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

## DIGEST

SB 378 Original

## 2020 Regular Session

Johns

Present constitution provides that no new form of gaming shall be effective nor shall such gaming be licensed or permitted to be conducted in a parish unless a referendum election on a proposition to allow such gaming is held in the parish and the proposition is approved by a majority of those voting thereon.

Present constitution provides that the Legislature by local or special law may provide for elections on propositions relating to allowing or prohibiting one or more forms of gaming authorized by legislative act.

Proposed law provides for a proposition election on sports wagering to be held in every parish at the statewide election on November 3, 2020.

Proposed law provides for The Louisiana Sports Wagering Act.

Proposed law provides for the following definitions:

- (1) "Board" means the Louisiana Gaming Control Board.
- (2) "Casino" means licensed riverboat or race track or the land based casino. "Casino" also includes the entirety of the building and improvements located upon a riverboat vessel or at a riverboat facility, at a race track, or at the land based casino. Provides that a casino as a financial institution subject to the federal Bank Secrecy Act must comply with the provisions of that Act and have an approved anti-money laundering program.
- (3) "Commission" means the Louisiana State Racing Commission.
- (4) "Eligible facility" means a facility licensed by the Louisiana State Racing Commission to conduct live horse racing meetings.
- (5) "Financial institution" means, in accordance with the federal Bank Secrecy Act, a casino, gambling casino, or gaming establishment with an annual gaming revenue of more than \$1 million which is licensed as a casino, gambling casino, or gaming establishment under the law of any state or any Indian gaming operation conducted pursuant to the Indian Gaming Regulatory Act.
- (6) "Net sports wagering proceeds" means the gross revenue attributable to sports wagering operations less the total amount or value paid out to winning patrons or players.

- (7) "Operator" means a casino that has elected to operate a sports pool and any suitable entity with whom a casino contracts to operate a sports pool. Provides that an operator shall be considered a financial institution for purposes the Bank Secrecy Act and shall be have an anti-money laundering program.
- (8) "Person" means any individual, partnership, association, joint stock association, or trust, corporation, or other business entity whether incorporated or not.
- (9) "Sports event" or "sporting event" means any professional sport or athletic event, any Olympic or international sports competition event, any collegiate sports or athletic event. "Sports event" or "sporting event" does not include a prohibited event or fantasy sports activity. A prohibited event is all high school sports or youth athletic events, electronic sports, and competitive video games.
- (10) "Sports pool" means the business of accepting wagers on any sports event by any system or method of wagering.
- (11) "Sports wagering lounge" means the area of a casino approved by the board for sports pool activities.
- (12) "Suitable" is a set of standards provided in <u>present law</u> regarding character, background, reputation, etc. that persons applying for a license or permit or a contract with the board must meet.

<u>Proposed law</u> authorizes the board to promulgate all rules necessary to implement, administer, and regulate sports wagering. Provides that the board follow its regulatory processes for dispute resolutions for disputes arising from sports wagering.

<u>Proposed law</u> provides that in a parish where voters approved sports wagering, a casino may operate a sports pool.

<u>Proposed law</u> requires the board to promulgate rules regarding limitations on certain wagers being accepted by the operator. Limitations include:

- (1) An operator shall not knowingly accept wagers from any person under 21 years of age.
- (2) An operator shall not knowingly accept wagers from any person prohibited from wagering on sports events and comply with all identity verification and compulsive gaming verifications and protections set forth in law or rule.
- (3) An operator shall not knowingly accept wagers from any person who is an athlete, coach, referee, or other official prohibited from placing any wager on a sports event.

<u>Proposed law</u> requires the board to promulgate rules regarding limitations on persons who may place wagers. Limitations include:

- (1) A wager shall not be placed by a person who is under the age of 21 years.
- (2) A wager shall not be placed by a person who is an athlete, coach, referee, or director of a sports governing body or any of its member teams, a player or a referee personnel member, on any sports event overseen by that person's sports governing body based on publicly available information.
- (3) A wager shall not be placed by a person who holds a position of authority or influence sufficient to exert influence over the participants in the sporting contest, including but not limited to coaches, managers, handlers, athletic trainers, or horse trainers.
- (4) A wager shall not be placed by a person who has access to certain types of exclusive information on any sports events overseen by that person's sports governing body based on publicly available information.

Proposed law requires an operator to immediately report to the board:

- (1) Any criminal or disciplinary proceedings commenced against the operator or its employees in connection with the operations of a sports pool.
- (2) Any abnormal betting activity or patterns that may indicate a concern about the integrity of a sports event or events.
- (3) Any other conduct with the potential to corrupt a betting outcome of a sports event for purposes of financial gain, including but not limited to match fixing.
- (4) Suspicious 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.

<u>Proposed law</u> authorizes an operator to accept wagers on sports events through self-service wagering machines or self-service kiosks located at its facility. Provides that for purposes of the law on riverboats and slots at race tracks, each gaming window is counted as a gaming position and each self-service wagering machine or kiosk counts as a gaming position.

<u>Proposed law</u> also authorizes an operator to accept wagers made electronically using a mobile or other digital platform. Requires that:

- (1) Prior to the acceptance of any electronic wager, a person must establish a wagering account through the operator and an initial verification of the account be completed by the operator.
- (2) Electronic sports wagers may only be placed within the boundaries of the casino and its amenities. Provides that for electronic sports wagers to be allowed within the boundary of an amenity, the amenity shall be: approved by the board; owned or leased and controlled by the riverboat, race track or land based casino; and within the vicinity of the gaming area of

the casino.

(3) An operator maintain geofencing or geolocation services and bears all costs and responsibilities as required by the board.

<u>Proposed law</u> provides that wagers may be accepted or pooled with wagers from persons who are not physically present in this state if the board determines that such 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 the wagering is conducted pursuant to a reciprocal agreement to which the state is a party that is not inconsistent with federal law.

<u>Present law</u> 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. Authorizes the board to revoke or suspend a license or permit and to impose a civil penalty of up to \$100,000 for violations of <u>present law</u> relative to riverboats, the land-based casino, slot gaming at tracks, video poker, and fantasy sports contests. Provides for the board to adopt a schedule of penalties for violations of <u>present law</u> or any rule.

<u>Proposed law</u> retains <u>present law</u> and adds authority, control, and jurisdiction for the board over sports wagering and adds the sports wagering law to provisions for which revocation or suspension of a license or permit and civil penalties apply.

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

<u>Proposed law</u> retains <u>present law</u>, but makes an exception for gaming conducted in accordance with the Louisiana Sports Wagering Act.

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

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

Provides that provisions of the Act regarding the proposition election shall be effective on June 10, 2020.

Provides that provisions of the Act regarding regulatory authority of Louisiana Gaming Control Board and certain definitions become effective on December 1, 2020, provided that a majority of the qualified electors in at least one parish vote to approve the proposition to permit sports wagering in their parish.

Provides that provisions of the Act authorizing sports wagering and providing for exceptions from criminal statutes shall become effective if a majority of the qualified electors in at least one parish vote to approve the proposition to permit sports wagering and laws are enacted to tax revenue from sports wagering.

(Amends R.S. 13:4721, R.S. 14: 90(C), 90.3(F) and 90.5(C), R.S. 27:15(B)(1), (D), and (E), 44(10), 205(12), and 371(C); adds R.S. 18:1300.24 and R.S. 27:15(B)(8)(c) and 551-555)