
DIGEST

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SB 272 Reengrossed

2022 Regular Session

Cortez

Present law provides for the Louisiana State Racing Commission (LSRC) to regulate the conduct of pari-mutuel racehorse wagering and the Louisiana Gaming Control Board (LGCB) to regulate the conduct of sports wagering.

Proposed law authorizes the LSRC to make rules and regulations for pari-mutuel wagering in a sports book lounge of a host entity (Riverboats or Land-based Casino) licensed by the LGCB to conduct sports wagering. Also authorizes pari-mutuel wagering in the sports book lounge of a licensed racing association (Racetrack).

Present law provides that LSRC is the exclusive authority regarding all conducted horse races upon the results of which there is wagering. Provides that only persons receiving a license from LSRC may conduct pari-mutuel wagering and that pari-mutuel wagering shall be limited to a space within the race meeting grounds or an offtrack wagering facility. Declares that all other forms of wagering on the result of horse races are illegal.

Proposed law provides that notwithstanding present law, pari-mutuel wagering on the result of horse races may also be conducted in the sports book lounge licensed by LGCB for sports wagering, provided the requirements of proposed law are met.

Present law provides for certain definitions for the purpose of establishing an offtrack wagering facility (OTB).

Proposed law retains present law and adds definitions for "audited net profits", "host entity" and "offtrack wagering facility licensee".

Present law provides that any licensed racing association may conduct pari-mutuel wagering and engage in all necessary activities to establish appropriate offtrack wagering facilities to accomplish that purpose.

Proposed law retains present law and adds that a licensed racing association may be licensed as an OTB to conduct pari-mutuel wagering in a sports book lounge of a Riverboat or Land-based Casino, provided that the Riverboat or Land-based Casino is geographically located in one of the 20 parishes that have approved, by public referendum, the conduct of pari-mutuel wagering in that parish. Requires there to be an agreement between the licensed racing association and the Riverboat or Land-based Casino that is approved by both the LSRC and LGCB and that the agreement include the following terms:

- (1) Pari-mutuel wagering shall be restricted to the Riverboat's or Land-based Casino's retail sports book lounge.
- (2) Pari-mutuel wagering shall be conducted in accordance with present law.
- (3) All pari-mutuel wagers shall be maintained and accounted separate and distinct from all other sports wagers placed in the sports book lounge.
- (4) The gaming division of the office of state police shall have access to all files, records, documents, film, tape, including surveillance tape, and any other information and personnel necessary to determine compliance with all gaming laws, rules, and regulations on gaming activities and operations under LSRC's jurisdiction or LGCB's jurisdiction.
- (5) The offtrack wagering facility licensee shall make compensation payments to the Riverboat or Land-based Casino of 30% of audited net profits on the total amount

wagered at the Riverboat or Land-based Casino facility. Requires the agreement to specify the calculation and periodic payments.

- (6) All commissions and fees taken from pari-mutuel wagers and the distribution of the takeouts shall be as provided in present law.

Proposed law provides that a licensed racing association may be licensed as an OTB to conduct pari-mutuel wagering in its sports book pursuant to a plan of operation approved by LSRC and LGCB and requires the plan of operation to provide that:

- (1) Pari-mutuel wagering shall be conducted in accordance with present law.
- (2) All pari-mutuel wagers placed in the sports book lounge shall be maintained and accounted separate and distinct from all other sports wagers placed in its sports book lounge.
- (3) The gaming division of the office of state police shall have access to all files, records, documents, film, tape, including surveillance tape, and any other information and personnel necessary to determine compliance with all gaming laws, rules, and regulations on gaming activities and operations under LSRC's jurisdiction or LGCB's jurisdiction.

Present law provides several criteria for LSRC to approve a licensed racing association for an OTB.

Proposed law retains present law with the following exceptions for OTBs located in a sports book lounge:

- (1) Provides a municipal governing body's authority to impose a license fee on an OTB as a result of a municipal referendum shall not apply.
- (2) Provides that the requirement that a licensed racing association grant permission to an OTB to be located within a 55 mile radius of its pari-mutuel facility shall not apply.
- (3) Provides that such OTB's shall not count toward present law's maximum number of OTBs per parish.
- (4) Provides that present law's maximum allowable attendance at an OTB shall not apply.
- (5) Raises the minimum age of a person to enter to 21 years old.
- (6) Provides the 25 cents per person admission fee shall not apply.
- (7) Prohibits the conducting of historical horse wagering.

Present law provides that only a licensed racing association may own and operate an OTB in a parish whose parish seat is located less than 55 miles from their facility and provides a procedure for ownership for locations outside of the 55 mile radius and instances where more than one facility is within the radius.

Proposed law provides that present law shall not apply to an OTB located in a sports book lounge of a Riverboat or Land-based Casino.

Present law restricts the location of OTBs in relation to National Register of Historic Places, public playgrounds, residential property or buildings primarily used as a church, synagogue, public library, or school.

Proposed law provides that present law shall not apply to an OTB located in a sports book lounge of a Riverboat or Land-based Casino.

Present law provides that LSRC may refuse, suspend, or withdraw licenses granted by it for just cause. Provides that several behaviors that constitute just cause, including an action that is contrary to present law.

Proposed law retains present law and adds to the behaviors that constitute just cause actions contrary to an agreement or plan of operation for an OTB located in a sports book lounge.

Present law provides that Riverboats, Land-based Casino, and Racetracks pay taxes on net gaming proceeds from sports wagering. Defines "net gaming proceeds" as the amount equal to the total gross revenue of all wagers placed by patrons less the total amount of all winnings paid out to patrons and the amount of eligible promotional play.

Proposed law provides that "net gaming proceeds" shall not include wagers placed by patrons on racehorse wagering, or winnings paid out to patrons on racehorse wagering, and defines "racehorse wagering" as wagers placed on horse racing conducted under the pari-mutuel form of wagering at licensed racing facilities that are accepted in accordance with present law on pari-mutuel wagering and an approved agreement or approved plan of operation.

Proposed law provides that any commissions, fees, and other deductions on racehorse wagering shall be in accordance with present law.

Proposed law provides specific authority for the LGCB to reconsider and withdraw its approval of an agreement or plan of operation upon a finding of noncompliance with the terms of the agreement or plan.

Effective August 1, 2022.

(Amends R.S. 4:149, 211, 213, 214, and 226(B)(1) and R.S. 27:602(13); adds R.S. 4:147(7), 215(D), and 228(H) and R.S. 27:602(18.1), 607(H), and 629)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Judiciary B to the original bill

1. Adds provisions authorizing pari-mutuel wagering to be conducted in a sports book lounge.

Senate Floor Amendments to engrossed bill

1. Technical amendments only.

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Commerce to the reengrossed bill

1. Remove the authority to deduct direct costs in determining net audited profits.
2. Add definition for "offtrack wagering facility licensee".
3. Add authority for LSRC to terminate the license of an OTB located in a sports book lounge for actions contrary to its agreement with a host entity or a plan of operation.
4. Add specific authority for LGCB to reconsider and withdraw its approval of an agreement or plan of operation for an OTB located in a sports book lounge.
5. Make technical corrections.