

2024 Regular Session

SENATE BILL NO. 500

BY SENATOR REESE

TAX/TAXATION.Provides relative to the levy of local fees and taxes on certain non-gaming incentives or inducements granted by certain licensees. (gov sig)

1 AN ACT

2 To enact R.S. 47:337.11.4, relative to the levy of local fees and taxes on certain nongaming
3 incentives or inducements; to provide relative to the imposition of local hotel
4 occupancy taxes; to prohibit the levy of local fees and taxes by a local governing
5 authority on nongaming incentives or inducements awarded by certain gaming
6 licensees; to provide for relative to net gaming proceeds; to authorize the Louisiana
7 Gaming Control Board to adopt rules; to provide for effectiveness; and to provide
8 for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 47:337.11.4 is hereby enacted to read as follows:

11 **§337.11.4. Local taxes; prohibition on levy of local taxes on nongaming**
12 **incentives or inducements**

13 **A.(1) Except as expressly provided in R.S. 33:4574.11 and by express**
14 **written agreement duly signed and consented to by a local governing authority**
15 **and the holder of a license as defined in R.S. 27:44 and provided for in Chapter**
16 **4 of Title 27 of the Louisiana Revised Statutes of 1950, no local governing**
17 **authority, including a local political subdivision or school board, shall levy any**

1 fee or tax on nongaming incentives or inducements granted by such licensee to
2 a patron on a complimentary basis, discounted basis, or through the redemption
3 of rewards from a loyalty rewards program, including but not limited to room
4 stays, meals, admissions to entertainment venues, or parking charges. If non-
5 gaming incentives or inducements are granted to a patron by a licensee on a
6 discounted basis, any fee or taxes levied shall be limited to the actual cash
7 portion, if any, paid by the patron and no tax shall be applied to the extent of
8 the discount.

9 (2) Except as expressly provided in R.S. 33:4574.11 and by express
10 written agreement duly signed and consented to by a local governing authority
11 and the holder of a license as defined in R.S. 27:353 and provided for in Chapter
12 7 of Title 27 of the Louisiana Revised Statutes of 1950, no local governing
13 authority, including a local political subdivision or school board, shall levy any
14 fee or tax on nongaming incentives or inducements granted by such licensee to
15 a patron on a complimentary basis, discounted basis, or through the redemption
16 of rewards from a loyalty rewards program, including but not limited to room
17 stays, meals, admissions to entertainment venues, or parking charges. If non-
18 gaming incentives or inducements are granted to a patron by a licensee on a
19 discounted basis, any fee or taxes levied shall be limited to the actual cash
20 portion, if any, paid by the patron and no tax shall be applied to the extent of
21 the discount.

22 B.(1) For the purposes of local fees or taxes, net gaming proceeds are
23 exclusively subject to the fees or taxes provided for pursuant to R.S. 27:93 and
24 Chapter 4 of Title 27 of the Louisiana Revised Statutes of 1950.

25 (2) For the purposes of local fees or taxes, taxable net slot machine
26 proceeds are exclusively subject to the fees or taxes provided for pursuant to
27 R.S. 27:391 and Chapter 7 of Title 27 of the Louisiana Revised Statutes of 1950.

28 (3) Promotional play wagers as defined in R.S. 27:44 and R.S. 27: 353 or
29 redemption of awards from a loyalty rewards program with a licensee shall not

1 be deemed consideration for any nongaming incentives or inducements granted
 2 by a licensee to a patron. The provisions of this Section shall not increase any
 3 allowance for promotional play pursuant to Title 27 of the Louisiana Revised
 4 Statutes of 1950.

5 C. The Louisiana Gaming Control Board may adopt rules and
 6 regulations for the implementation of the provisions of Subsection B of this
 7 Section.

8 Section 2. This Act is interpretative and not substantive; it does not change the law
 9 or establish new rules, rights, or duties to any person.

10 Section 3. This Act shall become effective upon signature by the governor or, if not
 11 signed by the governor, upon expiration of the time for bills to become law without signature
 12 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 13 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 14 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part
 of the legislative instrument, were prepared by Emily Toler.

DIGEST

SB 500 Engrossed

2024 Regular Session

Reese

Present law (R.S. 33:4574.11) provides for the levy of a tax upon the occupancy of hotel rooms, motel rooms and overnight camping by the Southwest Louisiana Convention and Visitors Bureau.

Proposed law retains present law.

Present law provides for the imposition of local sales and use tax upon the sales of the furnishing of sleeping rooms by hotels and motels, the sales of meals, admissions to places of amusement, athletic, and recreational events, and the furnishing, for dues, fees, or other consideration of the privilege of access to clubs or the privilege of having access to or the use of amusement or entertainment, and parking.

Proposed law retains present law but prohibits a local governing authority, including a local political subdivision or school board, from levying any fee or tax on nongaming incentives or inducements granted by the holder of a riverboat license or the holder of a license to operate slot machine gaming to a patron on a complimentary basis, discounted basis, or through the redemption of rewards from a loyalty rewards program, including but not limited to room stays, meals, admissions to entertainment venues, or parking charges except for taxes authorized by the Southwest Louisiana Convention and Visitors Bureau as provided for in present law and by express written agreement by a local governing authority and the holder of a riverboat license or the holder of a license to operate slot machine gaming.

Proposed law provides that if nongaming incentives or inducements are granted to a patron

by a licensee on a discounted basis, any fee or taxes levied shall be limited to the actual cash portion, if any, paid by the patron and no tax shall be applied to the extent of the discount.

Present law (R.S. 27:93) authorizes the governing authority of a parish or municipality in which a licensed riverboat is berthed to levy an admission fee for each passenger boarding or embarking, or to levy a fee on a percentage of the net gaming proceeds.

Proposed law provides that for the purposes of local fees or taxes, net gaming proceeds are exclusively subject to the fees or taxes provided for pursuant to present law (R.S. 27:93).

Present law authorizes a local governing authority to levy a tax on a percentage of the net slot machine proceeds, if the slot machine gaming is located at an eligible pari-mutuel live racing facility (R.S. 27:391).

Proposed law provides that for the purposes of local fees or taxes, taxable net slot machine proceeds are exclusively subject to the fees or taxes provided for pursuant to present law (R.S. 27:391).

Proposed law provides that promotional play wagers or redemption of awards from a loyalty rewards program with a licensee shall not be deemed consideration for any nongaming incentives or inducements granted by a licensee to a patron.

Proposed law further prohibits increasing any allowance for promotional play pursuant to present law.

Proposed law authorizes the Louisiana Gaming Control Board to adopt regulations relative to net gaming proceeds and taxable net slot machine proceeds. Proposed law authorizes the Louisiana Gaming Control Board to adopt regulations relative to promotional play wagers.

Proposed law is interpretative and not substantive; it does not change the law or establish new rules, rights, or duties to any person.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 47:337.11.4)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

1. Removes provisions allowing the Louisiana Gaming Control Board to interpret and enforce net gaming proceeds and taxable net slot machine proceeds with respect to holders of certain holders of gaming licenses for riverboats (R.S. 27:44) and slot machines (R.S. 27:353).
2. Removes provisions for retroactive application of law.
3. Makes technical amendments.