



LEGISLATIVE FISCAL OFFICE  
Fiscal Note

Fiscal Note On: **HB 540** HLS 25RS 814

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

|  |         |                            |
|--|---------|----------------------------|
| <b>Date:</b> June 10, 2025   | 9:29 AM | <b>Author:</b> FONTENOT    |
| <b>Dept./Agy.:</b> Gaming Control Board  |         |                            |
| <b>Subject:</b> Provides relative to the number and location of video poker devices. |         | <b>Analyst:</b> John McKay |

GAMBLING/VIDEO POKER

Provides relative to video poker

EN INCREASE SD RV See Note

Page 1 of 1

Proposed measure increases the number of video draw poker devices permitted from 3 to 4 at certain establishments licensed to sell alcohol for consumption on the premises of that establishment. Proposed legislation increases the maximum number of video draw poker devices from 50 to 60 at qualified truck stop facilities. Proposed measure increases the number of video draw poker devices permitted at hotels and motels from 3 to 4 for individual lounges and from 12 to 13 for the hotel or motel. Proposed legislation provides that off-track wagering facilities shall not be granted a license to operate video draw poker devices within one mile of any property on the National Register of Historic Places, any public playground, any residential property, or a building used primarily as a church, synagogue, public library, or school. Proposed legislation provides for the designation of residential districts for the purposes of proposed measure. Proposed measure provides relative to franchise fee rates and appropriation for revenue generated by video draw poker devices.

| EXPENDITURES   | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 5 -YEAR TOTAL |
|----------------|---------|---------|---------|---------|---------|---------------|
| State Gen. Fd. | \$964   | \$0     | \$0     | \$0     | \$0     | \$964         |
| Agy. Self-Gen. | \$0     | \$0     | \$0     | \$0     | \$0     | \$0           |
| Ded./Other     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0           |
| Federal Funds  | \$0     | \$0     | \$0     | \$0     | \$0     | \$0           |
| Local Funds    | \$0     | \$0     | \$0     | \$0     | \$0     | \$0           |
| Annual Total   | \$964   | \$0     | \$0     | \$0     | \$0     | \$964         |

| REVENUES       | 2025-26  | 2026-27  | 2027-28  | 2028-29  | 2029-30  | 5 -YEAR TOTAL |
|----------------|----------|----------|----------|----------|----------|---------------|
| State Gen. Fd. | DECREASE | DECREASE | DECREASE | DECREASE | DECREASE |               |
| Agy. Self-Gen. | \$0      | \$0      | \$0      | \$0      | \$0      | \$0           |
| Ded./Other     | INCREASE | INCREASE | INCREASE | INCREASE | INCREASE |               |
| Federal Funds  | \$0      | \$0      | \$0      | \$0      | \$0      | \$0           |
| Local Funds    | \$0      | \$0      | \$0      | \$0      | \$0      | \$0           |
| Annual Total   |          |          |          |          |          |               |

EXPENDITURE EXPLANATION

Proposed measure will create a one-time SGF expenditure of \$964, in FY 26, to the Department of Public Safety (DPS) for implementing changes to the LIGHTS application used to manage various aspects of video gaming operations, specifically video draw poker device licensing and regulation. Currently, LIGHTS only allows users to update the maximum number of machines on a license for truck stop facilities. If enacted, proposed measure would require DPS to update LIGHTS to either (1) enable all license types to update the maximum number of allowed machines, or (2) modify the default hard-coded values for non-truck stop licenses to reflect the new limits. The Office of Technology Services (OTS) would perform this work at an estimated 10 hours of work by a Senior Application Developer (10 hours x \$95 per hour = \$950 x 1.45% Medicare tax = \$13.78; a total of \$964).

REVENUE EXPLANATION

Proposed legislation is anticipated to increase revenue by an indeterminable, yet significant, amount through franchise fees imposed on video draw poker devices, based on a percentage of net device revenue. However, a portion of these additional revenues will be allocated to the newly created Video Draw Poker Device Purse Supplement Subfund, thereby reducing the amount of unexpended funds that would otherwise revert to SGF at the end of the fiscal year. Franchise fee revenues are deposited into (1) the Video Draw Poker Device Fund, (2) the Video Draw Poker Device Purse Supplement Fund, and (3) the Video Draw Poker Device Purse Supplement Subfund. The proposed measure increases the number of video draw poker devices allowed in 1,386 establishments already licensed. The LFO anticipates that an increased number of devices will result in an indeterminable increase in franchise fee revenue. In FY 24, the actual revenue collected from video draw poker was \$238 M.