

2021 Regular Session

SENATE BILL NO. 195

BY SENATOR HENRY

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

GAMING. Provides relative to the regulation of sports wagering. (See Act)

1 AN ACT

2 To amend and reenact R.S. 13:4721, R.S. 14:90.5(A), (B), and (C), R.S. 27:3(10), (15), (17),

3 (19), and (24), 15(B)(1), 15.1, 29(F), (H), and (I), 29.2(D), 29.3(D), 44(10), 58(5),

4 65(B)(11), 205(11) and (12), 239.1, 353(2) and (5), 361(F), 364(A)(1)(c)(ii) and (5),

5 371(C), 372(B), and 375(D), and to enact R.S. 14:90(E) and 90.3(K) and R.S.

6 27:3(25) and (26) and 15(8)(c) and Chapter 10 of Title 27 of the Louisiana Revised

7 Statutes of 1950, to be comprised of R.S. 27:601 through 614, relative to sports

8 wagering; to provide for definitions; to require a license to conduct sports wagering;

9 to provide relative to duties and powers of the Louisiana Gaming Control Board and

10 gaming division in the office of state police; to provide for requirements and

11 limitations on licensees and permittees; to authorize self-service machines; to

12 authorize electronic wagering; to provide for exceptions from criminal law; to

13 provide for effective dates; and to provide for related matters.

14 Be it enacted by the Legislature of Louisiana:

15 Section 1. R.S. 27:3(10), (15), (17), (19), and (24), 15(B)(1), 15.1, 29(F), (H), and

16 (I), 29.2(D), 29.3(D), 44(10), 58(5), 65(B)(11), 205(11) and (12), 239.1, 353(2) and (5),

17 361(F), 364(A)(1)(c)(ii) and (5), 371(C), 372(B), and 375(D) are hereby amended and

1 reenacted and R.S. 27:3(25) and (26) and 15(8)(c) and Chapter 10 of Title 27 of the
 2 Louisiana Revised Statutes of 1950, comprised of R.S. 27:601 through 614, is hereby
 3 enacted to read as follows:

4 §3. Definitions

5 For the purposes of this Title, the following terms have the following
 6 meanings, unless the context clearly indicates otherwise:

7 * * *

8 (10) "Gaming supplier" means any person who supplies, sells or leases, or
 9 contracts to sell or lease, gaming devices, equipment, or supplies to a holder of a
 10 license as defined in R.S. 27:44(~~14~~), ~~R.S. 27:353(5)~~, **or 602**, or to the casino gaming
 11 operator. **"Gaming supplier" shall also include any person who supplies**
 12 **geolocation, geofencing, or patron identification services to the holder of a**
 13 **license as defined in R.S. 27:44, 353, 602, or to the casino gaming operator.**

14 * * *

15 (15) "Key gaming employee" or "managerial employee" means an employee,
 16 agent, or representative of the casino gaming operator, or of a holder of a license as
 17 defined in R.S. 27:44(~~14~~), ~~R.S. 27:353(5)~~, **or 602**, or a permittee whether or not a
 18 gaming employee who, in the opinion of the board or division, holds or exercises
 19 critical or significant management or operating authority over the casino gaming
 20 operator, or of a holder of a license as defined in R.S. 27:44(~~14~~), ~~R.S. 27:353(5)~~, **or**
 21 **602**, or a permittee.

22 * * *

23 (17) "Non-key gaming employee" means a person employed in the operation
 24 of a gaming activity and includes employees empowered to make discretionary
 25 decisions that regulate gaming activities, and any individual whose employment
 26 duties require or authorize access to designated gaming areas of a licensee as defined
 27 in R.S. 27:44(~~13~~), ~~R.S. 27:353(6)~~, **or 602**, or the official gaming establishment, other
 28 than non-gaming equipment maintenance personnel, cleaning personnel, waiters,
 29 waitresses, and secretaries.

* * *

(19) "Non-gaming supplier" means any person who sells, leases, or otherwise distributes, directly or indirectly, goods or services other than gaming equipment and supplies to the holder of a license, as defined in R.S. 27:44(14), R.S. 27:353(5), or 602, or the casino gaming operator.

* * *

(24) "Sports wagering platform provider" means a suitable business or legal entity that holds a permit from the board to engage in the operation of a sports book on behalf of a licensee.

(25) "Sports wagering platform provider permit" means the permit of a sports wagering service provider.

(26) "Suitable", "suitability", or "suitability requirements" means the criteria provided for in R.S. 27:28.

* * *

§15. Board's authority; responsibilities

* * *

B. The board shall:

(1) Have all regulatory authority, control, and jurisdiction, including investigation, licensing, and enforcement, and all power incidental or necessary to such regulatory authority, control, and jurisdiction over all aspects of gaming activities and operations as authorized pursuant to the provisions of the Louisiana Riverboat Economic Development and Gaming Control Act, the Louisiana Economic Development and Gaming Corporation Act, the Video Draw Poker Devices Control Law, ~~and~~ the Louisiana Fantasy Sports Contests Act, and the Louisiana Sports Wagering Act, except as otherwise specified in this Title. Further, the board shall have all regulatory, enforcement, and supervisory authority which exists in the state as to gaming on Indian lands as provided in the provisions of Act No. 888 of the 1990 Regular Session of the Legislature and Act No. 817 of the 1993 Regular Session of the Legislature.

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(8)

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(c) Adopt, pursuant to the Administrative Procedure Act and as specifically provided for in R.S. 27:603, all rules necessary to implement, administer, and regulate sports wagering as authorized by Chapter 10 of this Title.

* * *

§15.1. Sports wagering

~~A. In the event of the legalization of sports wagering in any parish as a result of the proposition election held on November 3, 2020, the~~ **The** Louisiana Gaming Control Board shall have all regulatory authority, control, and jurisdiction, including investigation, licensing, and enforcement, and all power incidental or necessary to such regulatory authority, control, and jurisdiction over all aspects of sports wagering activities and operations, except as otherwise specified in this Title.

~~B. For purposes of this Section, "sports wagering" shall be defined as the business of accepting wagers on any sports event or sports contest by any system or method of wagering.~~

* * *

§29. Permit required; terms; disposition of fees

* * *

F. The term of a permit issued pursuant to the provisions of R.S. 27:29.1, 29.2, 29.3, ~~and 86,~~ **and 623** shall be for five years.

* * *

H. The division shall collect all fees assessed pursuant to the provisions of R.S. 27:29.1, 29.2, 29.3, ~~and 29.4,~~ **and 623**. The division shall deposit the fees in accordance with the provisions of R.S. 27:92.

I. The failure to remain current in the payment of any fee assessed pursuant to the provisions of R.S. 27:29.1, 29.2, 29.3, ~~or 29.4,~~ **or 623** shall result in the

1 suspension of the permit.

2 * * *

3 §29.2. Gaming supplier permits

4 * * *

5 D. A supplier shall furnish to the board a list of any gaming equipment and
6 supplies offered by the supplier for sale or lease in connection with games authorized
7 under this Title. A supplier shall keep books and records for the furnishing of gaming
8 equipment and supplies to gaming operations separate and distinct from any other
9 business that the supplier might operate. A supplier shall file a quarterly return with
10 the board listing all sales and leases. A supplier shall permanently affix its name to
11 all its gaming devices, equipment, and supplies for gaming operations unless
12 otherwise authorized by the board. Any supplier's gaming devices, equipment, or
13 supplies which are used by any person in unauthorized gaming operations shall be
14 forfeited to the board. The holder of a license as defined in R.S. 27:44(~~14~~), R.S.
15 ~~27:353(5)~~, **and 602**, and the casino gaming operator may own its own gaming
16 devices, equipment, and supplies. Each supplier, the holder of a license as defined
17 in R.S. 27:44(~~14~~), R.S. ~~27:353(5)~~, **and 602**, and the casino operator shall file an
18 annual report with the board listing its inventories of gaming devices, equipment, and
19 supplies.

20 * * *

21 §29.3. Non-gaming supplier permit

22 * * *

23 D. The holder of a license as defined in R.S. 27:44, ~~or 353~~, **or 602**, or the
24 casino gaming operator shall ensure that all persons required to be licensed or
25 permitted, or persons performing regulated tasks who are supplied by contractual
26 agreement or otherwise, are properly licensed or permitted pursuant to this Title.

27 * * *

28 §44. Definitions

29 When used in this Chapter, the following terms shall mean:

* * *

(10)(a) "Game" means any banking or percentage game which is played with cards, dice, or any electronic, electrical, or mechanical device or machine for money, property, or any thing of value. "Game" does not include a lottery, bingo, pull tabs, raffles, electronic video bingo, cable television bingo, dog race wagering, or any wagering on any type of sports event, including but not limited to football, basketball, baseball, hockey, boxing, tennis, wrestling, jai alai, or other sports contest or event. ~~Game~~ **"Game"** shall also include racehorse wagering.

(b) Notwithstanding any provision of Subparagraph (a) of this Paragraph to the contrary, "game" shall include wagering on certain sports events through a sports book for a licensee who is also licensed by the board in accordance with Chapter 10 of this Title.

* * *

§58. Division responsibilities

The division shall:

* * *

(5)(a) Require all licensees to utilize a cashless wagering system, except for racehorse wagering and the play of slot machines, whereby all players' money is converted to tokens, electronic cards, or chips used only for wagering in the gaming establishment.

(b) Notwithstanding any provision of Subparagraph (a) of this Paragraph to the contrary, a licensee may accept cash wagers in its sports book if it is also licensed by the board in accordance with Chapter 10 of this Title.

* * *

§65. Licenses to conduct gaming activities upon riverboats; limitations

* * *

B. Gaming shall be conducted aboard riverboats, subject to the following requirements:

* * *

1 (11)(a) Except for racehorse wagering and the play of slot machines, gaming
 2 wagers may be made only with tokens, chips, vouchers, coupons, or electronic cards
 3 issued by the licensee. Such tokens, chips, vouchers, coupons, or electronic cards
 4 may be used while aboard the riverboat only for the purpose of making wagers on
 5 gaming games. Electronic cards may be used which are affixed with a magnetic
 6 storage media, a "smart card" or those containing an integrated circuit chip, but
 7 excluding credit cards issued by any other entity or institution or cards which
 8 automatically withdraw funds from a credit, savings, or checking account held at a
 9 depository institution as defined by Section 3 of the Federal Deposit Insurance Act,
 10 which includes any credit union.

11 (b) Notwithstanding any provision of Subparagraph (a) of this
 12 Paragraph to the contrary, sports wagers may be made in cash if the riverboat
 13 is also licensed by the board for a sports book in accordance with Chapter 10
 14 of this Title.

15 * * *

16 §205. Definitions

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

18 * * *

19 (11)(a) "Game" means any banking or percentage game located exclusively
 20 within an official gaming establishment which is played with cards, dice, or any
 21 electronic, electrical, or mechanical device or machine for money, property, or any
 22 thing of value. ~~Game~~ "Game" does not include lottery, bingo, charitable games,
 23 raffles, electronic video bingo, pull tabs, cable television bingo, wagering on dog or
 24 horse races, sports betting, or wagering on any type of sports event, inclusive but not
 25 limited to football, basketball, baseball, hockey, boxing, tennis, wrestling, jai alai,
 26 or other sports contest or event.

27 (b) Notwithstanding any provision of Subparagraph (a) of this
 28 Paragraph to the contrary, "game" shall include sports betting through a sports
 29 book if the casino gaming operator is licensed by the board in accordance with

1 **Chapter 10 of this Title.**

2 (12)(a) "Gaming device" means any equipment or mechanical,
3 electromechanical, or electronic contrivance, component, or machine used directly
4 or indirectly in connection with gaming or any game which affects the result of a
5 wager by determining win or loss. The term includes a system for processing
6 information which can alter the normal criteria of random selection, which affects
7 the operation of any game, or which determines the outcome of a game. The term
8 does not include a system or device which affects a game solely by stopping its
9 operation so that the outcome remains undetermined.

10 **(b) Notwithstanding any provision of Subparagraph (a) of this**
11 **Paragraph to the contrary, "gaming device" shall also include a sports**
12 **wagering mechanism as that term is defined in R.S. 27:602 if the casino gaming**
13 **operator is also licensed by the board for a sports book in accordance with**
14 **Chapter 10 of this Title.**

15 * * *

16 §239.1. Wagering at the official gaming establishment

17 **Wagering A. Except as provided in Subsection B of this Section,**
18 **wagering** at the official gaming establishment may be made with tokens, chips,
19 vouchers, coupons, or electronic cards issued by the casino gaming operator or an
20 approved casino manager acting on behalf of the casino gaming operator. Electronic
21 cards may be used which are affixed with a magnetic storage media, a "smart card"
22 or those containing an integrated circuit chip, but excluding credit cards issued by
23 any other entity or institution or cards which automatically withdraw funds from a
24 credit, savings, or checking account held at a depository institution as defined by
25 Section 3 of the Federal Deposit Insurance Act, which includes any credit union.

26 **B. Notwithstanding any provision of Subsection A of this Section to the**
27 **contrary, sports wagers at the official gaming establishment may be made in**
28 **cash or through a patron's verified sports wagering account if the casino**
29 **gaming operator is issued a license to operate a sports book by the board in**

1 **accordance with Chapter 10 of this Title.**

2 * * *

3 §353. Definitions

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

5 * * *

6 (2) "Designated ~~slot machine~~ gaming area" means the contiguous area of an
7 eligible live racing facility at which ~~slot machine~~ gaming may be conducted in
8 accordance with the provisions of this Chapter, ~~determined by measuring the area,~~
9 ~~in square feet, inside the interior walls of the licensed eligible facility,~~ excluding any
10 space therein in which gaming activities may not be conducted, ~~such as bathrooms,~~
11 ~~stairwells, cage and beverage areas, and emergency evacuation routes of any width~~
12 ~~that meet or exceed the minimum size required by law.~~

13 * * *

14 (5) "Emergency evacuation route" means those areas within the designated
15 ~~slot machine~~ gaming area of a licensed eligible facility which are clearly defined and
16 identified by the licensee as necessary and approved by the state fire marshal or other
17 federal or state regulatory agency for the evacuation of patrons and employees from
18 the facility, and from which and in which no gaming activity may occur.

19 * * *

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

21 * * *

22 F.**(1)** Wagering at an eligible live racing facility may be made with tokens,
23 chips, vouchers, coupons, or electronic cards issued by the licensed eligible facility
24 or an approved facility manager acting on behalf of the facility. Electronic cards may
25 be used which are affixed with a magnetic storage media, a "smart card" or those
26 containing an integrated circuit chip, but excluding credit cards issued by any other
27 entity or institution or cards which automatically withdraw funds from a credit,
28 savings, or checking account held at a depository institution as defined by Section
29 3 of the Federal Deposit Insurance Act, which includes any credit union.

1 (2) Notwithstanding any provision of Paragraph (1) of this Subsection
2 to the contrary, sports wagers at the eligible facility may be made in cash or
3 through a patron's verified sports wagering account if the holder of a license as
4 defined in R.S. 27:353 is also issued a license to operate a sports book by the
5 board in accordance with Chapter 10 of this Title.

6 * * *

7 §364. Gaming Control Board; powers and duties

8 A. The board shall:

9 (1)

10 * * *

11 (c) Such rules may include:

12 * * *

13 (ii) Requiring certain minimum physical security standards be observed in
14 designated ~~slot machine~~ gaming areas.

15 * * *

16 (5) Approve the location, plans, and construction of the designated ~~slot~~
17 ~~machine~~ gaming area in an eligible facility.

18 * * *

19 §371. Prohibition on operation of video draw poker devices; prohibition on any
20 other type of game

21 * * *

22 C.~~(1)~~ Nothing in this Chapter shall be construed to permit the operation or
23 play of any type of game the play of which requires the participation of an employee
24 of the licensee.

25 (2) Notwithstanding any provision of Paragraph (1) of this Subsection to
26 the contrary, participation of an employee of the licensee may be permitted if
27 the licensee is also issued a license to operate a sports book by the board in
28 accordance with Chapter 10 of this Title and the employee's participation is in
29 compliance and regarding activities related to operations regulated by that

1 **Chapter.**

2 §372. Slot machine gaming **Gaming** area limitations

3 * * *

4 B.**(1)** No gaming devices other than slot machines and authorized pari-mutuel
5 wagering devices and equipment shall be in the designated slot machine gaming
6 area.

7 **(2) Notwithstanding any provision of Paragraph (1) of this Subsection**
8 **to the contrary, sports wagering mechanisms as that term is defined in R.S.**
9 **27:602 shall also be authorized in the designated gaming area if the holder of a**
10 **license as defined in R.S. 27:353 is also issued a license to operate a sports book**
11 **by the board in accordance with Chapter 10 of this Title.**

12 * * *

13 §375. Crimes and penalties; false statements; unauthorized slot machines;
14 skimming of slot machine proceeds; payroll check cashing; gambling
15 devices

16 * * *

17 D. Any owner of an eligible facility who has been granted a license to operate
18 slot machine gaming who cashes or accepts for cashing or permits any employee or
19 other person to cash or accept for cashing an identifiable employee payroll check in
20 the designated slot machine gaming area shall, upon conviction, be imprisoned for
21 not more than six months or fined not more than five thousand dollars, or both.

22 * * *

23 **CHAPTER 10. SPORTS WAGERING**

24 **PART I. GENERAL PROVISIONS**

25 **§601. Title and citation; privilege**

26 **A. This Chapter shall be cited and referred to as the "Louisiana Sports**
27 **Wagering Act".**

28 **B. Any license, permit, approval, or thing obtained or issued pursuant**
29 **to the provisions of this Chapter is expressly declared by the legislature to be a**

1 pure and absolute revokable privilege and not a right, property or otherwise,
2 under the constitution of the United States or of the state of Louisiana. Further
3 the legislature declares that no holder of any license or permit acquires any
4 vested interest or right therein or thereunder.

5 §602. Definitions

6 For purposes of this Chapter, the following terms shall have the
7 following meanings ascribed to them unless the context clearly indicates
8 otherwise:

9 (1) "Anti-money laundering standards" or "AML" means the
10 requirements and guidelines provided in the federal Bank Secrecy Act of 1970,
11 as amended, and the Anti-Money Laundering Act of 2020, as amended, for the
12 prevention and detection of money laundering and the financing of terrorism.

13 (2) "Applicant" means a person, business, or legal entity who has
14 submitted an application to the board seeking a license or permit, or the
15 renewal of a license or permit.

16 (3) "Application" means the forms and schedules prescribed by the
17 board upon which an applicant seeks a license or permit, or the renewal of a
18 license or permit. An application shall also include any other information or fee
19 required by the board to be submitted with an application such as disclosure
20 statements, financial statements, and any type of fees.

21 (4) "Board" means the Louisiana Gaming Control Board, as established
22 by R.S. 27:11.

23 (5) "Business or legal entity" shall have the same meaning as that term
24 is defined in R.S. 27:3.

25 (6) "Distributor" means a suitable business or legal entity that is
26 domiciled in this state and buys, sells, leases, services, or repairs sports
27 wagering mechanisms in this state.

28 (7) "Division" shall have the same meaning as that term is defined in
29 R.S. 27:3.

1 (8) "Electronic sports wagering" means sports wagering via a sports
2 wagering mechanism or through a website or mobile application.

3 (9) "Louisiana State Racing Commission" means the commission
4 established in R.S. 4:144.

5 (10) "License" or "licensee" means a license or authorization to operate
6 a sports book in this state in compliance with the provisions of this Chapter.

7 (11) "Mobile application" means an application on a mobile phone or
8 other device through which a player is able to place a wager with an operator
9 on a sports event and receive a credit on their sports wagering account.

10 (12) "Net gaming proceeds" means the amount equal to the total gross
11 revenue of all wagers placed by patrons less the total amount of all winnings
12 paid out to patrons.

13 (13) "Operator" or "sports wagering operator" means the entity that
14 actually books a sports wager. The operator may be:

15 (a) The licensee who manages and operates a sports book itself.

16 (b) The licensee's contracted sports wagering platform provider, in
17 accordance with the scope of that contract, when the licensee chooses to contract
18 the management and operation of all or a portion of its sports book line-of-
19 business with a service platform provider.

20 (14) "Patron" or "player" means an individual who places a wager on
21 a sports event.

22 (15) "Permit" has the same meaning as that term is defined in R.S. 27:3.

23 (16) "Permittee" has the same meaning as that term is defined in R.S.
24 27:3.

25 (17) "Person" has the same meaning as that term is defined in R.S. 27:3.

26 (18) "Retail establishment" means a retail business that has a contract
27 with an operator and is permitted by the board for the location of a sports
28 wagering mechanism and mobile gaming.

29 (19) "Sports event" means any professional sport or athletic event, any

1 collegiate sport or athletic event, any Olympic or international sports
2 competition event, or any other special event or competition of relative skill as
3 authorized by the board to be a sports event for purposes of this Chapter.
4 "Sports event" shall not include high school sports, youth events, any
5 international sports events where the majority of the athletes are under the age
6 of eighteen years old, fantasy sports contests as provided in Chapter 6 of this
7 Title, and any event prohibited by law.

8 (20) "Sports wager" or "sports bet" means a sum of money or
9 representation of value risked by a player on an occurrence associated with a
10 sports event for which the outcome is uncertain.

11 (21) "Sports wagering platform" or "sports book" means an integrated
12 system of hardware, software, or applications, including mobile applications
13 and servers, through which an operator conducts the business of offering for
14 play wagering conducted in accordance with this Chapter on a sports event or
15 on portions of a sports event or on the individual performance or statistics of
16 athletes in a sports event or a combination of sports events, by any system or
17 method of wagering. The term includes but is not limited to single-game bets,
18 teaser bets, parlay bets, over-under bets, moneyline bets, pools, exchange
19 wagering, in-game wagering, in-play bets, proposition bets, parlays, and
20 straight bets.

21 (22) "Sports wagering account" means an electronic financial record
22 established with an operator for an individual patron in which the patron may
23 deposit and withdraw funds for sports wagering and other authorized
24 purchases and to which the operator may credit winnings or other amounts due
25 to that patron or authorized by that patron.

26 (23) "Sports wagering mechanism" or "kiosk" means a board approved
27 self-service mechanical, electrical, or computerized terminal, device, apparatus,
28 or piece of equipment that is directly tied to an approved sports wagering
29 platform provider's central system and allows a patron to place a sports wager

1 on a licensee's premises or at a permitted retail establishment. "Sports
2 wagering mechanism" does not include a personal computer, mobile phone, or
3 other device owned and used by a player to wager on a sports event.

4 (24) "Sports wagering platform provider" means a suitable business or
5 legal entity that holds a permit from the board to engage in support services for
6 the operation of a sports book on behalf of a licensee.

7 §603. Gaming Control Board; state police; duties and powers

8 A.(1) The board shall perform the duties and functions as authorized by
9 this Chapter and shall possess authority, control, and jurisdiction and all power
10 incidental and necessary thereto with respect to the regulation of sports
11 wagering as provided by R.S. 27:15.1.

12 (2)(a) In accordance with the Administrative Procedure Act, the board
13 shall:

14 (i) Develop qualifications and standards and a process and procedure
15 for the licensure of sports wagering entities as well as the renewal, suspension,
16 and revocation of a license.

17 (ii) Develop qualifications and standards and a procedure and process
18 for approval and permitting of sports wagering platform providers, sports
19 wagering service providers, distributors, manufacturers, vendors, suppliers,
20 personnel, and retail establishments as well as the renewal, suspension, and
21 revocation of a permit.

22 (iii) Promulgate rules, forms, processes, and procedures necessary to
23 implement, administer, and regulate sports wagering as authorized by this
24 Chapter.

25 (iv) Establish standards for the amount of reserves required to be
26 maintained by an operator and the allowable form of those reserves, including
27 standards for initial reserves for a newly licensed sports wagering establishment
28 or newly permitted sports wagering platform provider.

29 (v) Establish guidelines for the acceptance of wagers on a series of sports

1 events by an operator.

2 (vi) Determine the maximum number and amount of wagers which may
3 be accepted by an operator from any one patron on any one sports event.

4 (vii) Prohibit an operator from unilaterally rescinding a wager unless
5 approved by the board to do so.

6 (viii) For cash wagers placed in-person or via a sports wagering
7 mechanism, establish standards for the type of wagering tickets which may be
8 used, information required to be printed on a ticket, and methods for issuing
9 tickets.

10 (ix) Establish the method of accounting to be used by operators, the
11 types of records required to be kept, and the length of time records shall be
12 retained.

13 (x) Require operators to comply with AML standards and practices.

14 (xi) Provide standards for the use of credit and checks by players and
15 other protections for players.

16 (xii) Establish internal controls for all aspects of electronic wagering,
17 including procedures for system integrity, system security, operations,
18 accounting, and reporting of problem gamblers.

19 (xiii) Establish operational controls for server-based gaming systems,
20 software and hardware utilized on electronic sports wagering, including but not
21 limited to appearance, functionality, contents, collection, storage, and retention
22 of data and security.

23 (xiv) Establish operational controls for sports wagering accounts,
24 including but not limited to procedures for establishment and closure of an
25 online account, funding of withdrawal of funds from an online account, and
26 generation of an account statement for a patron's online account.

27 (xv) Establish standards for servers and other equipment used to accept
28 wagers by operators and procedures for inspection and for addressing defective
29 or malfunctioning devices, equipment, and accessories related to sports

1 wagering.

2 (xvi) Establish standards and a process for approval for permitting retail
3 establishments for the hosting of sports wagering mechanisms and electronic
4 wagering.

5 (xvii) Require that a dollar amount equal to or greater than ten percent
6 of all wagers handled by an operator on any single sports event be on deposit in
7 a Louisiana chartered bank and that a dollar amount equal to or greater than
8 ten percent of the total amount held by an operator in patron sports wagering
9 accounts be on deposit in a Louisiana chartered bank.

10 (b) For purposes of expeditious implementation of the provisions of this
11 Chapter, the promulgation of the initial administrative rules pertaining to this
12 Chapter shall be deemed to constitute a matter of imminent peril to public
13 health, safety, and welfare as provided in R.S. 49:953(B).

14 B. The board shall follow its regulatory processes for dispute resolution
15 for disputes arising from sports wagering.

16 C.(1) The division shall, at all times deemed appropriate by the board,
17 be charged with inspecting and ensuring compliance with all the requirements
18 of this Chapter.

19 (2) The division may be charged by the board with any other tasks
20 deemed necessary to the regulation of sports wagering in this state.

21 §604. Reporting

22 The board, following consultation with the licensees, shall annually cause
23 a report to be prepared and distributed to the legislature on the impact of sports
24 wagering on sports events, on problem gamblers, and on gambling addiction in
25 the state. The report shall be prepared by a private organization or entity with
26 expertise in serving the needs of persons with gambling addictions, which
27 organization or entity shall be selected by the board. The report shall be
28 prepared and distributed under the supervision of and in coordination with the
29 board. Any costs associated with the preparation and distribution of the report

1 shall be borne by the licensees. The board shall also report annually to the
2 legislature on the effectiveness of the statutory and regulatory controls in place
3 to ensure the integrity of gaming operations, including mobile wagering.

4 PART II. LICENSEE, PLATFORM PROVIDERS,

5 AND OTHER PARTIES

6 §605. License; limited; requirements; contract with platform provider

7 A.(1) No person, business, or legal entity shall operate a sports book
8 without first being licensed by the board.

9 (2) The license to engage in the business of operating a sports book shall
10 be in addition to any other license required by law.

11 B. Only the following entities shall be eligible to apply for a sports
12 wagering license:

13 (1) The casino gaming operator as defined in R.S. 27:205 and provided
14 for in Chapter 5 of this Title.

15 (2) The holder of an active license as defined in R.S. 27:44 and provided
16 for in Chapter 4 of this Title.

17 (3) The holder of an active license as defined in R.S. 27:353 and provided
18 for in Chapter 7 of this Title.

19 C. The board shall only award a license to operate a sports book to an
20 applicant determined by the board to be suitable. In addition to the standards
21 provided in R.S. 27:28, in determining an applicant's suitability as a licensee,
22 the board may request from an applicant, and consider as a factor in the
23 determination, any or all of the following information items:

24 (1) Whether the applicant has adequate capitalization and the financial
25 ability and the means to develop, construct, operate, and maintain
26 infrastructure to support sports wagering activities and operations in
27 compliance with this Chapter and any administrative rules promulgated by the
28 board.

29 (2) Whether the applicant has the financial ability to purchase and

1 maintain adequate liability and casualty insurance and to provide an adequate
2 surety bond.

3 (3) Whether the applicant has adequate capitalization and the financial
4 ability to responsibly pay its secured and unsecured debts in accordance with
5 its financing agreements and other contractual obligations.

6 (4) Whether the applicant has a history of material noncompliance with
7 licensing requirements or any other regulatory requirements in the state or in
8 any other jurisdiction, where the noncompliance resulted in enforcement action
9 by the person with jurisdiction over the applicant.

10 (5) Whether the applicant has filed, or had filed against it, a proceeding
11 for bankruptcy or has ever been involved in any formal process to adjust, defer,
12 suspend, or otherwise negotiate the payment of any debt.

13 (6) Whether or not at the time of the application, the applicant is a
14 defendant in litigation involving the integrity of its business practices.

15 D.(1) The board shall only award an applicant a license if the board
16 determines that it meets the requirements of this Section and all other
17 qualifications and standards as determined by the board.

18 (2) A licensee may operate the sports book itself or contract for operation
19 of its onsite or other retail operations or mobile operations with a sports
20 wagering platform provider. Only a licensee or its sports wagering platform
21 provider may process, accept, offer, or solicit sports wagers.

22 (3) A licensee shall be responsible for the conduct of its sports wagering
23 platform provider and any sports wagering platform providers with whom it
24 contracts.

25 E. Prior to beginning operations, an operator shall install and thereafter
26 maintain a computerized bookmaking system, referred to herein as a sports
27 wagering platform, that meets the specifications required by law and by rule
28 and approved by the board.

29 §606. Sports wagering platform provider

1 A.(1) The board shall issue a sports wagering platform provider permit
2 to suitable persons who desire to contract with a licensee to manage or operate
3 all or a portion of a licensee's sports book line-of-business. A person shall not
4 manage or operate all or a portion of a licensee's sports book unless it possesses
5 a valid permit.

6 (2) In determining suitability of an applicant as a sports wagering
7 platform provider, the board may also request from an applicant, and consider
8 as a factor, any of the information items listed in R.S. 27:605(C) that it deems
9 relevant to making the determination.

10 B. (1) A sports wagering platform provider shall contract with a licensee
11 to provide sports wagering services. The terms of the contract shall be approved
12 by the board prior to the platform provider engaging in sports wagering
13 activities on behalf of the licensee.

14 (2) The contract between the licensee and the sports wagering platform
15 provider shall provide for access by the division and the board to any
16 information maintained by the platform provider for verification of compliance
17 with this Chapter.

18 C. A sports wagering platform provider shall use no more than one
19 sports wagering platform to offer, conduct, or operate a sports book on behalf
20 of the licensee.

21 D. A sports wagering platform provider shall keep books and records
22 for the management and operation of sports wagering as authorized by this
23 Chapter and for services for which it is contracted by a licensee. The keeping
24 of books and records shall be separate and distinct from any other business the
25 sports wagering platform provider might operate. A sports wagering platform
26 provider shall file quarterly returns with the board listing all of its contracts
27 and services related to sports wagering authorized under this Title.

28 E.(1) The board shall require that any provider of a sports wagering
29 platform operating in this state have an information technology division of

1 employees or independent contractors, which, at a minimum, shall be comprised
2 of an information technology department manager and a sports wagering
3 mechanism manager who may be the same person.

4 (2) The information technology department manager shall be responsible
5 for all data as well as the quality, reliability, and accuracy of all sports wagering
6 mechanisms and sports wagering equipment and any other software used by the
7 licensed sports wagering establishment.

8 (3) The sports wagering mechanism manager shall be responsible for
9 ensuring the proper operation and integrity of any sports wagering mechanism
10 or sports wagering equipment, and for reviewing all reports of suspicious
11 behavior.

12 F. The provider of a sports wagering platform shall provide the division
13 with a readily available point of contact to ensure compliance with the
14 requirements of this Chapter.

15 G. All servers necessary for the placement or resolution of wagers, other
16 than backup servers, shall be physically located in Louisiana.

17 H. Any sports wagering platform utilized for wagering shall have a
18 component of its design to reasonably verify that the person attempting to place
19 the wager is:

20 (1) At least twenty-one years of age.

21 (2) Physically located in a parish that has approved a proposition on
22 sports wagering and on a licensee's premises or on the premises of a permitted
23 retail location.

24 (3) Not a person who is otherwise prohibited from wagering with the
25 operator through law, rule, policy of the operator, self-exclusion, or pursuant
26 to R.S. 27:27.1.

27 I. A sports wagering platform provider shall be responsible for the
28 conduct of any sports wagering service providers with whom it contracts.

29 §607. Sports wagering service providers

1 A. The board shall issue a sports wagering service provider permit to
2 suitable persons who desire to contract with an operator to provide support
3 services for a licensee's sports book line-of-business. A person shall not provide
4 support services to an operator's sports book unless it possesses a valid permit.

5 B. (1) A sports wagering service provider shall contract with an operator
6 to provide sports wagering services. The terms of the contract shall be approved
7 by the board prior to the service provider engaging in sports wagering activities
8 on behalf of the operator.

9 (2) The contract between the operator and the sports wagering service
10 provider shall provide for access by the division and the board to any
11 information maintained by the service provider for verification of compliance
12 with this Chapter.

13 C. A sports wagering service provider shall keep books and records for
14 the management of sports wagering as authorized by this Chapter and for
15 services for which it is contracted by an operator. The keeping of books and
16 records shall be separate and distinct from any other business the sports
17 wagering service provider might operate. A sports wagering service provider
18 shall file quarterly returns with the board listing all of its contracts and services
19 related to sports wagering authorized under this Title.

20 §608. Retail establishments

21 A. The board shall permit retail establishments for the hosting of sports
22 wagering mechanisms and mobile wagering. An eligible retail establishment
23 shall include an establishment that has a Class A-General retail permit or a
24 Class A-Restaurant permit as defined in Part II of Chapter 1 or Part II of
25 Chapter 2 of Title 26 of the Louisiana Revised Statutes of 1950, for the sale of
26 alcoholic beverages for on-premises consumption and other establishments as
27 determined by the board. A retail establishment eligible for licensing shall not
28 include any premises leased to or utilized by a bonafide nonprofit organization
29 for the conducting of charitable gaming nor any convenience store, quick-stop,

1 food-mart, service station, grocery store, barber shop, laundromat or
2 washateria, package or discount liquor or cigarette establishment, movie
3 theater, or beauty shop, and other establishments as determined by the board.

4 B.(1) A permitted retail establishment may enter an agreement with an
5 operator or sports wagering service provider or distributor to host a sports
6 wagering mechanism and mobile wagering.

7 (2) The terms of the agreement shall be approved by the board.

8 PART III. WAGERING

9 §609. Locations for wagering

10 A. An operator may engage in sports wagering in the state in any parish
11 that approved a proposition authorizing sports wagering. However, an operator
12 may only accept a wager from a player that is physically located on the
13 licensee's premises or the premises of a permitted retail establishment.

14 B. An operator shall not accept a wager from any player that, at the time
15 the wager is attempted to be placed or is placed, is physically located in a parish
16 that has not approved a proposition authorizing sports wagering or the player
17 is not physically located on the licensee's premises or the premises of a
18 permitted retail location.

19 §610. Operators; required; responsibilities; pooling

20 A. An operator may conduct sports wagering in-person or via a sports
21 wagering mechanism or online through a website or mobile application.

22 B. An operator shall establish and display the odds at which wagers may
23 be placed on sports events. No operator shall accept a wager in-person, via a
24 sports wagering mechanism, or through a website or mobile application unless
25 the wagering proposition is posted by electronic or manual means.

26 C. An operator shall adopt comprehensive rules which shall be
27 approved by the board governing sports wagering transactions with its patrons.
28 The rules shall specify the amount to be paid on winning wagers and the effect
29 of schedule changes. The rules, together with any other information the board

1 deems appropriate, shall be conspicuously displayed in the establishment,
2 posted electronically on any sports wagering mechanism, website, or mobile
3 application, and included in the terms and conditions of the sports wagering
4 account system.

5 D. An operator shall maintain records of sports wagering activities and
6 operations in accordance with rules and regulations of the board and follow
7 AML practices in day-to-day operations of its business.

8 E. Each operator shall designate one or more key employees who shall
9 be responsible for the operation of the sports book. At least one key employee
10 shall be on premises whenever sports wagering is conducted.

11 F. All wagers on sports events authorized under this Chapter shall be
12 initiated, received, and otherwise made within the state unless otherwise
13 determined by the board in accordance with applicable federal and state laws.
14 Consistent with the Unlawful Internet Gambling Enforcement Act of 2006, 31
15 U.S.C. 5361 et seq., the intermediate routing of electronic data relating to a
16 lawful intrastate wager authorized by this Chapter shall not determine the
17 location or locations in which the wager is initiated, received, or otherwise
18 made.

19 G. An operator may pool wagers with persons who are not physically
20 present in this state if the board determines that this wagering is not
21 inconsistent with federal law or the law of this state, including any foreign
22 nation, in which the person is located, or that the wagering is conducted
23 pursuant to a reciprocal agreement to which the state is a party that is not
24 inconsistent with federal law.

25 §611. Limitations on wagering

26 A.(1) To place a sports wager with an operator, a player shall be all of
27 the following:

28 (a) Twenty-one years of age or older.

29 (b) Physically located in a parish that has approved a proposition

1 authorizing sports wagering at the time the wager is initiated or placed and on
2 a licensee's premises or on the premises of a permitted retail establishment.

3 (c) Have a wagering account established with the operator if the player
4 is attempting to place a sports wager through a website or mobile application.

5 (d) Not be prohibited from wagering with the operator by law, rule,
6 policy of the operator, self-exclusion, or pursuant to R.S. 27:27.1.

7 (2) In order to accept a sports wager from a player, an operator shall
8 confirm that the player meets all of the following criteria:

9 (a) Is twenty-one years of age or older.

10 (b) Is physically located in a parish that has approved a proposition
11 authorizing sports wagering at the time the wager is initiated or placed and on
12 a licensee's premises or on the premises of a permitted retail establishment.

13 (c) Has an existing sports wagering account with the operator if the
14 wager is being placed through a website or mobile application.

15 (d) Is not prohibited from wagering with the operator by law, rule, policy
16 of the operator, self-exclusion, or pursuant to R.S. 27:27.1.

17 B.(1) An operator shall not knowingly accept wagers from a person who
18 is an athlete, coach, referee, or other official or staff of a participant or team
19 that is participating in the sports event on which the person is attempting to
20 place the wager.

21 (2) An operator shall not knowingly accept wagers from a person who
22 is the operator itself or is a director, officer, owner, or employee of the operator
23 or any relative or other person living in the same household as a director,
24 officer, owner, or employee of the operator.

25 C. No sports wagers may be accepted or paid by any operator on any of
26 the following:

27 (1) On any sport or athletic event not authorized by law or the board.

28 (2) On any sport or athletic event which the operator knows or
29 reasonably should know is being placed by or on behalf of an official, owner,

1 coach, or staff of a participant or team that participates in that event.

2 (3) On the occurrence of injuries or penalties, or the outcome of a
3 player's disciplinary rulings, or replay reviews.

4 D. Subject to the rules of the board, an operator shall immediately
5 report to the board on the following activities:

6 (1) Any criminal or disciplinary proceedings commenced against the
7 licensee or its employees, or a sports wagering platform provider or its
8 employees, in connection with the operations of the sports book.

9 (2) Any abnormal wagering activity or patterns that may indicate a
10 concern about the integrity of a sports event.

11 (3) Any other conduct with the potential to corrupt a wagering outcome
12 of a sports event for purposes of financial gain, including but not limited to
13 match fixing.

14 (4) Suspicions or illegal wagering activities, including the use of funds
15 derived from illegal activity, wagers to conceal or launder funds derived from
16 illegal activity, use of agents to place wagers, or use of false identification.

17 E. Every operator shall adopt procedures to obtain personally
18 identifiable information from any individual who places an in-person single
19 wager in an amount of ten thousand dollars or greater on a sports event.

20 F.(1) A sports governing body may submit to the board in writing a
21 request to restrict, limit, or exclude a certain type, form, or category of sports
22 wagering with respect to sporting events of its body if the sports governing body
23 believes that such type, form, or category of sports wagering with respect to
24 sporting events of its body may undermine the integrity or perceived integrity
25 of the body or sporting event of the body.

26 (2) The board shall request comments from operators on any request it
27 receives pursuant to Paragraph (1) of this Subsection.

28 (3) After due consideration to all comments received, the board shall
29 grant the request if the board finds a demonstration of good cause from the

1 requestor that such type, form, or category of sports wagering is likely to
2 undermine the integrity or perceived integrity of the body.

3 (4) The board shall respond to a request concerning a particular event
4 before the start of the event, or if it is not feasible to respond before the start of
5 the event, no later than thirty days after the request is made.

6 (5) If the board determines that the requestor is more likely than not to
7 prevail in successfully demonstrating good cause for its request, the board may
8 provisionally grant the request of the sports governing board until the board
9 makes a final determination as to whether the requestor has demonstrated good
10 cause. Absent such a provisional grant by the board, operators may continue to
11 offer sports wagering on the sporting events that are the subject of such a
12 request during the pendency of the board's consideration of the applicable
13 request.

14 §612. Electronic wagering; kiosk; website or mobile application

15 A.(1) Electronic wagering may be conducted only to the extent that it is
16 conducted in accordance with this Chapter and in accordance with the rules
17 and regulations promulgated by the board.

18 (2) An operator may accept wagers made electronically using a sports
19 wagering mechanism or online through a website or mobile application.

20 B. Sports wagering mechanism. (1) A player may place a wager via a
21 sports wagering mechanism with cash or utilizing the player's established sports
22 wagering account.

23 (2) Sports wagering mechanisms shall only be located in areas where
24 accessibility is limited to patrons twenty-one years of age or older and have been
25 permitted by the board. In addition to the age accessibility restriction, the
26 location may be any one of the following items:

27 (a) The licensee's sports wagering lounge and other restricted locations
28 on its premises.

29 (b) A restricted location within a permitted retail establishment.

1 (c) A licensed offtrack wagering facility as provided in Part II of Chapter
2 4 of Title 4 of the Louisiana Revised Statutes of 1950 if the primary licensee of
3 the offtrack wagering facility, as provided in R.S. 4:214(A)(1), is a licensed
4 sports wagering establishment.

5 (d) Other restricted locations as approved by the board.

6 (3) Sports wagering mechanisms shall be branded in the same brand as
7 the licensee.

8 (4)(a) Any sports wager placed with cash via a sports wagering
9 mechanism shall be evidenced by a ticket indicating the name of the operator
10 booking the wager, the sports event on which the wager was placed, the amount
11 of cash wagered, the type of bet and odds if applicable, the date of the event, and
12 any other information required by the board.

13 (b)(i) No sports wagering mechanism shall be utilized by a patron to
14 collect on a winning ticket. A patron with a winning ticket shall redeem the
15 ticket at the establishment of the licensee that booked the wager within one
16 hundred eighty days of the date of completion of the event.

17 (ii) Notwithstanding Item (i) of this Subparagraph, for the convenience
18 of the public, the board may establish a maximum dollar amount for a winning
19 ticket that a retailer may pay after the retailer validates the ticket pursuant to
20 procedures approved by the board.

21 (5) A sports wagering mechanism may be utilized by a player to make a
22 deposit in their sports wagering account.

23 (6) Wagers placed via a sports wagering mechanism through a player's
24 established sports wagering account shall be settled through the player's
25 wagering account.

26 C. Mobile gaming. (1) For purposes of mobile gaming, each licensee may
27 provide no more than three individually branded websites which may have an
28 accompanying mobile application bearing the same brand as the website. The
29 website and mobile application shall only be offered under the same brand as

1 the licensee, or the sports wagering platform provider, or both. The website and
2 mobile application shall be, at the discretion of the licensee, in addition to any
3 other websites or mobile applications operated by the platform provider and
4 offering other types of mobile gaming.

5 (2) Wagering online through a website or mobile application shall be
6 subject to the following requirements:

7 (a)(i) A patron shall establish a wagering account with the operator
8 before the operator may accept any online sports wager from the patron and an
9 initial verification of the account shall be completed by the operator. An
10 account may be established with a line of credit or as an advance deposit
11 wagering account.

12 (ii) No operator shall accept a wager through a website or mobile
13 application from the public or any person who does not have an established
14 account with the operator.

15 (b) A player shall be physically located on the premises of a licensee or
16 on the premises of a permitted retail location for the operator who books the
17 bet.

18 (c) No wagers shall be placed, nor accepted by an operator, when the
19 player is physically located in any of the following places:

20 (i) Out of state.

21 (ii) In a parish that has not approved a proposition authorizing sports
22 wagering.

23 (iii) Beyond the premises of a licensee or the premises of a permitted
24 retail location.

25 (3) An operator shall maintain geofencing and geolocation services and
26 shall bear all costs and responsibilities associated with the services as required
27 by the board.

28 §613. Payment of winnings

29 A.(1) Winning wagers that were placed in-person or via a sports

1 wagering mechanism with cash and are evidenced by a ticket receipt shall be
 2 redeemed by a player within one hundred eighty days from the time of the
 3 event. A licensee shall pay tickets upon presentation after performing validation
 4 procedures.

5 (2) Winning wagers placed using a sports wagering account shall be
 6 credited by the licensee to the patron's account within one day from the time of
 7 the event.

8 B. A licensee's obligation to pay winning tickets shall expire after one
 9 hundred eighty days from the date of the event if not presented for payment.

10 §614. Layoff bets

11 An operator may seek to reduce its risk exposure on a sports event by
 12 placing a wager with another book. An operator may accept wagers placed by
 13 other books. An operator may place wagers only with other Louisiana
 14 operators. The operator that places a wager shall inform the book accepting the
 15 wager that the wager is being placed by a book and shall disclose the book's
 16 identity.

17 Section 2. R.S. 13:4721 is hereby amended and reenacted to read as follows:

18 §4721. Gambling houses; definition; declared public nuisances

19 A. For the purposes of this ~~Sub-part~~, **Subpart**, or for the purposes of any
 20 action or prosecution ~~hereunder~~ **in this Section**, a gambling house is **either**:

21 (1) ~~any~~ **Any** place ~~whatever~~ **whatsoever** where any game of chance of any
 22 kind or character is played for money, for wagers, or for tokens, and where the
 23 conduct of such place operates, directly or indirectly, to the profit of one or more
 24 individuals and not exclusively to the direct profit of the actual participants in such
 25 game; ~~and~~.

26 (2) ~~any~~ **Any** place whatsoever where races, athletic contests, ~~and~~ sports, and
 27 games are not actually held and where opportunity is afforded for wagering upon
 28 races, athletic contests, sports, and games of chance.

29 **B.** All gambling houses as ~~herein~~ defined **in this Section** are declared to be

1 public nuisances, and the ~~owner~~ **owners** thereof, and the ~~agent~~ **agents** for such
2 ~~owner,~~ **owners,** or the ~~lessee, sublessee~~ **lessees, sublessees,** or other occupants
3 thereof are declared to be guilty of maintaining a public nuisance.

4 **C. The provisions of this Subpart shall not apply to any place where a**
5 **sports book is being conducted in accordance with Chapter 10 of Title 27 of the**
6 **Louisiana Revised Statutes of 1950.**

7 Section 3. R.S. 14:90.5(A), (B), and (C) are hereby amended and reenacted and R.S.
8 14:90(E) and 90.3(K) are hereby enacted to read as follows:

9 §90. Gambling

10 * * *

11 **E. Sports wagering shall not be considered gambling for purposes of this**
12 **Section so long as the wagering is conducted in compliance with Chapter 10 of**
13 **Title 27 of the Louisiana Revised Statutes of 1950.**

14 * * *

15 §90.3. Gambling by computer

16 * * *

17 **K. Sports wagering shall not be considered gambling by computer for**
18 **purposes of this Section so long as the wagering is conducted in compliance with**
19 **Chapter 10 of Title 27 of the Louisiana Revised Statutes of 1950.**

20 * * *

21 §90.5. Unlawful playing of gaming devices by persons under the age of twenty-one;
22 underage persons, penalty

23 A. It is unlawful for any person under twenty-one years of age to play casino
24 games, gaming devices, or slot machines **or to place a wager on a sports event.**

25 B. No person under the age of twenty-one, except an emergency responder
26 acting in his official capacity, shall enter, or be permitted to enter, the designated
27 gaming area of a riverboat, the designated gaming area of the official gaming
28 establishment, or the designated ~~slot machine~~ gaming area of a pari-mutuel wagering
29 facility which offers live horse racing licensed for operation and regulated under the

1 applicable provisions of Chapters 4, 5, and 7 of Title 27 of the Louisiana Revised
2 Statutes of 1950.

3 C.(1) For purposes of this Section, "casino games, gaming devices, or slot
4 machines" means a game or device, as defined in R.S. 27:44~~(10) or (12)~~, 205~~(12) or~~
5 ~~(13)~~, or 353~~(14)~~ operated on a riverboat, at the official gaming establishment, or at
6 a pari-mutuel wagering facility which offers live horse racing which is licensed for
7 operation and regulated under the provisions of Chapters 4, 5, and 7 of Title 27 of
8 the Louisiana Revised Statutes of 1950.

9 **(2) For purposes of this Section, "place a wager on a sports event" shall**
10 **apply to wagers attempted to be or actually placed in-person, via a self-service**
11 **sports wagering mechanism, or though a website or mobile application as those**
12 **terms are defined in R.S. 27:602 and operations are regulated under the**
13 **provisions of Chapter 10 of Title 27 of the Louisiana Revised Statutes of 1950.**

14 * * *

15 Section 4. The provisions of this Act shall become effective on July 1, 2021, or the
16 date on which laws providing for the taxation of sports wagering activities and operations
17 are enacted and become effective, whichever is later.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Dawn Romero Watson.

DIGEST

SB 195 Original 2021 Regular Session Henry

Proposed law enacts the "Louisiana Sports Wagering Act".

Present law vests all regulatory authority, control, and jurisdiction over all aspects of gaming activities and operations of riverboats, the land-based casino, video poker, and fantasy sports contests with the Louisiana Gaming Control Board (board.)

Proposed law retains present law and adds authority, control, and jurisdiction for the board over sports wagering.

Proposed law specifically provides that any license, permit, approval, or thing obtained or issued pursuant to proposed law is expressly declared by the legislature to be a pure and absolute revokable privilege and not a right, property or otherwise, under the federal or state constitution.

Proposed law provides for definitions and requires the board to adopt rules in accordance with the Administrative Procedure Act to:

- (1) Develop qualifications and standards and a process and procedure for the licensure of sports wagering establishments as well as the renewal, suspension, and revocation of a license.
- (2) Develop qualifications and standards and a procedure and process for approval and permitting of sports wagering platform providers, sports wagering service providers, distributors, manufacturers, vendors, suppliers, personnel, and retail establishments as well as the renewal, suspension, and revocation of a permit.
- (3) Promulgate forms, processes, and procedures necessary to implement, administer, and regulate sports wagering as authorized by proposed law.
- (4) Establish standards for the amount of reserves required to be maintained by an operator and the allowable form of those reserves, including standards for initial reserves for a newly licensed sports wagering establishment or newly permitted sports wagering platform provider.
- (5) Establish guidelines for the acceptance of wagers on a series of sports events by a sports book operator.
- (6) Determine the maximum number and amount of wagers which may be accepted by an operator from any one patron on any one sports event.
- (7) Prohibit an operator from unilaterally rescinding a wager unless approved by the board to do so.
- (8) For cash wagers placed in-person or via a sports wagering mechanism, establish standards for the type of wagering tickets which may be used, information required to be printed on a ticket, and methods for issuing tickets.
- (9) Establish the method of accounting to be used by operators, the types of records required to be kept, and the length of time records shall be retained.
- (10) Require operators to comply with anti-money laundering standards and practices.
- (11) Provide standards for the use of credit and checks by players and other protections for players.
- (12) Establish internal controls for all aspects of electronic wagering, including procedures for system integrity, system security, operations, accounting, and reporting of problem gamblers.
- (13) Establish operational controls for server-based gaming systems, software and hardware utilized on electronic sports wagering, including but not limited to appearance, functionality, contents, collection, storage, and retention of data and security.
- (14) Establish operational controls for sports wagering accounts, including but not limited to procedures for establishment and closure of an online account, funding of withdrawal of funds from an online account, and generation of an account statement for a patron's online account.
- (15) Establish standards for servers and other equipment used to accept wagers by operators and procedures for inspection and for addressing defective or malfunctioning devices, equipment, and accessories related to sports wagering.
- (16) Establish standards and a process for approval for permitting retail establishments for hosting of sports wagering mechanisms and mobile betting.

- (17) Require that an amount equal to or greater than 10% of all sports wagering booked by an operator on any event be on deposit in a Louisiana chartered bank and that a dollar amount equal to or greater than 10% of the total amount held by an operator in patron's sports wagering accounts be on deposit in a Louisiana chartered bank.

Proposed law authorizes emergency rulemaking procedures to be used for the initial promulgation of administrative rules.

Proposed law provides that the board shall follow its regulatory processes for dispute resolution for disputes arising from sports wagering.

Proposed law provides that the gaming division of state police shall, at all times deemed appropriate by the board, be charged with inspecting and ensuring compliance with all the requirements of proposed law and with any other tasks deemed necessary by the board to the regulation of sports wagering in this state.

Proposed law requires the board, following consultation with operators, to annually report to the legislature on the impact of sports wagering on sports events, on problem gamblers, and on gambling addiction in the state. Provides that any costs associated with the preparation and distribution of the report shall be borne by the licensees. Requires the board to also report annually to the legislature on the effectiveness of the statutory and regulatory controls in place to ensure the integrity of gaming operations, including mobile wagering.

Proposed law provides that no person, business, or legal entity shall operate a sports book without first being licensed by the board and that a sports wagering license shall be in addition to any other license.

Proposed law provides that only the following entities shall be eligible to apply for a sports wagering license:

- (1) The land based casino.
- (2) The fifteen licensed riverboats.
- (3) The four live horse racing tracks, provided that the applicant has the approval of the Louisiana State Racing Commission to apply to be licensed for a sports book.

Proposed law provides that the board shall only award a license to operate a sports book to an applicant that it determines to be suitable, and specifically provides other information that the board may consider in addition to the information the board uses in determining suitability for other gaming licenses.

Proposed law provides that the board shall award licenses to applicants that meet the provisions of proposed law and all other qualifications and standards as determined by the board.

Proposed law provides that a licensed sports wagering establishment may operate the sports book itself or contract for operation of its onsite or its online operation with a sports wagering platform provider. Provides that only a licensed sports wagering establishment or its sports wagering platform provider may process, accept, offer, or solicit sports wagers.

Proposed law specifically provides that a licensee shall be responsible for the conduct of its sports wagering platform provider and any sports wagering service providers with whom it contracts.

Proposed law provides that prior to beginning operations, a licensed sports wagering establishment shall install and thereafter maintain sports wagering platform that meets the specifications required by law and by rule and approved by the board.

Proposed law requires a sports wagering platform provider to contract with a licensee to provide sports wagering services and provides that the terms of the contract shall be approved by the board prior to the platform provider engaging in sports wagering activities on behalf of the licensee. Requires that the contract provide access for the division and the board to any information maintained by the platform provider for verification of compliance with proposed law.

Proposed law limits an operator to no more than one sports wagering platform to offer, conduct, or operate a sports book on behalf of a licensed sports wagering establishment.

Proposed law requires that any provider of a sports wagering platform operating in this state have an information technology division of employees or independent contractors, which, at a minimum, shall be comprised of an IT department manager and a sports wagering mechanism manager who may be the same person. Requires the provider of a sports wagering platform to provide to the division a readily available point of contact to ensure compliance with the requirements of proposed law.

Proposed law requires that all servers necessary to the placement or resolution of wagers, other than backup servers, to be physically located in Louisiana.

Proposed law requires that the sports wagering platform utilized for electronic wagering have a component of its design to reasonably verify that the person attempting to place the wager is:

- (1) At least 21 years of age.
- (2) Physically located in a parish that has approved a proposition on sports wagering and on a licensee's premises or on the premises of a permitted retail establishment.
- (3) Not a person who is otherwise prohibited from wagering with the operator through law, rule, policy of the operator, self-exclusion, or the compulsive and problem gaming program.

Proposed law specifically provides that a sports wagering platform provider shall be responsible for the conduct of any sports wagering service providers with whom it contracts.

Proposed law provides that the board shall issue a sports wagering service provider permit to suitable persons who desire to contract with an operator to manage all or a portion of an operator's sports book line-of-business. Provides that a person shall not manage all or a portion of an operator's sports book unless it possesses a valid permit.

Proposed law provides that a sports wagering service provider shall contract with an operator to provide sports wagering services. The terms of the contract shall be approved by the board prior to the service provider engaging in sports wagering activities on behalf of the operator. Requires that the contract between the operator and the sports wagering service provider shall provide for access by the division and the board to any information maintained by the service provider for verification of compliance with proposed law.

Proposed law requires a sports wagering service provider to keep books and records for the management of sports wagering for the services for which it is contracted by the operator. Provides that the keeping of books and records shall be separate and distinct from any other business the sports wagering service provider might operate. Requires the sports wagering service provider to file quarterly returns with the board listing all of its contracts and services related to sports wagering.

Proposed law provides that the board shall permit retail establishments for the hosting of sports wagering mechanisms and mobile gaming. An eligible retail establishment shall include an establishment that has a bar or restaurant license for the sale of alcoholic

beverages for on-premises consumption shall be eligible and other establishments as determined by the board. Provides that a retail establishment eligible for licensing shall not include any premises leased to or utilized by a bonafide nonprofit organization for the conducting of charitable gaming nor any convenience store, quick-stop, food-mart, service station, grocery store, barber shop, laundromat or washateria, package or discount liquor or cigarette establishment, movie theater, or beauty shop and other establishments as determined by the board.

Proposed law provides that a permitted retail establishment may enter an agreement with an operator or a sports wagering service provider or distributor to host a sports wagering mechanism and mobile wagering. Provides that the terms of the agreement shall be approved by the board.

Proposed law provides that an operator may engage in sports wagering in the state in any parish that approved a proposition authorizing sports wagering. However, an operator may only accept a wager from a player that is physically located on the licensee's premises or the premises of a permitted retail establishment. Prohibits an operator from accepting a wager from any player that, at the time the wager is attempted to be placed or is placed, is physically located in a parish that has not approved a proposition authorizing sports wagering or the player is not physically located on the licensee's premises or the premises of a permitted retail location.

Proposed law requires an operator to establish and display the odds at which wagers may be placed on sports events. Prohibits an operator from accepting a wager in-person, via a sports wagering mechanism, or online through a website or mobile application unless the wagering proposition is posted by electronic or manual means.

Proposed law requires an operator to adopt comprehensive rules governing sports wagering transactions with its patrons and for those rules to be subject to approval by the board. Requires the rules to specify the amount to be paid on winning wagers and the effect of schedule changes. Requires the rules, together with any other information the board deems appropriate, to be conspicuously displayed in the establishment, posted electronically on any sports wagering mechanism, website, or mobile application, and included in the terms and conditions of the sports wagering account system.

Proposed law requires an operator to maintain records of sports wagering activities and operations in accordance with rules and regulations of the board and follow anti-money laundering practices in day-to-day operations of its business.

Proposed law requires each operator to designate one or more key employees who shall be responsible for the operation of the sports book. Requires at least one of those key employees to be on the premises whenever sports wagering is conducted.

Proposed law specifies that all wagers on sports events authorized under proposed law shall be considered to be initiated, received, and otherwise made within the state unless otherwise determined by the board in accordance with applicable federal and state laws.

Proposed law authorizes an operator to pool wagers with persons who are not physically present in this state if the board determines that this wagering is not inconsistent with federal law or the law of this state, including any foreign nation, in which any such person is located, or that the wagering is conducted pursuant to a reciprocal agreement to which the state is a party that is not inconsistent with federal law.

Proposed law provides that for a player to place a sports wager with an operator and for an operator to accept a wager from a player, the player must be:

- (1) 21 years of age or older.

- (2) Physically located in a parish that has approved a proposition authorizing sports wagering and on a licensee's premises or on the premises of a permitted retail establishment.
- (3) Have a wagering account established with the operator if the player is attempting to place an sports wager through a website or mobile application.
- (4) Not be prohibited from wagering with the operator by law, rule, policy of the operator, self-exclusion, or the compulsive and problem gambling program.

Proposed law prohibits an operator from knowingly accepting wagers from a person who is an athlete, coach, referee, or other official or staff of a participant or team that is participating in the sports event on which the person is attempting to place the wager. Also prohibits an operator from knowingly accepting a wager from a person who is the operator itself or is a director, officer, owner, or employee of the operator or any relative or other person living in the same household as a director, officer, owner, or employee of the operator.

Proposed law prohibits an operator from accepting or paying on a wager that is:

- (1) On any sport or athletic event not authorized by law or the board.
- (2) On any sport or athletic event which the operator knows or reasonably should know is being placed by or on behalf of an official, owner, coach, or staff of a participant or team that participates in that event.
- (3) On the occurrence of injuries or penalties, or the outcome of a player's disciplinary rulings, or replay reviews.

Proposed law, subject to the rules of the board, requires an operator to immediately report to the board on:

- (1) Any criminal or disciplinary proceedings commenced against the licensee or its employees, or a sports wagering platform provider or its employees, in connection with the operations of the sports book.
- (2) Any abnormal wagering activity or patterns that may indicate a concern about the integrity of a sports event.
- (3) Any other conduct with the potential to corrupt a wagering outcome of a sports event for purposes of financial gain, including but not limited to match fixing.
- (4) Suspicions or illegal wagering activities, including the use of funds derived from illegal activity, wagers to conceal or launder funds derived from illegal activity, use of agents to place wagers, or use of false identification.

Proposed law requires an operator shall adopt a procedure to obtain personally identifiable information from any individual who places an in-person single wager in an amount of \$10,000 or greater on a sports event.

Proposed law, regarding sports wagering mechanism, provides that a player can place a wager with cash or utilizing the player's established sports wagering account. Requires that sports wagering mechanisms only be located in areas where accessibility is limited to patrons 21 years of age or older and may be located in:

- (1) The licensee's sports wagering lounge and other restricted locations on its premises.
- (2) A restricted location within an approved retail establishment.

- (3) A licensed offtrack wagering facility if the live race track is a licensed sports wagering establishment.
- (4) At other restricted locations as approved by the board.

Proposed law requires that the sports wagering mechanisms shall be branded in the same brand as the licensee.

Proposed law provides that any sports wager placed with cash via a sports wagering mechanism shall be evidenced by a ticket indicating the name of the operator booking the wager, the sports event on which the wager was placed, the amount of cash wagered, the type of bet and odds if applicable, the date of the event, and any other information required by the board. Provides that sports wagering mechanisms shall not be utilized by a patron to collect on a winning ticket; requires a patron with a winning ticket to redeem the ticket at the establishment of the licensee that booked the wager within one year of the date of the event. Provides that notwithstanding proposed law, for the convenience of the public, the board may establish a dollar value amount for a winning ticket as a cap that a retailer may pay after the retailer performs validation procedures on the ticket.

Proposed law provides that a sports wagering mechanism may be utilized by a player to make a deposit in their sports wagering account. Also provides that all wagers place via a sports wagering mechanism through a player's established sports wagering account shall be settled through the player's wagering account.

Proposed law, relative to mobile gaming, provides that each licensee may provide no more than three individually branded websites which may have an accompanying mobile application bearing the same brand as the website. Provides that the website and mobile application shall only be offered under the same brand as the licensed sports wagering establishment, or the sports wagering platform provider, or both. Provides that the website and mobile application shall be, at the discretion of the licensed sports wagering establishment, in addition to any other websites or mobile applications operated by the platform provider and offering other types of mobile gaming.

Proposed law requires a patron to establish a wagering account with the operator before the operator may accept any online sports wager from the patron and that an initial verification of the account must be completed by the operator. Authorizes the account to be established with a line of credit or as an advance deposit wagering account. Prohibits an operator from accepting a mobile wager from the public or any person who does not have an established account with the operator.

Proposed law prohibits an operator from accepting a wager from a player physically located outside of Louisiana or located in a parish that did not approve sports wagering or beyond the premises for a licensee or the premises of a permitted retail location. Requires an operator to maintain geofencing and geolocation services and to bear all costs and responsibilities associated therewith.

Proposed law authorizes an operator who seeks to reduce its risk exposure on a sports event to place a wager with book. Requires the operator that places the wager to inform the book accepting the wager that the wager is being placed by a book and to disclose its identity.

Present law prohibits gambling houses, gambling, and gambling by computer.

Proposed law retains present law, but makes an exception for gaming conducted in accordance with proposed law.

Present law provides that it is unlawful for any person under 21 years of age to play casino games, gaming devices, or slot machines.

Proposed law retains present law and includes sports wagering to casino games that persons under 21 years of age are prohibited from playing.

Provides that the provisions of the Act shall become effective on July 1, 2021, or the date on which laws providing for the taxation of sports wagering activities and operations are enacted and become effective, whichever is later.

(Amends R.S. 13:4721, R.S. 14:90.5(A), (B), and (C), R.S. 27:3(10), (15), (17), (19) and (24), 15(B)(1), 15.1, 29(F), (H) and (I), 29.2(D), 29.3(D), 44(10), 58(5), 65(B)(11), 205(11) and (12), 239.1, 353(2) and (5), 361(F), 364(A)(1)(c)(ii) and (5), 371(C), 372(B), and 375(D); adds R.S. 14:90(E) and 90.3(K), R.S. 27:3(25) and (26) and 15(8)(c) and 601-614)