 12th grade certificated personnel and for other public pre-K through 12th grade classroom teachers in FY 2001-2002 and annually to support such increase.
- (2) 30% shall be used to provide public postsecondary education faculty salary increases, including related benefits, to be distributed in accordance with a plan developed jointly by the Board of Regents and the division of administration in FY 2001-2002 and annually to support such increase.

Proposed law retains present law.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 27:247 and 270(A)(3)(a))