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## DIGEST

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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))