



LEGISLATIVE FISCAL OFFICE  
Fiscal Note

Fiscal Note On: **HB 542** HLS 25RS 487  
Bill Text Version: **ENGROSSED**  
Opp. Chamb. Action: **w/ SEN COMM AMD**  
Proposed Amd.:  
Sub. Bill For.:

<b>Date:</b> June 4, 2025	1:11 PM	<b>Author:</b> JACKSON
<b>Dept./Agy.:</b> Gaming Control Board		
<b>Subject:</b> Promotional Play and Deductions		<b>Analyst:</b> Mimi Blanchard

GAMING EG1 -\$974,000 GF RV See Note Page 1 of 2  
Provides for the allowable amount of promotional play offered by certain gaming operators and for deductions regarding promotional play  
Current law provides for a deduction of up to \$5 M in promotional play wagers from gaming proceeds and gross revenue for riverboats, racetrack slots and the land-based casino. The deduction must be directly attributable to promotional play.

Proposed law retains the \$5 M annual deduction limit but allows any portion of the deduction that is unused by a licensee (including riverboat casinos, land-based casinos, and racetracks) in a given fiscal year to be assigned to another licensee. Assignments must be made in writing and reported to the Louisiana Gaming Control Board by both the assigning and receiving licensees.

Effective August 1, 2025.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	<b>(\$974,000)</b>	<b>(\$1,010,000)</b>	<b>(\$946,000)</b>	<b>(\$946,000)</b>	<b>(\$946,000)</b>	<b>(\$4,822,000)</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	<b>(\$560,000)</b>	<b>(\$581,000)</b>	<b>(\$544,000)</b>	<b>(\$544,000)</b>	<b>(\$544,000)</b>	<b>(\$2,773,000)</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>(\$1,534,000)</b>	<b>(\$1,591,000)</b>	<b>(\$1,490,000)</b>	<b>(\$1,490,000)</b>	<b>(\$1,490,000)</b>	<b>(\$7,595,000)</b>

**EXPENDITURE EXPLANATION**  
There is no anticipated direct material effect on governmental expenditures as a result of this measure, although the Department of Public Safety (DPS) reports that any potential revenue losses to the Riverboat Gaming Enforcement Fund will decrease expenditure ability for the department.

**REVENUE EXPLANATION**  
The bill applies to riverboat casinos, the land-based casino, and racetracks. There are currently 15 riverboat casinos and 4 racetracks eligible for the promotional play deduction, capped at \$5 M per facility under current law. To the extent that facilities do not fully utilize the maximum allowable deduction and transfer their unused promotional play credits to other entities that would now be able to claim the full amount, state revenue will decrease. LFO assumes a transfer only takes place in order for the credit to be utilized immediately. Though land-based casinos are eligible to transfer promotional play credits under this bill, any changes in its deduction do not impact state revenue due to its minimum payment obligation.

Data provided by DPS shows that in FY 24 racetracks fully utilized their promotional play deductions totaling \$20 M across all 4 facilities. Riverboat casinos, however, used approximately \$63.5 M of the total allowable deduction across all 14 casinos operating during FY 24, which was capped at \$70 M. The difference for that fiscal year, \$6.5 M, represents the additional amount of promotional play that could have been deducted from taxable revenue if all available credits had been transferred and utilized, thereby reducing the base from which state gaming taxes and fees are calculated. The fiscal note assumes that the new riverboat casino opened after FY 24 will fully utilize its \$5 M promotional play deduction under current law, therefore does not contribute to the revenue impact of this bill. **The actual impact may vary depending on whether unused credits can transfer between tracks and casinos, which is unclear.** For the purpose of this note, LFO assumes that credits are only transferred between the same types of facilities, now limited to riverboat casinos since racetracks have maximized their allowed utilizations and the land-based casino has incorporated promotional play within its minimum payment:

	FY 26	FY 27	FY 28	FY 29	FY 30	TOTAL DECREASE
<u>Riverboats</u>						
SGF	(\$973,733)	(\$1,009,558)	(\$945,696)	(\$945,696)	(\$945,696)	(\$4,820,377)
Riverboat Gaming	(\$227,205)	(\$235,564)	(\$220,663)	(\$220,663)	(\$220,663)	(\$1,124,758)
<u>SELF</u>	<u>(\$332,781)</u>	<u>(\$345,024)</u>	<u>(\$323,199)</u>	<u>(\$323,199)</u>	<u>(\$323,199)</u>	<u>(\$1,647,402)</u>
<b>Total</b>	<b>(\$1,533,718)</b>	<b>(\$1,590,146)</b>	<b>(\$1,489,557)</b>	<b>(\$1,489,557)</b>	<b>(\$1,489,557)</b>	<b>(\$7,592,537)</b>

\*See **page 2** for information on potential impacts on statutory dedications.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	
<input checked="" type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	<div>Deborah Vivien Chief Economist</div>




LEGISLATIVE FISCAL OFFICE  
Fiscal Note

Fiscal Note On: **HB 542** HLS 25RS 487  
Bill Text Version: **ENGROSSED**  
Opp. Chamb. Action: **w/ SEN COMM AMD**  
Proposed Amd.:  
Sub. Bill For.:

<b>Date:</b> June 4, 2025	1:11 PM	<b>Author:</b> JACKSON
<b>Dept./Agy.:</b> Gaming Control Board		
<b>Subject:</b> Promotional Play and Deductions		<b>Analyst:</b> Mimi Blanchard

**CONTINUED EXPLANATION from page one:** Page 2 of 2  
In addition to decreases to the SGF, additional promotional play utilized under this bill will impact statutory dedications to the Support Education in Louisiana First (SELF) fund, Riverboat Gaming Enforcement Fund, and Compulsive Gambling Fund.

Should deductions be allowed to transfer between casinos and tracks, other portions of potential SGF decreases attributable to racetrack slot machines will ultimately be distributed to individual track-related statutory dedications not itemized in this note. Potential revenue losses here are attributable to promotional play deducted by riverboat casinos and racetrack slot machines, since the land-based casino has a minimum payment obligation under which any increase in promotional pay deductions would occur. The current official forecast is fixed at the minimum payment throughout the forecast horizon. However, any remittances above the minimum payment obligation would flow to the Early Childhood Education Fund, and this bill may make that threshold more difficult to attain.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	
<input checked="" type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	<b>Deborah Vivien</b> <b>Chief Economist</b>