

Regular Session, 2011

HOUSE BILL NO. 516

BY REPRESENTATIVE LEGER

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

GAMING/REVENUE: Provides relative to the casino support services contract

1 AN ACT

2 To amend and reenact R.S. 27:247 and 270(A)(3)(a), relative to the casino support services  
3 contract; to provide for the funding of such contract; to establish the Casino Support  
4 Services Fund as a special treasury fund; to provide for an effective date; and to  
5 provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 27:247 and 270(A)(3)(a) are hereby amended and reenacted to read  
8 as follows:

9 §247. Casino support services contract; Casino Support Services Fund

10 A. Subject to and in accordance with the provisions of this Chapter, the  
11 gaming control board shall enter into a casino support services contract with the  
12 governing authority of the parish where the official gaming establishment is located  
13 in order to compensate the parish on a quarterly basis for the cost to the parish for  
14 providing support services resulting from the operation of the official gaming  
15 establishment and the activities therein. Support services as used in this Section  
16 shall include but not be limited to fire, police, sanitation, health, transportation, and  
17 traffic services. The amount of the contract shall be determined by negotiation and  
18 agreement between the gaming control board and the parish, subject to approval by  
19 the Joint Legislative Committee on the Budget. In the event that a new contract is  
20 not agreed upon by the gaming control board and the parish by March thirty-first of

1 any year, the contract currently in effect shall be submitted to the Joint Legislative  
 2 Committee on the Budget for approval of the amount of the contract at the next  
 3 meeting of the committee. If the committee approves the amount of the contract, the  
 4 contract shall remain in full force and effect. If the committee disapproves or does  
 5 not act upon the amount of the contract, the contract shall be null, void, and of no  
 6 effect. If the committee disapproves or does not act upon the amount of the contract  
 7 and the contract is null, void, and of no effect, the treasurer shall not deposit any  
 8 monies into the fund.

9 B.(1) There is hereby created in the state treasury, as a special fund, the  
 10 Casino Support Services Fund, hereinafter referred to as the "fund", to provide  
 11 compensation to the parish governing authority pursuant to a casino support services  
 12 contract executed pursuant to Subsection A of this Section.

13 (2) Monies in the fund shall be invested in the same manner as monies in the  
 14 general fund. Interest earned on investment of monies in the fund shall be credited  
 15 to the fund. Unexpended and unencumbered monies in the fund at the end of the  
 16 fiscal year shall remain in the fund.

17 C. Monies in the fund shall be appropriated to the parish governing authority  
 18 and used to compensate the parish on a quarterly basis for the cost to the parish of  
 19 providing support services resulting from the operation of the official gaming  
 20 establishment and the activities therein.

21 \* \* \*

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

25 A.(1)

26 \* \* \*

27 (3)(a) Daily, the corporation shall transfer to the state treasury for deposit  
 28 into certain funds in the treasury, as provided in this Paragraph, the amount of net  
 29 revenues which the corporation determines are surplus to its needs. After first being

1 credited to the Bond Security and Redemption Fund in accordance with Article VII,  
2 Section 9(B) of the Constitution of Louisiana, and after satisfying any other  
3 requirements of the Constitution and laws of Louisiana, such net revenues shall be  
4 deposited as follows:

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

8 (ii) Except in a year when the Joint Legislative Committee on the Budget  
9 disapproves or does not act upon the amount of the casino support services contract  
10 as provided in R.S. 27:747 and no revenues are required to be deposited in and  
11 credited to the Casino Support Services Fund, and after satisfying the requirements  
12 of Item (i) of this Paragraph, all such net revenues shall be deposited in and credited  
13 to the Casino Support Services Fund as provided in R.S. 27:247, not to exceed the  
14 amount required to fully fund the casino support services contract most recently  
15 approved by the Joint Legislative Committee on the Budget.

16 (iii) ~~Ninety percent~~ The remainder shall be deposited in and credited to the  
17 Support Education in Louisiana First Fund as provided in R.S. 17:421.7.

18 \* \* \*

19 Section 2. This Act shall become effective upon signature by the governor or, if not  
20 signed by the governor, upon expiration of the time for bills to become law without signature  
21 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
22 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
23 effective on the day following such approval.

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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)]

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Leger

HB No. 516

**Abstract:** Requires a portion of the monies collected from the operation of a land-based casino to be deposited into a special fund to be used to compensate the parish governing authority for support services as provided in the most recently approved casino support services contract.

Present law provides that the gaming control board and the parish governing authority shall enter into a casino support services contract to compensate the governing authority for support services resulting from operation of the land-based casino. Requires approval of the Joint Legislative Committee on the Budget (JLCB). If a new contract is not agreed to by March 31, the contract currently in effect shall remain in full force and effect. If the JLCB approves the contract, it shall remain in full force and effect.

Proposed law retains present law.

Present law provides that if the JLCB disapproves or does not act upon the amount of the contract, it shall be nullified.

Proposed law retains present law and adds provision that if JLCB disapproves or does not act upon the amount of the contract, the treasurer shall not deposit any monies into the Casino Support Services Fund which proposed law establishes as a special treasury fund to provide compensation to the parish governing authority pursuant to a casino support services contract.

Proposed law provides that monies in the fund shall be appropriated to the parish governing authority and used to compensate the parish on a quarterly basis for the cost to the parish of providing support services resulting from the operation of the official gaming establishment and the activities therein.

Present law provides that, of net revenues received from the land-based casino, up to \$500,000 shall be deposited into the Compulsive and Problem Gaming Fund. Provides that the remainder of net revenues to be deposited to the state treasury shall be deposited as follows:

- (1) 10% shall be deposited in and credited to the Support Education in La. First (SELF) Fund, to be used to provide the increase in salary of certain public pre-K through 12th grade certificated personnel and other public pre-K through 12th grade classroom teachers as provided in present law.
- (2) 90% to the SELF Fund.

Proposed law retains present law requiring the deposit of 10% into the SELF Fund.

Proposed law provides that except in a year when the JLCB disapproves or does not act upon the contract amount and after the requirements of the 10% are satisfied, all net revenues shall be deposited into the Casino Support Services Fund, not to exceed the amount required to fully fund the casino support services contract most recently approved by the JLCB.

Further provides that any net revenues remaining after satisfying the above requirements shall be deposited into the SELF Fund.

Present law established the SELF Fund. Provides that certain riverboat gaming franchise fees and casino net revenues shall be used and expended solely as follows:

- (1) 70% percent of the monies in the fund shall be used to provide an increase in the salary of certain pre-K through 12th grade certificated personnel and for other public pre-kindergarten through 12th grade classroom teachers in FY 2001-2002 and annually to support such increase.
- (2) 30% of the monies in the fund shall be used to provide public postsecondary education faculty salary increases, including related benefits, to be distributed in accordance with a plan developed jointly by the Board of Regents and the division of administration in FY 2001-2002 and annually to support such increase.

Proposed law retains present law.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 27:247 and 270(A)(3)(a))