

2021 Regular Session

HOUSE BILL NO. 688

BY REPRESENTATIVE STEFANSKI

TAX/GAMING: Levies certain taxes and fees on sports wagering gaming

1 AN ACT

2 To amend and reenact R.S. 27:29.1(D) and (E) and 29.2(E) and to enact R.S. 27:92(D) and

3 Part IV of Chapter 10 of Title 27 of the Louisiana Revised Statutes of 1950, to be

4 comprised of R.S. 27:621 through 627, relative to sports wagering taxation and fees;

5 to require certain fees; to provide for exemptions from certain fees; to provide for the

6 collection of certain fees; to levy certain taxes; to provide for definitions; to provide

7 for the collection and disposition of certain monies; to create the Sports Wagering

8 Enforcement Fund; to provide for certain requirements, conditions, and limitations;

9 to provide for effectiveness; and to provide for related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 27:29.1(D) and (E) and 29.2 (E) are hereby amended and reenacted

12 and R.S. 27:92(D) and Part IV of Chapter 10 of Title 27 of the Louisiana Revised Statutes

13 of 1950, comprised of R.S. 27:621 through 627, are hereby enacted to read as follows:

14 §29.1. Manufacturer; permits

15 * * *

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

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

10 §29.2. Gaming supplier permits

11 * * *

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

16 (2) The fee provided for in this Section shall not apply to any suitable
17 business or legal entity that markets, buys, sells, leases, services, or repairs sports
18 wagering mechanisms in this state. The fee for the permit provided for in this Section
19 for such entities shall be provided for in R.S. 27:625.

20 (3) The fee provided for in this Section shall not apply to any suitable
21 business or legal entity that engages in support services for the operation of a sports
22 book on behalf of the licensee. The fee for the permit provided for in this Section for
23 such entities shall be provided for in R.S. 27:624.

24 * * *

25 §92. Collection and disposition of fees

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

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CHAPTER 10. SPORTS WAGERING

PART IV. FEES, TAXES, AND COLLECTIONS

§621. Definitions

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

(1) "Board" means the Louisiana Gaming Control Board, as provided for in R.S. 27:11.

(2) "Division" shall have the same meaning as provided for in R.S. 27:3.

(3) "License" means a license or authorization to operate a sports book in this state in compliance with the provisions of this Chapter.

(4) "Licensee" means any person issued a license by the board.

(5) "Mobile application" means an application on a mobile phone or other device through which a player is able to place a wager with an operator on a sports event and receive a credit on the player's sports wagering account.

(6) "Net gaming proceeds" means the amount equal to the total gross revenue of all wagers placed by patrons less the total amount of all winnings paid out to patrons and two million five hundred thousand dollars annually directly attributable to promotional play wagers.

(7) "Operator" or "sports wagering operator" means the entity that actually books a sports wager. The operator may be:

(a) The licensee who manages and operates a sports book itself.

(b) The licensee's contracted sports wagering platform provider, in accordance with the scope of that contract, when the licensee chooses to contract the management and operation of all or a portion of its sports book line-of-business with a platform provider.

(8) "Permit" has the same meaning as provided for in R.S. 27:3.

(9) "Permittee" has the same meaning as provided for in R.S. 27:3.

(10) "Person" has the same meaning as provided for in R.S. 27:3.

1 (11) "Sports event" means any professional sport or athletic event, any
2 collegiate sport or athletic event, any Olympic or international sports competition
3 event, or any other special event or competition of relative skill as authorized by the
4 board to be a sports event for purposes of this Chapter. "Sports event" shall not
5 include high school sports, youth events, any international sports events where the
6 majority of the athletes are under the age of eighteen years old, electronic sports,
7 competitive video games, fantasy sports contests as provided in Chapter 6 of this
8 Title, and any event prohibited by law.

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

14 (13) "Sports wagering platform" or "sports book" means an integrated system
15 of hardware, software, or applications, including mobile applications and servers,
16 through which an operator conducts the business of offering for play wagering
17 conducted in accordance with this Chapter on a sports event or on portions of a
18 sports event or on the individual performance or statistics of athletes in a sports event
19 or a combination of sports events, by any system or method of wagering.

20 §622. Sports wagering license fee

21 A. The initial application fee for a sports wagering license shall be two
22 hundred fifty thousand dollars and shall be non-refundable. The initial application
23 fee shall be submitted to the board at the time of application.

24 B. The license fee for a sports wagering license issued pursuant to R.S.
25 27:604, shall be five hundred thousand dollars. The license shall be for a term of
26 five years. The license fee shall be submitted to the board on the anniversary date of
27 the issuance of the license every five years. The first license payment shall be
28 submitted to the board at the time of application.

1 C. The division shall collect all fees imposed or assessed pursuant to the
2 provisions of this Section and deposit the fees into the Sports Wagering Enforcement
3 Fund established in R.S. 27:627.

4 §623. Sports wagering platform provider permit fee

5 A. The initial application fee for a sports wagering platform provider permit
6 shall be one hundred thousand dollars and shall be non-refundable. The initial
7 application fee shall be submitted to the board at the time of application.

8 B. The permit fee for a sports wagering platform provider permit issued
9 pursuant to R.S. 27:605, shall be two hundred fifty thousand dollars. The permit shall
10 be for a term of five years. The permit fee shall be submitted to the board on the
11 anniversary date of the issuance of the permit every five years. The first permit
12 payment shall be submitted to the board at the time of application.

13 C. The division shall collect all fees imposed or assessed pursuant to the
14 provisions of this Section and deposit the fees into the Sports Wagering Enforcement
15 Fund established in R.S. 27:627.

16 §624. Sports wagering service provider permit fee

17 A. The initial application fee for a sports wagering service provider permit
18 shall be ten thousand dollars and shall be non-refundable. The initial application fee
19 shall be submitted to the board at the time of application.

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

25 C. The division shall collect all fees imposed or assessed pursuant to the
26 provisions of this Section and deposit the fees into the Sports Wagering Enforcement
27 Fund established in R.S. 27:627.

1 §625. Sports wagering distributor permit fee

2 A. The initial application fee for a sports wagering distributor permit shall
3 be five thousand dollars and shall be non-refundable. The initial application fee shall
4 be submitted to the board at the time of application.

5 B. The permit fee for a sports wagering distributor permit issued pursuant
6 to R.S. 27:29.2, shall be two thousand five hundred dollars. The permit shall be for
7 a term of five years. The permit fee shall be submitted to the board on the
8 anniversary date of the issuance of the permit every five years. The first permit
9 payment shall be submitted to the board at the time of application.

10 C. The division shall collect all fees imposed or assessed pursuant to the
11 provisions of this Section and deposit the fees into the Sports Wagering Enforcement
12 Fund established in R.S. 27:627.

13 §626. State tax; levy

14 A. There is hereby levied a ten percent tax upon the net gaming proceeds of
15 a licensee or an operator from sports wagering offered to consumers within this state
16 pursuant to this Title at a licensed sports wagering establishment.

17 B. There is hereby levied an eighteen percent tax upon the net gaming
18 proceeds of a licensee or an operator from sports wagering offered to consumers
19 within this state pursuant to this Title electronically through a website or mobile
20 application.

21 C. The division shall collect the taxes imposed pursuant to the provisions of
22 this Section.

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

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

1 §627. Sports Wagering Enforcement Fund

2 (1) There is hereby created in the state treasury a special fund designated as
3 the "Sports Wagering Enforcement Fund", referred to in this Section as the "fund".
4 After allocation of money to the Bond Security and Redemption Fund as provided
5 in Article VII, Section 9(B) of the Constitution of Louisiana, the treasurer shall
6 deposit in and credit to the fund monies from license and permit fees collected
7 pursuant to this Part. Monies in the fund shall be invested in the same manner as
8 monies in the state general fund. Interest earned on investment of monies in the fund
9 shall be deposited in and credited to the fund. Unexpended and unencumbered
10 monies in the fund shall remain in the fund. Monies in the fund shall be appropriated,
11 administered, and used solely as provided in this Section.

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

18 * * *

19 Section 2. This Act shall take effect and become operative if and when the Act
20 which originated as Senate Bill No. 202 of this 2021 Regular Session of the Legislature is
21 enacted 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 688 Original 2021 Regular Session Stefanski

Abstract: Authorizes certain taxes and fees on sports wagering gaming.

Proposed law provides for the issuance of fees and collection of taxes for the regulation of sports wagering.

Proposed law provides that manufacturers of sports wagering mechanisms pay the same fees as video poker and slot machine manufacturers.

Proposed law defines net gaming proceeds as the amount equal to the total gross revenue of all wagers placed by patrons less the total amount of all winnings paid out to patrons and \$2.5 million annually directly attributable to promotional play wagers

Proposed law provides for a sports wagering license fee. Provides that the initial application fee shall be \$250,000. Provides a license fee shall be \$500,000 for a term of five years. Provides that the application and license fees shall be submitted to the gaming division of state police and shall be deposited into the proposed law Sports Wagering Enforcement Fund.

Proposed law provides for a sports wagering platform provider permit fee. Provides that the initial application fee shall be \$100,000. Provides a sports wagering platform provider permit fee shall be \$250,000 for a term of five years. Provides that the application and permit fees shall be submitted to the gaming division of state police and shall be deposited into the proposed law Sports Wagering Enforcement Fund.

Proposed law provides for a sports wagering service provider permit fee. Provides that the initial application fee shall be \$10,000. Provides that the sports wagering service provider permit fee shall be \$12,500 for a term of five years. Provides that the application and permit fees shall be submitted to the gaming division of state police and shall be deposited into the proposed law Sports Wagering Enforcement Fund.

Proposed law provides for a sports wagering distributor permit fee. Provides that the initial application fee shall be \$5,000. Provides that the sports wagering distributor permit fee shall be \$2,500 for a term of five years. Provides that the application and permit fees shall be submitted to the gaming division of state police and shall be deposited into the proposed law Sports Wagering Enforcement Fund.

Proposed law provides for a state levy of 10% tax upon the net gaming proceeds of the operator on sports wagering offered to patrons at the licensee's establishment and a state levy of 18% upon the net gaming proceeds of the operator on sports wagering offered to patrons through a website or mobile application. Provides for the taxes to be collected by the gaming division of state police and forwarded to the state treasurer for immediate deposit into the treasury.

Proposed law creates the "Sports Wagering Enforcement Fund" in the state treasury. Provides that monies in the fund shall be withdrawn only pursuant to appropriation by the legislature and used solely for the expenses of the Department of Public Safety and Corrections, the Department of Justice, and the La. Gaming Control Board as may be necessary to carry out the provisions of proposed law and the rules of the board.

(Amends R.S. 27: 29.1(D) and (E) and 29.2(E); Adds R.S. 27:92(D) and R.S. 27:621- 627)