

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 883** HLS 26RS 536

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 13, 2026	1:21 PM	Author: SCHLEGEL
Dept./Agy.: Gaming Control Board		Analyst: Mimi Blanchard
Subject: Illegal Online Gambling		

GAMBLING EN SEE FISC NOTE GF EX See Note Page 1 of 2
Provides relative to enforcement of illegal online gambling

Current law prohibits gambling by computer, defined as intentionally conducting or directly assisting in conducting as a business any game, contest, lottery, or similar activity over the internet in which a person risks the loss of anything of value to realize a profit. Current law provides penalties for persons who commit gambling by computer and for persons who design, develop, manage, maintain, or provide computer systems or services used to conduct such activities as a business, punishable by a fine of up to \$20,000, imprisonment for up to five years, or both.

Proposed law expands the definition of gambling by computer to include internet or mobile games that simulate gambling and utilize a dual-currency system allowing players to exchange currency for prizes, cash, or cash equivalents. Proposed law increases the maximum fine for persons who operate or provide services for gambling by computer as a business from \$20,000 to \$100,000.

BILL SUMMARY CONTINUED ON PAGE 2

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	

Annual Total

REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	

Annual Total

EXPENDITURE EXPLANATION

Proposed law is a relative felony, and any impact on either state or local expenditures is contingent on whether offenders sustain either a misdemeanor or felony-grade convictions for their violation. The exact fiscal impact to DPS&C-CS is indeterminable, as it is unknown how many people will be convicted or the length of the sentences assessed with those convictions as a result of its potential enactment. The maximum imprisonment term for certain individuals or entities knowingly supporting or facilitating illegal online gambling or violating court orders issued pursuant to proposed law is five years.

To the extent that offenders sustain a felony-grade conviction for violation of the proposed law, DPS&C-CS will sustain an indeterminable increase in expenditures. For those convicted, sentenced, and then subsequently housed in a state facility, DPS&C-CS will sustain expenditures of \$107.60 per offender per day. For those housed in local facilities, DPS&C-CS will sustain expenditures of \$29.39 per offender per day. DPS&C-CS advises that impacts on offender populations are anticipated to impact the number of offenders held in local facilities, and that in managing its offender population, it seeks to fill all beds in state facilities first, then assigns overflow offenders to local facilities.

EXPENDITURE EXPLANATION CONTINUED ON PAGE 2.

REVENUE EXPLANATION

Proposed law may result in an indeterminable increase in SGF revenues from fines associated with the violation of an order entered against a platform provider or merchant payment processors. These fines include \$50,000 for first violations and \$100,000 for each subsequent violation for each day that gambling by computer activity remains accessible online for persons physically located within the state, or for merchant payment processors, each subsequent gambling by computer transaction processed.

Proposed law may result in an indeterminable increase local revenues from fines associated with violations of gambling by computer, including the increase in the maximum fine for persons operating such activity as a business from \$20,000 to \$100,000 and the creation of an additional \$20,000 penalty (\$40,000 for violations involving persons under 21) for persons who knowingly support or facilitate illegal online gambling or violate court orders issued pursuant to the proposed law. DPS reports that additional fine revenue is contingent upon the number of violations identified and successfully prosecuted.

Revenues may increase to various entities to the extent that profits, gains, gross receipts, or other benefits associated with violations of proposed law are ordered forfeited by the court. According to R.S. 14:90.1, the allocation of proceeds from such forfeiture and disposition shall be determined by the court in accordance with each law enforcement entity's participation in the investigation, seizure, and forfeiture process.

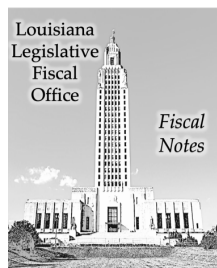
Senate
Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Alan M. Boxberger

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CONTINUED EXPLANATION from page one:

BILL SUMMARY CONTINUED

Proposed law establishes a \$20,000 penalty, or imprisonment with or without hard labor for not more than five years, or both for persons or entities that knowingly support or facilitate such activity. Fines are doubled when the knowing support or facilitation of the operation or conduct involves an individual under 21 years of age. Proposed law authorizes the attorney general to issue cease and desist notices and seek court orders to prevent illegal online gambling activity. Proposed law defines 'merchant payment processor' as an entity that establishes a contractual relationship with a person engaged in the business of gambling by computer for the purpose of processing payment transactions on behalf of such person, and excludes federally insured financial institutions, its subsidiaries or affiliates, or any payment card network from the definition. Proposed law establishes a \$50,000 fine for 1st violation and \$100,000 fine for subsequent violations for each day gambling by computer remains accessible after orders against the platform provider or merchant payment processor have been issued.

EXPENDITURE EXPLANATION CONTINUED

To the extent that offenders sustain a misdemeanor conviction for violation of the proposed law, local governing authorities will sustain Local Funds expenditures. The exact fiscal impact of the passage of this legislation to local governing authorities is indeterminable, since it is not known how many people will be convicted and incarcerated in local facilities, nor the length of the sentences assessed with those convictions as a result of its potential enactment.

The Department of Public Safety (DPS) Gaming Control Board (GCB) reports that it already conducts enforcement actions against illegal online gambling operators in coordination with the Louisiana State Police (LSP) Gaming Enforcement Division. Proposed law authorizes GCB to seek assistance from the Attorney General's Office, which already serves as their legal counsel. Any additional administrative costs associated with issuing cease and desist notices are expected to be minimal and can be absorbed within existing budget authority.

The Attorney General's Office reports no additional expenditures associated with proposed law.

Senate Dual Referral Rules

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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