
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)]

HB 411 Original

2016 Regular Session

Richard

Abstract: Redirects riverboat, casino, slots at tracks, video draw poker, lottery gaming, and offtrack wagering proceeds to the Bet on Louisiana's Future Fund.

RIVERBOAT GAMING

Present law permits riverboat gaming and imposes an annual license fee of \$100,000 per riverboat and 3.5% of net gaming proceeds (R.S. 27:91(B)). A basic franchise fee is charged for the right to conduct gaming activities on a riverboat at an annual amount of 15% of net gaming proceeds (R.S. 27:91(C)(1)). There are add-on franchise fees, depending on locale, that run from an additional 3% (R.S. 27:91(C)(2)) to an additional 6% (R.S. 27:91(C)(2) and (3)), a dock-side fee of 2% to 3% based on a sliding scale (R.S. 27:91(C)(4)), and an admission (boarding) fee of \$2.50 to \$3.00 for each passenger charged by the local governing authority of the respective area (R.S. 27:93(A)). Present law allocates these license and franchise fees, other than admission fees, in varying amounts to the following entities, in the respective funds listed:

ENTITY	SOURCE	FUND
Office of Behavioral Health	R.S. 27:92(B)(2)(a)(i)	Compulsive and Problem Gaming Fund, R.S. 28:842
State Operating Expenses	R.S. 27:92(B)(2)(b)(i)	State General Fund
MFP; LSU System; Southern Univ. System; UL System; LCTCS (technical colleges); LUMCON	R.S. 27:92(B)(2)(b)(ii), (iii), and (iv)	Support Education in LA First (SELF) Fund, R.S. 17:421.7
Office of Attorney General; Gaming Control Board; DPS&C/State Police	R.S. 27:92(C)	Riverboat Gaming Enforcement Fund, R.S. 27:92(B)(2)(c)

Proposed law redirects riverboat gaming revenues listed above, except the local admission fees, to the Bet on Louisiana's Future Fund.

LAND-BASED CASINO

Present law permits the operation of a land-based casino in New Orleans and, except for a percentage for Compulsive and Problem Gaming, all net revenues which are surplus to the needs of the Louisiana Economic Development and Gaming Corporation are transferred to the state treasury (R.S. 27:270(A)(3)). Present law allocates revenues in varying amounts to the following entities, in the respective funds listed:

ENTITY	SOURCE	FUND
Office of Behavioral Health	R.S. 27:270(A)(2)	Compulsive and Problem Gaming Fund, R.S. 28:842
MFP; LSU System; Southern Univ. System; UL System; LCTCS (technical colleges); LUMCON	R.S. 27:270(A)(3)(a)	Support Education in LA First (SELF) Fund, R.S. 17:421.7
Office of Attorney General; Gaming Control Board; DPS&C/State Police	R.S. 27:270(B)(2)	Casino Gaming Enforcement Fund, R.S. 27:270(B)

Proposed law redirects land-based casino gaming revenues listed above to the Bet on Louisiana's Future Fund.

SLOTS AT TRACKS

Present law 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)). Present law allocates net slot machine proceeds, other than the 4% local tax, in varying amounts to the following entities, in the respective funds listed:

ENTITY	SOURCE	FUND
Thoroughbred and quarter horse purse supplement; Horsemen's Benevolent & Protective Assoc.	R.S. 27:361(B)(4)(a)	Direct payment

LA Thoroughbred Breeders' Assoc. breeders' award; LA Quarter Horse Breeders Assoc. breeders' award	R.S. 27:361(B)(4)(b) and (c)	Direct payment
Office of Behavioral Health	R.S. 27:392(B)(2)(a)	Compulsive and Problem Gaming Fund, R.S. 28:842
Office of Attorney General; Gaming Control Board; Louisiana Racing Comm.; DPS&C/State Police	R.S. 27:392(B)(2)(b)	Pari-mutuel Live Racing Facility Gaming Control Fund, R.S. 28:392(2)(a)
26 th JDC truancy program	R.S. 27:392(B)(3)(a)	Bossier Parish Truancy Program Fund, R.S. 27:392(B)(3)(a)(i)
St. Landry School Board	R.S. 27:392(B)(3)(b)	St. Landry Parish Excellence Fund, R.S. 27:392(B)(3)(b)
Calcasieu Parish School Bd; McNeese State Univ.; Sowella Technical Inst.	R.S. 27:392(B)(3)(c)	Calcasieu Parish Fund, R.S. 27:392(B)(3)(c)
LCTCS, Allied Health & Nursing Program	R.S. 27:392(B)(3)(d)	Orleans Parish Excellence Fund, R.S. 27:392(B)(3)(d)
Agriculture and Forestry	R.S. 27:392(B)(4)	Agricultural Finance Auth. Fund, R.S. 3:277
Affiliated Blind of Louisiana; LA Center for the Blind at Ruston; La. Assoc. for the Blind; Lighthouse for the Blind in New Orleans	R.S. 27:392(B)(5)	Rehabilitation for the Blind and Visually Impaired Fund, R.S. 27:392(B)(5)
Equine Health Studies; Program at LSU Vet School	R.S. 27:392(B)(6)(a)	Equine Health Studies Program Fund, R.S. 27:392(B)(6)(a)
Southern University AgCenter	R.S. 27:392(B)(6)(b)	Southern University AgCenter Program Fund, R.S. 27:392(B)(6)(b)

New Orleans City Park Improvement Assoc.	R.S. 27:392(B)(7) and R.S. 27:392(C)(1)	Beautification and Improvement of the New Orleans City Park Fund, R.S. 27:392(B)(7)
Southern Univ. Urban Tourism and Marketing Program	R.S. 27:392(B)(8)	
Orleans Parish DA's Office	R.S. 27:392(B)(8)	
Greater New Orleans Sports Foundation	R.S. 27:392(C)(2)	Greater New Orleans Sports Foundation Fund, R.S. 27:392(C)(2)
Algiers Economic Development Foundation	R.S. 27:392(C)(3)	Algiers Economic Development Fund, R.S. 27:392(C)(3)
New Orleans Urban Tourism & Hospitality Training in Econ. Dev., Inc.	R.S. 27:392(C)(4)	New Orleans Urban Tourism & Hospitality Training in Econ. Dev. Foundation Fund, R.S. 27:392(C)(4)
Beautification Project for New Orleans Neighborhoods, Inc.	R.S. 27:392(C)(5)	Beautification Project for New Orleans Neighborhoods Fund, R.S. 27:392(C)(5)
Friends of NORD, Inc.	R.S. 27:392(C)(6)	Friends of NORD Fund, R.S. 27:392(C)(6)
LA Stadium & Expo Dist. for contractual obligations of NFL or NBA franchise	R.S. 27:392(C)(7)	New Orleans Sports Franchise Assistance Fund, R.S. 27:392(C)(7)
State operating expenses	R.S. 27:392(B)(9)	State General Fund

Proposed law redirects slots-at-the-track gaming revenues listed above, except the 4% local tax portion, to the Bet on Louisiana's Future Fund.

Present law also establishes a Pari-Mutuel Live Racing Facility Economic Redevelopment and Gaming Control Assistance District in the parishes of St. Landry, Bossier, and Calcasieu as a special taxing district with boundaries coterminous with the parish lines, which districts are authorized to levy an additional tax of 18.5% on net slot machine proceeds. Proposed law repeals these special taxing districts. In St. Landry and Bossier, present law establishes a preference and priority to Louisiana residents, laborers, vendors, and suppliers. Proposed law retains this preference.

VIDEO DRAW POKER

Present law authorizes the placement, operation, maintenance, and play of approved video draw poker devices and imposes an annual fee to be paid by the holder of each license (R.S. 27:435(A)), a device owner fee (R.S. 27:435(B)), a franchise payment in an amount equal to a percentage of the net device revenue derived from the operation of each device, the percentage of which is based on the type of licensed establishment (R.S. 27:435(D)), and a processing fee (R.S. 27:435(H)). Present law allocates these fees and payments in varying amounts to the following entities, in the respective funds listed:

ENTITY	SOURCE	FUND
Purse supplements; Horsemen's benefits	R.S. 27:438	Direct payment
Purse supplements for thoroughbred and quarter horse races; Thoroughbred Breeders Association; Quarterhorse Racing Association	R.S. 27:435(D)(4); R.S. 27:439	Video Draw Poker Device Purse Supplement Fund, R.S. 27:439
Office of Behavioral Health	R.S. 27:437(B)(2)(a)	Compulsive and Problem Gaming Fund, R.S. 28:842
District Attorneys and Assistant District Attorneys	R.S. 27:437(C)(1)(a)	Video Draw Poker Device Fund, R.S. 27:437
Local Governing Authorities	R.S. 27:437(C)(1)(b)	Video Draw Poker Device Fund, R.S. 27:437
Office of Attorney General; DPS&C/State Police	R.S. 27:437(C)(2)	Video Draw Poker Device Fund, R.S. 27:437
State Operating Expenses	R.S. 27:437(C)(3)	State General Fund

Proposed law redirects video draw poker revenues listed above, except revenues going to the District Attorneys and Assistant District Attorneys and to local governing authorities, to the Bet on Louisiana's Future Fund.

LOTTERY

Present law permits the operations of a state lottery with all net revenues, surplus to the needs of the Lottery Corporation, credited to the Louisiana Lottery Proceeds Fund (R.S. 47:9029(B)). Present law allocates revenues in varying amounts to the following entities, in the respective funds listed:

ENTITY	SOURCE	FUND
Office of Behavioral Health	R.S. 47:9029(B)(2)	Compulsive and Problem Gaming Fund, R.S. 28:842
MFP	Const. Art. 12, Sec. 6	Lottery Proceeds Fund, Const. Art. 12, Sec. 6; R.S. 47:9029(A) and (B)

Proposed law redirects lottery revenues listed above to the Bet on Louisiana's Future Fund.

OFFTRACK WAGERING

Present law authorizes the Louisiana State Racing Commission to collect a license fee not to exceed 1 ½ percent of the total amount wagered at each offtrack wagering facility. Present law allocates revenues in varying amounts to the following entities:

ENTITY	SOURCE	FUND
LA Thoroughbred Breeders' Assoc. breeders' award; LA Quarter Horse Breeders Assoc. breeders' award	R.S. 4:218(A)(1)	Direct payment
Board of Regents	R.S. 4:218(A)(2)	
State Racing Commission	R.S. 4:218(A)(3)	

Proposed law redirects offtrack wagering revenues listed above to the Bet on Louisiana's Future Fund.

FUNDS

Proposed law retains the Support Education in Louisiana First (the SELF) Fund but eliminates references to various sources of gaming revenue. Proposed law provides for deposits into the SELF fund from the Bet on Louisiana's Future Fund.

Proposed law retains the Compulsive and Problem Gaming Fund but eliminates references to various sources of gaming revenue. Proposed law provides for deposits into the Compulsive and Problem Gaming Fund from the Bet on Louisiana's Future Fund.

Proposed law repeals the following funds: Riverboat Gaming Enforcement Fund, R.S. 27:92(B)(2)(c); Casino Gaming Enforcement Fund, R.S. 27:270(B); Bossier Parish Truancy Program Fund, R.S. 27:392(B)(3)(a)(i); St. Landry Parish Excellence Fund, R.S. 27:392(B)(3)(b); Calcasieu Parish Fund, R.S. 27:392(B)(3)(c); Orleans Parish Excellence Fund, R.S. 27:392(B)(3)(d); Rehabilitation for the Blind and Visually Impaired Fund, R.S. 27:392(B)(5); Equine Health Studies

Program Fund, R.S. 27:392(B)(6)(a); Pari-mutuel Live Racing Facility Gaming Control Fund, R.S. 28:392(2)(a); Compulsive and Problem Gaming Fund, R.S. 28:842; Southern University AgCenter Program Fund, R.S. 27:392(B)(6)(b); Beautification and Improvement of the New Orleans City Park Fund, R.S. 27:392(B)(7); Greater New Orleans Sports Foundation Fund, R.S. 27:392(C)(2); Algiers Economic Development Fund, R.S. 27:392(C)(3); New Orleans Urban Tourism & Hospitality Training in Econ. Dev. Foundation Fund, R.S. 27:392(C)(4); Beautification Project for New Orleans Neighborhoods Fund, R.S. 27:392(C)(5); Friends of NORD Fund, R.S. 27:392(C)(6); New Orleans Sports Franchise Assistance Fund, R.S. 27:392(C)(7); and Video Draw Poker Device Purse Supplement Fund, R.S. 27:439.

BET ON LOUISIANA'S FUTURE FUND

Proposed law establishes the Bet on Louisiana's Future Fund as a special treasury fund.

Proposed law deposits riverboat gaming, land-based casino, slot machines at racetracks, video draw poker, lottery, and offtrack wagering proceeds into the fund.

Proposed law, beginning FY 2017-2018, requires allocation of these gaming funds as follows: 52.5% to public elementary and secondary education, 11.5% to higher education, and 11.5% to community and technical colleges including the MFP, TOPS, and the SELF fund. Additional allocations include 15% to the UAL and 5% for gaming enforcement and regulation.

Proposed law prohibits the expenditure of deposits into the fund in the same calendar year in which they are received.

OTHER

Proposed law eliminates cross-references to provisions of law being repealed by this Act.

Effective if and when the proposed amendment of Article XII of the Constitution of La. contained in the Act which originated as House Bill No. ____ of this 2016 R.S. of the Legislature is adopted at a statewide election and becomes effective.

(Amends R.S. 4:218(A), R.S.17:421.7(A), R.S. 27:92(B)(1), 249, 270, 353(13), 392(B)(1), 435(D), and 437(B)(1) and (C)(intro para) and (3), R.S. 28:842(B) and (C), the heading of Chapter 39 of Title 33 of the La. Revised Statutes of 1950 and R.S. 33:9551(F), the heading of Chapter 40 of Title 33 of the La. Revised Statutes of 1950 and R.S. 33:9561(F), and R.S. 47:9029(A)(3) and (C); Adds R.S. 27:601; Repeals R.S. 27:31(F), 92(B)(2) and (C), 361(B)(4), 392(B)(2)-(9) and (C), 437(B)(2) and (C)(2) and (4), 438, and 439, R.S. 33:9551(A)-(E), 9561(A)-(E), and 9571, and R.S. 47:9029(B))