

ACT No. 80

HOUSE BILL NO. 697 (Substitute for House Bill No. 628 by Representative Stefanski)

BY REPRESENTATIVES STEFANSKI, BOURRIAQUE, BRASS, BROWN, BRYANT, DESHOTEL, FONTENOT, HOLLIS, JEFFERSON, TRAVIS JOHNSON, LACOMBE, MARINO, PIERRE, AND STAGNI AND SENATORS ABRAHAM AND HENSGENS

1 AN ACT

2 To amend and reenact R.S. 13:4721, R.S. 14:90.5(A) through (C), R.S. 27:3(10), (15), (17),
3 and (19), 15(D) and (E), 29.1(D) and (E), 29.2(A), (B), (D), and (E), 29.3(A),
4 29.4(D), R.S. 47:9001, 9002, 9006(B), 9009(B)(1) and (C), 9010(E), 9015(D), and
5 9029(A)(1) and to enact R.S. 14:90(E) and 90.3(K), R.S. 27:92(D), Part IV of
6 Chapter 10 of Title 27 of the Louisiana Revised Statutes of 1950, to be comprised
7 of R.S. 27:621 through 627, and Chapter 10 of Title 47 of the Louisiana Revised
8 Statutes of 1950, to be comprised of R.S. 47:9091 through 9107, relative to sports
9 wagering; to provide for definitions; to authorize sports wagering; to require certain
10 licenses and permits; to require certain fees; to levy certain taxes; to provide relative
11 to the administration of sports wagering gaming; to provide relative to duties and
12 powers of the Louisiana Gaming Control Board; to provide relative to duties and
13 powers of the gaming division in the office of state police; to provide relative to
14 duties and powers of the Louisiana Lottery Corporation; to provide for the collection
15 and disposition of certain monies; to create the Sports Wagering Enforcement Fund;
16 to create the Lottery Sports Wagering Fund; to authorize electronic sports wagering;
17 to provide for a public records exception; to provide relative to legislative intent; to
18 provide relative to administrative rules; to provide relative to contracts; to provide
19 relative to suitability; to provide relative to sports wagering mechanisms; to provide
20 relative to sports wagering winnings and prizes; to provide relative to sports
21 wagering tickets; to provide relative to state revenues; to provide relative to
22 gambling houses; to provide relative to gambling; to provide for certain

1 requirements, conditions, and limitations; to provide for effectiveness; and to provide
2 for related matters.

3 Be it enacted by the Legislature of Louisiana:

4 Section 1. R.S. 13:4721 is hereby amended and reenacted to read as follows:

5 §4721. Gambling houses; definition; declared public nuisances

6 A. For the purposes of this ~~Sub-part~~, Subpart, or for the purposes of any
7 action or prosecution ~~hereunder~~ in this Section, a gambling house is either:

8 (1) ~~any~~ Any place ~~whatever~~ whatsoever where any game of chance of any
9 kind or character is played for money, for wagers, or for tokens, and where the
10 conduct of such place operates, directly or indirectly, to the profit of one or more
11 individuals and not exclusively to the direct profit of the actual participants in such
12 game; ~~and~~.

13 (2) ~~any~~ Any place whatsoever where races, athletic contests, ~~and~~ sports, and
14 games are not actually held and where opportunity is afforded for wagering upon
15 races, athletic contests, sports, and games of chance.

16 B. All gambling houses as ~~herein~~ defined in this Section are declared to be
17 public nuisances, and the ~~owner~~ owners thereof, and the ~~agent~~ agents for such ~~owner~~,
18 owners, or the ~~lessee, sublessee~~ lessees, sublessees, or other occupants thereof are
19 declared to be guilty of maintaining a public nuisance.

20 C. The provisions of this Subpart shall not apply to any place where sports
21 wagering is conducted in accordance with Chapter 10 of Title 47 of the Louisiana
22 Revised Statutes of 1950.

23 Section 2. R.S. 14:90.5(A) through (C) are hereby amended and reenacted and R.S.
24 14:90(E) and 90.3(K) are hereby enacted to read as follows:

25 §90. Gambling

26 * * *

27 E. Sports wagering shall not be considered gambling for purposes of this
28 Section so long as the wagering is conducted in compliance with Chapter 10 of Title
29 47 of the Louisiana Revised Statutes of 1950.

30 * * *

1 §90.3. Gambling by computer

2 * * *

3 K. Sports wagering shall not be considered gambling by computer for
4 purposes of this Section so long as the wagering is conducted in compliance with
5 Chapter 10 of Title 47 of the Louisiana Revised Statutes of 1950.

6 * * *

7 §90.5. Unlawful playing of gaming devices by persons under the age of twenty-one;
8 underage persons, penalty

9 A. It is unlawful for any person under twenty-one years of age to play casino
10 games, gaming devices, or slot machines or to place a wager on a sports event.

11 B. No person under the age of twenty-one, except an emergency responder
12 acting in his official capacity, shall enter, or be permitted to enter, the designated
13 gaming area of a riverboat, the designated gaming area of the official gaming
14 establishment, or the designated ~~slot machine~~ gaming area of a pari-mutuel wagering
15 facility which offers live horse racing licensed for operation and regulated under the
16 applicable provisions of Chapters 4, 5, and 7 of Title 27 of the Louisiana Revised
17 Statutes of 1950.

18 C.(1) For purposes of this Section, "casino games, gaming devices, or slot
19 machines" means a game or device, as defined in ~~R.S. 27:44(10) or (12), 205(12) or~~
20 ~~(13), or 353(14)~~ R.S. 27:44, 205, or 353 operated on a riverboat, at the official
21 gaming establishment, or at a pari-mutuel wagering facility which offers live horse
22 racing which is licensed for operation and regulated under the provisions of Chapters
23 4, 5, and 7 of Title 27 of the Louisiana Revised Statutes of 1950.

24 (2) For purposes of this Section, "place a wager on a sports event" shall apply
25 to wagers attempted to be or actually placed via a self-service sports wagering
26 mechanism, or via a mobile application as defined in R.S. 47:9002 and operations
27 are regulated under the provisions of Chapter 10 of Title 47 of the Louisiana Revised
28 Statutes of 1950.

29 * * *

1 Section 3. R.S. 27:3(10), (15), (17), and (19) , 15(D) and (E), 29.1(D) and (E),
2 29.2(A), (B), (D), and (E), 29.3(A), and 29.4(D) are hereby amended and reenacted and R.S.
3 27:92(D) and Part IV of Chapter 10 of Title 27 of the Louisiana Revised Statutes of 1950,
4 comprised of R.S. 27:621 through 627, are hereby enacted to read as follows:

5 §3. Definitions

6 For the purposes of this Title, the following terms have the following
7 meanings, unless the context clearly indicates otherwise:

8 * * *

9 (10) "Gaming supplier" means any person who supplies, sells or leases, or
10 contracts to sell or lease, gaming devices, equipment, or supplies to a holder of a
11 license as defined in ~~R.S. 27:44(14), R.S. 27:353(5)~~, R.S. 27:44, 353, or 602, or to
12 the casino gaming operator. "Gaming supplier" shall also include any person or
13 entity that supplies geolocation, geofencing, or patron identification services to the
14 holder of a license as defined in R.S. 27:44, 353, or 602, or to the casino gaming
15 operator.

16 * * *

17 (15) "Key gaming employee" or "managerial employee" means an employee,
18 agent, or representative of the casino gaming operator, or of a holder of a license as
19 defined in ~~R.S. 27:44(14), R.S. 27:353(5)~~, R.S. 27:44, 353, or 602, or a permittee
20 whether or not a gaming employee who, in the opinion of the board or division,
21 holds or exercises critical or significant management or operating authority over the
22 casino gaming operator, or of a holder of a license as defined in ~~R.S. 27:44(13), R.S.~~
23 ~~27:353(6)~~, R.S. 27:44, 353, or 602, or a permittee.

24 * * *

25 (17) "Non-key gaming employee" means a person employed in the operation
26 of a gaming activity and includes employees empowered to make discretionary
27 decisions that regulate gaming activities, and any individual whose employment
28 duties require or authorize access to designated gaming areas of a licensee as defined
29 in ~~R.S. 27:44(14), R.S. 27:353(5)~~, R.S. 27:44, 353, or 602, or the official gaming

1 establishment, other than non-gaming equipment maintenance personnel, cleaning
2 personnel, waiters, waitresses, and secretaries.

3 * * *

4 (19) "Non-gaming supplier" means any person who sells, leases, or otherwise
5 distributes, directly or indirectly, goods or services other than gaming equipment and
6 supplies to the holder of a license, as defined in ~~R.S. 27:44(14)~~, ~~R.S. 27:353(5)~~, R.S.
7 27:44, 353, or 602, or the casino gaming operator.

8 * * *

9 §15. Board's authority; responsibilities

10 * * *

11 D. In addition to or in lieu of the revocation or suspension of a license or
12 permit issued pursuant to the provisions of the Louisiana Riverboat Economic
13 Development and Gaming Control Act, the Louisiana Economic Development and
14 Gaming Corporation Act, the Pari-mutuel Live Racing Facility Economic
15 Redevelopment and Gaming Control Act, the Louisiana Sports Wagering Act, and
16 this Chapter, the board may impose upon the casino gaming operator or the holder
17 of a license as defined in R.S. 27:44 ~~or~~, 353, or 602, or a permittee a civil penalty not
18 to exceed one hundred thousand dollars for each violation of any provision of the
19 Louisiana Riverboat Economic Development and Gaming Control Act, the Louisiana
20 Economic Development and Gaming Corporation Act, the Louisiana Pari-mutuel
21 Live Racing Facility Economic Redevelopment and Gaming Control Act, the
22 Louisiana Sports Wagering Act, this Chapter, or any rule or regulation of the board.
23 Payment of the civil penalty shall be a requirement for the retention of any permit,
24 certificate, or license held by the entity which violated any such provisions. If the
25 licensee contests the imposition of the civil penalty, the penalty shall be imposed
26 only after an adjudicatory hearing is conducted pursuant to R.S. 27:25 and a basis for
27 imposition of the penalty is determined to exist.

28 E. The board by rule may adopt a schedule of penalties for violations of the
29 Louisiana Riverboat Economic Development and Gaming Control Act, the Louisiana
30 Economic Development and Gaming Corporation Act, the Pari-mutuel Live Racing

1 Facility Economic Redevelopment and Gaming Control Act, the Louisiana Sports
2 Wagering Act, this Chapter, or any rule or regulation of the board. Any such rules
3 shall be adopted pursuant to the Administrative Procedure Act and as otherwise
4 provided in this Chapter.

5 * * *

6 §29.1. Manufacturer; permits

7 * * *

8 D. The annual fee for a manufacturer of slot machines, sports wagering
9 mechanisms, and video draw poker devices permit issued under the provisions of this
10 Section is fifteen thousand dollars. This fee is required to be submitted at the time
11 of application and on the anniversary date of the issuance of the permit thereafter.

12 E. The annual fee for a manufacturer of gaming equipment other than slot
13 machines, sports wagering mechanisms, and video draw poker devices permit issued
14 under the provisions of this Section is seven thousand five hundred dollars. This fee
15 is required to be submitted at the time of application and on the anniversary date of
16 the issuance of the permit thereafter.

17 §29.2. Gaming supplier permits

18 A. The board shall issue a gaming supplier permit to suitable persons who
19 supply, sell, lease, or repair, or contract to supply, sell, lease, or repair gaming
20 devices, equipment, and supplies to the holder of a license as defined in ~~R.S.~~
21 ~~27:44(14), R.S. 27:353(5) or R.S. 27:44 or 353~~, the casino gaming operator, or a
22 sports wagering operator as defined in R.S. 27:602. A person shall not supply, sell,
23 lease, or repair ~~or contract to supply, sell, lease, or repair~~ gaming devices, equipment,
24 and supplies unless they possess a valid gaming supplier permit.

25 B. Gaming devices, supplies, or equipment may not be distributed to the
26 holder of a license as defined in ~~R.S. 27:44(14), R.S. 27:353(5) or a R.S. 27:44 or~~
27 353, the casino gaming operator, a sports wagering operator as defined in R.S.
28 27:602, or supplier unless such devices, equipment, or supplies conform to rules
29 adopted by the board for such purpose.

30 * * *

1 D. A supplier shall furnish to the board a list of any gaming equipment and
 2 supplies offered by the supplier for sale or lease in connection with games authorized
 3 under this Title. A supplier shall keep books and records for the furnishing of
 4 gaming equipment and supplies to gaming operations separate and distinct from any
 5 other business that the supplier might operate. A supplier shall file a quarterly return
 6 with the board listing all sales and leases. A supplier shall permanently affix its name
 7 to all its gaming devices, equipment, and supplies for gaming operations unless
 8 otherwise authorized by the board. Any supplier's gaming devices, equipment, or
 9 supplies which are used by any person in unauthorized gaming operations shall be
 10 forfeited to the board. The holder of a license as defined in ~~R.S. 27:44(14)~~, ~~R.S.~~
 11 ~~27:353(5)~~, R.S. 27:44, 353, or 602, and the casino gaming operator may own its own
 12 gaming devices, equipment, and supplies. Each supplier, the holder of a license as
 13 defined in ~~R.S. 27:44(14)~~, ~~R.S. 27:353(5)~~, R.S. 27:44, 353, or 602, and the casino
 14 operator shall file an annual report with the board listing its inventories of gaming
 15 devices, equipment, and supplies.

16 E.(1) The annual fee for a gaming supplier permit issued under the provisions
 17 of this Section is three thousand dollars. This fee is required to be submitted at the
 18 time of application and on the anniversary date of the issuance of the permit
 19 thereafter.

20 (2) The fee provided for in this Section shall not apply to any suitable
 21 business or legal entity that markets, buys, sells, leases, services, or repairs sports
 22 wagering mechanisms in this state. The fee for the permit provided for in this Section
 23 for such entities shall be provided for in R.S. 27:624.

24 (3) The fee provided for in this Section shall not apply to any suitable
 25 business or legal entity that engages in support services for the operation of a sports
 26 book on behalf of an operator in this state. The fee for the permit provided for in this
 27 Section for such entities shall be provided for in R.S. 27:623.

28 §29.3. Non-gaming supplier permit

29 A.(1) The division shall issue a non-gaming supplier permit to suitable
 30 persons who furnish services or goods and receive compensation or remuneration for

1 such goods or services to the holder of a license as defined in R.S. 27:44 ~~and~~ or 353,
 2 or the casino gaming operator-, or a sports wagering operator as defined in R.S.
 3 27:602. The board shall promulgate rules establishing the threshold amount of goods
 4 and services for which a non-gaming supplier permit is required. Such services
 5 include but are not limited to industries offering goods or services whether or not
 6 directly related to gaming activity, including junket operators and limousine services
 7 contracting with the holder of a license as defined in R.S. 27:44 ~~and~~ or 353, or the
 8 casino gaming operator, or a sports wagering operator as defined in R.S. 27:602,
 9 suppliers of food and nonalcoholic beverages, gaming employee or dealer training
 10 schools, garbage handlers, vending machine providers, linen suppliers, or
 11 maintenance companies. Any employee or dealer training school, other than
 12 employee or training schools conducted by a licensee, or the casino gaming operator,
 13 shall be conducted at an institution approved by the Board of Regents or the State
 14 Board of Elementary and Secondary Education.

15 (2) Any person who, directly or indirectly, furnishes services or goods to the
 16 holder of a license as defined in R.S. 27:44 ~~and~~ or 353, or the casino gaming
 17 operator, or a sports wagering operator as defined in R.S. 27:602, regardless of the
 18 dollar amount of the goods and services furnished or who has a business association
 19 with the holder of a license as defined in R.S. 27:44 ~~and~~ or 353, or the casino
 20 operator, or a sports wagering operator as defined in R.S. 27:602, may be required
 21 by the board or division, where applicable, to be found suitable or apply for a non-
 22 gaming supplier permit. Failure to supply all information required by the board or
 23 division, where applicable, may result in a finding of unsuitability or denial of a non-
 24 gaming supplier permit.

25 * * *

26 §29.4. Key and non-key gaming employee permit

27 * * *

28 D. The holder of a key or non-key gaming employee permit issued under this
 29 Title shall be authorized to work in the capacity for which permitted for the holder

1 of a license as defined in ~~R.S. 27:44(14), R.S. 27:353(5), or R.S. 27:44 or 353~~, the
2 casino gaming operator, or a sports wagering operator as defined in R.S. 27:602.

3 * * *

4 §92. Collection and disposition of fees

5 * * *

6 D. The provisions of this Section shall not apply to any monies collected
7 relative to sports wagering.

8 * * *

9 CHAPTER 10. SPORTS WAGERING

10 PART IV. FEES, TAXES, AND COLLECTIONS

11 §621. Sports wagering license fee

12 A. The initial application fee for a sports wagering license shall be two
13 hundred fifty thousand dollars and shall be non-refundable. The initial application
14 fee shall be submitted at the time of application.

15 B. The license fee for a sports wagering license issued pursuant to R.S.
16 27:604, shall be five hundred thousand dollars. The license shall be for a term of
17 five years. The license fee shall be submitted on the anniversary date of the issuance
18 of the license every five years. The first license payment shall be submitted at the
19 time of application.

20 C. The division shall collect all fees imposed or assessed pursuant to the
21 provisions of this Section and deposit the fees into the Sports Wagering Enforcement
22 Fund established in R.S. 27:626.

23 §622. Sports wagering platform provider permit fee

24 A. The initial application fee for a sports wagering platform provider permit
25 shall be one hundred thousand dollars and shall be non-refundable. The initial
26 application fee shall be submitted at the time of application.

27 B. The permit fee for a sports wagering platform provider permit issued
28 pursuant to R.S. 27:605, shall be two hundred fifty thousand dollars. The permit shall
29 be for a term of five years. The permit fee shall be submitted on the anniversary date

1 of the issuance of the permit every five years. The first permit payment shall be
 2 submitted at the time of application.

3 C. The division shall collect all fees imposed or assessed pursuant to the
 4 provisions of this Section and deposit the fees into the Sports Wagering Enforcement
 5 Fund established in R.S. 27:626.

6 §623. Sports wagering service provider permit fee

7 A. The initial application fee for a sports wagering service provider permit
 8 shall be ten thousand dollars and shall be non-refundable. The initial application fee
 9 shall be submitted at the time of application.

10 B. The permit fee for a sports wagering service provider permit issued
 11 pursuant to R.S. 27:29.2, shall be twelve thousand five hundred dollars. The permit
 12 shall be for a term of five years. The permit fee shall be submitted on the anniversary
 13 date of the issuance of the permit every five years. The first permit payment shall be
 14 submitted at the time of application.

15 C. The division shall collect all fees imposed or assessed pursuant to the
 16 provisions of this Section and deposit the fees into the Sports Wagering Enforcement
 17 Fund established in R.S. 27:626.

18 §624. Sports wagering distributor permit fee

19 A. The initial application fee for a sports wagering distributor permit shall
 20 be five thousand dollars and shall be non-refundable. The initial application fee shall
 21 be submitted at the time of application.

22 B. The permit fee for a sports wagering distributor permit issued pursuant
 23 to R.S. 27:29.2, shall be two thousand five hundred dollars. The permit shall be for
 24 a term of five years. The permit fee shall be submitted on the anniversary date of the
 25 issuance of the permit every five years. The first permit payment shall be submitted
 26 at the time of application.

27 C. The division shall collect all fees imposed or assessed pursuant to the
 28 provisions of this Section and deposit the fees into the Sports Wagering Enforcement
 29 Fund established in R.S. 27:626.

1 §625. State tax; levy

2 A. There is hereby levied a ten percent tax upon the net gaming proceeds
 3 from sports wagering offered to consumers within this state pursuant to this Title
 4 conducted onsite at a licensed sports wagering establishment. Any sports wagering
 5 conducted through a mobile application or a website on the premises of a licensed
 6 sports wagering establishment shall be considered electronic wagering and shall be
 7 taxed pursuant to Subsection B of this Section.

8 B. There is hereby levied a fifteen percent tax upon the net gaming proceeds
 9 from sports wagering offered to consumers within this state pursuant to this Title
 10 electronically through a website or mobile application. The provisions of this
 11 Subsection shall not apply to electronic sports wagering conducted through a sports
 12 wagering mechanism.

13 C. Within twenty days of the last day of each calendar month the division
 14 shall collect the taxes imposed pursuant to the provisions of this Section for the
 15 immediately preceding calendar month.

16 D. All taxes collected by the division pursuant to this Section, shall be
 17 forwarded upon receipt to the state treasurer for immediate deposit into the state
 18 treasury. Funds deposited into the treasury shall first be credited to the Bond Security
 19 and Redemption Fund in accordance with Article VII, Section 9(B) of the
 20 Constitution of Louisiana.

21 E. In a month when the amount of net gaming proceeds of an operator from
 22 sports wagering is a negative number, the operator may carry over the negative
 23 amount to the return filed for the subsequent month. However, no amount shall be
 24 carried over in any period more than twelve months after the month in which the
 25 amount carried over was originally due.

26 F. The provisions of this Section shall not apply to any sports wagering
 27 offered in this state by the Louisiana Lottery Corporation pursuant to Title 47.

28 §626. Sports Wagering Enforcement Fund

29 A. There is hereby created in the state treasury a special fund designated as
 30 the "Sports Wagering Enforcement Fund", hereafter referred to as the "fund". After

1 allocation of money to the Bond Security and Redemption Fund as provided in
 2 Article VII, Section 9(B) of the Constitution of Louisiana, the treasurer shall deposit
 3 in and credit to the fund monies from license, application, and permit fees collected
 4 pursuant to this Part. Monies in the fund shall be invested in the same manner as
 5 monies in the state general fund. Interest earned on investment of monies in the fund
 6 shall be deposited in and credited to the fund. Unexpended and unencumbered
 7 monies in the fund shall remain in the fund. Monies in the fund shall be appropriated,
 8 administered, and used solely as provided in this Section.

9 B. The monies in the fund shall be withdrawn only pursuant to appropriation
 10 by the legislature and shall be used solely for the expenses of the Department of
 11 Public Safety and Corrections, the Department of Justice, and the Louisiana Gaming
 12 Control Board, including regulatory, administrative, investigative, enforcement,
 13 legal, and other expenses as may be necessary to carry out the provisions of this
 14 Chapter and the rules of the board.

15 §627. Promotional play

16 Eligible promotional play shall be equal to the amount of dollars directly
 17 attributable to promotional play wagers related to sports wagering and actually
 18 redeemed by players and patrons. Eligible promotional play shall not exceed an
 19 amount of five million dollars per calendar year.

20 Section 4. R.S. 47:9001, 9002, 9006(B), 9009(B)(1) and (C), 9010(E), 9015(D), and
 21 9029(A)(1) are hereby amended and reenacted and Chapter 10 of Title 47 of the Louisiana
 22 Revised Statutes of 1950, comprised of R.S. 47:9091 through 9107, is hereby enacted to read
 23 as follows:

24 §9001. Statement of purpose and intent

25 A. The legislature hereby recognizes that the operations of a state lottery are
 26 unique activities for state government and that a corporate structure will best enable
 27 the lottery to be managed in an entrepreneurial and business-like manner. It is the
 28 intent of the legislature that the Louisiana Lottery Corporation shall be accountable
 29 to the governor, the legislature, and the people of the state through a system of

1 audits, reports, legislative oversight, and thorough financial disclosure as required
 2 by this Subtitle.

3 B. The legislature hereby recognizes that, similar to other states, the
 4 Louisiana Lottery Corporation is uniquely positioned to participate in the sports
 5 wagering industry based upon its business model, infrastructure, and current
 6 relationship with retail establishments. The legislature also recognizes that allowing
 7 the state lottery to participate in sports wagering may generate additional state
 8 revenue. The Louisiana Lottery Corporation through an operator shall operate and
 9 administer a sports book which shall be a separate and distinct responsibility and
 10 operation from lottery gaming. Any sports wagering offered to consumers in this
 11 state pursuant to this Subtitle shall exclusively be through electronic means including
 12 a website, mobile application, or sports wagering mechanism.

13 §9002. Definitions

14 As used in this Subtitle, the following words and phrases shall have the
 15 following meanings unless the context clearly requires otherwise:

16 (1) ~~"Corporation" means the Louisiana Lottery Corporation.~~

17 (2) ~~"Lottery" means any game of chance approved by the corporation and~~
 18 ~~operated pursuant to this Chapter.~~

19 (3) ~~"Major procurement" means any item, product, or service in the amount~~
 20 ~~of one hundred thousand dollars or more, including but not limited to major~~
 21 ~~advertising contracts, annuity contracts, prize products, and services unique to the~~
 22 ~~Louisiana lottery, but not including materials, supplies, equipment, and services~~
 23 ~~common to the ordinary operations of a corporation.~~

24 (4) ~~"Net proceeds" means gross lottery revenues minus amounts paid or~~
 25 ~~estimated to be paid as prizes and expenses of operation of the lottery.~~

26 (5) ~~"Person" means any individual, corporation, partnership, unincorporated~~
 27 ~~association, or other legal entity.~~

28 (6) ~~"President" means the president of the Louisiana Lottery Corporation,~~
 29 ~~who shall also serve as chief executive officer of the corporation.~~

1 ~~(7) "Retailer" means any person with whom the corporation has contracted~~
 2 ~~to sell lottery tickets to the public.~~

3 ~~(8) "Security" means the protection of information that would provide an~~
 4 ~~unfair advantage to any individual involved in the operation of the lottery, protection~~
 5 ~~and preservation of the integrity of lottery games and operations, as well as measures~~
 6 ~~taken to prevent crimes against the corporation and its retailers.~~

7 ~~(9) "Vendor" means any person who has entered into a major procurement~~
 8 ~~contract with the corporation.~~

9 (1) "Anti-money laundering standards" or "AML" means the requirements
 10 and guidelines provided in the federal Bank Secrecy Act of 1970, as amended, and
 11 the Anti-Money Laundering Act of 2020, as amended, for the prevention and
 12 detection of money laundering and the financing of terrorism.

13 (2) "Applicant" means a person, business, or legal entity who has submitted
 14 an application to the corporation seeking a permit or the renewal of a permit.

15 (3) "Application" means the forms and schedules prescribed by the
 16 corporation upon which an applicant seeks a permit or the renewal of a permit. An
 17 application shall also include any other information or fee required by the
 18 corporation to be submitted with an application such as disclosure statements,
 19 financial statements, and any type of fee.

20 (4) "Board" means the board of directors of the Louisiana Lottery
 21 Corporation.

22 (5) "Corporation" means the Louisiana Lottery Corporation.

23 (6) "Distributor" means a permitted business or legal entity that is domiciled
 24 in this state and markets, buys, sells, leases, services, or repairs sports wagering
 25 mechanisms in this state.

26 (7) "Electronic sports wagering" means sports wagering via a sports wagering
 27 mechanism on the premises of a permitted retail establishment or via a website or
 28 mobile application.

1 (8) "Lottery" means any game of chance approved by the corporation and
2 operated pursuant to this Chapter and shall not include sports wagering authorized
3 pursuant to this Subtitle.

4 (9) "Major procurement" means any item, product, or service in the amount
5 of one hundred thousand dollars or more, including but not limited to major
6 advertising contracts, annuity contracts, prize products, and services unique to the
7 Louisiana lottery, but not including materials, supplies, equipment, and services
8 common to the ordinary operations of a corporation.

9 (10) "Mobile application" means an application on a mobile phone or other
10 device through which a player is able to register, fund, and place a wager with an
11 operator on a sports event and receive a credit on their sports wagering account.

12 (11) "Mobile wagering" means wagering on a sports event through a website
13 or mobile application.

14 (12) "Net gaming proceeds" means the amount equal to the total gross
15 revenue of all sports wagers placed by patrons less the total amount of all winnings
16 paid out to patrons.

17 (13) "Net proceeds" means gross lottery revenues less amounts paid or
18 estimated to be paid as prizes and expenses of operation of the lottery.

19 (14) "Patron" or "player" means an individual who places a wager on a sports
20 event.

21 (15) "Permit" means any permit or authorization, or application therefor,
22 issued pursuant to the provisions of this Subtitle.

23 (16) "Permittee" means any person who is issued a permit pursuant to the
24 provisions of this Subtitle.

25 (17) "Person" means any individual, corporation, partnership, unincorporated
26 association, or other legal entity.

27 (18) "President" means the president of the Louisiana Lottery Corporation,
28 who shall also serve as chief executive officer of the corporation.

29 (19) "Retail establishment" means a retail business that is permitted by the
30 corporation to host a sports wagering mechanism.

1 (20) "Retailer" means any person with whom the corporation has contracted
2 to sell lottery tickets to the public.

3 (21) "Security" means the protection of information that would provide an
4 unfair advantage to any individual involved in the operation of the lottery, protection
5 and preservation of the integrity of lottery games and operations, as well as measures
6 taken to prevent crimes against the corporation and its retailers.

7 (22) "Sports book" means the offering of sports wagering by a sports
8 wagering platform provider on the premises of a permitted retail establishment or
9 through a sports wagering platform.

10 (23) "Sports event" means any professional sport or athletic event, any
11 collegiate sport or athletic event, any Olympic or international sports competition
12 event, or any other special event or competition of relative skill as authorized by the
13 corporation to be a sports event for purposes of this Chapter. "Sports event" shall not
14 include high school sports, youth events, any international sports events where the
15 majority of the athletes are under the age of eighteen years old, electronic sports,
16 competitive video games, fantasy sports contests as provided in Chapter 6 of Title
17 27 of the Louisiana Revised Statutes of 1950, and any event prohibited by law.

18 (24) "Sports wager" or "sports bet" means a sum of money or representation
19 of value risked by a player on an occurrence associated with a sports event for which
20 the outcome is uncertain. The term includes but is not limited to single-game bets,
21 teaser bets, parlay bets, over-under bets, moneyline bets, pools, exchange wagering,
22 in-game wagering, in-play bets, proposition bets, and straight bets.

23 (25) "Sports wagering" means the acceptance of a wager on a sports event or
24 on a portion of a sports event or on the individual performance or statistics of an
25 athlete or participant in a sports event or a combination of sports events, by any
26 system or method of wagering.

27 (26) "Sports wagering account" means an electronic financial record
28 established with an operator for an individual patron in which the patron may deposit
29 and withdraw funds for sports wagering and other authorized purchases and to which

1 the operator may credit winnings or other amounts due to that patron or authorized
2 by that patron.

3 (27) "Sports wagering mechanism" or "kiosk" means a corporation approved
4 self-service mechanical, electrical, or computerized terminal, device, apparatus, or
5 piece of equipment that is directly tied to the central system of the sports wagering
6 platform provider approved by and contracting with the corporation, which allows
7 a patron to place a sports wager on premises of a permitted retail establishment.
8 "Sports wagering mechanism" does not include a personal computer, mobile phone,
9 or other device owned and used by a player to wager on a sports event.

10 (28) "Sports wagering platform" means an integrated system of hardware,
11 software, or applications, including mobile applications and servers, through which
12 an operator conducts the business of offering sports wagering conducted in
13 accordance with this Subtitle.

14 (29) "Sports wagering platform provider" or "operator" means a suitable
15 person that holds a permit from the corporation to engage in the operation of a sports
16 book on behalf of the corporation.

17 (30) "Vendor" means any person who has entered into a major procurement
18 contract with the corporation.

19 * * *

20 §9006. Records of corporation deemed open; exceptions

21 * * *

22 B.(1) Records pertaining to the security of lottery operations, whether
23 current or proposed, the security director, and the security division of the corporation
24 shall be deemed to be records containing security procedures, investigative
25 techniques, or internal security information for purposes of R.S. 44:3(A)(3).

26 (2) Notwithstanding any provision to the contrary, sports wagering account
27 records on individual players shall not be open to public inspection and shall be
28 deemed records collected or obtained for threat or vulnerability assessments in the

1 prevention of terrorist-related activity or internal security purposes for purposes of
2 R.S. 44:3(A)(3).

3 * * *

4 §9009. Conduct and administration of lottery games; powers and duties of
5 corporation; authorized contracts

6 * * *

7 B. The corporation shall:

8 (1) Supervise and administer the lottery and sports wagering in accordance
9 with the provisions of this Subtitle and the administrative regulations adopted by the
10 board.

11 * * *

12 C. There shall be no liability on the part of and no cause of action shall arise
13 against the corporation, its governing board, staff, agents, vendors, or employees,
14 arising out of or in connection with the issuance, failure to issue, or delivery of a
15 lottery or sports wagering ticket.

16 §9010. Powers and obligations of corporation's president; residence in Louisiana;
17 ongoing study authorized

18 * * *

19 E.(1) The president shall require bond from corporate employees with access
20 to corporate funds or lottery funds, in such an amount as provided in the
21 administrative regulations of the board.

22 (2) The president shall require a bond from employees with access to sports
23 wagering accounts, in an amount as provided by the administrative rules of the
24 corporation.

25 * * *

26 §9015. Personnel program for employees; conflict of interest provisions;
27 employment of specified persons by corporation prohibited

28 * * *

29 D. No officer or employee of the corporation who leaves the employ of the
30 corporation may represent any vendor ~~or~~, lottery retailer, sports wagering platform

1 provider, sports wagering service provider, sports wagering distributor, or retail
2 establishment before the corporation for a period of two years following termination
3 of employment with the corporation.

4 * * *

5 §9029. Deposit of revenues; expenditures and investments authorized; transfer of
6 revenues to state treasury; dedication and use of proceeds; corporation
7 operating account; audit of corporation books and records; audits

8 A.(1) All money received by the corporation from the sale of lottery tickets
9 and all other sources except for monies from sports wagering operations authorized
10 pursuant to this Subtitle, shall be deposited into a corporate operating account. Such
11 account shall be established in a fiscal agent or depository as defined in R.S. 49:319
12 and collateralized in the manner provided by R.S. 49:321 and 49:322. The
13 corporation may use all money in the corporate operating account for the purposes
14 of paying prizes and the necessary expenses of the corporation and dividends to the
15 state. The corporation shall estimate and allocate the amount to be paid by the
16 corporation to prize winners.

17 * * *

18 CHAPTER 10. LOUISIANA LOTTERY

19 CORPORATION SPORTS WAGERING

20 §9091. Conduct and administration of sports wagering; powers and duties of
21 corporation; applicability authorizes contracts

22 A. Any permit obtained or issued pursuant to the provisions of this Chapter
23 is expressly declared by the legislature to be a pure and absolute revocable privilege
24 and not a right, property or otherwise, under the constitution of the United States or
25 of the state of Louisiana. Further, the legislature declares that no holder of any
26 permit acquires any vested interest or right therein or thereunder.

27 B. The corporation shall contract with a sports wagering platform provider
28 for the operation of a sports book. The sports book operated on behalf of the
29 corporation shall be a separate and distinct responsibility and operation from lottery
30 gaming. Any sports wagering offered to consumers in this state pursuant to the

1 provisions of this Subtitle shall be through the use of a sports wagering mechanism,
2 website, or mobile application.

3 C. The corporation shall, in accordance with the Administrative Procedure
4 Act, promulgate rules, forms, and procedures necessary to implement, administer,
5 and regulate sports wagering authorized pursuant to this Subtitle. The rules shall
6 include:

7 (1) Qualifications, standards, and procedures for permitting sports wagering
8 platform providers, sports wagering service providers, distributors, manufacturers,
9 vendors, suppliers, personnel, and retail establishments pursuant to this Subtitle.

10 (2) Standards and procedures for renewing, suspending, and revoking
11 permits.

12 (3) Guidelines for the acceptance of sports wagers.

13 (4) The maximum number and amount of wagers which may be accepted
14 by a sports wagering mechanism from any one patron on any one event.

15 (5) Prohibitions on unilaterally rescinding wagers.

16 (6) The type of wagering tickets used, information required to be printed on
17 the ticket, and methods for issuing tickets.

18 (7) The types of records required to be kept and the length of time records
19 shall be retained.

20 (8) Requirements that a sports wagering platform provider comply with anti-
21 money laundering standards.

22 (9) Internal controls for all aspects of electronic wagering, including
23 procedures for system integrity, system security, operations, accounting, and
24 reporting of problem gamblers.

25 (10) Establish suitability requirements for applicants and permittees pursuant
26 to this Chapter.

27 (11) Establish standards and a procedure for approval of retail establishment
28 permits to host sports wagering mechanisms.

29 D. Chapters 6, 7, and 8 of this Subtitle shall apply to all sports wagering
30 conducted pursuant to this Chapter.

1 §9092. Reporting

2 The corporation shall produce an annual report and distribute the report to the
 3 legislature. The report shall include the impact of sports wagering on sports events,
 4 retail establishments, problem gamblers, and on the gambling addiction in Louisiana.
 5 The report shall be prepared by a private organization or entity with expertise in
 6 servicing the needs of persons with gambling addictions.

7 §9093. Permitting; other requirements

8 A. No person, business, or legal entity shall operate a sports book on behalf
 9 of the corporation without first being permitted in accordance with this Subtitle. To
 10 conduct business with the corporation related to sports wagering authorized pursuant
 11 to this Subtitle, all sports wagering service providers, distributors, manufacturers,
 12 vendors, suppliers, personnel, or retail establishments shall be permitted in
 13 accordance with the Subtitle.

14 B. All sports wagering platform providers requesting a permit pursuant to this
 15 Chapter shall be permitted by the corporation only if the applicant meets the
 16 suitability standards provided for in R.S. 47:9094.

17 C. The corporation shall provide by administrative rules the qualifications
 18 and suitability standards for sports wagering service providers, distributors,
 19 manufacturers, vendors, suppliers, personnel, and retail establishments.

20 §9094. Suitability; sports wagering platform providers

21 A. No person shall be eligible to obtain a sports wagering platform provider
 22 permit pursuant to this Subtitle unless the applicant has demonstrated by clear and
 23 convincing evidence to the corporation that he is suitable. For the purposes of this
 24 Subtitle, "suitable" means the applicant or permittee is:

- 25 (1) A person of good character, honesty, and integrity.
- 26 (2) A person whose prior activities, criminal record, if any, reputation,
 27 habits, and associations do not pose a threat to the public interest of this state or to
 28 the effective regulation and control of gaming, or create or enhance the dangers of
 29 unsuitable, unfair, or illegal practices, methods, and activities in the conduct of
 30 gaming or carrying on of the business and financial arrangements incidental thereto.

1 (3) Capable of and likely to conduct the activities for which the applicant or
 2 permittee is approved or permitted pursuant to the provisions of this Subtitle.

3 (4) Not disqualified pursuant to the provisions of Subsection B of this
 4 Section.

5 B. The corporation shall not grant approval or a permit pursuant to the
 6 provisions of this Subtitle to any person who is disqualified on the basis of the
 7 following criteria:

8 (1) The conviction or a plea of guilty or nolo contendere by the applicant or
 9 any person required to be suitable under the provisions of this Subtitle for any of the
 10 following:

11 (a) Any offense punishable by imprisonment of more than one year.

12 (b) Theft or attempted theft, illegal possession of stolen things, or any
 13 offense or attempt involving the misappropriation of property or funds.

14 (c) Any offense involving fraud or attempted fraud, false statements or
 15 declarations.

16 (d) Gambling as defined by the laws or ordinances of any municipality, any
 17 parish or county, any state, or of the United States.

18 (e) A crime of violence as defined in R.S. 14:2(B).

19 (2) A current prosecution or pending charge against the person in any
 20 jurisdiction for any offense listed in Paragraph (1) of this Subsection.

21 (3) The person is not current in filing all applicable tax returns and in the
 22 payment of all taxes, penalties, and interest owed to the state of Louisiana or any
 23 political subdivision of Louisiana, excluding items under formal appeal.

24 (4) The failure to provide information and documentation to reveal any fact
 25 material to a suitability determination, or the supplying of information which is
 26 untrue or misleading as to a material fact pertaining to the suitability criteria.

27 C.(1) In the awarding of a permit pursuant to the provisions of this Subtitle,
 28 a conviction or plea of guilty or nolo contendere by the applicant shall not constitute
 29 an automatic disqualification as otherwise required pursuant to the provisions of

1 Subparagraphs (B)(1)(a) through (d) of this Section if either of the following are true:

2 (a) Ten or more years has elapsed between the date of application and the
 3 successful completion or service of any sentence, deferred adjudication, or period of
 4 probation or parole.

5 (b) Five or more years has elapsed between the date of application and the
 6 successful completion of any sentence, deferred adjudication, or period of probation
 7 or parole and the conviction for an offense defined in R.S. 47:9094(B)(1)(b) was a
 8 misdemeanor offense.

9 (2) The provisions of Paragraph (1) of this Subsection shall not apply to any
 10 person convicted of a crime of violence as defined in R.S. 14:2(B).

11 (3) Notwithstanding any provision of law to the contrary, the corporation
 12 may consider the seriousness and circumstances of any offense, arrest, or conviction
 13 in determining suitability in accordance with Subsection A of this Section.

14 D. An applicant who is not disqualified as a result of Subsection B of this
 15 Section shall be required to demonstrate to the corporation that he otherwise meets
 16 the remaining requirements for suitability, particularly those contained in Paragraphs
 17 (A)(1) through (3) of this Section. Evidence of, or relating to, an arrest, summons,
 18 charge, or indictment of an applicant, or the dismissal thereof, may be considered by
 19 the corporation even if the arrest, summons, charge, or indictment results in
 20 acquittal, deferred adjudication, probation, parole, or pardon.

21 E. A person who has been found unsuitable or whose permit has been
 22 revoked, in this state or any other jurisdiction, may not apply for a permit or a
 23 finding of suitability for five years from the date there was a finding of unsuitability,
 24 or the permit was revoked, unless the corporation allows the application for good
 25 cause shown. The corporation shall promulgate rules necessary to carry out the
 26 provisions of this Section.

27 F. All permittees and other persons found suitable by the corporation shall
 28 maintain suitability throughout the term of the permit. In the event of a current
 29 prosecution of an offense as provided in Paragraph (B)(2) of this Section, the
 30 corporation shall have the discretion to defer a determination on a person's

1 continuing suitability pending the outcome of the proceedings provided that if a
2 decision is deferred pending such outcome the corporation may take such action as
3 is necessary to protect the public trust, including the suspension of any permit.

4 G. All permittees and any other persons required to be found suitable shall
5 have a continuing duty to inform the corporation of any possible violation of this
6 Subtitle and of any rules adopted by the corporation. No person who so informs the
7 corporation of a violation or possible violation shall be discriminated against by the
8 applicant or permittee because of supplying such information.

9 H.(1)(a) Any person who has or controls directly or indirectly five percent
10 or more ownership, income, or profit or economic interest in an entity which has or
11 applies for a sports wagering platform provider permit pursuant to the provisions of
12 this Subtitle, or who receives five percent or more revenue interest in the form of a
13 commission, finder's fee, loan repayment, or any other business expense related to
14 the gaming operation, or who has the ability or capacity to exercise significant
15 influence over a permittee or other person required to be found suitable pursuant to
16 the provisions of this Subtitle, shall meet all suitability requirements and
17 qualifications pursuant to the provisions of this Subtitle.

18 (b) In determining whether a person has significant influence for purposes
19 of this Section, the corporation may consider but is not limited to the following:
20 management and decision-making authority; operational control; financial
21 relationship; receipt of gaming revenue or proceeds; financial indebtedness; and
22 gaming related associations.

23 (2)(a) A lessor of immovable property forming any part of the complex of
24 a sports wagering operation pursuant to this Subtitle is required to submit to
25 suitability.

26 (b) Notwithstanding anything contained in this Chapter to the contrary, the
27 obligations to the corporation of the real estate lessor of a permittee who receives
28 less than two percent of the net gaming proceeds of a permittee and who is not
29 involved in the day-to-day operations of the permittee shall be to provide such
30 financial information, documentation, and necessary release forms for the

1 corporation to make a determination that no person who fails to meet suitability
2 requirements is receiving any funds received by the lessor from the permittee, or is
3 participating in the management of the affairs or business operations of the lessor.

4 I. If the corporation finds that an individual owner or holder of a security of
5 a permittee, or of a holding or intermediary company of a permittee, or any person
6 or persons with an economic interest in a permittee, or a director, partner, officer, or
7 managerial employee is not suitable, and if as a result, the permittee is no longer
8 qualified to continue as a permittee the corporation shall propose action necessary
9 to protect the public interest, including the suspension or revocation of the permit.
10 The corporation may also issue under penalty of revocation or suspension of a
11 permit, a condition of disqualification naming the person or persons and declaring
12 that such person or persons may not:

13 (1) Receive dividends or interest on securities of a person, or a holding or
14 intermediary company of a person, holding an approval or permit.

15 (2) Exercise directly, or through a trustee or nominee, a right conferred by
16 securities of a person, or a holding or intermediary company of a person, holding an
17 approval or permit, issued pursuant to the provisions of this Subtitle.

18 (3) Receive remuneration or other economic benefit from any person, or a
19 holding or intermediary company of a person, holding an approval or permit issued
20 pursuant to this Subtitle.

21 (4) Exercise significant influence over activities of a person, or a holding or
22 intermediary company of a person, holding a license, casino operating contract,
23 permit, or other approval issued pursuant to the provisions of this Subtitle.

24 (5) Continue owning or holding a security of a person, or a holding or
25 intermediary company of a person, holding an approval or permit issued pursuant to
26 the provisions of this Subtitle or remain as a manager, officer, director, or partner of
27 a permittee.

28 J. In the awarding of an approval or permit pursuant to the provisions of this
29 Subtitle, the corporation may consider that the person is not current in filing all

1 applicable tax returns and in the payment of all taxes, penalties, and interest owed
2 the Internal Revenue Service, excluding items under formal appeal.

3 K. In determining the suitability of an application, the corporation may
4 request from an applicant and consider any of the following:

5 (1) Whether the applicant has adequate capital, financial ability, and means
6 to develop, construct, operate, and maintain infrastructure to support sports wagering
7 activities and operations in compliance with this Chapter and any administrative
8 rules promulgated by the corporation.

9 (2) Whether the applicant has the financial ability to purchase and maintain
10 adequate liability and casualty insurance and to provide an adequate surety bond.

11 (3) Whether the applicant has adequate capital and the financial ability to
12 responsibly pay its secured and unsecured debts in accordance with its financing
13 agreements and other contractual obligations.

14 (4) Whether the applicant has a history of material noncompliance with
15 licensing or permitting requirements or any other regulatory requirements in
16 Louisiana or in any other jurisdiction, where the noncompliance resulted in
17 enforcement action by the person with jurisdiction over the applicant.

18 (5) Whether the applicant has filed, or had filed against it, a proceeding for
19 bankruptcy or has ever been involved in any formal process to adjust, defer, suspend,
20 or otherwise negotiate the payment of any debt.

21 (6) Whether or not at the time of the application, the applicant is a defendant
22 in litigation involving the integrity of its business practices.

23 §9095. Sports wagering platform provider; permit; fee

24 A. The corporation may issue a sports wagering platform provider permit to
25 suitable persons to contract with the corporation to manage or operate the
26 corporation's sports book line-of-business. No person shall manage or operate the
27 corporation's sports book without a valid permit.

28 B. In addition to the requirements set forth in R.S. 47:9094, the corporation
29 shall provide by rule for the standards and requirements of any sports wagering

1 platform. The rules shall specify technical requirements as well as operational
2 requirements.

3 C. Any contract between the corporation and a sports wagering platform
4 provider shall provide for access to the corporation of any information maintained
5 by the platform provider for verification of compliance with this Chapter.

6 D. A sports wagering platform provider shall use no more than one sports
7 wagering platform to offer, conduct, or operate a sports book on behalf of the
8 corporation.

9 E. A sports wagering platform provider shall keep books and records for the
10 management and operation of sports wagering as authorized by this Chapter and for
11 services for which it is contracted by the corporation. The keeping of books and
12 records shall be separate and distinct from any other business the sports wagering
13 platform provider might operate. A sports wagering platform provider shall file
14 quarterly returns with the corporation listing all of its contracts and services related
15 to sports wagering authorized under this Subtitle.

16 F. All servers necessary for the placement or resolution of wagers, other than
17 backup servers, shall be physically located in Louisiana.

18 G. Any sports wagering platform utilized for electronic wagering shall have
19 a component of its design to reasonably verify that the person attempting to place the
20 wager is at least twenty-one years of age, physically located in the state, and not
21 physically located in a parish that has not approved a proposition to authorize sports
22 wagering at the time the wager is initiated or placed.

23 H.(1) The initial application fee for a sports wagering platform provider
24 permit shall be one hundred thousand dollars and shall be non-refundable. The initial
25 application fee shall be submitted to the corporation at the time of application.

26 (2) The permit fee for a sports wagering platform provider permit issued
27 pursuant to this Section shall be two hundred fifty thousand dollars. The permit shall
28 be for a term of five years. The permit fee shall be submitted to the corporation on
29 the anniversary date of the issuance of the permit every five years.

1 I. The provider of a sports wagering platform shall provide the corporation
2 with a readily available point of contact to ensure compliance with the requirements
3 of this Chapter.

4 §9096. Sports wagering service providers; permit; fee

5 A. The corporation shall issue a sports wagering service provider permit to
6 suitable persons which contract with an operator to provide support services for an
7 operator's sports book. A person shall not provide support services to the operator
8 without a valid permit.

9 B. Any contract between the corporation and a sports wagering service
10 provider shall provide for access to the corporation of any information maintained
11 by the platform provider for verification of compliance with this Chapter.

12 C. A sports wagering service provider shall keep books and records for the
13 management of sports wagering as authorized by this Chapter and for services for
14 which it is contracted by the operator. The keeping of books and records shall be
15 separate and distinct from any other business the sports wagering service provider
16 might operate. A sports wagering service provider shall file quarterly returns with
17 the corporation listing all of its contracts and services related to sports wagering
18 authorized under this Subtitle.

19 D. The initial application fee for a sports wagering service provider permit
20 shall be ten thousand dollars and shall be non-refundable. The initial application fee
21 shall be submitted to the corporation at the time of application.

22 E. The permit fee for a sports wagering service provider permit issued
23 pursuant to this Section shall be twelve thousand five hundred dollars. The permit
24 shall be for a term of five years. The permit fee shall be submitted to the corporation
25 on the anniversary date of the issuance of the permit every five years. The first
26 permit payment shall be submitted to the corporation at the time of application.

27 §9097. Sports wagering distributor; permit; fees

28 A.(1) The corporation may issue a sports wagering distributor permit to any
29 suitable business or legal entity that markets, buys, sells, leases, services, or repairs

1 sports wagering mechanisms in this state. No person shall market, buy, sell, lease,
2 service, or repair a sports wagering mechanism without a valid permit.

3 (2) Notwithstanding the provisions of Paragraph (1) of this Subsection, only
4 distributors domiciled in Louisiana shall be issued a permit for the services of
5 collection and repair of sports wagering mechanisms.

6 B. Any contract between the corporation and a sports wagering distributor
7 shall provide for access to the corporation of any information maintained by the
8 distributor for verification of compliance with this Chapter.

9 C. The initial application fee for a sports wagering distributor permit shall
10 be five thousand dollars and shall be non-refundable. The initial application fee shall
11 be submitted to the corporation at the time of application.

12 D. The permit fee for a sports wagering distributor permit issued pursuant
13 to this Section shall be two thousand five hundred dollars. The permit shall be for a
14 term of five years. The permit fee shall be submitted to the corporation on the
15 anniversary date of the issuance of the permit every five years. The first permit
16 payment shall be submitted to the corporation at the time of application.

17 E. The corporation shall adopt written policies and rules to guarantee that
18 multiple distributors and vendors shall contract with the operator to provide
19 maximum opportunities for economic development.

20 §9098. Retail establishments; permit; fees

21 A. The corporation may issue a retail establishment permit to suitable persons
22 that contract with an operator to host sports wagering mechanisms. A retail
23 establishment shall not host a sports wagering mechanism without a valid permit.

24 B. For purposes of this Chapter retail establishment shall include:

25 (1) An establishment that has a Class A-General retail permit or a Class A-
26 Restaurant permit as defined in Part II of Chapter 1 or Part II of Chapter 2 of Title
27 26 of the Louisiana Revised Statutes of 1950, for the sale of alcoholic beverages for
28 on-premises consumption and that is located in a parish that approved a proposition
29 to authorize sports wagering.

1 (2) An establishment that holds a retail food establishment permit from the
2 office of public health issued pursuant to the provisions of LAC 51:XXIII 101 et seq.
3 and that is located within a parish that approved a proposition to authorize sports
4 wagering but due to local and municipal laws and ordinances is prohibited from
5 holding a Class A-General retail permit or a Class A-Restaurant permit as defined
6 in Part II of Chapter 1 or Part II of Chapter 2 of Title 26 of the Louisiana Revised
7 Statutes of 1950 for the sale of alcoholic beverages for on-premises consumption.

8 C. The initial application fee for a sports wagering retail establishment permit
9 shall be one thousand dollars and shall be non-refundable. The initial application fee
10 shall be submitted to the corporation at the time of application.

11 D. The permit fee for a sports wagering retail establishment permit issued
12 pursuant to this Section shall be one hundred dollars. The permit shall be for a term
13 of one year. The permit fee shall be submitted to the corporation on the anniversary
14 date of the issuance of the permit every year. The first permit payment shall be
15 submitted to the corporation at the time of application.

16 E.(1) The corporation shall provide by rule the minimum requirements of a
17 contract between its sports wagering platform provider and a retail establishment.
18 The rules shall include a requirement that the contract provide that in consideration
19 for the hosting of a sports wagering mechanism, the retail establishment shall be paid
20 the greater of the following each month:

21 (a) One and one half percent of the cash accumulated in the sports wagering
22 mechanisms located on the retail establishment's premises.

23 (b) Ten percent of the net gaming proceeds of all wagers placed by patrons
24 through a sports wagering mechanism located on the premises of the retail
25 establishment and wagers placed through an operator website or mobile application
26 while the patron is located on the premises of the retail establishment.

27 (2) The monies owed to the retail establishment pursuant to Paragraph (1) of
28 this Subsection shall be remitted to the retail establishment within twenty days of the
29 end of each calendar month for the immediately preceding calendar month.

1 §9099. Wagering; limitations

2 A. To place a sports wager with an operator, the corporation shall confirm
3 and a player shall meet all of the following requirements:

4 (1) Is twenty-one years of age or older.

5 (2) Is physically located in a parish that has approved a proposition
6 authorizing sports wagering at the time the wager is initiated or placed.

7 (3) Has a sports wagering account established with the operator if the player
8 is attempting to place a sports wager through a website or mobile application.

9 (4) Is not prohibited from wagering with the corporation by law, rule, policy
10 of the corporation, self-exclusion, or pursuant to R.S. 27:27.1.

11 B.(1) The operator shall not knowingly accept wagers from a person who is
12 an athlete, coach, referee, or other official or staff of a participant or team that is
13 participating in the sports event on which the person is attempting to place the wager.

14 (2) The operator shall not knowingly accept wagers from a person who is a
15 director, officer, owner, or employee of the operator or any relative or other person
16 living in the same household as a director, officer, owner, or employee of the
17 operator.

18 C. No sports wagers may be accepted or paid by any operator on any of the
19 following:

20 (1) Any sport or athletic event not authorized by law.

21 (2) Any sport or athletic event which the operator knows or reasonably
22 should know is being placed by or on behalf of an official, owner, coach, or staff of
23 a participant or team that participates in that event.

24 (3) A single act in a team event solely in the control of one participant acting
25 independently.

26 (4) The occurrence of injuries or penalties, or the outcome of an athlete's
27 disciplinary rulings, or replay reviews.

28 D. Any operator or permittee shall promptly report to the corporation on the
29 following activities:

1 (1) Any criminal or disciplinary proceedings commenced against any
2 operator or its employees, in connection with the operations of the sports book.

3 (2) Any abnormal wagering activity or patterns that may indicate a concern
4 about the integrity of a sports event.

5 (3) Any other conduct with the potential to corrupt a wagering outcome of
6 a sports event for purposes of financial gain, including but not limited to match
7 fixing.

8 (4) Suspicious or illegal wagering activities, including the use of funds
9 derived from illegal activity, wagers to conceal or launder funds derived from illegal
10 activity, use of agents to place wagers, or use of false identification.

11 E. Operators shall establish and display the odds at which wagers may be
12 placed on sports events. Operators shall not accept a wager via a sports wagering
13 mechanism, or through a website or mobile application unless the wagering
14 proposition is posted by electronic or manual means.

15 F. Operators shall maintain records of sports wagering activities and
16 operations and follow AML practices in day-to-day operations of its business.

17 §9100. Electronic wagering

18 A. Electronic wagering may be conducted only to the extent that it is
19 conducted in accordance with this Subtitle and in accordance with the rules
20 promulgated by the corporation.

21 B. The corporation may accept wagers made electronically using a sports
22 wagering mechanism located on the premises of a permitted retail establishment or
23 through a website or mobile application.

24 §9101. Sports wagering mechanism

25 A. (1) A player may place a wager via a sports wagering mechanism with
26 cash or utilizing the player's established sports wagering account.

27 (2) A sports wagering mechanism may be utilized by a player to make a
28 deposit in their sports wagering account.

1 B. Sports wagering mechanisms shall be located only in areas where
2 accessibility is limited to patrons twenty-one years of age or older and have been
3 permitted by the corporation.

4 C. Sports wagering mechanisms shall be branded as the operator.

5 D. Any sports wager placed with cash via a sports wagering mechanism shall
6 be evidenced by a ticket indicating the name of the operator, the sports event on
7 which the wager was placed, the amount of cash wagered, the type of bet and odds
8 if applicable, the date of the event, and any other information required by the
9 corporation.

10 E.(1) Wagers placed via a sports wagering mechanism through a player's
11 established sports wagering account may be settled through the player's wagering
12 account. However, the player shall be prohibited from collecting winnings from the
13 sports wagering mechanism in any form other than credits to the sports wagering
14 account of the player.

15 (2) A patron with a winning ticket shall redeem the ticket at an establishment
16 designated by the corporation within one hundred eighty days of the date of the event
17 pursuant to R.S. 47:9103.

18 F. Each sports wagering mechanism shall:

19 (1) Not have any device or program that will alter the reading of the values
20 or amounts of play to reflect values or amounts other than actually played or any
21 switches, jumpers, wire posts, or any other means of manipulation that could affect
22 the operation or outcome of a wager.

23 (2) Not have any device, switch, program, or function that can alter the
24 readings of the actual amounts or values relating to any function or occurrence of the
25 mechanism.

26 (3) Have separate secure areas with locking doors for the game logic board
27 and software, the cash compartment, and the mechanical meters as required by the
28 rules of the corporation. These areas must be locked and separated. Access to one
29 from the other shall not be allowed at any time.

1 (4) Not have any functions or parameters adjustable by or through any
 2 separate video display or input codes, except for the adjustment of features that are
 3 wholly cosmetic.

4 (5) Have a circuit-interrupting device, method, or capability which will
 5 disable the machine if the corporation approved program is accessed or altered.

6 (6) Have a serial number or other identification number permanently affixed
 7 to the mechanism by the manufacturer.

8 G. Each sports wagering mechanism shall be linked by telecommunication
 9 to a central computer for purposes of polling or reading mechanism activities and for
 10 central computer remote shutdown of mechanism operations. If the central computer
 11 system fails as a result of a malfunction or catastrophic event, the mechanism may
 12 remain in operation until the central computer system is restored.

13 H. The corporation may provide for additional specifications for mechanisms
 14 to be approved and authorized pursuant to the provisions of this Chapter as it deems
 15 necessary to maintain the integrity of sports wagering mechanisms and operations.

16 §9102. Online and mobile wagering

17 Wagering through a website or mobile application shall be subject to the
 18 following requirements:

19 A.(1) A player shall establish a sports wagering account with the operator
 20 before the operator accepts any sports wager through a website or mobile application
 21 from the player. The operator shall also complete an initial verification of the
 22 account prior to accepting sports wagers.

23 (2) An account may be established with a line of credit or as an advance
 24 deposit wagering account.

25 B. No operator shall accept a sports wager through a website or mobile
 26 application from the public or any person who does not have an established account
 27 with the corporation.

28 C. No wagers shall be placed when the player is physically located out of
 29 state or in a parish that has not approved a proposition authorizing sports wagering.
 30 An operator shall maintain geofencing and geolocation services.

1 §9103. Prizes; payment of prizes

2 A.(1) Winning wagers that were placed via a sports wagering mechanism
3 with cash and are evidenced by a ticket receipt shall be redeemed by a player within
4 one hundred eighty days from the time of the event. The corporation shall pay tickets
5 upon presentation after performing validation procedures.

6 (2) Winning wagers placed using a sports wagering account shall be credited
7 by the operator to the patron's account within one day from the time of the event
8 unless otherwise allowed pursuant to the rules of the corporation.

9 B. The operator's obligation to pay winning tickets shall expire after one
10 hundred eighty days from the date of the event if not presented for payment.
11 Additionally, if the ticket fails to be presented for payment within the one hundred
12 and eighty day period, the ticket holder waives any right to enforce payment of the
13 ticket.

14 C. If the proceeds of any sports wagering prize issued pursuant to this
15 Subtitle are five hundred dollars or more, the prize shall be subject to Louisiana
16 state income tax. Any attachments, garnishments, or executions authorized and
17 issued pursuant to law shall also be withheld if timely served upon the process agent
18 of the corporation.

19 D. The corporation shall adopt rules to establish a system of verifying the
20 validity of tickets claimed to win prizes and to effect payment of such prizes except
21 that:

22 (1) No prize, nor any portion of a prize, nor any right of any person to a prize
23 awarded shall be assignable. Any prize, or portion thereof, remaining unpaid at the
24 death of a prizewinner shall be paid to the estate of the deceased prizewinner or to
25 the trustee of a trust established by the deceased prizewinner as settlor, if a copy of
26 the trust document or instrument has been filed with the corporation, along with a
27 notarized letter of direction from the settlor, and no written notice of revocation has
28 been received by the corporation prior to the settlor's death. Following a settlor's
29 death and prior to any payment to such a trustee, the corporation shall obtain from
30 the trustee and each trust beneficiary a written agreement to indemnify and hold the

1 corporation harmless with respect to any claims that may be asserted against the
2 corporation arising from payment to or through the trust. Notwithstanding any other
3 provisions of this Subtitle, any person, pursuant to an appropriate judicial order, shall
4 be paid the prize to which a winner is entitled.

5 (2) A person twenty-one years of age or older may gift a winning sports
6 wagering ticket to a person of any age. If the donee of a winning ticket is under the
7 age of twenty-one years, the corporation shall direct payment to a member of the
8 person's family who is twenty-one years of age or older or to the legal representative
9 of the person on behalf of such person. The person named as custodian shall have the
10 same powers and duties as prescribed for a custodian pursuant to the Uniform
11 Transfers to Minors Act.

12 (3) No prize shall be paid arising from claimed tickets that are stolen,
13 counterfeit, altered, fraudulent, unissued, produced or issued in error, unreadable, not
14 received, unclaimed, or not recorded by the corporation within applicable deadlines.

15 (4) No particular prize shall be paid more than once, and in the event of a
16 binding determination that more than one claimant is entitled to a particular prize,
17 the sole remedy of such claimants is the award to each of them an equal share in the
18 prize.

19 E. No prize shall be paid upon a ticket purchased or sold in violation of this
20 Subtitle.

21 F. The corporation is discharged of all liability upon payment of a prize.

22 §9104. Withholding of lottery prizes; child support arrearages; rules

23 The corporation shall promulgate rules providing for the withholding of
24 prizes resulting from sports wagering authorized pursuant to this Section, of persons
25 who have outstanding child support arrearages as reported to the corporation,
26 beginning at prize levels to be determined by the corporation. The corporation may
27 require any agency reporting current child support arrearages to the corporation to
28 provide information relating to such arrearages in a manner, format, or record

1 approved by the corporation. The corporation shall not be liable for withholding a
2 prize based upon child support arrearage information provided to it. Additionally, the
3 corporation shall employ the same methods, procedures, and parameters to withhold
4 prizes for persons who have delinquent debt as defined in R.S. 47:1676(B)(4) which
5 has been assigned to the office of debt recovery for collection. The corporation shall
6 not be liable for withholding prize based upon delinquent debt information provided
7 to it by the office of debt recovery.

8 §9105. State tax; levy

9 A. There is hereby levied a ten percent tax upon the net gaming proceeds of
10 an operator from sports wagering offered to consumers within this state pursuant to
11 this Title onsite at a permitted retail establishment through a sports wagering
12 mechanism.

13 B. There is hereby levied a fifteen percent tax upon the net gaming proceeds
14 of an operator from sports wagering offered to consumers within this state pursuant
15 to this Title electronically through a website or mobile application.

16 C. Within twenty days of the last day of each calendar month the corporation
17 shall collect the taxes imposed pursuant to the provisions of this Section for the
18 immediately preceding calendar month.

19 D. All taxes collected by the corporation pursuant to this Section shall be
20 deposited into the Community and Family Support System Fund as provided by R.S.
21 28:826. These monies shall be forwarded upon receipt to the state treasury. Funds
22 deposited into the treasury shall first be credited to the Bond Security and
23 Redemption Fund in accordance with Article VII, Section 9(B) of the Constitution
24 of Louisiana.

25 E. In a month when the amount of net gaming proceeds of an operator from
26 sports wagering is a negative number, the operator may carry over the negative
27 amount to the return filed for the subsequent month. However, no amount shall be

1 carried over in any period more than twelve months after the month in which the
2 amount carried over was originally due.

3 §9106. Deposit of revenues

4 Within twenty days following the close of each calendar month, the
5 corporation shall transfer to the Lottery Sports Wagering Fund the amount of net
6 revenue which the corporation determines is surplus to its needs. Net revenues shall
7 be determined by deducting from the corporation's net gaming proceeds the payment
8 costs incurred or estimated to be incurred in the operation and administration of
9 sports wagering authorized pursuant to this Chapter. This shall include the expenses
10 of the corporation and the costs resulting from determining applicant suitability, and
11 any contracts entered into for promotional, advertising, or operational services or for
12 the purchase or lease of sports wagering equipment and materials.

13 §9107. Lottery Sports Wagering Fund

14 A. There is hereby created in the state treasury a special fund designated as
15 the "Lottery Sports Wagering Fund ", hereafter referred to as the "fund". After
16 allocation of money to the Bond Security and Redemption Fund as provided in
17 Article VII, Section 9(B) of the Constitution of Louisiana, the treasurer shall deposit
18 in and credit to the fund all corporation net revenue as determined by R.S. 47:9106.
19 Interest earned on investment of monies in the fund shall be deposited in and credited
20 to the fund. Unexpended and unencumbered monies in the fund shall remain in the
21 fund. Monies in the fund shall be appropriated, administered, and used solely as
22 provided in this Section.

23 B. The monies in the fund shall be withdrawn only pursuant to appropriation
24 by the legislature and shall be used solely for the expenses provided pursuant to R.S.
25 47:9106 and for the minimum foundation program.

1 Section 5. This Act shall take effect and become operative if and when the Act which
2 originated as Senate Bill No. 202 of this 2021 Regular Session of the Legislature is enacted
3 and becomes effective.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____