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## DIGEST

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HB 495 Original

2019 Regular Session

Abramson

**Abstract:** Authorizes an 8% state tax on net gaming proceeds from fantasy sports contests and dedicates the avails of the tax to the state general fund and the La. Early Childhood Education Fund.

Present law establishes the "Louisiana Fantasy Sports Contests Act" that authorized the electors in the state to determine whether fantasy sports contests are permitted in a particular parish.

Present law defines a "fantasy sports contest" to mean any fantasy or simulation sports game or contest played through the internet or mobile device with all of the following elements:

- (1) Participants create a simulation sports team based on the current membership of actual amateur or professional sports organizations.
- (2) All prizes and awards offered to winning participants are established in advance of the game or contest and the value of the prizes is not determined by the number of participants or the amount of fees paid by participants.
- (3) All winning outcomes reflect the relative knowledge and skill of the participant and are determined by accumulated statistical results of the performance of the individuals.
- (4) No winning outcome is based on the score, point-spread, or any performance or performances of any single real-world team or any combination of teams or on a single performance of an individual athlete in any single realworld sporting or other event.

Present law requires the La. Gaming Control Board to adopt rules necessary to implement, administer, and regulate fantasy sports contests in this state if the electors of a parish approved fantasy sports contests in the parish. Upon adoption of rules by the La. Gaming Control Board and the enactment of laws to provide for the licensing, regulation, and taxation of revenue relative to fantasy sports contests, present law provides the following:

- (1) Authorizes fantasy sports contests only in those parishes that approved the proposition to permit fantasy sports contests in the parish.
- (2) Provides an exception to crimes in present law for gaming and gambling by computer for fantasy sports contests.

Proposed law levies an 8% tax on the net gaming proceeds of fantasy sports contest gaming conducted in the state and provides for the disposition of the avails as follows:

- (1) 4% shall go to the state general fund.
- (2) 4% shall go to the La. Early Childhood Education Fund.

Proposed law provides for a \$5,000 fantasy sports contest license or permit fee.

Proposed law defines net gaming proceeds as the total of all cash and property, including checks received by a licensee or operator, whether collected or not from gaming operations, less the total of all cash paid out as winnings to patrons.

Proposed law requires the tax levied on fantasy sports contests to be collected by the division in the office of state police, which provides investigatory, regulatory, and enforcement services to the La. Gaming control board in the implementation, administration, and enforcement of gaming laws, rules, and regulations.

Proposed law requires all monies to be collected monthly and further provides that when net gaming proceeds for a month are negative, the licensee or operator shall be allowed to carry over the negative amounts to returns filed for subsequent months.

Effective July 1, 2019.

(Adds R.S. 27:302(3) and (4) and 306)