

2016 Regular Session

HOUSE BILL NO. 411

BY REPRESENTATIVE RICHARD

GAMING/REVENUE: Redirects certain gaming proceeds to the Bet on Louisiana's Future Fund

1 AN ACT

2 To amend and reenact R.S. 4:218(A), R.S. 17:421.7(A), R.S. 27:92(B)(1), 249, 270,
3 353(13), 392(B)(1), 435(D), and 437(B)(1) and (C)(introductory paragraph) and (3),
4 R.S. 28:842(B) and (C), the heading of Chapter 39 of Title 33 of the Louisiana
5 Revised Statutes of 1950 and R.S. 33:9551(F), the heading of Chapter 40 of Title 33
6 of the Louisiana Revised Statutes of 1950 and R.S. 33:9561(F), and R.S.
7 47:9029(A)(3) and (C), to enact Chapter 10 of Title 27 of the Louisiana Revised
8 Statutes of 1950, to be comprised of R.S. 27:601, and to repeal R.S. 27:31(F),
9 92(B)(2) and (C), 361(B)(4), 392(B)(2) through (9) and (C), 437(B)(2) and (C)(2)
10 and (4), 438, and 439, R.S. 33:9551(A) through (E), 9561(A) through (E), and 9571,
11 and R.S. 47:9029(B), relative to gaming revenues; to redirect gaming revenue
12 attributable to riverboat gaming, the land-based casino, slot machines at race tracks,
13 video draw poker, the lottery, and a portion of offtrack wagering to the Bet on
14 Louisiana's Future Fund; to create the Bet on Louisiana's Future Fund and to provide
15 for deposits into and uses of monies in the fund; to provide with respect to certain
16 related funds; to legislate with respect to certain gaming districts; to provide a
17 contingent effective date; and to provide for related matters.

18 Be it enacted by the Legislature of Louisiana:

19 RIVERBOAT GAMING

20 Section 1.(A) R.S. 27:92(B)(1) is hereby amended and reenacted to read as follows:

§92. Collection ~~and disposition~~ of fees

* * *

B.~~(1)~~ All fees, fines, revenues, and other monies collected by the division shall be forwarded to the state treasurer for ~~immediate~~ deposit into the ~~state treasury~~. Funds ~~so deposited shall first be credited to the Bond Security and Redemption Fund in accordance with Article VII, Section 9(B) of the Constitution of Louisiana~~ Bet on Louisiana's Future Fund.

(B) R.S. 27:31(F) and 92(B)(2) and (C) are hereby repealed in their entirety.

LAND-BASED CASINO

Section 2. R.S. 27:249 and 270 are hereby amended and reenacted to read as follows:

§249. Compulsive gambling; posting information

A. ~~The corporation shall include the cost of the transfer of its monies to the state treasurer for deposit into the Compulsive and Problem Gaming Fund as required by R.S. 27:270(A)(2) as a budgeted item and expense of the corporation.~~

~~B.~~ The corporation shall require the posting of signs at points of entry to the official gaming establishment to inform customers of the toll-free telephone number available to provide information and referral services regarding compulsive or problem gambling as required by R.S. 28:841. Failure by the licensee to post and maintain such a sign or signs shall be cause for the imposition of a fine not to exceed one thousand dollars per day.

* * *

§270. Deposit of revenues; ~~expenditures and~~ investments authorized; transfer of revenues to state treasury; corporation operating account; audit of corporation books and records; audits

A.(1) All money received by the corporation from gaming operations and all other sources shall be deposited into a corporate operating account. Such account shall be established in a fiscal agent or depository as defined in R.S. 49:319. The corporation may use all money in the corporate operating account, except those

1 funds withheld pursuant to R.S. 27:260(D), for the purposes of paying necessary
2 expenses of the corporation and dividends to the state. The investment of monies in
3 the corporate operating account shall be determined by rules and regulations
4 promulgated by the corporation.

5 ~~(2)(a) Quarterly, the corporation shall transfer to the state treasury one~~
6 ~~percent of its operating account, not to exceed five hundred thousand dollars per~~
7 ~~fiscal year. These monies shall first be credited to the Bond Security and~~
8 ~~Redemption Fund in accordance with Article VII, Section 9(B) of the Constitution~~
9 ~~of Louisiana. Thereafter, the state treasurer shall deposit the monies into the~~
10 ~~Compulsive and Problem Gaming Fund established by R.S. 28:842.~~

11 ~~(b) Quarterly, the corporation shall transfer to the state treasury for deposit~~
12 ~~into the Compulsive and Problem Gaming Fund provided for in R.S. 28:842 the~~
13 ~~amount of revenues withheld and remitted in accordance with R.S. 27:260(D).~~

14 ~~(3)(a) Daily, the corporation shall transfer to the state treasury for deposit~~
15 ~~into certain funds~~ the Bet on Louisiana's Future Fund ~~in the treasury, as provided in~~
16 ~~this Paragraph,~~ the amount of net revenues which the corporation determines are
17 surplus to its needs. ~~After first being credited to the Bond Security and Redemption~~
18 ~~Fund in accordance with Article VII, Section 9(B) of the Constitution of Louisiana,~~
19 ~~and after satisfying any other requirements of the Constitution and laws of Louisiana,~~
20 ~~such net revenues shall be deposited as follows:~~

21 ~~(i) In each year for which the Joint Legislative Committee on the Budget~~
22 ~~disapproves or does not act upon the amount of the casino support services contract~~
23 ~~as provided in R.S. 27:247 and no monies are deposited in and credited to the Casino~~
24 ~~Support Services Fund:~~

25 ~~(aa) Ten percent shall be deposited in and credited to the Support Education~~
26 ~~in Louisiana First Fund as provided in R.S. 17:421.7 and shall be used solely and~~
27 ~~exclusively for the same purposes provided for in Paragraph (B)(1) of that Section.~~

28 ~~(bb) Ninety percent shall be deposited in and credited to the Support~~
29 ~~Education in Louisiana First Fund as provided in R.S. 17:421.7.~~

1 (ii) ~~In each year for which the Joint Legislative Committee on the Budget~~
2 ~~approves the amount of the casino support services contract as provided in R.S.~~
3 ~~27:247:~~

4 (aa) ~~The first one million eight hundred thousand dollars shall be deposited~~
5 ~~in and credited to the Casino Support Services Fund.~~

6 (bb) ~~The next sixty million dollars shall be deposited in and credited to the~~
7 ~~Support Education in Louisiana First Fund as provided in R.S. 17:421.7.~~

8 (cc) ~~After satisfying the requirements of Subitems (aa) and (bb) of this Item,~~
9 ~~monies shall be deposited into the Casino Support Services Fund until the casino~~
10 ~~support services contract is fully funded for that year.~~

11 (dd) ~~After satisfying the requirements of Subitem (cc) of this Item, the~~
12 ~~remainder of the monies shall be deposited in and credited to the Support Education~~
13 ~~in Louisiana First Fund as provided for in R.S. 17:421.7.~~

14 (b) Net revenues or proceeds shall be determined by deducting from gross
15 corporation revenues the necessary expenses incurred by the corporation in the
16 operation and administration of the casino gaming operations. This shall include the
17 expenses of the corporation, the expenses resulting from any contract or contracts
18 entered into for ordinary and customary business services rendered to the
19 corporation, and the amount required to be transferred to the state treasury pursuant
20 to Paragraph (2) of this Subsection.

21 C.B. The legislative auditor or person designated by him shall be responsible
22 for an annual financial audit of the books and records of the corporation in
23 accordance with R.S. 24:513. The corporation shall reimburse the legislative auditor
24 for the reasonable costs of any audits performed by him. All such audit reports shall
25 be filed with the governor, the president of the Senate, and the speaker of the House
26 of Representatives. All gaming operators and licensees and the corporation shall
27 cooperate with the auditor or his representatives by giving them access to the
28 facilities and records of the corporation for the purpose of efficient compliance with
29 their respective responsibilities.

1 SLOTS AT TRACKS

2 Section 3.(A) R.S. 27:353(13) and 392(B)(1) are hereby amended and reenacted to
3 read as follows:

4 §353. Definitions

5 When used in this Chapter, the following terms shall have these meanings:

6 * * *

7 (13) "Taxable net slot machine proceeds" means "net slot machine proceeds"
8 ~~less the amount of support, payment, or contributions required as provided in R.S.~~
9 ~~27:361(B)(4).~~

10 * * *

11 §392. Collection and disposition of fees and taxes

12 * * *

13 B.(1) All fees, fines, revenues, state taxes, and other monies collected by the
14 division shall be forwarded upon receipt to the state treasurer for ~~immediate~~ deposit
15 into the state treasury. ~~Funds so deposited shall first be credited to the Bond Security~~
16 ~~and Redemption Fund in accordance with Article VII, Section 9(B) of the~~
17 ~~Constitution of Louisiana~~ Bet on Louisiana's Future Fund.

18 (B) The heading of Chapter 39 of Title 33 of the Louisiana Revised Statutes of 1950
19 and R.S. 33:9551(F) and the heading of Chapter 40 of Title 33 of the Louisiana Revised
20 Statutes of 1950 and R.S. 33:9561(F) are hereby amended and reenacted to read as follows:

21 CHAPTER 39. ST. LANDRY PARISH PARI-MUTUEL

22 LIVE RACING FACILITY ECONOMIC REDEVELOPMENT

23 AND GAMING CONTROL ASSISTANCE DISTRICT

24 §9551. St. Landry Parish Pari-mutuel Live Racing ~~Economic Redevelopment and~~
25 ~~Gaming Control Assistance District;~~ Louisiana preference

26 F. Louisiana preference. In purchasing or contracting for goods and
27 services, the licensed eligible facility shall give preference and priority to Louisiana
28 residents, laborers, vendors, and suppliers except where not reasonably possible to
29 do so without added expense, substantial inconvenience, or sacrifice in operational

1 efficiency. In considering applicants for employment, the licensed eligible facility
2 shall give preference and priority to Louisiana residents, and no less than eighty
3 percent of the persons employed by the licensed eligible facility must have been
4 residents of the state for at least one year immediately prior to employment. If any
5 contract or other agreement to which the licensed eligible facility is a party contains
6 a provision or clause establishing a different percentage or requiring more than fifty
7 percent of the persons employed to be residents of any one parish, any such
8 provision or clause shall be null and void and unenforceable as against public policy.

9 CHAPTER 40. BOSSIER PARISH PARI-MUTUEL LIVE

10 RACING FACILITY ~~ECONOMIC REDEVELOPMENT~~

11 ~~AND GAMING CONTROL ASSISTANCE DISTRICT~~

12 §9561. Bossier Parish Pari-Mutuel Live Racing ~~Economic Redevelopment and~~
13 ~~Gaming Control Assistance District~~; Louisiana preference

14 F. Louisiana preference. In purchasing or contracting for goods and
15 services, the licensed eligible facility shall give preference and priority to Louisiana
16 residents, laborers, vendors, and suppliers except where not reasonably possible to
17 do so without added expense, substantial inconvenience, or sacrifice in operational
18 efficiency. In considering applicants for employment, the licensed eligible facility
19 shall give preference and priority to Louisiana residents, and no less than eighty
20 percent of the persons employed by the licensed eligible facility must have been
21 residents of the state for at least one year immediately prior to employment. If any
22 contract or other agreement to which the licensed eligible facility is a party contains
23 a provision or clause establishing a different percentage or requiring more than fifty
24 percent of the persons employed to be residents of any one parish, any such
25 provision or clause shall be null and void and unenforceable as against public policy.

26 (C) R.S. 27:361(B)(4) and 392(B)(2) through (9), and (C) and R.S. 33:9551(A)
27 through (E), 9561(A) though (E), and 9571 are hereby repealed in their entirety.

28 VIDEO DRAW POKER

1 Section 4.(A) R.S. 27:435(D) and 437(B)(1) and (C)(introductory paragraph) and
2 (3) are hereby amended and reenacted to read as follows:

3 §435. Licensing by division; fees; franchise payments; enforcement activities

4 * * *

5 D.(1) Each device owner shall remit to the division a franchise payment, in
6 an amount equal to a percentage of the net device revenue derived from the operation
7 of each video draw poker device owned by him. The amount of the percentage shall
8 be based on the type of licensed establishment authorized by the division for the
9 placement of video draw poker devices, as follows:

10 (a) A restaurant, bar, tavern, cocktail lounge, club, motel, or hotel 26%.

11 (b) A qualified truck stop facility 32.5%.

12 (2) ~~Notwithstanding the provisions of Paragraph (1) of this Subsection, when~~
13 ~~the distribution of net device revenues is governed by R.S. 27:438, the franchise~~
14 ~~payment shall be twenty-two and one-half percent of the net device revenues after~~
15 ~~deducting the amount of the distribution required by R.S. 27:438.~~

16 (3) Revenues received from franchise payments shall be deposited in the
17 ~~state treasury and may be used for enforcement activities, subject to legislative~~
18 ~~appropriation, in accordance with the provisions of R.S. 27:437~~ Bet on Louisiana's
19 Future Fund.

20 (4) ~~Of the amount attributable to the payment of franchise fees as required~~
21 ~~in this Section, an amount equal to the avails of one-half of one percent of the~~
22 ~~franchise fee rate shall be allocated as provided in R.S. 27:437 and appropriated by~~
23 ~~the legislature as provided in R.S. 27:439.~~

24 (5)(3) The franchise payment authorized by the provisions of this Section
25 shall be securely held by the device owner on behalf of the state of Louisiana, until
26 such time as the franchise payment is remitted to and received by the division. Any
27 franchise payment held in accordance with the provisions of this Paragraph shall be
28 deemed to be held in trust for the state of Louisiana. Upon the failure of a device
29 owner to remit any portion of the franchise payment to the division, the device owner

1 and its shareholders, officers, and directors if a corporation, its partners if a
2 partnership, and its members, managers, and managing members if a limited liability
3 company, shall be jointly and severally liable to the state of Louisiana for the
4 franchise payment until it is remitted to and received by the division.

5 ~~(6)~~(4) The Louisiana Gaming Control Board shall adopt rules to provide for
6 the collection of franchise payments as provided for in this Section. Such rules shall
7 be adopted pursuant to the provisions of the Administrative Procedure Act and R.S.
8 27:15(B)(8).

9 * * *

10 §437. Video Draw Poker Device Fund; distribution and expenditure

11 * * *

12 B.~~(1)~~(a) All revenues and other monies received by the division, ~~except those~~
13 ~~monies specified by the provisions of R.S. 27:435(D)(4) which shall be deposited as~~
14 ~~provided by R.S. 27:439~~, shall be forwarded by the division to the state treasurer for
15 immediate deposit in the state treasury.

16 ~~(b)~~ Funds so deposited shall first be credited to the Bond Security and
17 Redemption Fund in accordance with Article VII, Section 9(B) of the Constitution
18 of Louisiana.

19 ~~(c)~~ Thereafter, the state treasurer shall, each fiscal year, credit to a special
20 fund, which is hereby created in the state treasury and entitled the Video Draw Poker
21 Device Fund, an amount equal to all revenues received by the division pursuant to
22 the provisions of this Chapter, ~~except those funds specified by the provisions of R.S.~~
23 ~~27:435(D)(4), which shall be deposited as provided by R.S. 27:439 and those funds~~
24 ~~withheld pursuant to R.S. 27:443(A)(2) which shall be remitted for deposit to the~~
25 ~~Compulsive and Problem Gaming Fund provided for in R.S. 28:842.~~

26 C. ~~Except as provided in Paragraph (3) of this Subsection, the~~ The monies
27 in the Video Draw Poker Device Fund shall only be withdrawn pursuant to
28 appropriation by the legislature and shall be distributed as follows:

29 * * *

(3)(2) Any monies in the fund not required to meet the purposes provided for in Paragraphs Paragraph (1) and (2) shall be credited to and deposited in the state general fund as they become available. Any unexpended or unencumbered monies remaining in the ~~Video Draw Poker Device Fund~~ fund at the end of the fiscal year shall revert to the ~~state general fund~~ Bet on Louisiana's Future Fund.

6 (B) R.S. 27:437(B)(2) and (C)(2) and (4), 438, and 439 are hereby repealed in their
7 entirety.

8 LOTTERY

9 Section 5.(A) R.S. 47:9029(A)(3) and (C) are hereby amended and reenacted to read
10 as follows:

§9029. Deposit of revenues; expenditures and investments authorized; transfer of
revenues to state treasury; ~~dedication and use of proceeds~~; corporation
operating account; audit of corporation books and records; audits

14 A.

15 * * *

(3) Within twenty days following the close of each calendar month, the corporation shall transfer to the ~~Lottery Proceeds~~ Bet on Louisiana's Future Fund in the state treasury the amount of net revenues which the corporation determines are surplus to its needs. Net revenues or proceeds shall be determined by deducting from gross revenues the payment costs incurred or estimated to be incurred in the operation and administration of the lottery. This shall include the expenses of the corporation and the costs resulting from any contract or contracts entered into for promotional, advertising, or operational services or for the purchase or lease of lottery equipment and materials, fixed capital outlays, and the payment of prizes to the holders of winning tickets. After the first year of operation the corporation shall transfer each year not less than thirty-five percent of gross revenues to the state treasury.

28 ~~C.B.~~ The legislative auditor shall be responsible for an annual financial audit
29 of the books and records of the corporation. The corporation shall reimburse the

1 legislative auditor for the reasonable costs of any audits performed by him. The
2 audit shall be completed within ninety days after the close of the corporation's fiscal
3 year. The legislative auditor may contract with an independent, certified public
4 accountant who meets the qualifications existing to do business within the state of
5 Louisiana to perform the audit. The legislative auditor may, at any time, conduct
6 such additional audits including performance audits, of the corporation as he deems
7 necessary or desirable. Contracts may be entered into for audit services for a period
8 not to exceed five years and the same firm shall not receive two consecutive audit
9 contracts. All such audit reports shall be filed with the governor, the president of the
10 Senate, and the speaker of the House of Representatives. The corporation shall
11 cooperate with the auditor or his representatives by giving them access to the
12 facilities and records of the corporation for the purpose of efficient compliance with
13 their respective responsibilities. With respect to any reimbursement that the
14 corporation is required to pay to any agency, the corporation shall enter into an
15 agreement with such agency under which the corporation shall pay to such agency
16 an amount reasonably anticipated to cover such reimbursable expenses or an advance
17 of such expenses being incurred.

18 (B) R.S. 47:9029(B) is hereby repealed in its entirety.

19 OFFTRACK WAGERING

20 Section 6. R.S. 4:218(A) is hereby amended and reenacted to read as follows:

21 §218. Fees authorization

22 A. The commission may collect a license fee not to exceed one and one-half
23 percent of the total amount wagered at each offtrack wagering facility. This fee shall
24 be ~~distributed as follows:~~

25 ~~(1) Fourteen percent to the Louisiana Thoroughbred Breeders Association~~
26 ~~or the Louisiana Quarterhorse Breeders Association for promotion of the appropriate~~
27 ~~breeding industry and for breeder awards. Distribution shall be in direct proportion~~
28 ~~to the monies wagered on each breed.~~

(2) ~~Thirty-three percent to the Louisiana Board of Regents for distribution to public and private institutions of higher education in the state.~~

(3) ~~Fifty-three percent to the commission to cover administrative costs deposited into the Bet on Louisiana's Future Fund.~~

* * *

EXISTING FUNDS

Section 7. R.S. 17:421.7(A) is hereby amended and reenacted to read as follows:

§421.7. Support Education in Louisiana First Fund

A. There is hereby established, as a special fund in the state treasury, the Support Education in Louisiana First Fund (the SELF Fund). After compliance with the requirements of Article VII, Section 9(B) of the Constitution of Louisiana relative to the Bond Security and Redemption Fund, and after a sufficient amount is allocated from that fund to pay all of the obligations secured by the full faith and credit of the state which becomes due and payable within any fiscal year, the treasurer shall pay to the SELF Fund an amount equal to ~~the monies received by the state treasury from the avails of the franchise fees charged pursuant to R.S. 27:91(C)(2) through (4) and the revenues required to be deposited in the SELF Fund pursuant to R.S. 27:92(B)(2)(b) and R.S. 27:270(A)(3)~~ the provisions of the Bet on Louisiana's Future Fund. The monies in this fund shall be used only as provided in Subsection B of this Section and only in the amounts appropriated by the legislature. All unexpended and unencumbered monies in this fund at the end of each fiscal year shall remain in the fund and shall retain their allocation for use and expenditure in accordance with the provisions of Subsection B of this Section. The monies in this fund shall be invested by the state treasurer in the same manner as monies in the state general fund. Interest earned on the investment of monies in this fund shall be credited to the fund, following compliance with the requirements of Article VII, Section 9(B) of the Constitution of Louisiana relative to the Bond Security and Redemption Fund.

* * *

Section 8. R.S. 28:842(B) and (C) are hereby amended and reenacted to read as follows:

§842. Compulsive and Problem Gaming Fund; creation

* * *

B. After compliance with the requirements of Article VII, Section 9(B) of the Constitution of Louisiana, an amount equal to the monies ~~received by the state treasury pursuant to the provisions of R.S. 27:92(B)(2)(a), 270(A)(2), and 312(B)(2)(a), and R.S. 47:9029(B)(2)~~ allocated from the Bet on Louisiana's Future Fund shall be deposited into the Compulsive and Problem Gaming Fund. All unexpended and unencumbered monies in the fund at the end of any fiscal year shall remain in the fund for use in subsequent fiscal years. Monies in the fund shall be invested by the state treasurer in the manner as monies in the state general fund and interest earned on the investment of such monies shall be credited to the fund after compliance with the requirements of Article VII, Section 9(B) of the Constitution of Louisiana. Monies in the fund shall only be withdrawn pursuant to an appropriation by the legislature solely to implement the provisions of this Chapter.

C. ~~All monies received by the state treasury pursuant to the provisions of R.S. 27:92(B), 270(A)(3), 312(B), and 319(A) shall be deposited into the Compulsive and Problem Gaming Fund.~~ The monies in the Compulsive and Problem Gaming Fund shall be appropriated by the legislature solely to implement the provisions of this Chapter.

BET ON LOUISIANA'S FUTURE FUND

Section 9. Chapter 10 of Title 27 of the Louisiana Revised Statutes of 1950, comprised of R.S. 27:601 is hereby enacted to read as follows:

CHAPTER 10. BET ON LOUISIANA'S FUTURE FUND

§601. Bet on Louisiana's Future Fund

A. The Bet on Louisiana's Future Fund, hereinafter referred to as the "fund", is hereby established in the state treasury as a special fund to provide a dedicated, recurring source of revenue to improve Louisiana's future.

1 B.(1) The required monies to be deposited into the fund shall include fees,
2 finances, net gaming revenues or proceeds, payments, taxes, and other monies generated
3 from the following activities:

4 (a) Any game of chance approved by the Louisiana Lottery Corporation.

5 (b) Casino gaming activities or operations offered or conducted at or in an
6 official gaming establishment by virtue of a contract let or bid by the Louisiana
7 Economic Development and Gaming Corporation.

8 (c) Gaming activities or operations, including racehorse wagering, conducted
9 upon a riverboat, except admission fees levied by a local governing authority.

10 (d) Slot machine gaming activities or operations authorized by the Louisiana
11 Gaming Control Board at facilities licensed to conduct live horse racing, except local
12 taxes imposed thereon.

13 (e) Any card game utilizing a video draw poker device that plays or
14 simulates the play of the game of draw poker or other card games, except funds
15 directed to the office of the district attorney or to governing authorities of
16 municipalities or parishes in which video draw poker devices are operated.

17 (f) Offtrack wagering conducted at offtrack wagering facilities licensed by
18 the Louisiana State Racing Commission.

19 (2) Other monies which may be deposited into this fund may include grants,
20 gifts, and donations received by the state for the purposes of this Section, any other
21 revenues as may be provided by law, or monies which may be appropriated by the
22 legislature.

23 C. After compliance with the requirements of Article VII, Section 9(B) of
24 the Constitution of Louisiana relative to the Bond Security and Redemption Fund,
25 and prior to monies being placed in the state general fund, an amount equal to
26 deposits into the state treasury from the foregoing sources shall be deposited in and
27 credited to the fund.

1 D. Beginning Fiscal Year 2017-2018 and each fiscal year thereafter, monies
2 in the fund shall be subject to deposit or appropriation in accordance with this
3 Subsection but not in the same calendar year in which they are received.

4 (1) Seventy-five percent of monies in the fund shall be used exclusively for
5 education and shall not displace, replace, or supplant appropriations from the general
6 fund for elementary and secondary education, including implementation of the
7 Minimum Foundation Program, nor displace, replace, or supplant funding for higher
8 education or community and technical colleges. Monies deposited pursuant to the
9 provisions of this Paragraph shall be allocated as follows:

10 (a) Seventy percent to be appropriated to the following for the exclusive
11 support of public elementary and secondary education:

12 (i) The Minimum Foundation Program.

13 (ii) Support Education in Louisiana First (SELF) Fund.

14 (b) Fifteen percent shall be appropriated to the following for the exclusive
15 support of public postsecondary education under the supervision and management
16 of the Board of Supervisors for the University of Louisiana System, the Board of
17 Supervisors of Louisiana State University and Agricultural and Mechanical College,
18 or the Board of Supervisors of Southern University and Agricultural and Mechanical
19 College:

20 (i) The Taylor Opportunity Program for Students (TOPS).

21 (ii) Support Education in Louisiana First (SELF) Fund.

22 (iii) Institutions and programs.

23 (c) Fifteen percent shall be appropriated to the following for the exclusive
24 support of public postsecondary education under the supervision and management
25 of the Board of Supervisors of Community and Technical Colleges.

26 (i) The Taylor Opportunity Program for Students (TOPS).

27 (ii) Support Education in Louisiana First (SELF) Fund.

28 (iii) Institutions and programs.

29 (2) Twenty-five percent of monies in the fund shall be allocated as follows:

1 (a) Eighty percent shall be appropriated to provide for payments against the
2 unfunded accrued liability of the public retirement systems which shall be in addition
3 to any payments required for the annual amortization of the unfunded accrued
4 liability of the public retirement systems, as required by Article X, Section
5 29(E)(2)(c) of this constitution; however, any such payments to the public retirement
6 systems shall not be used, directly or indirectly, to fund cost-of-living increases for
7 such systems.

8 (b) Of the remaining twenty percent of monies appropriated pursuant to the
9 provisions of this Paragraph, the first one million dollars shall be credited to the
10 Compulsive and Problem Gaming Fund. Any remaining funds may be appropriated
11 for regulatory, administrative, investigative, enforcement, legal, and other expenses
12 to carry out the duties, relating to gaming operations, of each of the following:

13 (i) Louisiana Gaming Control Board.

14 (ii) Louisiana State Racing Commission.

15 (iii) Office of state police, Department of Public Safety and Corrections.

16 (iv) Department of Justice.

17 E. All unexpended and unencumbered monies remaining in the fund at the
18 end of the fiscal year shall remain in the fund. The monies in the fund shall be
19 invested by the state treasurer in the same manner as monies in the state general
20 fund.

21 Section 10. This Act shall take effect and become operative if and when the
22 proposed amendment of Articles VII and XII of the Constitution of Louisiana contained in
23 the Act which originated as House Bill No. ____ of this 2016 Regular Session of the
24 Legislature is adopted at a statewide election and becomes effective.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 411 Original 2016 Regular Session Richard

Abstract: Redirects riverboat, casino, slots at tracks, video draw poker, lottery gaming, and offtrack wagering proceeds to the Bet on Louisiana's Future Fund.

RIVERBOAT GAMING

Present law permits riverboat gaming and imposes an annual license fee of \$100,000 per riverboat and 3.5% of net gaming proceeds (R.S. 27:91(B)). A basic franchise fee is charged for the right to conduct gaming activities on a riverboat at an annual amount of 15% of net gaming proceeds (R.S. 27:91(C)(1)). There are add-on franchise fees, depending on locale, that run from an additional 3% (R.S. 27:91(C)(2)) to an additional 6% (R.S. 27:91(C)(2) and (3)), a dock-side fee of 2% to 3% based on a sliding scale (R.S. 27:91(C)(4)), and an admission (boarding) fee of \$2.50 to \$3.00 for each passenger charged by the local governing authority of the respective area (R.S. 27:93(A)). Present law allocates these license and franchise fees, other than admission fees, in varying amounts to the following entities, in the respective funds listed:

ENTITY	SOURCE	FUND
Office of Behavioral Health	R.S. 27:92(B)(2)(a)(i)	Compulsive and Problem Gaming Fund, R.S. 28:842
State Operating Expenses	R.S. 27:92(B)(2)(b)(i)	State General Fund
MFP; LSU System; Southern Univ. System; UL System; LCTCS (technical colleges); LUMCON	R.S. 27:92(B)(2)(b)(ii), (iii), and (iv)	Support Education in LA First (SELF) Fund, R.S. 17:421.7
Office of Attorney General; Gaming Control Board; DPS&C/State Police	R.S. 27:92(C)	Riverboat Gaming Enforcement Fund, R.S. 27:92(B)(2)(c)

Proposed law redirects riverboat gaming revenues listed above, except the local admission fees, to the Bet on Louisiana's Future Fund.

LAND-BASED CASINO

Present law permits the operation of a land-based casino in New Orleans and, except for a percentage for Compulsive and Problem Gaming, all net revenues which are surplus to the needs of the Louisiana Economic Development and Gaming Corporation are transferred to the state treasury (R.S. 27:270(A)(3)). Present law allocates revenues in varying amounts to the following entities, in the respective funds listed:

ENTITY	SOURCE	FUND
Office of Behavioral Health	R.S. 27:270(A)(2)	Compulsive and Problem Gaming Fund, R.S. 28:842

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

MFP; LSU System; Southern Univ. System; UL System; LCTCS (technical colleges); LUMCON	R.S. 27:270(A)(3)(a)	Support Education in LA First (SELF) Fund, R.S. 17:421.7
Office of Attorney General; Gaming Control Board; DPS&C/State Police	R.S. 27:270(B)(2)	Casino Gaming Enforcement Fund, R.S. 27:270(B)

Proposed law redirects land-based casino gaming revenues listed above to the Bet on Louisiana's Future Fund.

SLOTS AT TRACKS

Present law authorizes certain race tracks to conduct slot machine gaming (R.S. 27:361(A)) and imposes a state license tax of 18.5% (R.S. 27:393) and a local tax of 4% (R.S. 2:391) of net slot machine proceeds. Present law also requires 15% of net slot machine proceeds to be paid to supplement purses (R.S. 27:361(B)(4)(a)) and 3% to horse associations (R.S. 27:361(B)(4)(b) and (c)). Present law allocates net slot machine proceeds, other than the 4% local tax, in varying amounts to the following entities, in the respective funds listed:

ENTITY	SOURCE	FUND
Thoroughbred and quarter horse purse supplement; Horsemen's Benevolent & Protective Assoc.	R.S. 27:361(B)(4)(a)	Direct payment
LA Thoroughbred Breeders' Assoc. breeders' award; LA Quarter Horse Breeders Assoc. breeders' award	R.S. 27:361(B)(4)(b) and (c)	Direct payment
Office of Behavioral Health	R.S. 27:392(B)(2)(a)	Compulsive and Problem Gaming Fund, R.S. 28:842
Office of Attorney General; Gaming Control Board; Louisiana Racing Comm.; DPS&C/State Police	R.S. 27:392(B)(2)(b)	Pari-mutuel Live Racing Facility Gaming Control Fund, R.S. 28:392(2)(a)
26 th JDC truancy program	R.S. 27:392(B)(3)(a)	Bossier Parish Truancy Program Fund, R.S. 27:392(B)(3)(a)(i)
St. Landry School Board	R.S. 27:392(B)(3)(b)	St. Landry Parish Excellence Fund, R.S. 27:392(B)(3)(b)
Calcasieu Parish School Bd; McNeese State Univ.; Sowella Technical Inst.	R.S. 27:392(B)(3)(c)	Calcasieu Parish Fund, R.S. 27:392(B)(3)(c)
LCTCS, Allied Health & Nursing Program	R.S. 27:392(B)(3)(d)	Orleans Parish Excellence Fund, R.S. 27:392(B)(3)(d)
Agriculture and Forestry	R.S. 27:392(B)(4)	Agricultural Finance Auth. Fund, R.S. 3:277

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

Affiliated Blind of Louisiana; LA Center for the Blind at Ruston; La. Assoc. for the Blind; Lighthouse for the Blind in New Orleans	R.S. 27:392(B)(5)	Rehabilitation for the Blind and Visually Impaired Fund, R.S. 27:392(B)(5)
Equine Health Studies; Program at LSU Vet School	R.S. 27:392(B)(6)(a)	Equine Health Studies Program Fund, R.S. 27:392(B)(6)(a)
Southern University AgCenter	R.S. 27:392(B)(6)(b)	Southern University AgCenter Program Fund, R.S. 27:392(B)(6)(b)
New Orleans City Park Improvement Assoc.	R.S. 27:392(B)(7) and R.S. 27:392(C)(1)	Beautification and Improvement of the New Orleans City Park Fund, R.S. 27:392(B)(7)
Southern Univ. Urban Tourism and Marketing Program	R.S. 27:392(B)(8)	
Orleans Parish DA's Office	R.S. 27:392(B)(8)	
Greater New Orleans Sports Foundation	R.S. 27:392(C)(2)	Greater New Orleans Sports Foundation Fund, R.S. 27:392(C)(2)
Algiers Economic Development Foundation	R.S. 27:392(C)(3)	Algiers Economic Development Fund, R.S. 27:392(C)(3)
New Orleans Urban Tourism & Hospitality Training in Econ. Dev., Inc.	R.S. 27:392(C)(4)	New Orleans Urban Tourism & Hospitality Training in Econ. Dev. Foundation Fund, R.S. 27:392(C)(4)
Beautification Project for New Orleans Neighborhoods, Inc.	R.S. 27:392(C)(5)	Beautification Project for New Orleans Neighborhoods Fund, R.S. 27:392(C)(5)
Friends of NORD, Inc.	R.S. 27:392(C)(6)	Friends of NORD Fund, R.S. 27:392(C)(6)
LA Stadium & Expo Dist. for contractual obligations of NFL or NBA franchise	R.S. 27:392(C)(7)	New Orleans Sports Franchise Assistance Fund, R.S. 27:392(C)(7)
State operating expenses	R.S. 27:392(B)(9)	State General Fund

Proposed law redirects slots-at-the-track gaming revenues listed above, except the 4% local tax portion, to the Bet on Louisiana's Future Fund.

Present law also establishes a Pari-Mutuel Live Racing Facility Economic Redevelopment and Gaming Control Assistance District in the parishes of St. Landry, Bossier, and Calcasieu as a special taxing district with boundaries coterminous with the parish lines, which districts are authorized to levy an additional tax of 18.5% on net slot machine proceeds. Proposed

law repeals these special taxing districts. In St. Landry and Bossier, present law establishes a preference and priority to Louisiana residents, laborers, vendors, and suppliers. Proposed law retains this preference.

VIDEO DRAW POKER

Present law authorizes the placement, operation, maintenance, and play of approved video draw poker devices and imposes an annual fee to be paid by the holder of each license (R.S. 27:435(A)), a device owner fee (R.S. 27:435(B)), a franchise payment in an amount equal to a percentage of the net device revenue derived from the operation of each device, the percentage of which is based on the type of licensed establishment (R.S. 27:435(D)), and a processing fee (R.S. 27:435(H)). Present law allocates these fees and payments in varying amounts to the following entities, in the respective funds listed:

ENTITY	SOURCE	FUND
Purse supplements; Horsemen's benefits	R.S. 27:438	Direct payment
Purse supplements for thoroughbred and quarter horse races; Thoroughbred Breeders Association; Quarterhorse Racing Association	R.S. 27:435(D)(4); R.S. 27:439	Video Draw Poker Device Purse Supplement Fund, R.S. 27:439
Office of Behavioral Health	R.S. 27:437(B)(2)(a)	Compulsive and Problem Gaming Fund, R.S. 28:842
District Attorneys and Assistant District Attorneys	R.S. 27:437(C)(1)(a)	Video Draw Poker Device Fund, R.S. 27:437
Local Governing Authorities	R.S. 27:437(C)(1)(b)	Video Draw Poker Device Fund, R.S. 27:437
Office of Attorney General; DPS&C/State Police	R.S. 27:437(C)(2)	Video Draw Poker Device Fund, R.S. 27:437
State Operating Expenses	R.S. 27:437(C)(3)	State General Fund

Proposed law redirects video draw poker revenues listed above, except revenues going to the District Attorneys and Assistant District Attorneys and to local governing authorities, to the Bet on Louisiana's Future Fund.

LOTTERY

Present law permits the operations of a state lottery with all net revenues, surplus to the needs of the Lottery Corporation, credited to the Louisiana Lottery Proceeds Fund (R.S. 47:9029(B)). Present law allocates revenues in varying amounts to the following entities, in the respective funds listed:

ENTITY	SOURCE	FUND
Office of Behavioral Health	R.S. 47:9029(B)(2)	Compulsive and Problem Gaming Fund, R.S. 28:842

MFP	Const. Art. 12, Sec. 6	Lottery Proceeds Fund, Const. Art. 12, Sec. 6; R.S. 47:9029(A) and (B)
-----	------------------------	--

Proposed law redirects lottery revenues listed above to the Bet on Louisiana's Future Fund.

OFFTRACK WAGERING

Present law authorizes the Louisiana State Racing Commission to collect a license fee not to exceed 1 ½ percent of the total amount wagered at each offtrack wagering facility. Present law allocates revenues in varying amounts to the following entities:

ENTITY	SOURCE	FUND
LA Thoroughbred Breeders' Assoc. breeders' award; LA Quarter Horse Breeders Assoc. breeders' award	R.S. 4:218(A)(1)	Direct payment
Board of Regents	R.S. 4:218(A)(2)	
State Racing Commission	R.S. 4:218(A)(3)	

Proposed law redirects offtrack wagering revenues listed above to the Bet on Louisiana's Future Fund.

FUNDS

Proposed law retains the Support Education in Louisiana First (the SELF) Fund but eliminates references to various sources of gaming revenue. Proposed law provides for deposits into the SELF fund from the Bet on Louisiana's Future Fund.

Proposed law retains the Compulsive and Problem Gaming Fund but eliminates references to various sources of gaming revenue. Proposed law provides for deposits into the Compulsive and Problem Gaming Fund from the Bet on Louisiana's Future Fund.

Proposed law repeals the following funds: Riverboat Gaming Enforcement Fund, R.S. 27:92(B)(2)(c); Casino Gaming Enforcement Fund, R.S. 27:270(B); Bossier Parish Truancy Program Fund, R.S. 27:392(B)(3)(a)(i); St. Landry Parish Excellence Fund, R.S. 27:392(B)(3)(b); Calcasieu Parish Fund, R.S. 27:392(B)(3)(c); Orleans Parish Excellence Fund, R.S. 27:392(B)(3)(d); Rehabilitation for the Blind and Visually Impaired Fund, R.S. 27:392(B)(5); Equine Health Studies Program Fund, R.S. 27:392(B)(6)(a); Pari-mutuel Live Racing Facility Gaming Control Fund, R.S. 28:392(2)(a); Compulsive and Problem Gaming Fund, R.S. 28:842; Southern University AgCenter Program Fund, R.S. 27:392(B)(6)(b); Beautification and Improvement of the New Orleans City Park Fund, R.S. 27:392(B)(7); Greater New Orleans Sports Foundation Fund, R.S. 27:392(C)(2); Algiers Economic Development Fund, R.S. 27:392(C)(3); New Orleans Urban Tourism & Hospitality Training in Econ. Dev. Foundation Fund, R.S. 27:392(C)(4); Beautification Project for New Orleans Neighborhoods Fund, R.S. 27:392(C)(5); Friends of NORD Fund, R.S. 27:392(C)(6); New Orleans Sports Franchise Assistance Fund, R.S. 27:392(C)(7); and Video Draw Poker Device Purse Supplement Fund, R.S. 27:439.

BET ON LOUISIANA'S FUTURE FUND

Proposed law establishes the Bet on Louisiana's Future Fund as a special treasury fund.

Proposed law deposits riverboat gaming, land-based casino, slot machines at racetracks, video draw poker, lottery, and offtrack wagering proceeds into the fund.

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

Proposed law, beginning FY 2017-2018, requires allocation of these gaming funds as follows: 52.5% to public elementary and secondary education, 11.5% to higher education, and 11.5% to community and technical colleges including the MFP, TOPS, and the SELF fund. Additional allocations include 15% to the UAL and 5% for gaming enforcement and regulation.

Proposed law prohibits the expenditure of deposits into the fund in the same calendar year in which they are received.

OTHER

Proposed law eliminates cross-references to provisions of law being repealed by this Act.

Effective if and when the proposed amendment of Article XII of the Constitution of La. contained in the Act which originated as House Bill No. ____ of this 2016 R.S. of the Legislature is adopted at a statewide election and becomes effective.

(Amends R.S. 4:218(A), R.S.17:421.7(A), R.S. 27:92(B)(1), 249, 270, 353(13), 392(B)(1), 435(D), and 437(B)(1) and (C)(intro para) and (3), R.S. 28:842(B) and (C), the heading of Chapter 39 of Title 33 of the La. Revised Statutes of 1950 and R.S. 33:9551(F), the heading of Chapter 40 of Title 33 of the La. Revised Statutes of 1950 and R.S. 33:9561(F), and R.S. 47:9029(A)(3) and (C); Adds R.S. 27:601; Repeals R.S. 27:31(F), 92(B)(2) and (C), 361(B)(4), 392(B)(2)-(9) and (C), 437(B)(2) and (C)(2) and (4), 438, and 439, R.S. 33:9551(A)-(E), 9561(A)-(E), and 9571, and R.S. 47:9029(B))