

1 book lounge of a host entity licensed by the Louisiana Gaming Control Board
 2 to conduct sports wagering pursuant to Chapter 10 of Title 27 of the Louisiana
 3 Revised Statutes of 1950.

4 * * *

5 §149. Wagering; rules and regulations

6 A. The commission may prescribe rules and regulations under which shall be
 7 conducted all horse races upon the results of which there is wagering. The
 8 commission shall, as may be necessary, prescribe additional special rules and
 9 regulations applicable separately to thoroughbreds and quarter horses. The
 10 commission shall make rules governing, permitting, and regulating the wagering on
 11 horse races under the form of mutuel wagering by patrons, known as pari-mutuel
 12 wagering, whether on live or historical horse races. Only those persons receiving a
 13 license from the commission may conduct this type of wagering, and shall restrict
 14 this form of wagering to a space within the race meeting grounds or an offtrack
 15 wagering facility. All other forms of wagering on the result of horse races are illegal.

16 B. Notwithstanding the space restriction provided in Subsection A of this
 17 Section, pari-mutuel wagering on the result of horse races may also be
 18 conducted in the sports book lounge of a host entity licensed for sports wagering
 19 by the Louisiana Gaming Control Board pursuant to Chapter 10 of Title 27 of
 20 the Louisiana Revised Statutes of 1950, provided the requirements of this
 21 Chapter are met.

22 * * *

23 §211. Definitions

24 Unless the context indicates otherwise, the following terms shall have the
 25 meaning ascribed to them below:

26 (1) "Audited net profits" means the total commissions retained by an
 27 association on pari-mutual wagers placed at a specific offtrack wagering
 28 facility, less direct costs, breakage, settlements, and taxes applicable to such
 29 wagers.

1 activities to establish appropriate offtrack wagering facilities to accomplish this
2 purpose. Such activities shall include, but not be limited to:

3 (1) Live simulcast of races from the host track.

4 (2) Historical horse racing on the premises of offtrack wagering facilities via
5 dedicated machines or personal mobile devices.

6 (3) Construction or leasing of offtrack wagering facilities.

7 (4) Sale of goods and beverages.

8 (5) Advertising and promotion.

9 (6) All other related activities.

10 **B.(1) In addition to Subsection A of this Section, any association licensed**
11 **by the commission may also conduct pari-mutuel wagering and engage in**
12 **necessary activities to establish appropriate offtrack wagering in a sports book**
13 **lounge of a host entity, provided that the sports book lounge of the host entity**
14 **is geographically located in a parish that has approved, by public referendum,**
15 **the conduct of pari-mutuel wagering in that parish.**

16 **(2) The conduct of offtrack wagering in a sports book lounge shall be**
17 **pursuant to an agreement between the licensed association and the host entity**
18 **and the agreement shall be subject to approval by the commission and by the**
19 **Louisiana Gaming Control Board.**

20 **(3) The commission shall promulgate rules establishing the regulations**
21 **and conditions for the conduct of offtrack pari-mutuel wagering in a sports**
22 **book lounge of a host entity. The rules shall require an agreement between the**
23 **association licensed by the commission and the host entity licensed for sports**
24 **wagering by the Louisiana Gaming Control Board and its retail sports wagering**
25 **operator, if applicable. The agreement shall include but not be limited to the**
26 **following terms:**

27 **(a) Pari-mutuel wagering shall be restricted to the host entity's retail**
28 **sports book lounge.**

29 **(b) Pari-mutuel wagering shall be conducted in accordance with the**

1 provisions of this Chapter.

2 (c) All pari-mutuel wagers shall be maintained and accounted separate
3 and distinct from all other sports wagers placed in the sports book lounge.

4 (d) The gaming division of the office of state police shall have access to
5 all files, records, documents, film, tape, including surveillance tape, and any
6 other information and personnel necessary to determine compliance with all
7 gaming laws, rules, and regulations on gaming activities and operations under
8 the commission's jurisdiction or the Louisiana Gaming Control Board's
9 jurisdiction.

10 (e) In consideration for hosting, the association shall make compensation
11 payments to the host entity of thirty percent of the audited net profits on the
12 total amount wagered at its facility. The agreement shall specify the calculation
13 and periodic payments.

14 (f) Unless otherwise provided by law, all commissions and fees and their
15 distribution shall be as provided by this Chapter.

16 C.(1) A primary licensee that is also the holder of a license as defined in
17 R.S. 27:353 and provided for in Chapter 7 of Title 27 of the Louisiana Revised
18 Statutes of 1950, may conduct pari-mutuel wagering and engage in necessary
19 activities to establish appropriate offtrack wagering in its retail sports book
20 lounge.

21 (2) The conduct of offtrack wagering in a sports book lounge shall be
22 pursuant to a plan of operation and the plan shall be subject to approval by the
23 commission and by the Louisiana Gaming Control Board.

24 (3) The commission shall promulgate rules establishing the regulations
25 and conditions for the conduct of offtrack pari-mutuel wagering in a sports
26 book lounge of a holder of a license as defined in R.S. 27:353. The rules shall
27 require the plan of operation to include but not be limited to the following
28 provisions:

29 (a) Pari-mutuel wagering shall be conducted in accordance with the

1 provisions of this Chapter.

2 (b) All pari-mutuel wagers placed in the sports book lounge shall be
3 maintained and accounted separate and distinct from all other sports wagers
4 placed in the sports book lounge.

5 (c) The gaming division of the office of state police shall have access to
6 all files, records, documents, film, tape, including surveillance tape, and any
7 other information and personnel necessary to determine compliance with all
8 gaming laws, rules, and regulations on gaming activities and operations under
9 the commission's jurisdiction or the Louisiana Gaming Control Board's
10 jurisdiction.

11 §214. Offtrack wagering facilities; licensing; criteria; management; appeal of license
12 suspension or revocation; limitation on facilities with historical horse
13 racing

14 A. License Except for offtrack wagering conducted in a sports book
15 lounge, license approval shall be subject to the criteria established by R.S. 4:159.

16 B. Licensure for all offtrack wagering facilities shall be subject to the
17 following conditions:

18 (1)(a) Only the primary licensee operating at a pari-mutuel facility may apply
19 for a license to operate offtrack wagering facilities in this state and only such
20 primary licensees shall be licensed to operate offtrack wagering facilities under this
21 Part.

22 (b) A primary licensee applying for a license to operate an offtrack
23 wagering facility to be located in a sports book lounge of a host entity shall
24 provide its agreement with the host entity as part of its application.

25 (2)(a)(i) Before a license is granted for an offtrack wagering facility in any
26 parish, the voters of that parish must have approved the establishment of such a
27 facility within the parish in a referendum election held for that purpose. The
28 commission shall request a referendum by the governing body of a parish only after
29 receipt of an application for licensure of an offtrack wagering facility in that parish

1 by the eligible applicant as provided in R.S. 4:215.

2 (ii) If the referendum fails to gain voter approval, or if the commission's
3 request to the parish governing authority for a referendum is not granted within six
4 months of such request, then the request therefor is rendered void.

5 (iii) Any request for an offtrack referendum that is pending on the effective
6 date of this Subparagraph before the governing authority of a parish wherein such
7 a referendum has failed to gain voter approval in a prior election shall be rendered
8 void upon that date.

9 (iv) Any request for an offtrack referendum that has been pending before a
10 parish governing authority for six months or more upon the effective date of this
11 Subparagraph shall be rendered void upon that date.

12 (b)(i) After a request by the commission to a parish governing authority for
13 an offtrack referendum is voided for any reason, the original applicant may either:

14 (aa) Resubmit the application for licensure, and the commission shall submit
15 a new request for an offtrack referendum election to the parish governing authority;
16 or

17 (bb) Submit a new application to the commission for licensure of an offtrack
18 wagering facility in any city, town, or municipality within the parish, and the
19 commission shall request the governing authority of such city, town, or municipality
20 to hold an offtrack referendum election.

21 (ii) If the referendum fails to gain voter approval or if the commission's
22 request for a referendum is not granted within six months of such request, the request
23 therefor is rendered void.

24 (iii) If the offtrack referendum gains voter approval, the commission may
25 license one offtrack wagering facility within the corporation limits of the city, town,
26 or municipality in which the referendum was held. Such license must conform to all
27 applicable licensing criteria as provided in this Part.

28 (c)(i) Except as provided in ~~R.S. 4:214(A)(2)(c)(ii)~~ **Item (ii) of this**
29 **Subparagraph**, the collection and distribution of license fees as provided in R.S.

1 4:218 shall not be affected by this Paragraph.

2 (ii) Notwithstanding any provision of R.S. 4:218 to the contrary **and except**
3 **for offtrack wagering conducted in a sports book lounge of a host entity**, if an
4 off-track wagering facility is located within the corporate limits of a municipality as
5 a result of a municipal off-track wagering referendum as provided in this Paragraph,
6 called by the municipal governing authority without the assistance of the parish
7 governing authority, the municipal governing authority may impose a license fee not
8 to exceed two percent of the total amount wagered at that facility, and no license fee
9 shall be imposed by the parish, and the municipality shall retain the total license fees
10 collected; otherwise, distribution of the fees shall be in accordance with R.S.
11 4:218(B).

12 (3)(a) A license shall not be granted to an offtrack wagering facility to be
13 located within a fifty-five mile radius of a pari-mutuel facility without the prior
14 written permission of the primary licensee of that facility.

15 **(b) Subparagraph (a) of this Paragraph shall not apply to an offtrack**
16 **wagering facility located in a sports book lounge of a host entity.**

17 (4)(a) Not more than two offtrack wagering facilities may be licensed in any
18 parish, except for Orleans and Jefferson.

19 (b) For the purposes of this Paragraph, a pari-mutuel facility as that term is
20 defined in R.S. 4:211 shall not be included in the count of licensed offtrack wagering
21 facilities for the parish in which it is located.

22 **(c) For the purposes of this Paragraph, an offtrack wagering facility**
23 **located in the sports book lounge of a host entity shall not be included in the**
24 **count of licensed offtrack wagering facilities for the parish in which it is located.**

25 (5) ~~Final~~ **Except for an offtrack wagering facility located in the sports**
26 **book lounge of a host entity, final** license approval is subject to local governing
27 authority facility citing requirements.

28 (6) Each **Except for an offtrack wagering facility located in the sports**
29 **book lounge of a host entity, each** offtrack wagering facility shall be specifically

1 designed as an entertainment complex. Maximum allowable attendance at each
2 facility shall be one hundred twenty-five percent of the seating capacity at that
3 facility. At least one area for patrons at each offtrack wagering facility shall be
4 designated as a nonsmoking area.

5 (7) ~~No~~ **Except for an offtrack wagering facility located in the sports book**
6 **lounge of a host entity, no** person licensed by the commission pursuant to the
7 provisions of this Chapter who shows proof of licensure upon entering an offtrack
8 wagering facility shall be assessed any fees for admission into the facility.

9 ~~B.C.~~(1) Licenses granted by the commission shall be valid for a ten-year
10 period. In the event of the sale of the pari-mutuel facility, such license may be
11 transferred and remain valid for the balance of the term of the license. If the
12 conditions of the sale do not include the transfer of the offtrack wagering facility
13 license, such license shall be automatically voided upon the completion of the sale.

14 (2) In the event a primary licensee is granted approval by the Louisiana State
15 Racing Commission to transfer its live racing dates to another pari-mutuel facility,
16 such primary licensee shall retain all the rights, privileges, and obligations relative
17 to offtrack wagering facilities as provided in this Part as though it remained a
18 primary licensee, as defined in R.S. 4:211~~(7)~~, in its original location.

19 ~~C.D.~~ License applications shall be accompanied by a good faith deposit of
20 one thousand dollars.

21 ~~D.E.~~ All primary licensees are eligible for licensure at their existing horse
22 racing facilities as offtrack wagering facilities. Such primary licensees shall not be
23 subject to the licensing requirements in R.S. 4:214(A)(2) **Paragraph (B)(2) of this**
24 **Section.**

25 ~~E.F.~~ There shall be no penalty for closing a licensed offtrack wagering
26 facility provided the licensee submits written notice to the commission at least thirty
27 days prior to closure. The commission shall notify all eligible applicants of the notice
28 of closure. Ownership of an offtrack wagering facility may be transferred to other
29 eligible applicants subject to all licensing requirements except as provided in R.S.

1 ~~4:214(A)(2)~~ **Paragraph (B)(2) of this Section.**

2 ~~F.G.~~ Nothing in this Part shall be construed as preventing licensees from
3 jointly owning or contracting for the management of any or all licensed offtrack
4 wagering facilities.

5 ~~G. In no case may~~ **H. An** offtrack wagering facilities **facility shall not** accept
6 wagers on races run at any track without a contract with the licensee operating the
7 host track. This contract shall include all terms and conditions for use of races run
8 at the host track by the offtrack wagering facility, including compensation of the host
9 track for such use. This contract shall be filed with the commission. No host track
10 may deny the use of its races by any other offtrack wagering facility in Louisiana
11 under the same terms and conditions.

12 ~~H. In no case shall an~~ **I.(1) An** offtrack wagering facility **shall not** allow the
13 admission of any person less than eighteen years old. However, the provisions of this
14 Paragraph shall not apply to any offtrack wagering facility located on the premises
15 of a pari-mutuel facility as defined in R.S. 4:211~~(5)~~.

16 **(2) An offtrack wagering facility located in a sports book lounge shall not**
17 **allow the admission of any person less than twenty-one years old.**

18 ~~I. In~~ **J. Except for an offtrack wagering facility located in the sports book**
19 **lounge of a host entity, in** addition to license fees, each licensee shall pay the fees
20 provided for in this Subsection. Each licensee shall begin paying the fees on the first
21 day of the second year in which the licensee operates the facility. The licensee shall
22 pay to the collector twenty-five cents for each person attending the offtrack wagering
23 facility other than licensed personnel, employees, officials, and working press. These
24 payments shall be made at the conclusion of each calendar week and shall be
25 accompanied by a report under oath showing the total contributions and admissions,
26 and any other information which the commission may require.

27 ~~J.K.(1)~~ Should the commission suspend or revoke the license of a primary
28 licensee, the licensee may, within ten days of the notification of the commission's
29 decision take a suspensive appeal to the district court having jurisdiction over the

1 licensee's offtrack wagering facility. The appeal shall be filed in the district court in
2 the same manner as an original suit is instituted thereon. Each appeal shall be tried
3 de novo. Either party may amend and supplement his pleadings and additional
4 witnesses may be called and heard.

5 (2) Within ten calendar days of the signing of the judgment by the district
6 court in any such appeal case, the commission or the applicant for a license or
7 licensee, as the case may be, may suspensively appeal the judgment to the appellate
8 court of proper jurisdiction. The appeal shall be perfected in the manner provided for
9 in civil cases and shall be suspensive or devolutive in the discretion of the court.

10 (3) All proceedings in the district and appellate courts arising under this Part
11 are civil in nature and shall be heard summarily by the court, without a jury, shall
12 take precedence over other civil cases, and shall be tried in chambers or in open
13 court, and in or out of term.

14 ~~K.L.~~ (1) No primary licensee may operate more than five offtrack wagering
15 facilities in which historical horse racing is permitted.

16 (2) Notwithstanding Paragraph (1) of this Subsection, any primary licensee
17 that operates more than five offtrack wagering facilities as of July 1, 2021, may
18 conduct historical horse racing at all of its licensed facilities. However, historical
19 horse racing shall not be authorized at any future offtrack wagering facility for that
20 primary licensee if the primary licensee is operating more than five offtrack
21 wagering facilities. If any of the primary licensee's existing licensed offtrack
22 wagering facilities on July 1, 2021, cease to be a licensed offtrack wagering facility
23 for reasons other than force majeure, the number of offtrack wagering facilities
24 allowed to conduct historical horse racing for that primary licensee shall be reduced
25 by the number of its offtrack wagering facilities that cease to be licensed until such
26 time as the primary licensee is reduced to no more than five licensed offtrack
27 wagering facilities allowed to conduct historical horse racing.

28 (3) Each primary licensee or licensed offtrack wagering facility shall not
29 place more than fifty historical horse racing machines into service at any given time.

1 27:602(18.1), 607(H), and 629 are hereby enacted to read as follows:

2 §602. Definitions

3 For purposes of this Chapter, the following terms shall have the following
4 meanings ascribed to them unless the context clearly indicates otherwise:

5 * * *

6 (13) "Net gaming proceeds" means the amount equal to the total gross
7 revenue of all wagers placed by patrons less the total amount of all winnings paid out
8 to patrons and the amount of eligible promotional play determined pursuant to R.S.
9 27:627. **"Net gaming proceeds" shall not include wagers placed by patrons on**
10 **racehorse wagering, or winnings paid out to patrons on racehorse wagering.**

11 * * *

12 **(18.1) "Racehorse wagering" means wagers placed on horse racing**
13 **conducted under the pari-mutuel form of wagering at licensed racing facilities**
14 **that are accepted in accordance with the provisions of Chapter 4 of Title 4 of the**
15 **Louisiana Revised Statutes of 1950, and an approved agreement between the**
16 **licensee and the association licensed by the Louisiana State Racing Commission**
17 **to conduct pari-mutuel wagering in a sports book lounge.**

18 * * *

19 §607. Operators; sports lounge required; responsibilities; pooling

20 * * *

21 **H.(1) A licensee and its retail sports wagering operator may contract**
22 **with a primary licensee of the Louisiana State Racing Association as defined in**
23 **R.S. 4:211 to conduct racehorse wagering in its sports book lounge provided the**
24 **licensee and its retail sports wagering operator have an approved agreement**
25 **with a primary licensee as provided in R.S. 4:213(B).**

26 **(2) A licensee who is a primary licensee and also the holder of a license**
27 **as defined in R.S. 27:353 and provided for in Chapter 7 of Title 27 of the**
28 **Louisiana Revised Statutes of 1950, may conduct pari-mutuel wagering in its**
29 **retail sports book lounge provided it has an approved plan of operation as**

- (2) Pari-mutuel wagering shall be conducted in accordance with present law.
- (3) All pari-mutuel wagers shall be maintained and accounted separate and distinct from all other sports wagers placed in the sports book lounge.
- (4) The gaming division of the office of state police shall have access to all files, records, documents, film, tape, including surveillance tape, and any other information and personnel necessary to determine compliance with all gaming laws, rules, and regulations on gaming activities and operations under LSRC's jurisdiction or LGCB's jurisdiction.
- (5) The licensed racing association shall make compensation payments to the Riverboat or Land-based Casino of 30% of audited net profits on the total amount wagered at the Riverboat or Land-based Casino facility. Requires the agreement to specify the calculation and periodic payments.
- (6) All commissions and fees taken from pari-mutuel wagers and the distribution of the takeouts shall be as provided in present law.

Proposed law provides that a licensed racing association may be licensed as an OTB to conduct pari-mutuel wagering in its sports book pursuant to a plan of operation approved by LSRC and LGCB and requires the plan of operation to provide that:

- (1) Pari-mutuel wagering shall be conducted in accordance with present law.
- (2) All pari-mutuel wagers placed in the sports book lounge shall be maintained and accounted separate and distinct from all other sports wagers placed in its sports book lounge.
- (3) The gaming division of the office of state police shall have access to all files, records, documents, film, tape, including surveillance tape, and any other information and personnel necessary to determine compliance with all gaming laws, rules, and regulations on gaming activities and operations under LSRC's jurisdiction or LGCB's jurisdiction.

Present law provides several criteria for LSRC to approve a licensed racing association for an OTB.

Proposed law retains present law with the following exceptions for OTBs located in a sports book lounge:

- (1) Provides a municipal governing body's authority to impose a license fee on an OTB as a result of a municipal referendum shall not apply.
- (2) Provides that the requirement that a licensed racing association grant permission to an OTB to be located within a 55 mile radius of its pari-mutuel facility shall not apply.
- (3) Provides that such OTB's shall not count toward present law's maximum number of OTBs per parish.
- (4) Provides that present law's maximum allowable attendance at an OTB shall not apply.
- (5) Raises the minimum age of a person to enter to 21 years old.
- (6) Provides the 25 cents per person admission fee shall not apply.

(7) Historical horse wagering shall not be allowed.

Present law provides that only a licensed racing association may own and operate an OTB in a parish whose parish seat is located less than 55 miles from their facility and provides a procedure for ownership for locations outside of the 55 mile radius and instances where more than one facility is within the radius.

Proposed law provides that present law shall not apply to an OTB located in a sports book lounge of a Riverboat or Land-based Casino.

Present law restricts the location of OTBs in relation to National Register of Historic Places, public playgrounds, residential property or buildings primarily used as a church, synagogue, public library, or school.

Proposed law provides that present law shall not apply to an OTB located in a sport book lounge of a Riverboat or Land-based Casino.

Present law provides that Riverboats, Land-based Casino, and Racetracks pay taxes on net gaming proceeds from sports wagering. Defines "net gaming proceeds" as the amount equal to the total gross revenue of all wagers placed by patrons less the total amount of all winnings paid out to patrons and the amount of eligible promotional play.

Proposed law provides that "net gaming proceeds" shall not include wagers placed by patrons on racehorse wagering, or winnings paid out to patrons on racehorse wagering, and defines "racehorse wagering" as wagers placed on horse racing conducted under the pari-mutuel form of wagering at licensed racing facilities that are accepted in accordance with present law on pari-mutuel wagering and an approved agreement.

Proposed law provides that any commissions, fees, and other deductions on racehorse wagering shall be in accordance with present law.

Effective August 1, 2022.

(Amends R.S. 4:149, 211, 213, and 214 and R.S. 27:602(13); adds R.S. 4:147(7), 215(D), and 228(H) and R.S. 27:602(18.1), 607(H), and 629)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Judiciary B to the original bill

1. Adds provisions authorizing pari-mutuel wagering to be conducted in a sports book lounge.